

2024 Annual General Meeting Chair's Address

This past year has been transformative for our company. We finally secured a national presence by gaining a foothold in WA through acquiring 40% of the Gateway Group. We have secured part ownership in an excellent business with strong local knowledge, an experienced management team, excellent business relationships and founders who are invested in growing the business. While 2024 delivered results that were below our planned growth, it was also a year that LaserBond deployed a significant amount of capital to assist with growing our revenue for the years ahead. Wayne will talk about this in greater detail.

This year your board reset the vision for the business laying out a clear strategy and road map that the entire business is working towards. We are in the process of creating a significant business. We have excellent IP, superior technology that has been modularised so it can be rolled out in a quarter of the time, and a high-quality leadership team to grow and future-proof the business.

Our next stage sees succession planning playing an integral part of the equation. Should I be re-elected today I can announce that this will be my last term. As part of my exit, we will also see other succession planning take shape.

Going forward, we still have investments to make to ensure our foundations for growth, such as our internal processes and systems, our equipment and facilities, etc. are suited to facilitate sustainable growth in the next few years to come. So, revenue will not jump instantly; however, the new markets and sectors, both domestic and overseas, that our sales team are tapping into are seriously exciting, and we are looking forward to great results in the second half. As Wayne goes into more depth, we fully expect a period of sustained substantial double-digit growth ahead of us. I expect that it will take another couple of quarters to gain a head of steam, however, we already see momentum increasing as the strategic initiatives we embarked on in FY24 take shape. Our revenue is presently tracking close to last year. We anticipate that by the time we announce our interim results we have substantial progress to report on the business development front and we should be in a position to give clearer guidance.

I would like to take this opportunity to thank our dedicated employees, whose hard work and commitment have been integral to our success. I also extend my gratitude to the board and our shareholders for their continued trust and support.

In conclusion, I am proud of what we have accomplished this year, and I am confident in the direction we are headed. Thank you once again for your continued support.

CEO Report

Strategy and Outlook

FY24 was a “Year of Investment” to deliver the strong future growth of the business. The last time we similarly classified a year in this way was in FY18. In the five years leading up to FY23 we delivered a 35% compound annual growth rate in net profit before tax, despite stalling during the COVID years. Our aim, in-line with our internal forecasts, is to continue growing at a similar rate.

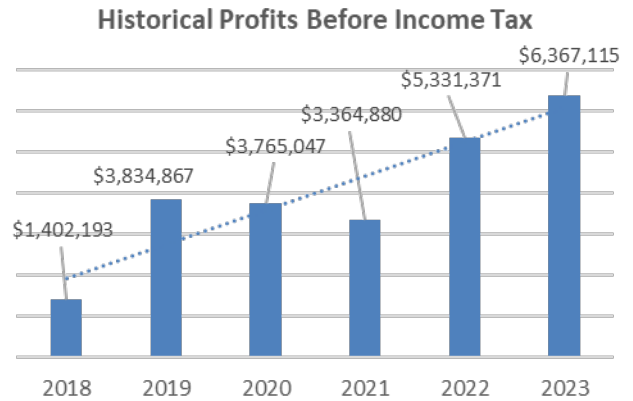
The core strategies to achieve this ongoing growth involves prioritising several strategic objectives:

1. Progressively continue expansion to take our services closer to large customers and industries, the next step being North America.
2. Driving organic growth through innovation of our processes, materials and applications in existing and new industries.
3. Improving the sales engine to shepherd new customers through the customer journey.
4. Continue to ensure our facilities and capabilities within are fit for purpose to deliver the ongoing organic growth.
5. Continue to develop staff and improve engagement in the business, making LaserBond a great place to work.

I'll discuss these in more detail and more specifically some of the actions taken or planned to deliver future growth.

The Customer Journey – Obtaining Long Term Customers

A frequent topic in discussions with investors is the customer journey. Our superior technology delivers impressive results. Raising the awareness of the benefits our technology offers with new customers in new markets and turning them into long term customers is both our challenge and our opportunity.



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New customers often lack familiarity with the benefits our technology delivers, which, in capital intensive industries, leads to cautious evaluation and decision-making. We focus on building trust through marketing as well as providing assistance in the evaluation stage. This often

Customer	Since
1	1993
2	2014
3	2015
4	2007
5	2020
6	2022
7	2022
8	2009
9	2022
10	2013
11	2007
12	2018
13	2016
14	2022
15	2009

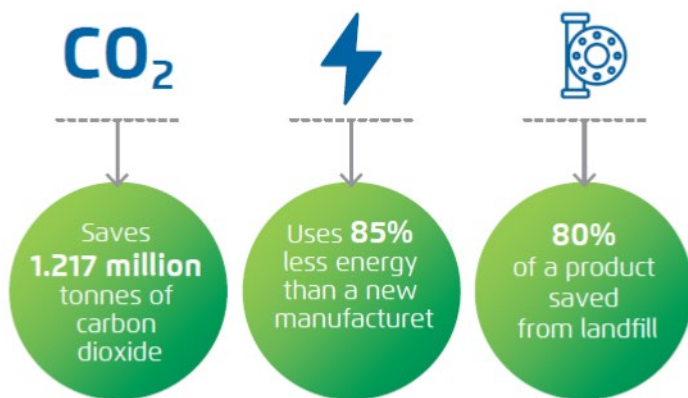
involves laboratory qualification and testing by our R&D team or by external parties. Initial purchases may then need proving in the field before further purchases. While this process can be lengthy, success leads to long-term customer relationships.

In FY24, 65% of our order value came from our top 15 customers, most of whom have been with us for years. Historically new business spending is approximately 5% of revenue in a year, but success leads to growth. Orders from customers that were new in FY20 grew 3.4 times by FY24, highlighting the strength of our long-term partnerships. To date, our Top 15 customers have been with us for an average of 10 years and counting.

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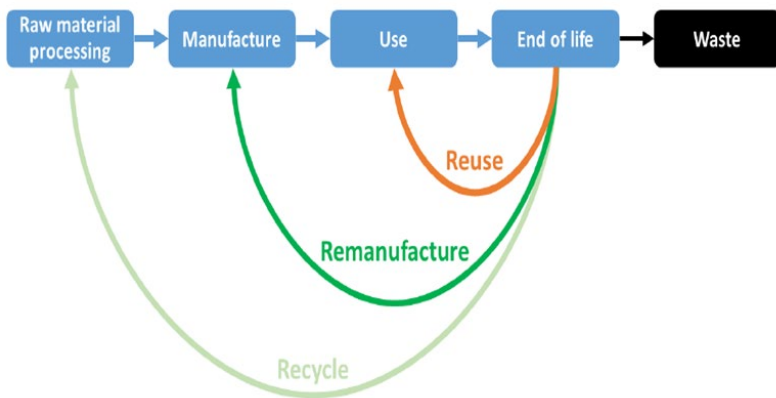
Sustainability – A Major Opportunity

ENVIRONMENTAL BENEFITS OF REMANUFACTURING



Sustainability is increasingly vital for businesses. As we prepare for reporting against Global Sustainability Accounting Standards by FY28, we recognise that many of our larger customers need to report on sustainability much sooner and are putting a high priority on their ESG performance.

Remanufacturing plays a crucial role in enhancing sustainability and improving ESG performance. With 50% of our revenue tied to remanufacturing services, we're well-positioned to capitalise on these demands.



Further, our Products Division significantly extends the lifecycle of components, boosting efficiency and sustainability for our clients.

The sustainability benefits we deliver to our customers in turn help deliver the sustainability of our business. Whilst we must be diligent in quantifying the benefits (to eliminate any concerns about “greenwashing”), sustainability is a focus of our sales, marketing and business

development activities.

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New Applications and Developments

Our Engineering Projects Team has completed the design of the modular LaserBond® cladding cells with the first under construction. This will dramatically reduce the lead time and deliver cost reductions for the cells for our own use and Technology licensing.

With the support and analysis by our Technical Product Management & Business Development personnel the R&D team are working on potentially very large applications for our technology. Here are several examples:

- a) In minerals processing, comminution (aka “crushing and grinding”) accounts for up to 3% of global energy consumption, and usually more than 50% of the energy used on mine sites. New grinding processes that use approximately 30% less energy are emerging but have significant wear issues. We have rolls and samples under evaluation & testing by several global leaders in these processes and have tremendous confidence the results will be best in class.
- b) Our R&D team has developed and qualified new highly corrosion resistant steel coatings for remanufacture of high strength components in highly corrosive environments such as desalination plants, aggressive slurry transportation and chemical industries. This is delivering growing business for our Services Division and will have applications in Products that we are exploring.
- c) E-Clad™ is delivering significantly growing applications as a hard-chrome replacement throughout our organisation. We have also developed and qualified much thinner, near net shape wear resistant coatings for hard chrome replacements where E-Clad is not suitable, and
- d) In conjunction with the ACM CRC, we are researching ways to further increase productivity and process stability whilst maintaining repeatability and quality of our processes. This will deliver significantly higher processing speeds, lower costs and as a consequence further applications and competitive advantage for the business.

Quick Response Teams (QRT's)



Our national expansion has been driven by a commitment to reduce turnaround times for our customers, particularly in our Services Division. To minimise downtime, our customers typically require the component to be remanufactured and returned as quickly as possible. By positioning ourselves closer to customers, we've mitigated freight delays and costs. Now we have extra skilled staff on each site, we're launching Quick Response Teams (QRTs) to further reduce lead times for specific applications and

customers. Our first QRT has begun operations in Queensland, with a second shift commenced in September, and we're closely monitoring its success for broader implementation.

FY24: A Year of Investment

FY24 was a year of investment in our capabilities for future growth. Most of that investment occurred well into the second half of the financial year which limited contributions to profits in FY24 but set us up to continue growth in FY25 and beyond. I will outline some of the most significant investments, the timing and the reasons for them.

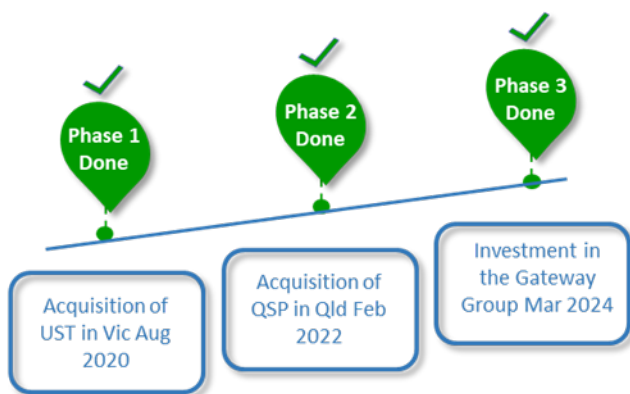
1. At the end of February 2024, we procured a 40% interest in the Gateway Group at an EV/EBITDA ratio of 4.5. Only 4 months of their contribution to profit accrued in FY24. Gateway is already a \$40 million business and growing. This growth will be further accelerated through the introduction of our surface engineering technology via Gateway into the resource rich WA market in early 2025, and LaserBond will own a minimum of 51% of the business in early 2027.
2. Whilst we are now in five key locations in Australia, during FY24 there was still a significant amount of work being shipped interstate due to capacity constraints on some sites. To improve capacity, reduce lead times for our customers, reduce costs and provide future growth for our business we invested \$2.5 million in equipment. Approximately 50% of this Capex was expended Q4FY24, to assist in delivering future revenue growth in FY25 and beyond.

To deliver future growth in revenue and profits, we also had a planned 15.2% increase in net expenses. A major part of that investment in our capabilities was in people:

1. We recruited an additional 15 skilled migrants to improve capacity utilisation on each site. They arrived from mid-June and are well advanced in training. A second shift in Queensland has already been started (more about this later).
2. Additional R&D personnel and resources were added to support the delivery of marketable outcomes and qualification of our processes in new applications.
3. The engineering Projects team, which is responsible for delivering and upgrading LaserBond[®] cladding cells for us and our licensees, was significantly enhanced with a new Head of Projects, Grant Wyber, and additional engineers to standardise and modularise our cell designs to provide reduced lead times and costs.

4. We strengthened the sales team with a new Head of Sales & Marketing, Keith Allan, and additional business development and technical product management personnel, focussing on delivering solutions to new business in a broad range of industries.
5. In addition to Grant and Keith, our senior leadership capability was enhanced through the addition of a Chief Operating Officer, Michael Tyler, in July 2024. Each of these executives brings expertise from industries related to LaserBond and with a demonstrated track record in enhancing and growing businesses. We are confident that our thus strengthened leadership team will continue to deliver strong long-term growth for our business.

Another Year of Expansion



Following the successful expansion since 2020 into Victoria and Queensland, we have broadened our national footprint to include Western Australia through the investment in the Gateway Group.

The Projects team is building the first of the new modular LaserBond® cladding cells to be installed in Gateway in the 3rd quarter of the current financial year. Gateway is also investing in other surface engineering equipment and some additional machining equipment to allow it to fully address the WA

market. Our plan is to increase LaserBond's ownership of Gateway to a minimum of 51% by early 2027.

Nationally we are actively working on increasing our capacity to continue our strong growth. After a 71% growth in the LaserBond Queensland's business since acquisition in February 2022, we are outgrowing the existing leased facility. We are planning relocation to a new, purpose-built facility during FY26 to accommodate further growth.

International Expansion

Our next phase of expansion is international, initially with a facility in North America. We are in advanced stages of discussion with potential acquisitions, with a footprint planned for this financial year. As always, it is critical that the acquisition have the right management, personnel, location, support equipment and customers, with a history of profitability and clear plans for further growth, as well as being immediately EPS accretive. This expansion will allow us to:

1. Enhance our Products Division by reducing lead times and logistics costs in the North American market.
2. Better serve our large OEM customers with local support, which will increase business opportunities.
3. Leverage existing relationships in Australia with branches in North America to grow our Services Division.
4. Provide a springboard for further expansion in North America and a model for expansion into other foreign markets.



Keith Allan & I have scheduled a trip to North America in November to meet with several of our customers and potential acquisitions.

Finally – A word on our Culture

Over the past four years, we've expanded our operations from two to five states and increased our revenue from \$22 million to \$42 million (excluding WA). This growth has come with a significant investment in our people. We believe that the ongoing delivery of excellent results require high employee engagement and clear accountability.

Our focus on culture has yielded positive employee engagement scores, but we're committed to ongoing improvement. Making LaserBond a great place to work is a central objective.

In summary, we have taken a considered approach in ensuring the business has strengthened the foundations for strong continued growth. I'd like to thank all our stakeholders; our shareholders, staff, customers and suppliers for their continued support on this exciting journey.