LaserBond®

PRODUCTIVITY | INNOVATION | CONSERVATION

2025

Annual Report

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OPERATIONS - WHAT WE DO

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COMPANY SNAPSHOT

A market-leading specialist in surface engineering, developing and applying advanced technologies to extend the operating life of capital-intensive equipment across heavy industry. By reducing wear, downtime, and replacement cycles, LaserBond's solutions improve productivity, lower total cost of ownership, and contribute to more sustainable industrial operations through reduced material waste and energy use.

STRATEGIC GROWTH RECALIBRATION

In FY24, LaserBond outlined a geographic expansion strategy targeting domestic optimisation followed by staged international growth. In FY25, in response to global economic uncertainty the Company paused the US expansion. Current efforts are focused on enhancing domestic operations – including facility upgrades, process improvements, and workforce optimisation – to drive near-term growth and shareholder returns. The international trajectory remains an ambition, to be revisited as market conditions stabilise and domestic execution milestones are achieved.

Innovation sets us apart

PROPRIETARY TECHNOLOGIES

A consistent long-term investment in the development of new technologies to address market gaps and anticipate market demand has resulted in a significant and sustained competitive advantage.

AUSTRALIAN MARKET LEADER IN SURFACE ENGINEERING

As proprietary technologies are developed in conjunction with customers and tertiary research institutions, they are further adapted for a wider market and commercialised.

INDUSTRY REPUTATION

A widespread reputation for innovation and excellence based on our willingness and ability to develop solutions to difficult customer issues. We are also the industry partner of choice for several tertiary and research institutions.

KEY MILESTONES

- **1992** – Commenced operations as a Services business in NSW
- **1996** – In-House Laboratory, with scanning electron microscope
- **2001** – First LaserBond® cladding cell design, built & commissioned in-house
- **2007** – Successful IPO to become Publicly Listed
- **2008** – Commenced manufacturing of products for a global OEM
- **2013** – Expanded operations to South Australia
- **2017** – Commenced manufacturing LaserBond® branded products
- **2020** – Expanded operations to Victoria
- **2022** – Expanded operations to Queensland
- **2024** – Acquired a 40% stake in the Gateway Group, Perth WA
- **2025** – Expanded surface engineering offerings to Western Australia, through Gateway

FY25 PERFORMANCE SNAPSHOT

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ANNUAL FINANCIAL PERFORMANCE

REVENUE
3.6% growth on pcp
↑$43.48M

EBITDA
4.7% decline on pcp
↓$9.01M

NPAT
10.4% growth on pcp
↑$3.84M

EPS
5.7% growth on pcp
↑3.279 cps

HALF-YEARLY FINANCIAL PERFORMANCE

REVENUE
14.2% growth on 1H25
↑$23.18M

EBITDA
72.9% growth on 1H25
↑$5.72M

NPAT
169.5% growth on 1H25
↑$2.80M

EPS
152.0% growth on 1H25
↑2.39 cps

FINANCIAL POSITION

ROCE
for FY25
10.9%

ROE
for FY25
9.4%

Cash Flows from Ops
23.6% decline on pcp
↓$5.1 M

Working Capital
12.9% increase
↑15.1 M

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CHAIR'S LETTER

Dear Shareholder

I am pleased to present LaserBond's FY25 Annual Report. This year has validated our approach of making significant investments to position the business for accelerated growth.

Throughout the past two years, we have invested across every aspect of our operations. These commitments encompassed senior leadership recruitment, skilled workforce expansion, infrastructure enhancement, and technological advancement. While these expenditures initially affected our first-half profitability, the second-half turnaround demonstrates that our methodical approach has delivered the intended results.

Our second-half performance exceeded our own expectations, with revenue climbing 14.2% versus the first half, that followed directly through to improved net profit after tax . This shift reflects the successful integration of skilled labour recruited during 2024, improved efficiency across all locations, and the realisation of cost-optimisation initiatives launched earlier in the year. Our expanded team, now fully operational and productive, is delivering the performance improvements we anticipated when making these key investments.

Building our management team has been fundamental to our expansion strategy. During FY24, we appointed experienced professionals to essential positions including Head of Engineering, Chief Operating Officer, and Head of Sales. These additions have enhanced our operational strength and prepared us to take advantage of the substantial opportunities ahead.

The efficiency gains achieved through workforce expansion confirm our belief that investing in people creates the strongest foundation for growth.

Succession planning, which we highlighted at our previous Annual General Meeting, remains a part of our strategic roadmap. Wayne Hooper will transition from his CEO role on 1 September 2025, with Rob Freeman assuming leadership. Rob brings extensive experience spanning two decades across diverse manufacturing industries, including supply chain management, equipment maintenance, precision engineering, and renewable energy projects. Having previously consulted for LaserBond, Rob understands our business. Wayne will continue as Executive Director, providing an advisory role, bringing years of experience and technical knowledge to guide our new CEO. Whilst stepping away from day-to-day leadership, Wayne will support a smooth transition for the new CEO. This collaboration period of the retiring and new CEO allows the leveraging of perspectives, valuable insights and the navigation of major decisions around their combined experience and technical knowledge. Wayne's contribution to the business over the last 30+ years is immeasurable and the business is indebted to him.

STRATEGIC DIRECTION

While maintaining our commitment to international expansion, we prudently paused our planned US entry in April due to global economic volatility. This decision allows us to concentrate resources on domestic opportunities where we are already achieving excellent returns from recent investments.

Our Australian strategy advances through four fundamental pillars designed to deliver sustainable expansion and operational scale.

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We emphasise financial strength, efficiency, and resilience via continued infrastructure investment, system modernisation, process standardisation, and improved customer engagement approaches.

Our Gateway partnership, where we hold 40% ownership, has generated significant strategic benefits and established our presence in Western Australia's substantial market. The business expanded its operations from 15,000m^2 to 25,000m^2, incorporating our surface engineering capabilities and creating the national coverage that major customers increasingly demand.

INTRODUCTION OF SHORT-TERM AND LONG-TERM INCENTIVES

In FY25, the Board approved the implementation of a structured incentive framework comprising Short-Term Incentives (STIs) and Long-Term Incentives (LTIs) for Key Management Personnel and members of the broader leadership team. This initiative reflects our commitment to fostering a high-performance culture that rewards strategic execution, operational excellence, and long-term value creation.

The STI program is designed to drive accountability and agility by linking annual performance outcomes to clearly defined financial and operational KPIs. These include revenue growth, margin improvement, customer satisfaction, and team development ensuring that day-to-day decisions are aligned with our strategic priorities.

The LTI program complements this by focusing on sustained performance and shareholder value creation over a multi-year horizon. Equity-based awards under the LTI plan are contingent on achieving metrics such as, earnings per share growth, and return on capital employed. These metrics have been chosen because they are the product of decisions we control and they correlate strongly with returns for shareholders. Importantly both the STI and LTI programs require that the company meets minimum financial performance hurdles before management will earn a performance incentive.

Together, these incentive structures serve to:

- Attract and retain top-tier leadership talent in a competitive market
- Align executive performance with shareholder interests
- Promote a culture of ownership, accountability, and strategic focus
- Reinforce our commitment to transparent and responsible governance

The Board remains confident that these measures will strengthen our leadership capability and drive sustainable growth, while ensuring that executive rewards are directly tied to outcomes that matter most to our shareholders.

DIVIDEND

The Board has determined to pay a final dividend of 0.8 cents per share, bringing the full year's dividend to 1.2 cents per share.

After reducing our 2025 interim dividend to 0.4 cents per share, the Board considered our exceptional second half results, agreeing to return to our recent historical 0.8 cents per share. Since introducing our dividend reinvestment plan more than a decade ago, we have maintained a 5% discount. However, for our final 2025 dividend, this discount has been removed for the issue price under this DRP. We believe this better reflects the value of the Company whilst avoiding unnecessary dilution, in the short term, to non-participating shareholders. Our DRP terms and conditions, available on our website, remain in place, and the Board will consider the appropriate discount (if any) for future dividends.

LOOKING AHEAD

The significant investments over recent years have fundamentally repositioned LaserBond for accelerated expansion. These investments, requiring patience and discipline, have created a platform for sustainable growth that will benefit shareholders for years ahead.

Our modular laser cladding cell innovation represents breakthrough technology that can be built within three months and deployed across multiple applications. The first operational unit in Western Australia is generating revenue and enabling Gateway to expand beyond their traditional mining customers and into other markets.

We are well positioned to capitalise on growth opportunities ahead. Our strategy of disciplined investment, operational excellence, and customer-focused innovation provides a clear pathway to building LaserBond into a business of scale.

I extend my gratitude to shareholders for their continued confidence during this transformational period. I also thank my fellow Board members for their support during this time, and our entire team for their commitment to delivering excellence while building a stronger company.

We enter FY26 with confidence and a clear focused direction that maintains LaserBond's position as a global leader in surface engineering.

Philip Suriano

Chairman

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CEO'S REVIEW OF OPERATIONS

Dear Shareholder

FY25 marks a defining year for LaserBond, where strategic investments in FY24 and into FY25 began generating measurable operational and financial returns.

FINANCIAL AND OPERATIONAL PERFORMANCE

After the first half headwinds with OEM customer orders, LaserBond achieved solid financial results for FY25, with total revenues advancing 3.6% year-on-year to $43.5 million. Most notably, our second-half performance validated our strategic reinvestment approach.

Full-year net profit after tax was $3.8 million, representing a 10.4% improvement on the previous year. While annual EBITDA of $9.0 million was 4.7% below FY24, reflecting the significant investment that took place during this period, second-half EBITDA rose 72.9% compared to the first half, indicating strong operational momentum as we concluded the financial year.

Our second-half revenue of **$23.2 million was within our projected range of $22.2 million to $25.1 million**, while earnings before tax of $3.7 million exceeded our forecast range of $2.4 million to $3.1 million. This performance reflects substantial gross margin improvements driven primarily by improved productivity and cost-reduction measures implemented earlier in the year.

The Services division delivered positive results, with revenues 18.4% higher for the full year, resulting in a four-year compound annual growth rate of 24.2%. Second-half revenues rose 11.9% compared to the first half, supported by ongoing results from strategic initiatives including our Quick Response Team (QRT) approach, which has now been implemented across all locations.

The Products division faced challenges in the first half due to reduced demand from a major original equipment manufacturer (OEM). The rebound in the second-half performance was underpinned by a 34% lift in output, reflecting strong collaboration with our OEM partners to stabilise ordering patterns and support their own market growth. We anticipate steady order volumes throughout FY26, complemented by the launch of new LaserBond branded products, including critical components for the oil and gas sectors, adding to our growth momentum for our Products division.

The successful launch of our first modular laser cladding cell at the Gateway facility in Perth represents a significant milestone for the Technology division and LaserBond as a whole, demonstrating our ability to deliver innovative solutions with a unique value proposition. This innovation addresses market demand for shorter delivery times while broadening our applicability across diverse industrial sectors.

The Research & Development team achieved significant breakthroughs including a 60% increase in material application rates for certain applications, improving efficiency during laser cladding operations. New process research included exploring alternative laser sources, real-time process diagnostics to improve process efficiency, and sourcing high-quality yet cost-effective materials that contributed to the Company's improved second-half margins.

Our solutions continue attracting global manufacturers who recognise they cannot achieve comparable results elsewhere, supporting customer loyalty across international markets.

Our investment in Gateway has delivered substantial benefits, establishing a strong market foothold in Western Australia and providing LaserBond with a national footprint, which is assisting business development with new and existing large customers. While Gateway's revenues and earnings declined from the exceptionally strong FY24 performance, the business has positioned itself for future growth having completed a major investment program during FY25, including the expansion of its facility, and inclusion of LaserBond's surface engineering technology commissioned late in the year. Major OEMs are actively engaging with LaserBond's and Gateway's enhanced capabilities, indicating significant market potential as we leverage our combined national presence and technical expertise.

MARKET POSITION

LaserBond has maintained strong relationships with major customers through heightened sales efforts and customer engagement at the national level. Our QRT initiative has proven particularly effective, with successful implementation across all facilities improving customer satisfaction and operational efficiency.

Business development activities continue expanding both our customer base and industry penetration, with the combination of technical innovation and customer-focused service delivery strengthening our competitive position. Our ability to serve international customers without yet establishing additional overseas infrastructure demonstrates the effectiveness of our operations while maintaining global market access.

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OUR TEAM

The solid performance in FY25 is a consequence of the drive and determination of the skilled LaserBond team under the guidance of our leaders.

The development of the skills of our team members and our culture are critical to achieving the company's aims to deliver sustainable and ongoing growth for all our stakeholders: customers, shareholders and employees, as well as the public.

Investing in the learning and development of our team remains a focus of the organisation. We currently have 30 interns, trainees and apprentices in formal training amongst our 160 employees and provide leadership training and development for existing and future leaders.

OUTLOOK

LaserBond enters FY26 with strong operational momentum and a platform for sustained growth. The benefits of our strategic investments are now evident across all divisions, driving improved productivity, restored margins, and strengthened customer relationships. With ongoing growth of our services division, steady order volumes expected from key global OEMs, expansion of LaserBond-branded product offerings, and further deployment of our modular laser cladding cell technology, we see significant opportunities for both domestic and international growth. Our investment in Gateway and the successful introduction of LaserBond technology into its operations provide an enhanced national footprint and open new market segments, while R&D advancements will continue to feed innovation across our services, products, and technology offerings.

The year ahead will see continued focus on operational efficiency, disciplined capital deployment, and leveraging our technical expertise to capture growth in both core and adjacent markets. With demand across mining, energy, and other industrial sectors showing resilience, the growing need for sustainability within industry and our diversification initiatives progressing, LaserBond is well positioned to deliver long-term value for shareholders.

CLOSING THANKS

On behalf of the Board and management team, I extend my sincere thanks to our employees for their dedication, skill, and commitment to excellence, which underpin everything we have achieved this year and in previous years. I also thank our customers and partners for their trust and collaboration, and our shareholders for their ongoing support and confidence in our strategy. We look forward to building on the momentum achieved in FY25 and delivering another year of progress in FY26 and beyond. The foundations we have built, the team we have assembled, and the strategy we have implemented provide a platform for achieving our vision of becoming an enterprise of scale.

Wayne Hooper

Chief Executive Officer and Executive Director

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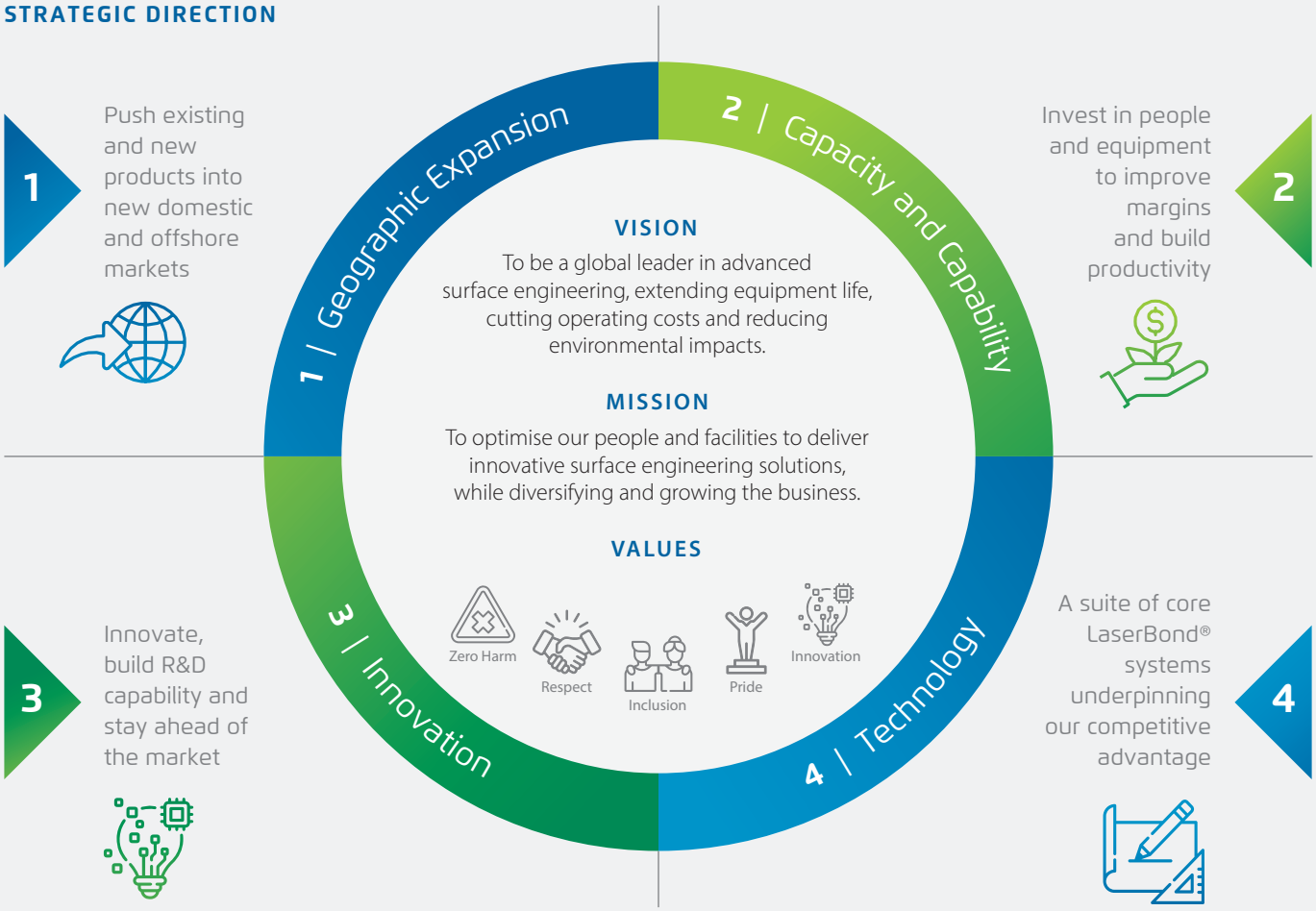
STRATEGIC UPDATE

STRATEGY UPDATE

As announced on 10 April 2025, LaserBond has temporarily paused its US expansion plans to prioritise domestic growth opportunities. This decision reflects broader global economic conditions and enables the Company to focus resources on operational execution in Australia, while continuing to support existing international customers.

Recent investments in domestic facilities are progressing as planned. Equipment upgrades and infrastructure improvements across multiple sites are contributing to increased production capacity and reduced lead times.

STRATEGIC DIRECTION



LaserBond continues to progress its strategy under four core pillars, focused on delivering sustainable growth and operational scale. The strategy prioritises financial performance, efficiency, and resilience.

Key areas of focus include:

- Ongoing investment in infrastructure,
- System modernisation and process standardisation,
- Enhancements to commercial and customer engagement models, and
- Development of tailored surface engineering solutions.

Workplace safety and development remain central to operational planning. Initiatives under the Company's Zero Harm framework and internal training programs are being maintained as operations expand.

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STRATEGIC PILLAR PROGRESS

1 Geographic Expansion

The Company is concentrating expansion efforts within Australia. In Western Australia, the Gateway facility has been expanded from 15,000m^2 to 25,000m^2, enabling the introduction of new surface engineering capabilities, including modular cladding and thermal spray technologies. LaserBond continues to supply international customers without establishing additional offshore infrastructure.

2 Capacity & Capability Enhancement

Investments in personnel and equipment continue across sites. The Quick Response Team (QRT) model, first launched in Queensland, has been implemented nationally. Second-shift operations are in place at selected facilities. A new Queensland site has been identified to support future demand.

3 Innovation Leadership

The Company maintains R&D partnerships and continues standardising operational processes across its network. Cost control and process efficiency initiatives are underway to support margin stability and consistent delivery performance.

4 Technology Integration

Development of modular surface engineering systems is ongoing. The first modular laser cladding system has been installed in Western Australia. These systems are intended to improve delivery timeframes and broaden applicability across sectors such as oil & gas, alumina, agriculture, and heavy transport.

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OPERATING AND FINANCIAL REVIEW

Group Financial Performance

Targeted investments made throughout FY24 to advance our strategic objectives had a short-term impact on financial performance in the first half of FY25. These investments were essential to building the foundations for future growth – particularly by lifting productivity, increasing resource utilisation across all facilities, and supporting our sales and R&D strategies aimed at broadening customer engagement and industry reach.

FY25 RESULTS	2025	% change	2024
Revenue from continuing operations	$43.48M	↑ Up 3.6% from	$41.98M
EBITDA	$9.01M	↓ Down 4.7% from	$9.45m
EBIT	$5.81M	↓ Down 2.4% from	$5.96M
Net profit before tax	$4.99M	↓ Down 3.4% from	$5.16 M
Net profit after tax	$3.84M	↑ Up 10.4% from	$3.48 M

KEY POINTS

REVENUE PERFORMANCE

↑$43.48M
representing
3.6% growth on pcp

NPAT PERFORMANCE

↑$3.84 M
representing
10.4% growth on pcp

OPERATIONAL SUCCESSES

- 18.4% Services revenue growth on pcp
- Recently onboarded skilled staff becoming fully integrated and effective throughout the second half, after initial training and development. Additionally, cost-optimisation measures implemented earlier in the year began to deliver tangible benefits in the second half.
- Fully commissioned, revenue-generating modular LaserBond® laser-cladding cell for the Gateway Group in Perth.
- During the second half, all facilities (NSW, Qld, SA and Vic Products & Services segment) achieved record months for production output. This was off the back of the additional capability and capacity utilisation achieved after recently on-boarded skilled staff became productive across multiple shifts.

FY25 HALF-ON-HALF RESULTS

Confident in a stronger second half, the Company issued revenue and net profit before tax guidance for the January to June 2025 period.

	2H25	% change	1H25
Revenue from continuing operations	$23.18M	↑ Up 14.2% from	$20.30M
EBITDA	$5.71M	↑ Up 72.9% from	$3.30m
EBIT	$4.08M	↑ Up 134.5% from	$1.74M
Net profit before tax	$3.66M	↑ Up 175.8% from	$1.33M
Net profit after tax	$2.80M	↑ Up 169.5% from	$1.04M

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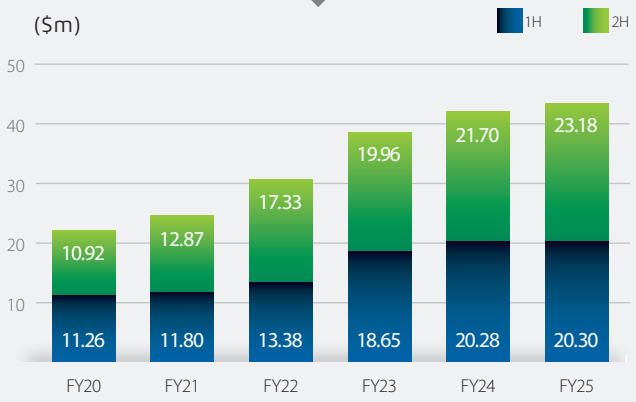
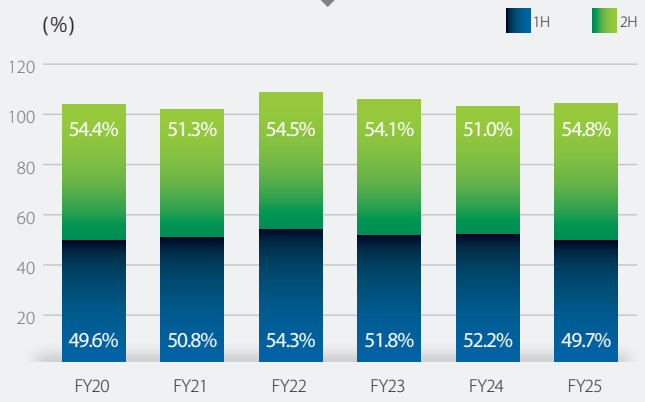
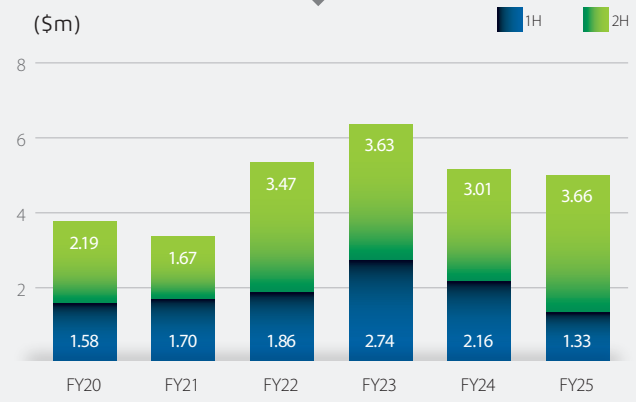
REVENUE



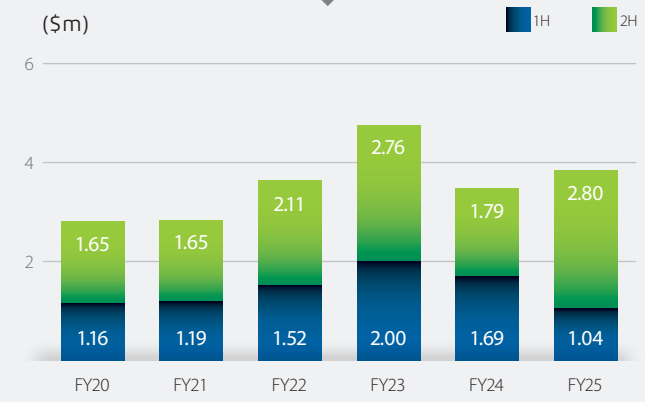
GROSS PROFIT MARGIN



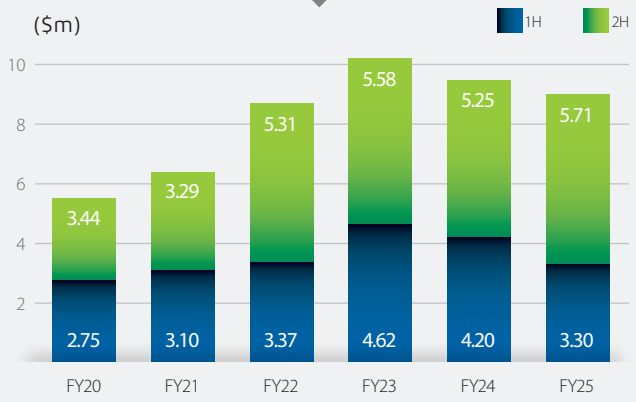
PROFIT BEFORE TAX



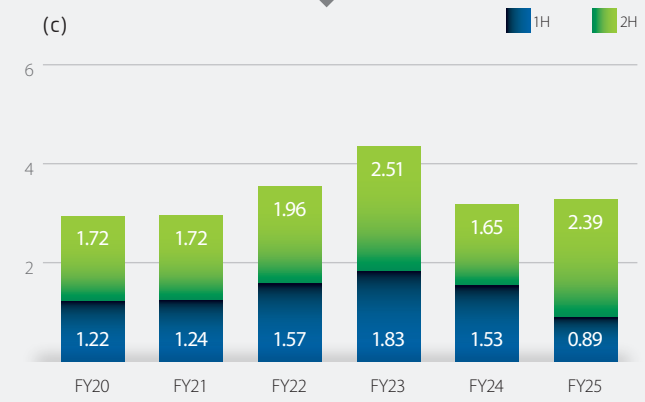
PROFITS AFTER TAX



EBITDA



EARNINGS PER SHARE



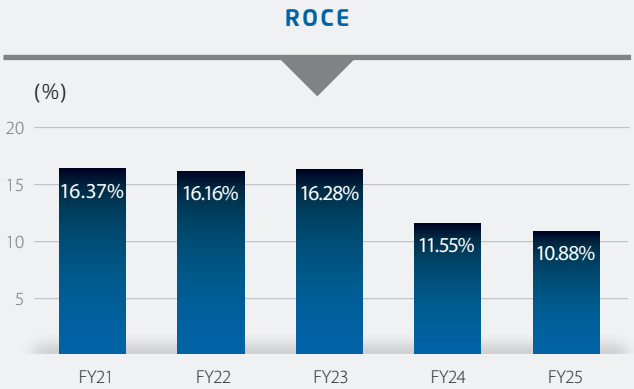
OPERATING AND FINANCIAL REVIEW (continued)

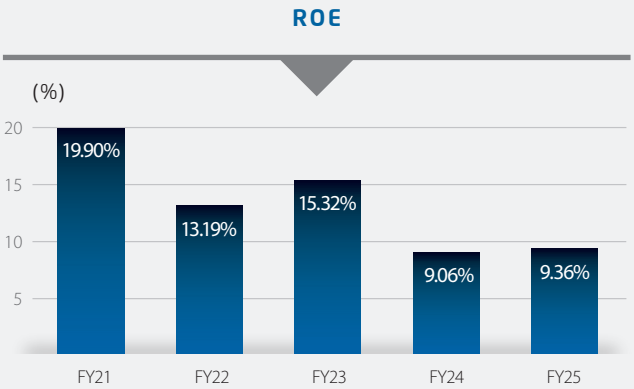
Group Financial Position

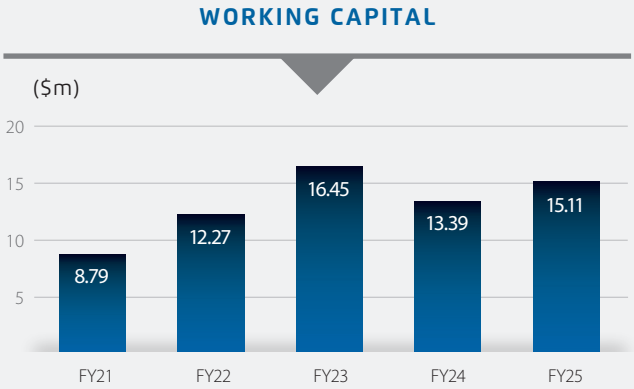
The balance sheet continued to strengthen, with low gearing and a growing equity base supporting the Company's growth strategy. Total assets increased to $62.9 million, up 3.3% on the prior corresponding period (pcp), driven by a 10.5% increase in current assets to $24.5 million. This growth reflected a stronger second half revenue performance and the resulting increase in trade receivables, partially offset by lower inventories following enhancements to lean inventory management processes. These improvements have further supported accurate demand forecasting and responsiveness to customer needs.

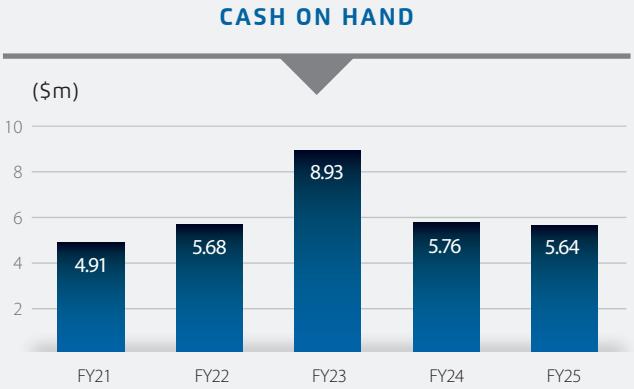
Total liabilities decreased by 3.5% to $21.8 million, primarily due to reducing financial liabilities. Working capital strengthened by 12.8% to $15.11 million, reflecting the benefits of strategic investments in FY24 to expand capacity, improve capability utilisation, and strengthen leadership. While below the peak of $16.45 million in FY23, the improvement demonstrates a clear return on these investments, particularly in the second half of FY25.

Return on capital employed (ROCE) remained steady at around 16% between FY21 and FY23 before easing in FY24 and FY25 as capital was employed into growth initiatives. On an annualised basis, the second half FY25 ROCE improved to 15.3%, reflecting stronger profitability and more efficient use of capital. Return on equity (ROE) followed a similar trend, with the annualised second half FY25 ROE rising to 13.7%, signalling improved shareholder returns as recent investments began to generate earnings.









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Services Division Performance

The Services Division offers customers reclamation of worn industrial components using LaserBond® cladding and thermal spraying, as well as high-capacity welding, machining, and heat treatment. This provides a complete service suite, thereby extending the service life of plant and equipment by between 5 and 10 times.

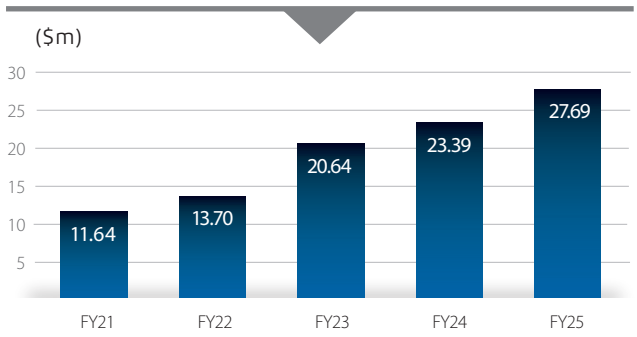
Revenue from the Services Division achieved a healthy increase, culminating in a four-year compound annual growth rate of 24.2%. The 18.4% increase in full-year revenue was supported by continuing results from strategic initiatives including:

- Success of our Quick Response Team initiative introduced initially in Queensland and recently expanded across all facilities.
- An increase in resource utilisation with impact from the skilled workers introduced between June and October 2024, and the introduction of additional shifts across all facilities.
- Continuing business development activities to broaden both customer and industry spending, supported by our R&D team with the development of further applications.

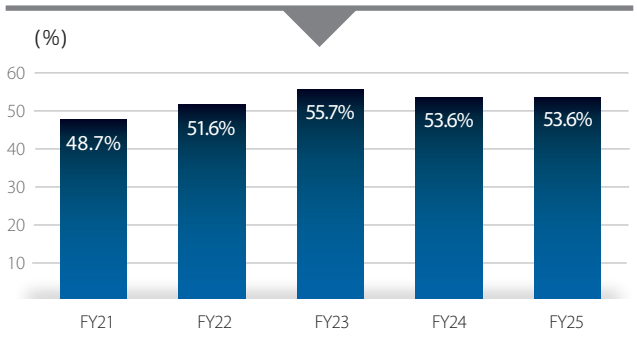
In our December 2024 half-year report, we provided revenue guidance that our Services division would maintain historical growth rates throughout the second half. This expectation was achieved, with capabilities and capacity across all sites putting us in a strong position to continue these growth rates.

By the second half, our Services division achieved gross profit margins in line with the pcp, reflecting stronger utilisation of resources and improved operational efficiency. This followed the integration of additional equipment and personnel, as well as the delivery of a comprehensive learning and development program initiated in FY2024. While these investments initially reduced gross profit margin to 50.8% in the December 2024 half, their benefits began to flow through in the second half, supporting a recovery in margin performance. With strong revenue momentum, restored profit margin performance, and expanded capabilities across all facilities, the Services division is well positioned to sustain its growth trajectory, while continuing to deliver high-value, life-extending solutions for our customers.

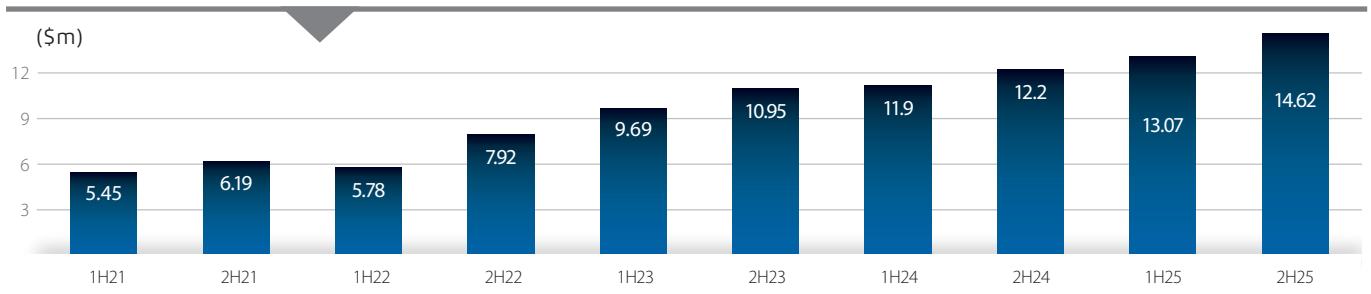
SERVICES REVENUE BY YEAR



SERVICES GROSS PROFIT MARGINS



SERVICES REVENUE BY HALF



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OPERATING AND FINANCIAL REVIEW (continued)

Products Division Performance

The Products Division manufactures parts and products incorporating LaserBond® cladding applications, such as steel mill rolls, rotary feeders and a range of OEM consumables required by customers spanning the breadth of heavy industries.

Our Products Division has enduring relationships with several global OEMs, including collaborative partnerships spanning more than three decades. In recent years, some of these customers have experienced disruptions and operational changes, creating challenges in demand forecasting and resulting in uneven ordering patterns. This contributed to lower demand for products during the first half of FY25.

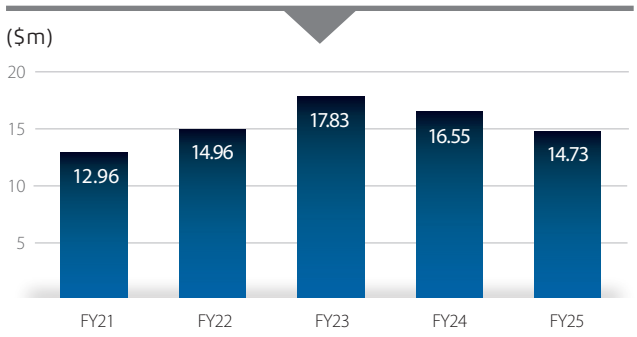
In the second half, output for products increased by 34.2% compared to the first half, supported by strategies implemented by, and with, OEM customers to restore normal ordering levels and expand their own sales. This recovery drove higher revenue volumes for the division in 2H25. We expect these global OEMs to maintain their FY25 order levels throughout FY26, with additional growth anticipated from new LaserBond branded products, including critical components for oil and gas.

In our December 2024 half-year report, we provided revenue guidance that our Products Division would achieve limited growth throughout the second half. This expectation was exceeded, with our global OEMs providing strong orders throughout the period.

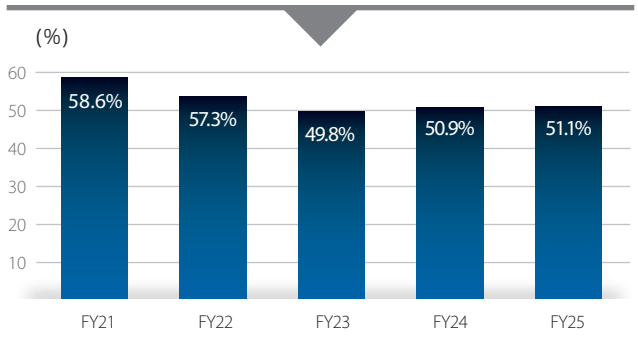
By the second half, the Products division delivered gross profit margins consistent with the pcp, underpinned by a rebound in order volumes from global OEM customers and gains in operational efficiency. The second-half performance reflected the impact of improved resource utilisation and the operational benefits from recent equipment and personnel additions. While gross profit margins had eased to 48.6% in the December 2024 half due to lower order intake and the short-term costs of investment, the stronger demand and efficiency improvements in the second half supported a strong recovery in margin performance.

With order volumes restored in FY25, margin performance recovered from the order volumes and a pipeline of new LaserBond branded products ready for market, this division enters FY26 well positioned to continue growth. Strong collaborative relationships with OEMs, built over decades, combined with operational efficiencies and product innovations, provide a solid foundation for continued expansion, particularly internationally.

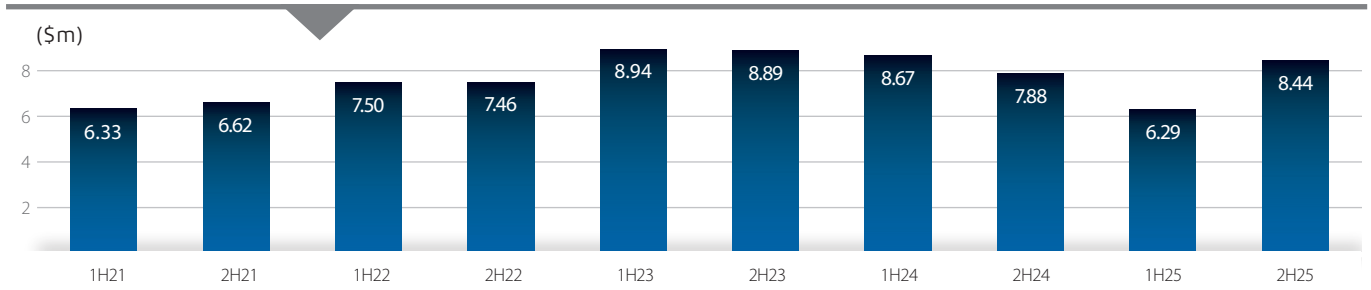
PRODUCTS REVENUE BY YEAR



PRODUCTS GROSS PROFIT MARGINS



PRODUCTS REVENUE BY HALF



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Technology Division Performance

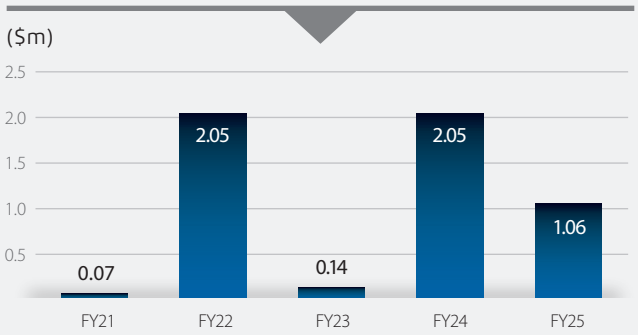
The Technology Division offers LaserBond® cladding technology for customer use under long-tail licensing agreements that cover equipment supply, technology usage, and the supply of associated consumables.

During the second half of FY25, LaserBond delivered its first modular laser cladding cell, on arm's length commercial terms, to the Gateway Group, with laser cladding revenue generated in Perth from June 2025.

With the successful design of our modular LaserBond® laser cladding cells, and the successful commissioning within the Gateway Group, our modular cell technology has become market ready. Our Projects team is now focused on delivering:

- **LaserBond internal cells:** continuing to introduce modular cell technology, including ease of programming, across all company facilities, with our priorities for FY26 including a fully-integrated solution to replace the first LaserBond® laser cladding cell built and commissioned more than 24 years ago in 2001. Whilst this cell continues to be productive, generating a significant return on investment over its lifetime, it utilises dated technology and is becoming increasingly expensive to maintain. A second priority this year is a fully-integrated solution for of our Queensland facility relocation, expected late 2H26. Partial upgrades to other cladding cells in NSW, SA, and Victoria are also planned, focusing on some mechanical and programming upgrades to improve operational productivity across all facilities.
- **External cells under license:** with our modular cladding cells now proven market-ready, in August 2025, LaserBond signed a new licensing agreement with a global manufacturer of equipment for earthmoving and mining equipment. The equipment sale, worth $2.3 million will be recognised in FY26, with the terms of the agreement provided support fees on request at fixed rates and the exclusive use of LaserBond consumables sold to the licensee over the term of the agreement.

TECHNOLOGY REVENUE BY YEAR



LaserBond® modular laser cladding cell

OPERATING AND FINANCIAL REVIEW (continued)

Research and Development Division Update

Consistent with the third tenet of its strategy – innovate, build R&D capability and stay ahead of the market – LaserBond has pioneered the advancement of surface engineering for decades, investing in solutions to customer-specific and industry problems. As a result of this innovation, it is the only business of its type in Australia with any substantive level of sophisticated proprietary technology.

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Throughout FY25, our R&D team expanded by one additional staff member to support future growth outcomes. Strategic objectives for the year focused on three key areas:

- **New Processes:** researching into alternative laser sources to enhance current applications, and the development of real time process diagnostic tools, to improve cladding process efficiencies.
- **Process Improvements:** achieved a 60% increase in material deposition rates for a specific application, significantly improving productivity in laser cladding, alongside continued evaluation of alternative laser sources to support evolving technology needs.
- **New Applications:** progress multiple initiatives, including but not limited to:
  - Developing novel coatings to provide cost-effective solutions to existing applications, expanding wear and corrosion resistant applications, broadening the range of materials for use.
  - Advancing near net shape coatings for both thermal and laser cladding applications, aimed at reducing materials usage, including waste, increasing production efficiencies across the surface engineering and finishing operations, and further strengthening competitive advantage.
  - Enhancing the capability for laser cladding of internal diameters to open new business opportunities.

The improved profitability reported in the second half of FY25 was also supported by activities by R&D in FY24, focused on sourcing highest quality, cost-effective materials to deliver optimal results for customers at the best possible price.

We look forward to building on these enhancements in FY26, with a focus on converting R&D outcomes into commercial solutions that enhance our product offering, strengthen our competitive position and deliver greater value to our customers.

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Investment in the Gateway Group, Perth WA Update

Gateway provides refurbished components, including hydraulics, powertrain parts, and attachments. LaserBond acquired 40% of the business during FY24.

Gateway's net profit after tax contribution to LaserBond's FY25 results was $0.74 m. While FY25 revenue and profit declined from the exceptionally strong FY24 performance (which benefitted from a major project completed early in FY25), results remained well above FY23 levels.

NET PROFIT AFTER TAX

$0.74M

Gateway's contribution to LaserBond's FY25 results

The FY25 operating environment presented mixed conditions. A slowdown in the lithium sector and geopolitical uncertainties impacted customer confidence, while the iron ore sector maintained strength. Gateway responded proactively to these challenges by diversifying its customer base, securing new relationships that are expected to drive growth.

The strength of the gold sector provides optimism for the year ahead, as sustained equipment utilisation creates ongoing demand for maintenance and refurbishment services.

Gateway completed a significant investment program during FY25, expanding its facility from 15,000m^2 to 25,000m^2 to support future growth. Key investments included new machinery installations, with final equipment becoming operational by November 2025, enhanced workforce capabilities through additional staff and training programs, and the introduction of LaserBond's surface engineering applications, with the first modular laser cladding cell now operational and generating revenue. The cell represents a strategic milestone, enabling Gateway to expand beyond its traditional mining customer base into oil and gas, agriculture, and future wind turbine markets.

Additional growth initiatives include qualification as a tube welding supplier and expansion into mining services, including site maintenance responsibilities.

Gateway's integration has established LaserBond's national presence, which has been positively received by major customers seeking suppliers with comprehensive geographic coverage. Large original equipment manufacturers (OEMs) are actively engaging with

Gateway's enhanced capabilities, indicating significant market opportunity ahead.

With expanded facilities, new capabilities, and entry into additional markets, Gateway is positioned for a step-change in diversification. Backed by strong customer engagement and LaserBond's national footprint, the business is well set to capitalise on sector opportunities and deliver future sustained growth.

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SUSTAINABILITY REPORT

Environmental, Social & Governance

We ensure all aspects of the business meet the expectations of modern corporate governance, our impact on all stakeholders, and scalable, sustainable operations.

This includes:

- Empowering a capable leadership team with clear accountability;
- Embedding a culture of continuous improvement and innovation at all levels;
- Operating within a framework of delegated authorities and strategic oversight; and
- Ensuring the safety and capability of employees to lead within their remits.

This focus is about continually strengthening our operational effectiveness, building resilience and future-readiness in the business and its people. One of the Company's core values is 'Zero Harm.' We believe that the health and safety of our people and a sustainable environment are the first priorities for everyone.

COMMITMENT TO SUSTAINABILITY

LaserBond is committed to embedding environmental, social, and governance (ESG) considerations into all aspects of our business. We continually improve our decisions and policies to support long-term sustainability outcomes for all stakeholders, including employees, customers, suppliers, and research partners.

Our technologies extend the life of industrial components, significantly reducing material consumption, energy use, and emissions. This approach supports circular economy principles and enables our customers to reduce waste and operational downtime, while contributing to broader environmental objectives shared across our value chain.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

SUSTAINABILITY DISCLOSURE STANDARDS

Reporting against the new sustainability disclosure (SASB) standards do not become an obligation for the Company until the first annual reporting period commencing 1 July 2027. The Company is committed to progressively reporting against these standards each reporting period up to the 2028 financial year.

INDUSTRY CLASSIFICATION AND METRICS

As per the Sustainable Industry Classification System, part of the Sustainable Accountability Standards, LaserBond is classified under 'Industrial Machinery & Goods'. The relevant disclosure topics for this industry classification include:

(a) Energy Management

Energy is a critical input in the Company's technologies and application process. The Company currently only grid-sources electricity at three of our sites, with alternative energy, through installed solar panels at our current Bethania, Queensland premises. Electricity, however, does not account for a large part of the Company's costs. For FY2025, electricity costs were 1.2% of the total group reported revenue (1.1% FY2024). The table below sets out the quantities of electricity purchased during FY25 and FY24.

(b) Workplace, Health & Safety

The Company is committed to maintaining the highest levels of safety for our people, including managing psychosocial risks and fostering mentally healthy workplaces. The Company's main risk is exposure to heavy machinery and moving equipment, among other things. Our safety culture is critical to proactively mitigating safety incidents. Our WHS risk is managed through strong safety protocols, certified safety management systems and processes, and continually promoting workplace safety culture throughout the organisation.

Electricity Purchased (gigajoules or GJ)	Portion by Area	FY25	FY24	Change
Smeaton Grange, NSW	66%	4,913.7	5,268.8	
Bethania, Qld	6%	449.2	321.9	
Cavan, SA	11%	854.1	857.2	
Altona, Vic	17%	1,266.3	1,079.8	
Group	100%	7,483.4	7,527.6	(0.6%)

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Since its inception in 1992, the Company has had zero serious injuries.

Metric	FY2025	FY2024
Fatality Rate	0.0	0.0
Total Recordable Incident Rate (TRIR)	9.5	10.8

(c) Fuel Economy & Emissions

The industry classification metrics require reporting against fuel emissions and efficiencies for stationary generators, non-road equipment, and medium- and heavy-duty vehicles. The Company does not currently use any of these.

(d) Responsible Sourcing

Supply chain risks may exist when the Company uses critical materials for which there are few or no available substitutes, and many are sourced in only a few countries that may be subject to geopolitical uncertainty. The Company's main sourcing needs include raw materials for our products and metal powders used during surface engineering applications.

Part of our Research & Development team's core responsibilities are researching and qualifying the performance of alternate suppliers for all critical materials. These sourcing activities aim to reduce supply chain risk and ensure that materials sourced are of the highest quality at the best price to remain competitive.

(e) Remanufacturing Design & Services

LaserBond's core business mitigates the impact of our customer's operations on the environment, improving their sustainability performance. We facilitate the circular economy by enabling components to be reclaimed and further reducing scrap by ensuring longer service life from wearing components. Increasing wear life reduces the need for additional manufacturing and scrapping of worn components, associated energy usage, carbon emissions and waste.

The Company's services segment, which offers the reclamation of worn industrial components using LaserBond® cladding and thermal spraying, as well as high-capacity welding, machining, and heat treatment, is largely remanufacturing services. The sustainability standard classifications define remanufacturing services as 'repairing, restoring or remanufacturing end-of-lie goods to original working condition'. For FY2025, our reclamation of worn industrial components revenue represented 59.0% of total reported revenue (FY24: 50.0%).

SOCIAL

LaserBond's success since its inception in 1992, and our strategic plans for the future, would not be possible without the knowledge, experience and energy of our employees. Our core values of Zero Harm, Respect, Inclusion, Pride and Innovation support our purpose and strategy. We want every employee to feel valued, safe and included, striving to provide a diverse work environment and promote a culture of respect.

LaserBond Ltd is an equal employment opportunity employer that values and promotes diversity. Diversity encompasses age, gender, ethnicity, physical abilities, religious beliefs, language, political beliefs, sexual orientation, etc.

The Company believes that by bringing together people from diverse backgrounds who contribute based on their skills, experiences, and perspectives, we can deliver the best value and sustainability for LaserBond and its shareholders.

LaserBond's approach to ensuring diversity within the Company is based on the following objectives:

a. Promoting a culture of diversity amongst employees.

b. Elimination of any barriers to achieving a diverse workplace.

c. Ensuring all recruitment and selection processes are based on merit alone.

d. Providing opportunities for development to all employees to enhance productivity and build teams with a balance of skills, experience, and perspectives.

e. Rewarding and remunerating fairly.

f. Promoting flexible work practices that balance each employee's personal situation or needs with the needs of the Company.

The Board reviews these objectives and assesses the performance against them annually and ensures they remain current and have been achieved to the levels desired at this date. Individual divisions may also set measurable objectives relevant to their operating contexts.

One of the challenges for gender diversity stems from the fact that almost all of LaserBond's workforce is employed in skilled metals engineering positions (including apprenticeships and trainees). Unfortunately, these positions rarely attract female applicants. The Company, however, continues to encourage female applicants to apply to redress this situation. In addition, diversity throughout the Company (including improving gender diversity balance) will remain a focus.

GOVERNANCE

The Company is committed to establishing and maintaining an appropriate framework of rules, relationships, systems and processes within and by which authority is exercised and controlled. This is in line with the ASX Corporate Governance Principles and Recommendations, promoting investor confidence in achieving good governance outcomes and meeting reasonable expectations of investors.

Whilst the ASX principles and recommendations are a matter for the Board, the Company is committed to meeting all obligations, subject to the size, complexity, history and corporate culture of the business. Please refer to the Corporate Governance Statement at http://www.laserbond.com.au/investor-relations/governance-statement.html for further information.

Director's Report

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START OF THE DIRECTOR'S REPORT

The directors present their report together with the financial statements of LaserBond Limited for the financial year ended 30th June 2025.

PRINCIPAL ACTIVITY

LaserBond is a specialist surface engineering company that focuses on developing and applying materials, technologies and methodologies to increase operating performance and wear life of capital-intensive machinery components. Within these industries, the wear of components can have a profound effect on the productivity and total cost of ownership of their capital equipment. As almost all components fail at the surface due to material removal through abrasion, erosion, corrosion, cavitation, heat and impact, and any combinations of these wear mechanisms, tailored surface metallurgy will extend its life and enhance its performance.

LaserBond operates from facilities in New South Wales, Queensland, South Australia, and Victoria.

REVIEW OF OPERATIONS & FINANCIAL RESULTS, EXPLANATION OF RESULTS AND OUTLOOK

Please refer to the CEO's Review of Operations from page 8.

DIRECTORS AND COMPANY SECRETARY

Details of the Company's directors who have held office during the current financial year are:

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CURRENTLY HOLDING OFFICE)

Philip Suriano BBus GAICD – *Chairman / Non-Executive Director, Audit, Risk, Nomination and Remuneration Committee member*

Philip's professional career spans corporate banking, finance and media. He commenced his career in corporate banking with the Commonwealth Bank (formerly the State Bank of Victoria). Philip then moved across into the Australian media industry, working in roles spanning operations, sales and marketing with Network Ten in Melbourne, followed by an in-house marketing/sales role within the Victor Smorgon Group before moving to Sydney as the National Sales Director at MCN (the sales and marketing arm of Foxtel). Since then, Philip has held various board roles for the last 17 years in corporate advisory/finance.

Ian Neal BCom Sf Fin – *Non-Executive Director, Audit, Risk, Nomination and Remuneration Committee member*

Ian specialises in working with medium sized businesses as a Director or advisor helping them design and implement growth strategies. His professional background is in financial markets, commencing as an equities analyst and moving to various banking positions until establishing Nanyang Ventures. Ian was a Chairman for The Executive Connection (Vistage) from 2006-2024, where he mentored CEOs and business owners on the challenges of growth. He is a life member of the Financial Services Institute of Australia, a previous National President of the Securities Institute of Australia, and a member of the first Corporate Governance Council that established the Corporate Governance Guidelines. Ian was a director of Prime Media Group Ltd from July 2008 to May 2021. He holds a Bachelor of Commerce and a Graduate Diploma from the Securities Institute of Australia.

Dagmar Parsons GAICD – *Non-Executive Director, Audit, Risk, Nomination and Remuneration Committee member*

Dagmar has worked with major national and multinational entities in senior executive and non-executive director positions, driving critical market success by providing strategic direction, visionary leadership, and innovative thinking. As a mechanical engineer, she has an in-depth knowledge of engineering, manufacturing, construction and service industry environments in the infrastructure, oil and gas, power, paper and steel sectors. Dagmar has considerable experience in transforming and growing complex businesses across diverse corporate, operational, and entrepreneurial roles in Australia, Asia and Europe. Ms Parsons is the Non-Executive Chairman of Advanced Braking Technology Limited [ASX:ABV] and a Non-Executive Director of Gateway Equipment Parts & Services Pty Ltd. She holds Masters Degrees in Mechanical Engineering and Environmental Engineering Technologies, and a Masters in Business Administration.

Director	Position Held	In Office Since
Philip Suriano	Chairman / Non-Executive Director	6 May 2008
Ian Neal	Non-Executive Director	9 May 2022
Dagmar Parsons	Non-Executive Director	30 January 2023
Wayne Hooper	CEO / Executive Director	21 April 1994
Matthew Twist	CFO / Executive Director	30 June 2020
Matthew Twist	Company Secretary	30 March 2009

DIRECTORS' REPORT

Wayne Hooper GAICD – *Executive Director, Chief Executive Officer*

Wayne is a professional engineer with more than 40 years of diverse management and technical experience. His background spans engineering design, maintenance, contracts, large engineering project management and financial analysis, beginning in the electricity generation sector and extending to FMCG production and high-volume manufacturing. Prior to joining the Company in 1994, Wayne held senior marketing roles in the building products manufacturing industry. Since the company's infancy, Wayne has had a hands-on role in driving its growth and adoption of technology. As CEO, Wayne utilises his experience, engineering expertise, financial insight, and effective communication to lead the Company. He is a graduate of the Australian Institute of Company Directors and holds degrees in science, engineering (Honours Class 1), and an MBA.

Matthew Twist GIA (Cert) – *Executive Director, Chief Financial Officer and Company Secretary.*

Matthew Twist studied Commerce, becoming a highly experienced management accountant who provides financial expertise and insights at all business levels to support best practice decision-making, strategic formulation, and financial and operational control systems development in manufacturing. He believes in the power of information, focusing on data integrity and availability to proactively influence business performance. Matthew has been the Company's Chief Financial Officer since March 2007, was appointed Company Secretary in March 2009 and an Executive Director in June 2022. Matthew has a Certificate in Governance Practice and is an affiliated member of the Governance Institute of Australia. He is also a Justice of the Peace in New South Wales.

REMUNERATION REPORT

The directors present the LaserBond Limited 2025 remuneration report, outlining key aspects of our remuneration policy, framework, and remuneration awarded this year. The report is structured as follows:

a. Key management personnel (KMP) covered in this report.
b. Conflicts of Interests or Duties.
c. Director Independence.
d. Remuneration policy and link to performance.
e. Elements of Remuneration.
f. Link between remuneration and performance.
g. KMP remuneration.
h. Contractual arrangements for executive KMP's.
i. Non-executive director arrangements.

(a) Key management personnel (KMP) covered in this report

All directors of the Company and the Company Secretary are considered key management personnel (KMPs) for the management of its affairs and are covered by this report.

(b) Conflicts of Interest or Duties

No directors have external interests that place that person in a position to be influenced or appear to be influenced by their private or other interests when conducting their duties for LaserBond. This ensures all directors always:

a. Exercise their powers and discharge their duties with reasonable care and diligence.
b. Act in good faith in the Company's best interest or for a proper purpose.
c. Not use their position to obtain an advantage for either themselves or a third party or cause detriment to the Company.
d. Not improperly use information gained through their position as a director to obtain an advantage for either themselves or a third party or to cause detriment to the Company.

(c) Director Independence

The Board has adopted a definition of independence that sets out the interests and relationships to be considered when assessing each director's independence. Each Director assesses this independence upon appointment and annually through a testimonial.

The Company is committed to maintaining an appropriate level of independent and executive directors, ensuring a majority of independent directors. The value of executive directors for the company is their deep understanding of the business, ensuring the Board is informed of important issues. The current executive directors have:

a. A deep knowledge of the business, its strategy and direction.
b. A deep knowledge of the industry and competitive pressures.
c. Critical technical expertise.
d. Greater access to company information than the non-executive directors.

The independence assessment guidelines are set based on the ASX Corporate Governance Principles and Recommendations:

a. Is, or has been, employed in an executive capacity by the business, and there has not been a period of at least three years between ceasing such employment and serving on the board, receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the business.

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b. Is or has been within the last three years a principal of a material customer, supplier, subcontractor, professional adviser, or consultant to the Company, or has an indirect association with same.

c. Is, represents, or has been a substantial shareholder within the last three years or associated directly with a substantial shareholder.

d. Has close personal ties with any person who falls within any of the categories described above, or

e. Has been a director of the entity for such a period that their independence from management and substantial shareholders may have been compromised.

The existing non-executive directors, based on this assessment, continue to be deemed independent.

(d) Remuneration policy and link to performance

Remuneration levels are reviewed annually by the Board through the Remuneration Committee aiming to ensure that remuneration practices are:

a. Competitive and reasonable, enabling the Company to attract and retain key talent,

b. Aligned to the Company's strategic and business objectives and the creation of shareholder value,

c. Transparent and easily understood, and

d. Acceptable to shareholders.

The remuneration committee assesses performance against KPIs and has adopted STI polices from 2025 and LTI policies from 2026. To assist in this assessment, the committee reviews detailed reports on performance from management and external market trends.

(e) Elements of Remuneration

a. Fixed Remuneration

Key management personnel receive their fixed remuneration in cash or cash with non-monetary benefits such as motor vehicle allowances. This is reviewed annually, benchmarking against market data for comparable roles of companies in a similar industry and/or similar market capitalisation. The Board aims to position executives and key management personnel at or near the median, with the flexibility to consider capability, experience, value to the Company and performance of the individual.

DIRECTORS' REPORT (continued)

b. Tax-Exempt Employee Share Plan (ESP)

The Company has an existing ESP, which was last approved by shareholders at the 2024 Annual General Meeting. Eligible persons are entitled to up to $1,000 of fully paid ordinary shares annually. Eligible persons are full- or part-time employees of the Company, Australian residents for tax purposes, and have been directly employed for at least 36 continuous months. Non-executive directors and Executive Directors who are substantial shareholders or any employee who participate in any other form of non-cash incentive are ineligible from being a participant.

c. Short-Term Incentives (STI)

The remuneration committee introduced STIs for KMPs for 2025 The STI policies purpose is to reward eligible employees for their contributions to the Company's financial, safety, and individual performance goals, whilst ensuring remuneration remains competitive, market-driven, with appropriate fixed annual remuneration supported by incentives. By aligning efforts with the Company's success and growth, the policy ensures that participants' interests are tied to the organisation's long-term vision.

STI Plan

Objective	To provide appropriate annual remuneration that is competitive, market-driven and supported by incentives for individual and group outcomes aligned to annual strategic objectives.
Participation	All Key Management Personnel and members of the broader leadership team.
Performance Period	The performance period is the relevant Financial Year. KPIs and weightings are set and reviewed each year by the Remuneration Committee to ensure STI targets are relevant for the current period, and participants are focused on clear goals and objectives for the period.
Performance Hurdle	Before any executive is entitled to any STI payment, the company must achieve two performance hurdles: • Revenue: Minimum revenue target achieved as per internal financial forecasts, and • NPBT: Minimum 15.0% net profit before tax margin (before Investment in Associates).
Link between Performance and Reward	The Company must meet or exceed the STI performance hurdles and the STI payment is structured such that it is paid from profits earned in excess of the 15% pre-tax profit hurdle. KPI targets for each participating executive are selected based on the objectives for each financial performance period to deliver the business strategy over the long term. The STI target will be allocated to 50% Financial Objectives, 25% to Safety Objectives, and 25% to individual Strategic Objectives. A minimum threshold target is set for each KPI measure before any payment is made in respect of that measure.
Assessment of Performance	The Board reviews and approves the performance assessment and STI payments.
Payment Methods	STI payments are cash remuneration.

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FY25 STI Remuneration Outcomes

The combined maximum cash bonus pool available to STI eligible participants for on target performance in FY25 was a flat 12.5% of total fixed remuneration (including superannuation) or $279,576. For FY25, the STI was set for the second half of 2024/25 only and was based on achieving a hurdle related to the Company's second half guidance. This hurdle was for the achievement of both minimum guidance revenue and maximum guidance profits before tax (prior to the allocation of our profit share for investments in associates). These hurdles were met; therefore, the STI cash bonus pool is available. The payment amounts based on performance to STI Measures are detailed below. Our FY25 financial statements include a provision for this liability, with the payment scheduled for FY26.

Target	Proportion of STI	Pool Available	Target Achieved	Payment Expected
Net Profits Before Tax	50%	$139,788	100%	$139,788
Lost Time Injury Frequency Rate	25%	$69,894	100%	$69,894
Individual Strategic Objectives	25%	$69,894	66%	$45,890
Total Payment	100%	$279,576	91%	$255,572

The FY25 STI remuneration for key management personnel is:

Target	Target STI Opportunity	% to Fixed Remuneration	STI Outcome	Achieved	Forfeited
W. Hooper (CEO)	$51,185	12.5%	$44,787	88%	12%
M. Tyler (COO)	$47,681	12.5%	$47,681	100%	0%
M. Twist (CFO)	$32,044	12.5%	$28,038	88%	12%
Total Payment	$130,910	12.5%	$120,506	92%	8%

FY26 STI Remuneration Opportunity

Offers to participate in STIs for the 2026 financial year are being made to all Key Management Personnel and members of the broader leadership team. The combined maximum cash bonus pool available for FY26 is a flat 25.0% of total fixed remuneration (including superannuation), or an estimated $724,926. This incentive is only payable after the company meets or exceeds its revenue target for the year and earns a pre-tax profit of at least 15% of revenue. In addition, the STI award pool is accumulated only from profits earned in excess of the 15% benchmark. Rewards to individual executives remain subject to achieving the company's target financial objectives, safety objective, and individual strategic objectives.

d. Long-Term Incentives (LTI)

The remuneration committee is introducing an LTI from FY26 that is focused on achieving long-term goals and supporting the retention of participants based on performance metrics, including earnings per share (EPS) growth and return on capital employed (ROCE) measures. This policy is based on a three-year performance period. Shareholder approval of this equity-based scheme was approved at the 2024 Annual General Meeting.

DIRECTORS' REPORT (continued)

LTI Plan	
Objective	To align the interests of eligible participants and shareholders over the longer term, assisting with the achievement of longer-term goals and the retention of key talent.
Participation	All Key Management Personnel and members of the broader leadership team.
Instrument	Performance rights to acquire ordinary LBL shares.
Vesting	50% of a participant's LTI entitlements will vest upon the company achieving an EPS target growth over the three-year vesting period. 50% of a participant's LTI entitlements will vest upon the company achieving a ROCE target over the three-year vesting period.
Hurdle Performance Measure	EPS: 15.0% minimum CAGR over the three-year vesting period. ROCE: 18.0% minimum over the three-year vesting period.
Link between Performance and Reward	EPS: Long-term EPS growth targets are set at levels achievable in a sustainable manner. EPS directly links the creation of shareholder wealth to the delivery of strategic goals over a long-term period. ROCE: Long-term ROCE targets are set at levels achievable in a sustainable manner. ROCE directly links to the creation of shareholder wealth by delivering the most efficient use of the company's resources.
Assessment of Performance	An EPS compound annual growth rate over the performance period of 15% provides 50% vesting of the EPS linked component of the Performance Rights. At 1.2x the EPS performance hurdle, 100% of the EPS-linked component will vest. A minimum ROCE over the performance period of 18% provides 50% vesting of the ROCE-linked component of the Performance Rights. At 1.2x the ROCE performance hurdle, 100% of the ROCE linked component will vest. The Board will assess performance based on advice from the remuneration committee upon completion of the audited annual accounts and reserves the right to use its commercial judgement in relation to vesting. Prior to finalising the vesting result for Performance Rights, the Board considers whether the outcomes are fair and reasonable rather than simply formulaic. Further, the Board has discretion to adjust the performance conditions in appropriate circumstances, so that participants are not unfairly advantaged or disadvantaged.
Grant Date	The first Board meeting post lodgment of the Annual Report for the period ending before each Performance Period.
Grant date Fair Value	A 5-day volume weighted average share price post lodgment of the Annual Report for the period ending before each Performance Period.
Performance Period	Three Fiscal Years from Grant Date
Performance Assessment	30th June of the 3rd Year
Cessation of Employment	If an eligible participant ceases employment for any reason prior to the Performance Assessment date, unless the Board determines otherwise, any unvested Performance Rights will automatically lapse. The Board retains the discretion to determine that some of their rights (up to a pro-rata portion based on how much of the Performance Period remains).
Dividends & Voting	The Performance Rights do not carry dividend or voting rights prior to vesting.
Change of control	In a situation where there is a change of control of the Company, the Board has the discretion to accelerate vesting of some (or all of) the Performance rights.

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(f) Link between remuneration and performance

The Company only pays remuneration to non-executive directors through fixed cash fees. The following table shows the company's gross revenue, profits, earnings per share, return on capital employed, and dividends paid during the financial year for the last five years, as well as the share prices at the end of the respective financial years. The Board and remuneration committee consider financial and non-financial issues when making remuneration decisions.

	2025 $	2024 $	2023 $	2022 $	2021 $
Revenue	43,475,645	41,983,590	38,612,404	30,711,118	24,664,453
Net Profit Before Tax	4,987,441	5,164,817	6,367,115	5,331,371	3,364,880
Net Profit after Tax	3,844,784	3,482,323	4,758,549	3,628,751	2,838,114
Earnings per share (Cents)	3.279	3.102	4.341	3.531	2.955
Return on Capital Employed	10.9%	11.6%	16.3%	16.2%	16.4%
Share price at year-end (Cents)	37.00	71.00	75.00	66.00	94.50
Dividends paid (Cents)	1.2	1.6	1.6	1.2	1.2

DIRECTORS' REPORT (continued)

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(g) KMP Remuneration

The following table shows details of the remuneration expense recognised for the Company's key management personnel (KMP) for the current and previous financial years. KMPs received a fixed remuneration during the year ended 30 June 2025 and 30 June 2024.

		Short-Term Benefits		Benefits	Long-Term Benefits			
		Salaries & Fees	STI	Super	ESP	LTI	Long Service	Total
Non-Executive Directors								
Philip Suriano[1]	2025	60,000	-	-	-	-	-	
	2024	60,000	-	-	-	-	-	60,000
Ian Neal[1]	2025	60,000	-	-	-	-	-	
	2024	60,000	-	-	-	-	-	60,000
Dagmar Parsons[1 & 2]	2025	87,000	-	-	-	-	-	87,000
	2024	60,000	-	-	-	-	-	60,000
Total NED	2025	207,000	-	-	-	-	-	207,000
	2024	180,000	-	-	-	-	-	180,000
Executive Directors								
Wayne Hooper	2025	366,352	44,787	42,045	-	-	-	453,184
	2024	356,787	-	38,585	-	-	-	395,372
Matthew Twist	2025	230,751	28,038	26,322	1,000	-	-	286,111
	2024	220,728	-	24,039	1,000	-	-	245,767
Other Key Management Personnel								
Michael Tyler (COO)	2025	364,464	47,681	39,166	-	-	-	451,311
	2024	-	-	-	-	-	-	-
Total Executive & Other KMPs	2025	961,567	120,506	107,533	1,000	-	-	1,190,606
	2024	577,515	-	72,920	1,000	-	-	651,435
Total	2025	1,168,567	120,506	107,533	1,000	-	-	1,397,606
	2024	757,515	-	62,624	1,000	-	-	831,435

[1] *Non-Executive Director remuneration includes only fees related to their non-executive director remuneration. Any additional consulting fees related to the support of executive functions are reported in Note 18 (b).*

[2] *Dagmar Parson's remuneration includes additional fees in her position on the Gateway Group's Board, acting as LaserBond's representative.*

[3] *The STI payments reported in the above table were unpaid as at the reporting date. A provision has been made as at 30th June 2025 to recognise the expense.*

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(h) Contractual arrangements for executive KMPs

KMPs who are active employees of the Company are hired following current human resources policies and procedures. Each is required to have employment contracts, job descriptions, and key performance indicators relevant to their roles and responsibilities.

Name	Position	Contract Duration	Notice Period	Fixed Remuneration (for the year ended 30 June 2025)
Wayne Hooper	Executive Director / CEO	Unspecified	12 months by either party	$368,986 per annum, plus superannuation.
Matthew Twist	Executive Director / Company Sec. / CFO	Unspecified	1 month by either party	$231,000 per annum, plus superannuation.

(i) Non-executive director arrangements

For the year ended 30 June 2025, each non-executive director received a Board fee of $60,000 per annum for their roles on the LaserBond Board. Dagmar Parsons also receives are nominal amount based on her time spent acting as LaserBond's representative on the Gateway Groups Board. They do not receive performance-based pay or other benefits such as superannuation. These fees include responsibilities as members of the Board or any Board Committees. Fees are reviewed annually against comparable roles and market data.

All non-executives enter into a service agreement in the form of a Letter of Appointment and Remuneration Agreement. The letter summarises the terms of the appointment relevant to the office of Director, including remuneration. There is no notice period for termination stipulated in the letter.

Arrangements with non-executive directors are based on the Company's commitment to developing a board with a blend of skills, experience, and attributes appropriate for business goals and strategic plans.

(j) Shares held by key management personnel

The number of ordinary shares in the Company during the 30 June 2025 financial year held by each of the Company's key management personnel, including their related parties, is set out below:

Name	Balance 30 June 2024	Granted as remuneration	Bought / (Sold)	Dividend Reinvestment	Balance 30 June 2025
Wayne Hooper (CEO)	11,399,295	-	-	-	11,399,295
Philip Suriano	933,136	-	16,900	25,480	975,516
Ian Neal	65,000	-	35,000	-	100,000
Dagmar Parsons	-	-	-	-	-
Matthew Twist (CFO)	116,274	1,818	-	-	118,092
Michael Tyler (COO)	-	-	6,100	-	6,100

(k) Loans to key management personnel

The company can allow its employees to take short-term loans of limited amounts for specific purposes, and this facility is also available to key management personnel. The Company's loans to key management personnel during the year were $Nil (2024: $Nil). If approved loans to key management personnel are generally short-term, unsecured and interest-free.

(l) Use of Remuneration Consultants

No remuneration consultants were employed during 2025, after appointing The Rewards Practice in 2024 to conduct an independent review of all remuneration components, including supporting the development of STI and LTI policies.

End of the Remuneration Report.

DIRECTORS' REPORT (continued)

DIRECTOR'S MEETINGS

During the financial year ended 30th June 2025, the number of meetings held, and attended, by each director were as follows:

Director	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Philip Suriano	10	10	3	3	1	1
Ian Neal	10	10	3	3	1	1
Dagmar Parsons	10	10	3	3	1	1
Wayne Hooper	10	10	-	-	-	-
Matthew Twist	10	9	-	-	-	-

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the company's state of affairs other than that referred to in the financial statements of notes thereto.

FUTURE DEVELOPMENTS

Any future developments required to be disclosed as per the ASX Listings Rules have either been disclosed previously or are included in commentary or notes to this report. Any future items required to be disclosed will be done according to current listing rule requirements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The final dividend has been recommended and will be paid as detailed below.

No other matters or circumstances have arisen that have affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years that have not already been reflected in the financial report.

DIVIDENDS

During the year, 2024 final dividends of 0.8 cents per share and 2025 interim dividends of 0.4 cents per share were paid. The directors have recommended the payment of a final dividend for FY2025 of 0.8 cents per fully paid ordinary share (FY2024: 0.8c), fully franked based on the tax paid at 30.0%. The dividend will be paid on September 26th, 2025.

The Board expects to continue to maintain future dividends, subject to the Company continuing to develop in accordance with its future plans.

INSURANCE OF DIRECTORS' AND AUDITORS'

In accordance with the provisions of the Corporations Act 2001, the Company has insured the directors and officers against liabilities incurred in their role as directors and officers of the Company. The terms of the insurance policy, including the premium, are subject to confidentiality clauses, and therefore, the Company is prohibited from disclosing the nature of the liabilities covered and the premium paid.

No insurance premiums have been paid or indemnities have been provided in respect of the auditors.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

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AUDIT AND NON-AUDIT SERVICES

The Audit and Risk Committee is satisfied that LNP Audit and Assurance, the Company's auditor, did not provide non-audit services for the financial year ended 30 June 2025, and therefore, the auditor's independence requirements of the *Corporations Act 2001* have not been compromised.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 35.

Signed in accordance with a resolution of the Board of Directors.

Wayne Hooper | Director

Dated this 21st day of August 2025

CORPORATE GOVERNANCE

The directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. A review of the Company's corporate governance practices was undertaken during the year. As a result, new practices were adopted, and existing practices were optimised to reflect industry best practice. In compliance with the "if not, why not" reporting regime, where the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

A description of the Company's current corporate governance practices is set in the Company's Corporate Governance Statement which can be viewed at: http://www.laserbond.com.au/investor-relations/governance-statement.html

DIRECTORS' DECLARATION

THE DIRECTORS OF THE COMPANY DECLARE THAT:

1. The financial statements and notes, as set out on pages 40 to 66 are in accordance with the Corporations Act 2001 and:
   a. Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
   b. Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
   c. Give a true and fair view of the financial position as of 30th June 2024 and of the performance for the financial year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. LaserBond Limited is not required by Australian Accounting Standards to prepare consolidated financial statements and as a result subsection 295(3A)(a) of the Corporations Act 2001 to prepare a *Consolidated Entity Disclosure Statement* does not apply to the Company

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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

Wayne Hooper | Director

Dated this 21st day of August 2025

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LNP AUDIT & ASSURANCE

ABN 65 155 188 837
L8 309 Kent Street Sydney NSW 2000
L24 570 Bourke Street Melbourne VIC 3000
L14 167 Eagle Street Brisbane QLD 4000
L28 140 St Georges Terrace Perth WA 6000
1300 551 266
www.lnpaudit.com

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LASERBOND LIMITED

As lead auditor of LaserBond 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 as set out in 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.

LNP Audit and Assurance Pty Ltd

David Sinclair
Director
Sydney Melbourne Brisbane

21 August 2025

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LASERBOND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of LaserBond Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
b) 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 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 our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key Audit Matter	How our audit addressed the matter

Expected Credit Loss Allowance in relation to Trade Receivables
 	
The statement of financial position includes trade receivables of $12,293,025 which is presented net of an Expected Credit Loss (ECL) allowance of $128,236.
 	
Of the total trade receivable balance of $12,293,025, certain customers had outstanding amounts that exceeded their agreed credit terms. These customers had a combined total receivable balance of $5,741,948, of which $3,090,428 was outside of the agreed credit terms.
 	
The ECL allowance is an accounting estimate that requires the Company to make a number of judgements and assumptions about future events that are subject to estimation uncertainty.
 	
The ECL is a key audit matter due to the significant value of Receivables in the Company's financial report and the judgements and estimates inherent in the process for assessing and recognising the ECL.
	Our audit procedures included:
	
	• Assessing the Company's ECL allowance policy against the relevant accounting standard;
	• Assessing the application of the Company's ECL policy to recognising the ECL;
	• Evaluating the processes used to oversee, monitor and collect trade receivables balances;
	• Verifying a sample of trade receivables balances at year end via;
	  ○ Direct confirmation of significant outstanding receivables
	  ○ Looking at collections subsequent to the financial year end;
	  ○ Looking at contracts and delivery documentation
	• Making inquiries in relation to outstanding trade receivables balances, and particularly those outside of terms, and assessing the amount of the ECL provided; and
	• Assessing the adequacy of the related financial statement disclosures.

Revenue recognition The majority of the Company's revenue is attributable to rendering services and selling goods pursuant to contracts with customers. Revenue is a key audit matter due to its significant value in the Company's financial report and judgements in the process for recognising revenue from contracts with customers.	Our procedures included: • Evaluating the Company's revenue recognition policies for contracts with customers; • Understanding the Company's processes and internal controls for accounting for revenue, considering terms in customer contracts; • Testing satisfaction of performance obligations for a sample of transactions by inspecting documentation; • Testing revenue recognised both before and after year end to underlying documentation and a sample of post year end credit notes to determine if revenue is in the correct period; and • Assessing the adequacy of the related financial statement disclosures.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 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 upon 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.

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LNP AUDIT & ASSURANCE

Responsibilities of the Directors for the Financial Report

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

- the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

In preparing the financial report, the Directors are responsible for assessing the Company's ability 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 Company or cease operations, or have 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 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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LNP AUDIT & ASSURANCE

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 24 to 31 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of LaserBond 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.

LNP Audit and Assurance Pty Ltd

David Sinclair
Director
Sydney

21 August 2025

Financial Report

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Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30th June 2025

	Note	2025 $	Restated* 2024 $
Revenue	25	43,475,645	41,983,590
Cost of sales		(20,688,794)	(20,341,627)
Gross Profit		**22,786,851**	**21,641,963**
Other income	3	174,497	262,333
Share of Profit of associate	8	737,292	503,329
Administration expenses		(5,080,789)	(4,836,275)
Depreciation & amortisation		(3,196,387)	(3,494,706)
Employment expenses		(8,242,291)	(6,655,175)
Finance Costs		(890,920)	(883,533)
Research & development		(735,451)	(805,402)
Other expenses		(565,361)	(567,717)
Profit before income tax expense		**4,987,441**	**5,164,817**
Income tax expense	5	(1,142,657)	(1,682,494)
Profit after income tax expense		**3,844,784**	**3,482,323**
Other comprehensive income		-	-
Total comprehensive income attributable to members of LaserBond Limited	7	**3,844,784**	**3,482,323**

Earnings per share for profit attributable to members:

Basic and diluted earnings per share (cents)	6	3.279	3.102

* Refer to Note 7 for information on the restatement of comparatives.

This *Statement of Profit or Loss and Other Comprehensive Income* should be read in conjunction with the accompanying notes.

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Statement of Financial Position
As of 30th June 2025

	Note	2025 $	Restated* 2024 $
CURRENT ASSETS			
Cash and cash equivalents		5,634,854	5,759,153
Trade and other receivables	9	13,213,587	9,677,020
Inventories	10	5,698,030	6,800,803
Total current assets		**24,546,471**	**22,236,976**
NON-CURRENT ASSETS			
Property, plant, and equipment	11	19,165,593	20,309,137
Deferred tax assets	13a	1,591,170	1,231,438
Rental bond		45,600	45,557
Investment in associate	8	11,004,897	10,502,448
Intangible assets	12	6,523,822	6,501,206
Total non-current assets		**38,331,082**	**38,589,786**
TOTAL ASSETS		**62,877,553**	**60,826,762**
CURRENT LIABILITIES			
Trade and other payables	14	4,038,497	3,292,799
Current tax liabilities		920,065	1,049,657
Employee benefits		2,598,513	2,262,055
Financial liabilities	16	1,875,784	2,248,100
Total current liabilities		**9,432,859**	**8,852,611**
NON-CURRENT LIABILITIES			
Financial liabilities	16	10,154,944	11,310,217
Deferred tax liabilities	13b	1,574,035	1,849,098
Employee benefits		294,763	224,465
Make good provision		343,314	343,314
Total non-current liabilities		**12,367,056**	**13,727,094**
TOTAL LIABILITIES		**21,799,915**	**22,579,705**
NET ASSETS		**41,077,638**	**38,247,057**
EQUITY			
Issued capital	15	24,823,861	24,434,722
Retained earnings		16,253,777	13,812,335
TOTAL EQUITY		**41,077,638**	**38,247,057**

* Refer to Note 7 for information on the restatement of comparatives.

This Statement of Financial Position should be read in conjunction with the accompanying notes.

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Statement of Cash Flows
for the Year Ended 30th June 2025

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,045,799	44,294,192
Payments to suppliers and employees		(36,392,783)	(36,198,003)
Interest paid		(253,655)	(202,776)
Interest received		48,930	93,354
Income taxes paid, net		(2,323,731)	(1,281,688)
Net cash inflow from operating activities	21	**5,124,560**	**6,705,079**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(977,728)	(828,729)
Payment for share acquisition	8	-	(4,999,021)
Payments for (to) loans to employees		(14,050)	44,916
Net cash outflow from investing activities		**(991,778)**	**(5,782,834)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share issue costs		(13,006)	(34,588)
Payments for hire purchase assets and finance leases		(3,195,175)	(2,787,476)
Dividends paid		(1,048,900)	(1,270,243)
Net cash outflow from financing activities		**(4,257,081)**	**(4,092,307)**
DECREASE IN CASH AND CASH EQUIVALENTS		(124,299)	(3,170,062)
Cash and cash equivalents at the beginning of the year		5,759,153	8,929,215
CASH AND CASH EQUIVALENTS AT END OF YEAR		**5,634,854**	**5,759,153**

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity
for the Year Ended 30th June 2025

	Issued capital	Retained earnings	Restated* Total equity
	$	$	$
Opening Balance at 1st July 2023	**18,782,492**	**12,288,065**	**31,070,557**
Profit for the year as previously reported)	-	3,522,757	3,522,757
Adjustment (Refer to Note 7)	-	(188,409)	(188,409)
Issue of Share Capital, net of cost	5,652,230	-	5,652,230
Dividends paid/payable during the year	-	(1,810,078)	(1,810,078)
Adjusted Closing Balance at 30th June 2024	**24,434,722**	**13,812,335**	**38,247,057**
Profit for the year	-	3,844,784	3,844,784
Issue of Share Capital, net of cost	389,139	-	389,139
Dividends paid/payable during the year	-	(1,403,342)	(1,403,342)
Closing Balance at 30th June 2025	**24,823,861**	**16,253,777**	**41,077,638**

* Refer to Note 7 for information on the restatement of comparatives.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Corporate Information

LaserBond Limited is a for-profit listed public Company, incorporated and domiciled in Australia. The nature of the operations and principal activities of the Company are described in the Directors' Report.

General Information and Statement of Compliance

The financial report was authorised for issue in accordance with a resolution of the directors on 21 August 2025. These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations and the Corporations Act 2001 and comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial report has been prepared on accruals basis.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

a) Revenue and other income

Revenue from the sale of goods and services

Revenue from the sale of goods and services to customers is recognised when control of the products or components being serviced has been transferred to the customer, which is the point in time when the goods are received or ready for the customer to pick up.

b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who have been identified as the board. These decision-makers are responsible for allocating resources and assessing the performance of the operating segments. The segments reported are Products, Services, Technology, and Research and Development.

c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rates enacted or substantively enacted at the end of the reporting period, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

d) Foreign Currency Translation

The functional and presentation currency of the Company is Australian dollars. Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

e) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

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NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

f) Investments in Associates

Investments in associates are accounted for using the equity method.

g) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort and is based on the Company's historical experience and informed credit assessment and including forward-looking information.

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract assets and multiplied this by the amount of the expected loss arising from default.

Significant Judgments

The ECL allowance is an accounting estimate that requires the Company to make a number of judgements and assumptions about future events that are subject to estimation uncertainty. Refer to Note 9 for further details.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables and finance lease liabilities.

h) Inventory

Raw materials, finished goods and work in progress are stated at the lower of cost and net realisable value. The cost of work in progress comprises direct materials, direct labour, and any external sub-contract costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

i) Property, Plant and Equipment

Property, plant and equipment are measured at cost, including internal costs related to commissioning, less depreciation and any impairment losses.

Depreciation on property, plant and equipment is calculated on a reducing balance basis using the following rates:
- Plant and equipment 4.5% - 75%
- Motor Vehicles 18.75% - 30%
- Development equipment 20% - 50%

j) Intangible assets

Patents

Patents are recognised and amortised from the date at which the patent was granted. Patent expenditures are amortised at 10% per annum.

Goodwill

Goodwill on acquisitions of a business 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. Significant estimates and assumptions have been made concerning the carrying value, based on historical experience and various other factors they believe to be reasonable under the circumstances but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

k) Leases

Financed assets are capitalised at their inception at the fair value of the leased equipment or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining liability balance for each period.

Right of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the value of the lease liability recognised. The recognised right-of-use assets are depreciated on a straight-line basis over the relevant lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the relevant lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Significant judgements

The Company has made the following significant judgements with respect to its leases as lessee:

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NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Under its facility premises leases, the Company can exercise the option to extend the term of the lease. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term specifically if there is a significant event or change in circumstances that are within its control and affect its ability to exercise (or not to exercise) the option to renew (i.e., a change in business strategy).

Determining the incremental borrowing rate

The Company has applied judgement to determine the incremental borrowing rate, which affects the amount of lease liabilities or right-of-use assets recognised. The Company reassesses and applies the incremental borrowing rate on a lease-by-lease basis at the relevant lease commencement date based on the term of the lease (or the remaining term of the lease at the initial date of application). The Company's equipment financing rate is used as a base rate in the Company's judgment.

l) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits. Long service leave covers all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances.

All other short-term employee benefit obligations are presented as payables.

The liability for employee entitlements that are not expected to be settled within 12 months after the end of the period are measured as the present value of expected future payments, using discount rates based on the market yield on Commonwealth Government Securities.

m) Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the reporting date.

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NOTE 2: SEGMENT REPORTING

The Company has identified its operating segment based on the internal reports reviewed and used by the executive directors (chief decision-makers) to assess performance and determine resource allocation.

Segment Definitions:

Services – the reclamation or repair of worn components for end users or the manufacture of products that do not incorporate LaserBond®cladding applications.

Products – the manufacture of products incorporating LaserBond®cladding applications.

Technology – the sale of LaserBond®cladding technology, associated licensing fees, and consumables supply.

Research & Development – costs related to the ongoing development of new or improved technology, applications, and products.

Investment in Associates - includes income related to our share of their profits after tax less expenses related to Board fees for the Company's represetantive on the associates Board.

Note: The Products and Services division share resources. General overhead costs are proportioned between segments after direct costs allocations.

	30-Jun-25					
	Services	Products	Technology	R&D	Invest in Associate	Total
Revenue	27,687,680	14,733,362	1,054,603	-	-	43,475,645
Gross Profit Margin	53.6%	51.1%	39.7%	-	-	52.4%
EBITDA	5,965,575	2,815,402	202,998	(673,198)	697,792	9,008,569
Interest	(538,298)	(286,443)	-	-	-	(824,741)
Depreciation & Amortisation	(2,060,469)	(1,096,431)	-	(39,487)	-	(3,196,387)
Profit Before Income Tax	3,366,808	1,432,528	202,998	(712,685)	697,792	4,987,441
Assets						62,877,553
Liabilities						(21,799,915)

	30-Jun-24					
	Services	Products	Technology	R&D	Invest in Associate	Total
Revenue	23,387,254	16,549,141	2,047,195	-	-	41,983,590
Gross Profit Margin	53.6%	50.9%	33.6%	-	-	52.4%
EBITDA	5,693,496	3,808,375	276,415	(807,410)	478,830	9,449,706
Interest	(462,741)	(327,442)	-	-	-	(790,183)
Depreciation & Amortisation	(2,029,277)	(1,435,945)	-	(29,484)	-	(3,494,706)
Profit Before Income Tax	3,201,478	2,044,988	276,415	(836,894)	478,830	5,164,817
Assets						60,826,762
Liabilities						(22,579,705)

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NOTE 3: OTHER INCOME	2025 $	2024 $
Government Rebates / Subsidies	70,979	60,360
Other	103,518	201,973
	174,497	262,333

NOTE 4: AUDITOR REMUNERATION

Auditors Remuneration		
Audit Services – audit and review of Financial Reports	125,685	114,561
Non-Audit Services	-	30,000
	125,685	144,561

The non-audit services provided in 2024 relate to the financial due diligence process for the Gateway Group equity purchase.

NOTE 5: INCOME TAX	2025 $	Restated 2024 $
Reconciliation of Income Tax Expense from continuing operations		
Profit before Income Tax expense	4,987,441	5,164,817
Prima Facie Tax at the Australian tax rate of 30.0% (2024: 30.0%)	1,496,232	1,549,445
Change in corporate tax rate to 30.0% (2024: 30.0%)	-	220,299
R&D Tax Concession	(46,719)	(57,342)
Share of Profit in Associate's Tax	(150,735)	(150,999)
Net Non-Deductible Expenses	47,740	79,050
Other Deductible Expenses	(3,902)	(10,377)
Net adjustment relating to prior year income tax provisions	(199,959)	52,418
Total income tax expenses	1,142,657	1,682,494

Persuant to the aggregated turnover rules, direct control of an entity is deemed to occur with at least 40% of the voting power for tax purposes. The purchase of 40% equity in the Gateway Group now requires the Company to apply the 30% company tax rate. Under accounting standards, control is generally deemed to occur at greater than 50% of the voting power. Therefore, Gateway's financial position and performance are not consolidated with the Company's for reporting purposes.

NOTE 6: EARNINGS PER SHARE	2025 $	2024 $
Profit after tax	3,844,784	3,482,323
Basic and diluted earnings per share (cents)	3.279	3.102

There are no current options to affect diluted earnings per share.

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(a) Weighted Average Shares on Issue	No. of Shares	Weighted No.
Opening Balance as of 1st July 2024	116,756,333	116,756,333
Shares issued on 27th September 2024	463,709	350,640
Shares issued 20th December 2024	111,470	58,636
Shares issued on 28th March 2025	320,482	82,535
Closing Balance as of 30th June 2025	117,651,994	117,248,144

NOTE 7: RESTATEMENT OF MAKE GOOD PROVISIONS

During 2025, the Company identified that the lease make good provisions had not been correctly recognised in the financial statements since the inception of the respective leases. As a result, make good provisions and related expenses were understated in prior periods. The Company has corrected this restrospectively by restating each of the affected financial statement line items for prior periods. The following table summarises the impacts on the Company's financial statements:

	Reported 2024	Adjustments	Restated 2024
Statement of Profit or Loss	$	$	$
Depreciation (Right of Use)	3,463,881	30,825	3,494,706
Interest Paid (Right of Use)	864,102	19,431	883,533
Profit before income tax expense	5,215,073	(50,256)	5,164,817
Income Tax Expense	(1,692,316)	9,822	(1,682,494)
Profit after income tax expense	3,522,757	(40,434)	3,482,323
Statement of Financial Position			
Non-Current Assets			
Property Plant & Equipment	20,227,472	81,665	20,309,137
Deferred Tax Assets	1,152,369	79,069	1,231,438
Total Assets	60,666,028	160,734	60,826,762
Current Tax Liabilities			
Income Tax Provision	1,043,828	5,829	1,049,657
Non-Current Liabilities			
Make Good Provisions	-	343,314	343,314
Total Liabilities	22,230,562	349,143	22,579,705
Net Assets	38,435,466	(188,409)	38,247,057
Total Equity	38,435,466	(188,409)	38,247,057

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NOTE 8: INVESTMENT IN ASSOCIATE

On 5th March 2024, LaserBond completed the 40% equity purchase of Gateway Equipment Parts & Services Pty Ltd (Gateway) as part of its strategic domestic expansion, following Victoria in 2020 and Queensland in 2022. The purchase was settled in cash and shares, escrowed for twelve months.

Gateway provides refurbished components, including hydraulics, powertrain parts, and attachments. LaserBond's surface engineering technology enhances Gateway's offerings by extending the wear life of these components.

LaserBond's 40% interest in Gateway is equity accounted per Australian Accounting Standards, with only its share of net profit after tax reported. The Company has recognised $737,292 share of profit of associate in the financial statements (four months in 2024: $505,329)

As per the purchase agreement between LaserBond and Gateway:

a) LaserBond has a right to obtain 51% equity in Gateway on or after the third anniversary of purchase at the same 4.5 times multiple of EBITDA.

b) The original Gateway shareholders have a right to provide LaserBond with any additional level of equity at any time, at the same 4.5 times multiple of EBITDA.

a) Principal Place of Business

110 Nardine Close, High Wycombe, Western Australia 6057

b) Summarised financial information for associate	2025 (Unaudited)	2024 (Unaudited)
Statement of Profit or Loss	$	$
Revenue	37,952,785	40,283,443
Cost of Sales	(28,903,498)	(30,603,100)
Gross Profit	9,049,287	9,680,343
Expenses	(6,415,902)	(6,138,541)
Profit before income tax expense	2,633,385	3,541,802
Income Tax Expense	(791,642)	(1,062,541)
Profit after income tax expense	1,841,743	2,479,261
Statement of Financial Position		
Current Assets	20,161,025	17,570,266
Non-Current Assets	17,542,969	16,672,782
Total Assets	37,703,994	34,243,048
Current Liabilities	6,420,755	5,741,479
Non-Current Liabilities	13,019,252	11,460,602
Total Liabilities	19,440,007	17,202,081
Net Assets	18,263,987	17,040,967
Total Equity	18,263,987	17,040,967

c) Interests in Associate

Opening Balance 1 July	10,502,448	-
Investment in Gateway	-	9,999,119
Share of Profits from Continuing Operations	737,292	503,329
Unrealised Profit on Sale of Asset to Associate	(234,843)	-
	11,004,897	10,502,448

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NOTE 9: TRADE AND OTHER RECEIVABLES	2025	2024
	$	$
Trade Receivables	12,293,025	8,525,330
Provision for expected credit losses	(128,236)	(125,000)
Loans – Employees	24,780	6,151
Prepayments and other receivables (a)	1,024,018	1,270,539
	13,213,587	9,677,020

(a) Balances include progress payments on raw material supply, patent applications and insurance.

			Ageing				
	Gross Amount	Past due (and impaired)	<30	31-60	61-90	>90 (Outside Terms)	Total
	$,000	$,000	$,000	$,000	$,000	$,000	$,000
2025							
Trade receivables	12,165	(128)	4,751	3,514	938	3,090	12,165
Other receivables	1,049	-	1,049	-	-	-	1,049
	13,214	(128)	5,800	3,514	938	3,090	13,214
2024							
Trade receivables	8,400	(125)	3,114	2,978	799	1,634	8,400
Other receivables	1,277	-	1,277	-	-	-	1,277
	9,677	(125)	4,391	2,978	799	1,634	9,677

Standard customer credit terms are 30 to 90 days end of month, depending on the customer. The simplified approach to expected credit losses as prescribed by AASB9 has been applied. The expected credit loss rate has been estimated and determined based on historical experience of sales and bad debts.

The increase in trade receivables past 90 days at 30 June 2025 largely reflects amounts outstanding from a long-standing global customer, which accounts for approximately 72% of balances over 90 days. More than half of these amounts relate to invoices dated March 2025, due at the end of June, in line with their 90-day EOM trading term, and are therefore only just due at the reporting date. Of the $2.83 million reported as over 90 days, 15% has been paid since reporting date. The Company has no history of non-payment with this customer and considers the outstanding amounts recoverable.

NOTE 10: INVENTORY	2025	2024
	$	$
Stock on Hand – Raw Materials	1,485,144	3,947,340
Stock on Hand – Finished Goods	882,585	1,062,666
Work in Progress	3,330,301	1,790,797
	5,698,030	6,800,803

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NOTE 11: PROPERTY, PLANT & EQUIPMENT	2025 $	Restated 2024 $
Work in Progress	1,203,019	551,128
Prepayments of Plant and Equipment	329,353	28,765
Plant & Equipment		
At Cost	23,193,452	20,200,736
Less Accumulated Depreciation	(13,668,017)	(9,578,573)
	9,525,435	10,622,163
Office Equipment		
At Cost	336,215	350,352
Less Accumulated Depreciation	(233,289)	(258,614)
	102,926	91,738
Motor Vehicles		
At Cost	870,539	830,536
Less Accumulated Depreciation	(544,374)	(576,120)
	326,165	254,416
Right of Use Assets		
At Cost	12,816,048	12,674,223
Less Accumulated Depreciation	(5,137,353)	(3,913,296)
	7,678,695	8,760,927
TOTAL PROPERTY, PLANT & EQUIPMENT	19,165,593	20,309,137

(a) Movements in Carrying Amounts	Work in Progress	Plant & Equipment	Office Equipment	Motor Vehicles	Right of Use Assets	Total
2025 Financial Year	$	$	$	$	$	$
Balance at the beginning of the year	551,128	10,650,928	91,738	254,416	8,760,927	20,309,137
Additions / Transfer In	651,891	1,044,735	45,287	138,791	141,825	2,022,529
Disposal of Asset / Transfer Out	-	(12,253)	(2,654)	(7,430)	-	(22,337)
Depreciation Expense	-	(1,828,622)	(31,445)	(59,612)	(1,224,057)	(3,143,736)
Carrying Amount at the end of the year	1,203,019	9,854,788	102,926	326,165	7,678,695	19,165,593
Restated 2024 Financial Year	$	$	$	$	$	$
Balance at the beginning of the year	377,546	10,879,476	86,503	293,365	7,273,856	18,910,746
Additions / Transfer In	173,582	1,957,931	46,700	41,481	2,693,401	4,913,095
Disposal of Asset / Transfer Out	-	(42,019)	(3,625)	(14,859)	-	(60,503)
Depreciation Expense	-	(2,144,460)	(37,840)	(65,571)	(1,206,330)	(3,454,201)
Carrying Amount at the end of the year	551,128	10,650,928	91,738	254,416	8,760,927	20,309,137

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(b) Asset Additions financed	2025	2024
	$	$
The values of assets purchased utilising finance leases or hire purchase agreements during the year:	-	1,050,677

NOTE 12: INTANGIBLES

Goodwill	6,260,968	6,260,968
Patents and Trademarks		
At Cost	302,875	267,760
Less Accumulated Amortisation	(84,601)	(60,338)
	218,274	207,422
Software	-	
At Cost	224,170	184,020
Less Accumulated Amortisation	(179,590)	(151,204)
	44,580	32,816
TOTAL INTANGIBLES	6,523,822	6,501,206

(a) Movements in Carrying Amounts	Goodwill	Patents & Trademarks	Software	Total
2025 Financial Year	$	$	$	$
Balance at the beginning of the year	6,260,968	207,422	32,816	6,501,206
Additions	-	35,116	40,150	75,266
Depreciation Expense	-	(24,263)	(28,387)	(52,650)
Carrying Amount at the end of the year	6,260,968	218,275	44,579	6,523,822
2024 Financial Year	$	$	$	$
Balance at the beginning of the year	6,260,968	230,828	24,234	6,516,030
Additions	-	-	25,683	25,683
Depreciation Expense	-	(23,406)	(17,101)	(40,507)
Carrying Amount at the end of the year	6,260,968	207,422	32,816	6,501,206

Significant estimates and judgement – Carrying value of Goodwill

The company determines whether goodwill is impaired at least at each reporting date. Based on management's assessment and impairment modelling as at 30 June 2025, using specific inputs providing a weighted average cost of capital of 9.9%. Some of the inputs include a long-term growth rate of 2.6%, a company tax rate of 30.0% and a cost of equity of 14.9%.

The conclusion is that no current impairment risk exists.

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NOTE 13: DEFERRED TAX

	2025	Restated 2024
a) Deferred Tax Asset	$	$
Deferred tax assets comprise temporary differences attributable to:		
Employee Benefits	861,803	745,956
Accruals	729,367	485,482
	1,591,170	1,231,438

b) Deferred Tax Liability

Deferred tax liabilities comprise temporary differences attributable to:

Depreciation of fixed assets	1,574,035	1,849,098

NOTE 14: TRADE AND OTHER PAYABLES

	2025	2024
	$	$
Trade Payables	1,421,455	1,438,949
Superannuation	126,485	108,817
Dividends	28,854	28,157
Deferred Income*	946,090	898,590
Other payables and accrued Expenses	1,515,613	818,286
	4,038,497	3,292,799

*Sales of equipment under our Technology division where the control of the equipment has not been transferred to the customer. Revenue is not reocgnised until control passes to the customer.

NOTE 15: CONTRIBUTED EQUITY

Issued and Paid-Up Capital	2025	2025	2024	2024
	Shares	$	Shares	$
Opening Balance	116,756,333	24,434,722	109,971,995	18,782,493
Issued Shares	895,661	389,139	6,784,338	5,652,229
	117,651,994	24,823,861	116,756,333	24,434,722

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(a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)	$
30th June 2023	Closing Balance	109,971,995		18,782,493
6th October 2023	Dividend Reinvestment Plan	283,006	81.97	218,241
20th December 2023	Employee Share Plan	59,302	90.00	41,502
5th March 2024	Share Issue on Investment	5,974,729	85.34	5,089,379
28th March 2024	Dividend Reinvestment Plan	467,301	65.88	303,107
30th June 2024	Closing Balance	116,756,333		24,434,722
27th September 2024	Dividend Reinvestment Plan	463,709	51.28	232,500
20th December 2024	Employee Share Plan	111,470	55.00	44,894
28th March 2025	Dividend Reinvestment Plan	320,482	36.21	111,745
30th June 2025	Closing Balance	117,651,994		24,823,861

Issue cost s above are less transactional fees arising from the issue.

(b) Capital Risk Management

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its financial structure in response to those risks. These responses include the management of debt levels and distributions to shareholders. The Company has no externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

NOTE 16: FINANCIAL LIABILITIES	2025 $	2024 $
Current Liabilities		
Hire purchase and finance lease	869,678	1,322,897
Lease Liabilities	1,006,106	925,203
	1,875,784	2,248,100
Non-Current Liabilities		
Hire purchase and finance lease	2,226,224	2,525,382
Lease Liabilities	7,928,720	8,784,835
	10,154,944	11,310,217

The lease liabilities balances exclude finance costs of $2,490,292 (2024: $3,058,693).

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NOTE 17: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Apart from security deposit guarantees of $245,102 with CBA for three of the leased premises, the directors are not aware of any contingent liabilities that would require disclosure in these financial statements.

The Company has committed to $749,290 of fixed asset purchases, of which $329,353 has been recognised in Prepayments of Assets classified in Property, plant, and equipment (Note 11) as at 30 June 2025.

The Company had no other contingent liabilities or capital commitments as at 30 June 2025.

NOTE 18: RELATED PARTY TRANSACTIONS

(a) Other Related Parties

	2025	2024
Employment benefits	$	$
Payroll persons related to executive directors	194,207	181,425
Contribution to superannuation funds on behalf of other related parties	23,652	25,776
	217,859	207,201

Note: this is exclusive of executive director remuneration, which is included in the remuneration report within the Directors' Report of this Annual Report.

Trade Receivable Benefits		
Trade Receivables Outstanding to Associates	20,069	-

This amount is outstanding as at the reporting date to the Gateway Group for the supply of consumables to be utilised with their LaserBond®laser cladding cell.

Trade Payable Benfits		
Suppliers related to executive directors	25,000	-

These fees relate to a training program designed for emerging business leaders to ensure they develop the knowledge and resources needed to act as leaders of their departments, rather than merely acting as supervisors of operations. This training forms part of the commitment to developing our people, ensuring they are engaged, empowered and have the delegated authority to make appropriate delgated authority to make approrpriate decisions within their remit. The Board and the CEO did not influence the decision to engage this related party. The decision was made independently by the leadership team following due diligence, and based on recommendations from the Head of People & Culture and Learning & Development Manager.

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(b) Key Management Personnel Transactions	2025 $	2024 $
Consultants		
Dagmar Parsons	-	13,625
Hawkesdale Group *(Philip Suriano)*	-	6,341
Management Abroad *(Ian Neal)*	-	7,800
	-	27,766

These consultant fees are paid to non-executive director-related entities and relate to services those non-executive directors provide to support executive functions. Fees relative to a non-executive director's board fees are included in the remuneration report within the Directors' Report of this Annual Report. Consultancy services were provided by the non-executive directors personally, and not a related party or representative of a related party. The support provided relate to sales, strategy development, recruitment and remuneration framework development support.

NOTE 19: KEY MANAGEMENT PERSONNEL

The key management personnel of the Company for management of its affairs are all executive directors and the Company Secretary.

(a) Remuneration

The remuneration report within the Directors' Report of this Annual Report includes details regarding the remuneration of the Company's key management personnel for managing its affairs.

(b) Options Held

No options were held on 30 June 2025 or 30 June 2024, and no options were issued during the financial year.

(c) Shares Held

Interest		Shares Held as of 30th June 2024	Issued	Purchased (DRP)	Purchased / (Sold)	Shares Held as of 30th June 2025
Wayne Hooper	Direct	9,433,797	-	-	-	9,433,797
Wayne Hooper	Indirect	1,965,498	-	-	-	1,965,498
Philip Suriano	Indirect	933,136	-	25,480	16,900	975,516
Ian Neal	Indirect	65,000	-	-	35,000	100,000
Dagmar Parsons	Indirect	-	-	-	-	-
Matthew Twist	Direct	116,274	1,818	-	-	118,092
		12,513,705	1,818	25,480	51,900	12,592,903

Interest		Shares Held as of 30th June 2023	Issued	Purchased (DRP)	Purchased / (Sold)	Shares Held as of 30th June 2024
Wayne Hooper	Direct	9,433,797	-	-	-	9,433,797
Wayne Hooper	Indirect	1,965,498	-	-	-	1,965,498
Philip Suriano	Indirect	913,029	-	20,107	-	933,136
Ian Neal	Indirect	25,000	-	-	40,000	65,000
Dagmar Parsons	Indirect	-	-	-	-	-
Matthew Twist	Direct	115,163	1,111	-	-	116,274
		12,452,487	1,111	20,107	40,000	12,513,705

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NOTE 20: DIVIDENDS

	2025 $	2024 $
Declared 2025 fully franked interim ordinary dividend of 0.4 (2024: 0.80) cents per share franked at the tax rate of 30.0% (2024: 30.0%)	469,326	879,767
Declared 2024 fully franked final ordinary dividend of 0.80 (2023: 0.80) cents per share franked at the tax rate of 30.0% (2023: 25.0%)	934,015	930,312
Total dividends per share for the period	1.2 cents	1.60 cents

Dividends paid in cash or satisfied by the issues of shares under the dividend reinvestment plan during the year were as follows:

Paid in cash	1,049,597	1,270,225
Satisfied by the issue of shares	353,744	539,854
	1,403,341	1,810,079

Dividends not recognised during the reporting period

Since year-end, the directors have recommended the payment of a final dividend of 0.8 cents per fully paid ordinary share (2024: 0.8) fully franked based on tax paid at 30.0%. The aggregate amount of the proposed dividend expected to be paid on the 26th of September 2025 out of retained earnings as of 30 June 2025 but not recognised as a liability at year-end is $941,216. The debit expected to the franking account arising from this dividend is $282,365.

Franking credits	2025 $	2024 $
Franking credits available for subsequent periods based on a tax rate of 30.0% (2023: 25.0%)	5,875,033	4,569,421

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NOTE 21: CASH FLOW INFORMATION	2025 $	Restated 2024 $
Reconciliation of profit after income tax to net cash flows from operating activities		
Profit after Income Tax for the year	3,844,784	3,482,323
Non-cash flows in operating surplus		
Depreciation, Amortisation & Impairment	3,196,387	3,494,706
(Profit) / loss on disposal of property, plant & equipment	64	78,934
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(3,556,679)	(234,398)
Decrease/(Increase) in inventories	1,102,773	542,624
(Increase)/Decrease in deferred tax assets	(359,732)	(408,897)
(Decrease)/Increase in trade and other payables	765,810	(1,396,261)
Increase / (Decrease) in current provisions	336,458	267,448
Increase / (Decrease) in current tax liabilities	(540)	794,947
Increase / (Decrease) in non-current provisions	70,298	68,897
Increase / (Decrease) in deferred tax liabilities	(275,063)	14,756
Net cash provided by operating activities	5,124,560	6,705,079

NOTE 22: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Company's operating activities may expose the Company to credit risk, liquidity risk and interest rate risk. The Company's risk management policies and objectives aim to minimise the potential impacts of these risks on the results of the Company.

The Board of Directors monitors and manages the financial risk exposures of the Company and reviews the effectiveness of internal controls relating to these risks. The overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance, including the review of credit risk policies and future cash flow requirements.

Maturity of financial liabilities on 30th June 2025	Within 1 Year $	Greater than 1 Year $	Total $
Trade and other payables	4,038,497	-	4,038,497
Hire Purchase / Finance Lease	869,678	2,226,224	3,095,902
Lease Liabilities (AASB16)	1,006,106	7,928,720	8,934,826
Total financial liabilities	5,914,281	10,154,944	16,069,225

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Maturity of financial liabilities on 30th June 2024	Within 1 Year	Greater than 1 Year	Total
	$	$	$
Trade and other payables	3,292,799	-	3,292,799
Hire Purchase / Finance Lease	1,322,897	2,525,382	3,848,279
Lease Liabilities (AASB16)	925,203	8,784,835	9,710,038
Total financial liabilities	5,540,899	11,310,217	16,851,116

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments. The Company manages this risk by preparing cash flow forecasts.

Net fair value of financial assets and liabilities

The carrying amount of cash, cash equivalents, and non-interest-bearing financial assets and liabilities (e.g., accounts receivable and payable) approximate their fair value.

Sensitivity Analysis

The Company has performed a sensitivity analysis of its interest rate and foreign currency risk exposure. This sensitivity analysis demonstrates the effect on the current year's results and equity, which could result from a change in these risks.

Interest Rate Sensitivity Analysis:

As of 30 June 2025, the company had cash on hand in an interest-bearing bank account. The Directors do not consider that any reasonably possible movement in interest rates would have a material effect on profit or equity.

Foreign Currency Risk Sensitivity Analysis:

The Company purchases certain raw materials from overseas due to non-availability in Australia or savings from bulk buying power overseas. The Company continues to expand its operation and has some overseas customers. The US dollar exchange rate movement affects 100% of overseas customers invoiced in foreign currency and 95% of overseas suppliers paid in foreign currency. The Company has a US dollar bank account to mitigate foreign currency risk for US dollar transactions. Payments made from this US dollar account are from foreign customer deposits or cash transfers at a time the exchange rate is deemed positive (which is reviewed daily). The Directors do not consider that any reasonably possible movement in foreign currency rates would have a material effect on profit or equity.

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NOTE 23: SHARE-BASED PAYMENTS

a) Employee Share Plan

A scheme under which shares may be issued by the Company to employees for no cash consideration was approved by shareholders through the prospectus. Eligibility to participate is based on an employee being a full-time or part-time employee of the Company (or any of its 100% owned subsidiaries), the employee is an Australian resident for income tax purposes, and the employee has been directly employed by the Company (or any of its 100% owned subsidiaries) for at least a period of 36 continuous months in a permanent position.

Each eligible employee will be entitled to a maximum of $1,000 of fully paid ordinary shares annually, with the number of shares calculated based on the Company's closing price on the day each issue is formally passed by the Board. Offers under the scheme are at the discretion of the Board. Shares issued are vested for a period of three years from the date of issue, with one-third released annually on each anniversary date of the board-approved issue date. If employment is ceased for any reason, any shares still currently vested and not released will be forfeited by the employee. Shares are issued as fully paid ordinary shares and rank equally with existing shares on issue.

	2025	2024
Number of new shares issued under the plan to participating employees: (refer to Note 15(a) for details of the issue)	111,470	59,302

b) Non-Executive Director Remuneration (Non-Cash)

Non-Executive Directors were paid fixed cash fees, which are reviewed annually. They do not receive performance-based pay or other non-cash benefits.

c) Expenses arising from share-based payment transactions	2025 $	2024 $
Shares Issued under the employee share plan	44,894	41,502

NOTE 24: MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

a) Dividends

The directors have recommended a final dividend of 0.8 cents per fully paid ordinary share (2024: 0.8) fully franked based on tax paid at 30.0%. The aggregate amount of the proposed dividend is expected to be paid on the 26th of September, 2025.

The Board expects to continue to maintain future dividends, subject to the Company continuing to operate in accordance with its future plans.

No other matters or circumstances have arisen since the end of the financial year that significantly affected or could significantly affect the Company's operations, the results of those operations, or its state of affairs.

b) Facility Lease Commitments

On 25 July 2025, the Company signed an agreement to lease larger facilities in Brisbane, Queensland. This commitment ensures our local facilities are sufficient to support the growth opportunities. As the new facilities have yet to have building works completed, the date of commencement is not defined, other than falling approximately within a year from the execution of the agreement for lease.

This lease commits the Company to a ten year lease term, with two additional five-year options available at an annual rental, at commencement of the lease, of $406,900 per annum. The Company has also committed to a bank guartantee to be provided to the lessor equalling to six months rent, including GST, or $223,795. No amounts have been recognised for this lease in the financial statements for the year ended 30 June 2025.

NOTE 25: ECONOMIC DEPENDENCY

Revenues of $14,826,555, or 34.1% of reported revenue (2024 - $16,490,790, 39.3%) was derived from two independent customers. The Company has established strong relationships with these customers for between eleven and thirty-two years. Supply agreements include fixed prices that can be adjusted upon providing appropriate supporting evidence for any changes. These agreements have no fixed period.

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1. Substantial Shareholders on 27th July 2025

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Mrs Lillian Hooper	12,426,844	10.562%
Ms Diane Constance Hooper	9,433,797	8.018%
Mr Wayne Edward Hooper	9,433,797	8.018%
Mr Wayne Edward Hooper (W&D Hooper Investments Pty Ltd)	1,965,498	1.671%

2. Distribution of Shareholders as of 27th July 2025

Holdings Ranges	Holders	Total Units	%
1-1,000	560	275,667	0.23%
1,001-5,000	1,007	2,515,030	2.14%
5,001-10,000	364	2,682,795	2.28%
10,001-100,000	708	21,801,951	18.53%
100,001-9,999,999,999	109	90,376,551	76.82%
Totals	**2,748**	**117,651,994**	**100.00%**
Holdings less than a marketable parcel	408	193,837	0.16475%

3. Twenty Largest Shareholders as of 27th July 2025

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Mrs Lillian Hooper	12,426,844	10.562%
Ms Diane Constance Hooper	9,433,797	8.018%
Mr Wayne Edward Hooper	9,433,797	8.018%
HSBC Custody Nominees (Australia) Limited	6,945,798	5.904%
Lornat Pty Ltd <WK & LM Peachey S/Fund A/C>	4,943,344	4.202%
J P Morgan Nominees Australia Pty Limited	4,247,994	3.611%
Underwood Capital Limited <Hygrovest Limied A/C>	2,892,086	2.458%
Mr Francis Joseph Maher & Mrs Sharon Jane Maher <The Maher Family A/C>	2,424,521	2.061%
Mr Ian Davies	2,316,948	1.969%
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	1,836,777	1.561%
Dixson Trust Pty Limited	1,814,582	1.542%
Mr Brendan Thomas Birthistle	1,771,637	1.506%
W&D Hooper Investments Pty Ltd <W & D Hooper Unit A/C>	1,295,498	1.101%
Gemblue Nominees Pty Ltd <G A Baker Investment A/C>	1,293,077	1.099%
Mining and Civil Management Services Pty Ltd <The Edwards Family A/C>	1,279,608	1.088%
Mr Makram Hanna & Mrs Rita Hanna <Hanna & Co P/L Super A/C>	1,240,700	1.055%
Mrs Julia Catherine Moore & Mr James Edward Moore <J & J Moore Family A/C>	1,212,260	1.030%
Fortitude Enterprises Pty Ltd <Fortitude Super Fund A/C>	1,113,829	0.947%
Mr Keith Kowles	859,408	0.730%
Mr Philip Gordon Greenham	840,000	0.714%
Totals for Top 20	69,622,505	59.177%
Security Totals	**117,651,994**	

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4. Voting Rights

The voting rights attached to each class of equity securities are:

a) Ordinary shares - every member present at a meeting in person or by proxy shall have one vote by a poll, and each share shall have one vote.

b) Options – No voting rights.

5. Restricted Securities

The Company has no restricted securities.

6. Securities subject to voluntary escrow

Total number of shares held in escrow	Escrow Release Date 1	Escrow Release Date 2	Escrow Release Date 3
14,652	1 Feb 2026 – 14,652 shares		
38,532	18 Dec 2025 – 19,240 shares	18 Dec 2026 – 19,292 shares	
106,016	20 Dec 2025 – 35,338 shares	20 Dec 2026 – 35,339 shares	20 Dec 2027 – 35,339 shares

CORPORATE DIRECTORY

DIRECTORS:	Mr. Philip Suriano Chairman / Non-Executive Director
	Mr. Ian Neal Non-Executive Director
	Ms. Dagmar Parsons Non-Executive Director
	Mr. Wayne Hooper Executive Director & CEO
	Mr. Matthew Twist Executive Director & CFO
COMPANY SECRETARY:	Mr. Matthew Twist
REGISTERED OFFICE, PRINCIPAL PLACE OF BUSINESS:	2 / 57 Anderson Road SMEATON GRANGE NSW 2567 Phone: +61 2 4631 4500
SOUTH AUSTRALIA DIVISION:	112 Levels Road CAVAN SA 5094 Phone: +61 8 8262 2289
VICTORIA DIVISION:	26-32 Aberdeen Road ALTONA VIC 3018 Phone: +61 3 9398 5925
QUEENSLAND DIVISION:	74 High Road BETHANIA QLD 4205 Phone: +61 7 3200 9733
WEBSITE:	www.laserbond.com.au
WESTERN AUSTRALIA:	The Gateway Group 110 Nardine Close HIGH WYCOMBE WA 6057 Phone: +61 8 9209 2700 Website: www.gatewaygroup.net
SHARE REGISTRY:	Boardroom Pty Ltd Level 8, 210 George Street SYDNEY NSW 2000 Phone: 1300 737 760
AUDITOR:	LNP Audit and Assurance Pty Ltd Level 8, 309 Kent Street SYDNEY NSW 2000
SOLICITOR:	HWL Ebsworth Lawyers Level 14, Australia Square 264-278 George Street SYDNEY NSW 2000 Phone: +61 2 9334 8555
BANKERS:	Commonwealth Bank of Australia Major Client Group Level 8, CBP South, 11 Harbour Street SYDNEY NSW 2000
STOCK EXCHANGE LISTING:	LaserBond Ltd shares are listed on the Australian Securities Exchange (ASX) under LBL.

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ANNUAL REPORT 2025

LaserBond Limited
ABN 24 057 636 692

NSW: 2/57 Anderson Road,
Smeaton Grange,
NSW 2567 Australia
p. +61 2 4631 4500

SA: 112 Levels Road, Cavan,
South Australia 5094 Australia
p. +61 8 8262 2289

VIC: 26-32 Aberdeen Road,
Altona, Victoria 3018 Australia
p. +61 3 9398 5925

QLD: 74 High Road, Bethania,
Queensland 4205 Australia
p. +61 3 9398 5925

WA: The Gateway Group, 110 Nardine Close,
High Wycombe, WA 6057 Australia
p. +61 8 9209 2700

info@laserbond.com.au
www.laserbond.com

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