LASERBOND

PRODUCTIVITY | INNOVATION | CONSERVATION

Financial Report

For the Half Year Ended December 2025

Appendix 4D & Half-Yearly Financial Report LaserBond Limited

ABN 24 057 636 692

Half Year Information given to the ASX under Listing Rule 4.2A
For the half-year ended 31st December 2025

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half year ended 31st December 2025		Half year ended 31st December 2024
Revenues from ordinary activities	$23,008,876	Up 13.4% from	$20,297,296
Net profit from ordinary operating activities after tax attributable to members	$2,215,947	Up 117.2% from	$1,020,368
Net profit for the period attributable to members	$2,215,947	Up 117.2% from	$1,020,368
Earnings per share (cents) from profit attributable to members	1.88	Up 116.1% from	0.87
Net tangible assets per ordinary share (NTA Backing - cents)	30.50	Up 10.5% from	27.59

Dividend Information

Dividends	Amount Per Share (cents)	Total	Franked Amount	Record Date	Payment Date
2025 Final	0.8	$941,216	100%	5 September 25	26 September 25
2026 Interim	0.8	$945,605	100%	6 March 26	27 March 26

The Board has resolved to pay a fully franked interim dividend of 0.8 cents per share. With the forecasted continued growth, the Board expects to be able to continue to pay dividends in the future. As the Board resolution regarding dividends was made after 31st December 2025, the dividend will be paid from retained earnings but is not recognised as a liability in the half-year financial statements.

Dividend Reinvestment Plans

LaserBond Limited had a Dividend Reinvestment Plan (DRP) in operation during the period. Under the DRP, shareholders may elect to have dividends on some or all their ordinary shares automatically reinvested in additional LaserBond shares. Full details of the operation of the DRP are contained in the Terms and Conditions available on the LaserBond website: www.laserbond.com.au.

The Board has resolved to offer the DRP for the FY2026 interim dividend.

Brief Explanation of Results

Further details on operating performance and outlook are held in the Director's Report and the ASX release lodged in conjunction with the Report.

Details of Subsidiaries

During the period from 1st July 2025 to 31st December 2025, LaserBond Limited has not gained or lost control over any entities.

Details of Associates and Joint Venture Entities

During the period from 1st July 2025 to 31st December 2025, LaserBond Limited has maintained its 40% interest in Gateway Equipment Parts & Services Pty Ltd. This investment has provided a $372,659 Share of post-tax profits for 1H26 (1H25: $381,659). For further information, refer to Note 4: Investment in Associates of this financial report.

Details of Foreign Entities

During the period from 1st July 2025 to 31st December 2025, LaserBond Limited has no interest in any foreign entities.

Audit Modified Opinion, Emphasis of Matter or other matter

None.

DIRECTORS' REPORT

Your Directors present their report on the entity for the half-year ended 31st December 2025.

Directors

Details of the Company's Directors during the half year and up to the date of the report are as follows:

Director	Position Held	In Office Since	Ceased to Hold Office
Philip Suriano	Non-Executive Chairperson	6 May 2008	
Ian Neal	Non-Executive Director	9 May 2022	
Dagmar Parsons	Non-Executive Director	30 January 2023	
Wayne Hooper	Executive Director	21 April 1994	
Matthew Twist	Executive Director	30 June 2020	1 September 2025

Overview

LaserBond continued to build on the momentum established in the second half of FY25, which followed a period of considerable strategic investment. The Company delivered its second consecutive strong result in 1H FY26 despite challenges associated with seasonal factors during December, softness in key mining sectors, and ongoing global supply chain pressures. The Company's strong order book extending into 2026, continued investment in innovation, and proactive management of material supply constraints position it well for the remainder of FY26.

Group Financial Results

LaserBond delivered revenue of $23.0 million for the half year, representing growth of 13.4% on the prior corresponding period ($20.3 million) and in line with 2H FY25 performance ($23.2 million). Gross profit of $12.4 million delivered a healthy margin of 53.9%.

Net profit before tax of $3.3 million was significantly higher than 1H FY25 ($1.3 million), representing growth of 153.8%, though modestly below the strong 2H FY25 result ($3.7 million). Net profit after tax of $2.2 million similarly demonstrated strong year-on-year improvement of 117.2% on 1H FY25 ($1.0 million). Historically, LaserBond has delivered stronger performance in the second half of the financial year, and this pattern is expected to continue in FY26, with open orders on 1 January 2026 exceeding the equivalent figure 12 months earlier by almost 70%.

The profit performance in 1H FY26 was impacted by the typical December seasonal pattern, where year-end customer requirements and supplier holiday shutdowns create some operational challenges in converting orders to revenue by 31 December 2025.

Cash and cash equivalents at 31 December 2025 stood at $4.0 million, down from $5.6 million at 30 June 2025. Operating cash flow of $1.5 million for the half year was solid but below the exceptionally strong 2H FY25 performance ($5.1 million). The movement in cash was primarily driven by strategic investments in Tungsten Carbide inventory and prepayments of $1.8 million, a proactive response to global supply constraints.

Half year ended 31 Dec	1H26	% change	1H25
Revenue from continuing operations	$23.0M	Up 13.3% from	$20.3M
EBITDA	$5.2M	Up 57.6% from	$3.3M
EBIT	$3.7M	Up 117.6% from	$1.7M
Net profit before tax	$3.3M	Up 153.8% from	$1.3M
Net profit after tax	$2.2M	Up 117.2% from	$1.0M

Operational Performance

Services Division

The Services division delivered revenue of $14.3 million, representing growth of 10.0% on 1H FY25 ($13.0 million), though marginally below the strong 2H FY25 performance ($14.6 million). Gross profit margins expanded to 58.3%, up from 50.8% in 1H FY25 and 53.6% in 2H FY25, reflecting cost controls, better utilisation of machinery and equipment across the LaserBond network, and effective resource deployment.

The division's performance was impacted by weakness in the mining sector, where some customers have extended equipment replacement cycles, deferring some maintenance until equipment failure.

However, the fundamental demand for the Company's specialist surface engineering services remains, and LaserBond's strong market position ensures it is well-placed to benefit from the recovery in mining sector capital expenditure and maintenance cycles.

Products Division

Products revenue of $8.4 million represented growth of 34.2% on 1H FY25 ($6.3 million) and matching the strong 2H FY25 performance ($8.4 million), demonstrating sustained momentum in this division.

Gross profit margins of 47.1% were healthy, though modestly below 1H FY25 (48.6%) and 2H FY25 (51.1%), reflecting the impact of Tungsten price volatility over the last 9 months driven by geopolitical challenges affecting supply of critical minerals. The division benefitted from strong orders from major customers, with export markets representing a significant component of revenue.

The Company's long-standing OEM partnerships continue to provide a stable foundation, while new components designed for the oil and gas sector are gaining traction. The Company is particularly encouraged by international growth opportunities, in key markets.

Technology Division

The Technology segment continues to progress well following the delivery of the first modular LaserBond laser-cladding cell to Gateway on arm's-length commercial terms, with laser cladding revenue generated from June 2025.

The licensing deal valued at $2.3 million secured with Komatsu for earthmoving and mining equipment manufacturing remains on track for delivery in the second half of FY26. This strategic global partnership validates the commercial appeal of the LaserBond's proprietary technology and represents what the Company expects will be the first of multiple licensing opportunities.

Research & Development

Investment in R&D increased significantly in 1H FY26, reflecting the Company's commitment to innovation and future growth. A substantial portion of this investment has been directed toward developing Tungsten Carbide alternatives and new formulations in response to global supply constraints.

LaserBond's R&D team has been instrumental in developing solutions that maintain performance while reducing dependency on constrained resources. The Company is also advancing major projects in wind turbine and agricultural applications that will support future revenue growth. Additionally, LaserBond continues to invest in new materials and processes that support the Products division's expansion into other sectors.

This increased R&D investment, while impacting near-term profitability, is essential to maintaining the Company's competitive advantage and ensuring it can continue delivering innovative solutions to customers regardless of global supply chain dynamics.

Investment in Associates

Based on LaserBond's ownership of 40% of the equity in Gateway, the Company applies equity accounting principles. Gateway contributed $372,659, representing 40% of the profits after tax reported by Gateway. For 1H26, Gateway delivered strong results with revenue of $24.7 million, representing 24% growth on the previous corresponding period of $19.9 million.

Improved machining capabilities have attracted new mining customers previously not serviced by the business, broadening the customer base as planned. The laser cladding system, operational for eight months, has performed well and positions Gateway to diversify beyond mining and into other sectors.

Market conditions have improved compared to the prior year. The strong gold price has driven increased maintenance spending by gold miners, while recent strengthening in lithium prices has resulted in higher customer investment.

The team at Gateway's larger facility, operational as of July, is successfully managing the transition and building revenue through the expanded capacity. The workshop positions Gateway for future volume growth.

Gateway's integration with LaserBond continues to be well received by major customers and OEMs seeking broad national coverage, supporting future growth opportunities across multiple sectors.

Sustainability

Environmental Commitment and Customer Emissions Reduction Contribution

LaserBond's proprietary surface engineering and remanufacturing technologies are inherently aligned with circular economy principles. By extending the operational life of industrial components – often multiple times beyond original wear life – LaserBond provides customers with a cost-effective alternative to full replacement while supporting improved resource efficiency across heavy industry supply chains.

As sustainability disclosure and decarbonisation expectations continue to increase across Australian and global markets, LaserBond's service offering is becoming increasingly relevant to asset-intensive industries seeking to optimise equipment life, manage capital expenditure, and respond to evolving environmental reporting requirements.

During the past six months, LaserBond has strengthened its ESG governance and strategic capability through the engagement of dedicated sustainability expertise. Key initiatives underway include:

- Completion of a formal ESG Materiality Assessment
- Identification of priority sustainability-related risks and opportunities
- Development of a structured ESG strategy and roadmap
- Alignment of future reporting with emerging Australian sustainability disclosure frameworks

This investment reflects LaserBond's focus on embedding disciplined, measurable sustainability practices across the business and positioning the Company to respond to increasing customer and regulatory expectations.

The Board considers that strengthening ESG capability and governance will enhance strategic resilience, support customer engagement, and position LaserBond to capitalise on growth opportunities arising from the structural shift toward resource efficiency and lower-impact industrial solutions.

Strategy

LaserBond continues to benefit from strategic investments made over the last two years, which focused on enhancing productivity, optimising resource deployment, and strengthening its position across key customer segments and sectors. The productivity gains evident in Services margin expansion and the revenue growth in Products validate this approach.

Despite industry-wide shortages of qualified metal trades, LaserBond has maintained operational capacity through disciplined workforce planning and targeted investment in skills. The Company has supplemented domestic recruitment with skilled migration in critical roles and materially expanded its apprentice pipeline to build long-term capability.

Strategy (continued)

These actions have supported stable production, improved labour utilisation, and reduced execution risk across the Services and Products divisions. LaserBond continues to strengthen its workforce base to support sustained growth in a constrained labour market.

A key strategic priority has been managing the restricted availability of Tungsten Carbide, a critical material in the Company's processes, resulting from Chinese export controls. The Company anticipated this risk early and took decisive action, boosting inventory levels, diversifying its supply chain, and working closely with customers to explore alternative materials. LaserBond's proactive stance, including significant prepayments to secure supply, has ensured uninterrupted service to customers while many competitors have struggled with availability. The Company's R&D efforts are delivering tangible alternatives that will serve it well into the future.

Heading into FY26, Gateway Group is well positioned following a period of strategic investment and diversification over the past 18 months. Gateway's focus on expanding capability, infrastructure and talent has supported a solid foundation while creating new opportunities across both existing customers and emerging markets. The Company expects these initiatives to continue driving momentum and strengthening Gateway's position.

International expansion remains a priority, with encouraging opportunities in the United States and other markets. LaserBond's export success in Products and the international interest in its Technology licensing model demonstrate the global appeal of its capabilities.

Outlook

LaserBond is well-positioned for a strong second half of FY26, supported by a healthy order book extending well into 2026.

The Company expects Services Division performance to benefit from the anticipated recovery in mining sector activity as equipment replacement cycles normalise. The Products Division should continue its strong performance, supported by expanding customer relationships and new LaserBond-branded offerings gaining market acceptance. The Technology Division's Komatsu licensing delivery in 2H FY26 will provide additional revenue and further demonstrate the commercial value of the Company's proprietary capabilities.

The replacement of ageing machinery during FY26 will eliminate the downtime impacts experienced in 1H FY26, improving operational efficiency. Additionally, cost efficiency initiatives currently being implemented are expected to contribute significantly to 2H FY26 performance. Growth opportunities in oil and gas, international markets, and the Company's ongoing innovation pipeline provide multiple avenues for continued expansion.

While the Board remains mindful of global economic uncertainty, including recent tariff developments affecting US business, and ongoing challenges in certain mining sectors, LaserBond's diversified operations, strong customer relationships, and investment in innovation provide a strong foundation for growth as the Company advances its strategic initiatives.

Philip Suriano I Chair

Dated this 19th day of February 2026.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The half-year financial statements and notes, as set out on pages 12 to 23 are in accordance with the Corporations Act 2001 and:
   a) Comply with Accounting Standards, Corporations regulation 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 Company's financial position as of 31st December 2025 and of its performance for the half-year ended on that date.
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.

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

Philip Suriano I Chair

Dated this 19th Day of February 2026.

LNP AUDIT
& ASSURANCE

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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 interim reporting period ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

2. no contraventions of any applicable code of professional conduct in relation to the review.

LNP Audit and Assurance Pty Ltd

David Sinclair
Director

Sydney

19 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LASERBOND LIMITED

Conclusion

We have reviewed the half-year financial report of LaserBond Limited, (the Company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of material accounting policy information, and the Directors' Declaration of the Company.

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

(a) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
(b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities under that standard are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the half year Financial Report

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

Auditor's Responsibility for the Review of the half year Financial Report

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

LNP AUDIT & ASSURANCE

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

LNP Audit and Assurance Pty Ltd

David Sinclair
Director
Sydney

19 February 2026

Condensed Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2025

	Note	31 Dec 2025 $	Restated * 31 Dec 2024 $
Revenue		23,008,876	20,297,296
Cost of sales		(10,658,556)	(10,204,035)
Gross Profit from continuing operations		**12,350,320**	**10,093,261**
Other income		193,198	214,053
Share of Profit of associate	4	372,659	381,659
Administration expenses		(2,599,722)	(2,373,083)
Depreciation & amortisation		(1,520,731)	(1,581,177)
Employment expenses		(4,194,261)	(4,013,424)
Recruitment Costs		(159,380)	(644,506)
Finance Costs		(410,057)	(447,395)
Research & development		(634,607)	(239,568)
Other expenses		(124,266)	(87,530)
Profit before income tax expense		**3,273,153**	**1,302,290**
Income tax expense		(1,057,206)	(281,922)
Profit for the period		**2,215,947**	**1,020,368**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of LaserBond Limited		**2,215,947**	**1,020,368**
Earnings per share for profit attributable to members:			
Basic and diluted earnings per share (cents)		1.88	0.87

These Financial Statements should be read in conjunction with the accompanying notes.

* Refer to Note 3 for information on restatement of comparatives

Condensed Statement of Financial Position for the Half-Year Ended 31 December 2025

	Note	31-Dec-25 $	30-Jun-25 $
CURRENT ASSETS			
Cash and cash equivalents		3,999,716	5,634,854
Trade and other receivables	5	12,731,105	13,213,587
Inventories		7,442,501	5,698,030
Total current assets		**24,173,322**	**24,546,471**
NON-CURRENT ASSETS			
Property, plant, and equipment	6	19,129,395	19,165,593
Deferred tax assets		1,500,967	1,591,170
Rental bond		45,600	45,600
Investment in associate	4	11,390,075	11,004,897
Intangible assets		6,667,185	6,523,822
Total non-current assets		**38,733,222**	**38,331,082**
TOTAL ASSETS		**62,906,544**	**62,877,553**
CURRENT LIABILITIES			
Trade and other payables		3,837,065	4,038,497
Current tax liabilities		137,965	920,065
Employee benefits		2,538,962	2,598,513
Financial liabilities	7	1,428,347	1,875,784
Total current liabilities		**7,942,339**	**9,432,859**
NON-CURRENT LIABILITIES			
Financial liabilities	7	10,210,814	10,154,944
Deferred tax liabilities		1,462,675	1,574,035
Employee benefits		328,499	294,763
Make good provision		374,993	343,314
Total non-current liabilities		**12,376,981**	**12,367,056**
TOTAL LIABILITIES		**20,319,320**	**21,799,915**
NET ASSETS		**42,587,224**	**41,077,638**
EQUITY			
Issued capital	8	25,058,716	24,823,861
Retained earnings		17,528,508	16,253,777
TOTAL EQUITY		**42,587,224**	**41,077,638**

These Financial Statements should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows for the Half-Year Ended 31 December 2025

	Note	31-Dec-25 $	31-Dec-24 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		27,988,095	21,283,926
Payments to suppliers and employees		(24,503,868)	(19,897,644)
Interest paid		(135,475)	(125,896)
Interest received		15,545	30,012
Income taxes paid, net		(1,860,463)	(367,423)
Net cash inflow from operating activities		**1,503,834**	**922,975**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,046,879)	(423,945)
Loans to employees, net		19,635	(25,250)
Net cash outflow from investing activities		**(1,027,244)**	**(449,195)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share issue costs		(9,197)	(8,765)
Payments for hire purchase assets and finance leases		(1,379,849)	(1,335,599)
Dividends paid		(722,682)	(696,378)
Net cash outflow from financing activities		**(2,111,728)**	**(2,040,742)**
DECREASE IN CASH AND CASH EQUIVALENTS		(1,635,138)	(1,566,962)
Cash and cash equivalents at the beginning of the year		5,634,854	5,759,153
CASH AND CASH EQUIVALENTS AT END OF YEAR		**3,999,716**	**4,192,191**

These Financial Statements should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity for the Half-Year Ended 31 December 2025

	Issued capital $	Retained earnings $	Restated* Total equity $
Opening Balance at 1st July 2024	**24,434,722**	**13,812,335**	**38,247,057**
Profit for the year (as previously reported)	-	1,040,585	1,040,585
Adjustment (Refer to Note 3)	-	(20,217)	(20,217)
Issued of Share Capital (net of costs)	251,756		251,756
Dividends paid/payable during the year	-	(934,015)	(934,015)
Adjusted Closing Balance at 31st December 2024	**24,686,478**	**13,898,688**	**38,585,166**
Opening Balance at 1st July 2025	**24,823,861**	**16,253,777**	**41,077,638**
Profit for the year	-	2,215,947	2,215,947
Issue of Share Capital, net of cost	234,855	-	234,855
Dividends paid/payable during the year	-	(941,216)	(941,216)
Closing Balance at 31st December 2025	**25,058,716**	**17,528,508**	**42,587,224**

These Financial Statements should be read in conjunction with the accompanying notes.

* Refer to Note 3 for information on restatement of comparatives

Notes to the Condensed Financial Statements for the Half-Year Ended 31 December 2025

Corporate Information

LaserBond Limited (the Company) is a for-profit listed public Company incorporated and domiciled in Australia. The financial report for the half year ended 31 December 2025 relates to LaserBond Limited as an individual entity. The Company specialises in developing technologies and implementing its metal cladding methodologies to increase capital-intensive machinery components' operating performance and wear life. LaserBond operates from New South Wales, Queensland, South Australia, and Victoria facilities.

The financial statements have been approved and authorised for issue by the Board of Directors on 19 February 2026.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

a) General information and basis of preparation

The condensed financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001, applicable Accounting Standards (including AASB 134 Interim Financial Reporting) and other mandatory professional reporting requirements. All amounts are presented in Australian dollars ($AUD). The condensed financial report does not include notes of the type typically included in an annual financial report and shall be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made during the half year to 31 December 2025 in accordance with the continuous disclosure obligations under the Australian Securities and Exchange Listing Rules and the Corporations Act 2001. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2025, unless stated otherwise.

b) New and amended standards adopted

The accounting policies adopted in the preparation of the half-year financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2025, except for the adoption of new standards effective as of 1 July 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and are effective for the financial year beginning 1 July 2025. Adopting these standards did not have a material impact on the Company's half-year financial report.

c) Critical accounting estimates and judgement

In applying the Company's accounting policies, several estimates and assumptions have been made concerning the future. The directors base their judgements and estimates 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. The main areas where a higher degree of judgement arises or where assumptions and estimates are significant to the financial statements are:

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

c) Critical accounting estimates and judgement (continued)

Carrying amount of Goodwill – The Company determines whether goodwill is impaired at least at each reporting date. This requires estimating the recoverable amount of the cash-generating units (CGU) to which goodwill has been allocated using the value-in-use discounted cash flow methodology. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate to calculate the present value of those cash flows. The high-interest rate environment was considered in the assessment of the required return on equity in relation to discounted cash flow (DCF) models and the future cash flow projections in DCF models. A material impairment loss may arise if future cash flows are less than expected. At the half-year, the Company performed a review of impairment indicators. Based on management's assessment, there were no impairment indicators and hence, no impairment was required.

NOTE 2: SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports reviewed and used by the 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 surface engineering of new components not manufactured by the Company.
- *Products* – the manufacture of products incorporating LaserBond® surface engineering 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 adjusted for realised and unrealised downstream sales, after tax less expenses.

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

	31 December 2025				
	Services	**Products**	**Technology**	**All other**	**Total**
Revenue	14,264,157	8,440,689	304,030	-	23,008,876
Gross Profit Margin	58.3%	47.1%	19.2%	-	53.7%
EBITDA	3,457,975	2,090,638	(76,215)	(284,002)	5,188,396
Interest	(281,091)	(113,422)	-	-	(394,513)
Depreciation & Amortisation	(1,085,756)	(420,320)	-	(14,654)	(1,520,730)
Profit Before Income Tax	2,091,128	1,556,896	(76,215)	(298,656)	3,273,153
Assets					62,906,544
Liabilities					(20,319,320)

	Restated* 31December 2024				
	Services	**Products**	**Technology**	**All other**	**Total**
Revenue	13,066,980	6,291,607	938,709	-	20,297,296
Gross Profit Margin	50.8%	48.6%	42.4%	-	49.7%
EBITDA	2,055,564	853,225	248,991	133,091	3,290,871
Interest	(281,732)	(135,651)	-	-	(417,383)
Depreciation & Amortisation	(1,047,117)	(504,176)	-	(19,905)	(1,571,198)
Profit Before Income Tax	726,715	213,398	248,991	113,186	1,302,290
Assets					60,580,153
Liabilities					(21,974,772)

** Refer to Note 3 for information in the restatement of comparatives.*

NOTE 3: RESTATEMENT OF MAKE GOOD PROVISIONS

During 2025, the Company identified that the 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 retrospectively 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 31-Dec-24	Adjustments	Restated 31-Dec-24
Statement of Profit or Loss	**$**	**$**	**$**
Depreciation (Right of Use)	596,616	15,413	612,029
Interest Paid (Right of Use)	311,784	9,715	321,499
Profit before income tax expense	1,327,418	(25,128)	1,302,290
Income Tax Expense	(286,833)	4,911	(281,922)
Profit after income tax expense	1,040,585	(20,217)	1,020,368

NOTE 4: INVESTMENT IN ASSOCIATES

On 5th March 2024, LaserBond completed the 40% equity purchase of Gateway Equipment Parts & Services Pty Ltd (Gateway), which provide 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. The purchase was settled in cash and shares, escrowed for twelve months.

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 $372,659 share of profit of associate in the financial statements (1HFY25: $381,659)

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 associates	**31-Dec-25 (Unaudited)**	**31-Dec-24 (Unaudited)**
Statement of Profit or Loss	**$**	**$**
Revenue	24,701,901	19,862,574
Cost of Sales	(19,725,061)	(15,139,658)
Gross Profit	4,976,840	4,722,916
Expenses	(3,645,914)	(3,359,849)
Profit before income tax expense	1,330,926	1,363,067
Income Tax Expense	(399,275)	(408,912)
Profit after income tax expense	931,651	954,155

NOTE 4: INVESTMENT IN ASSOCIATES (continued)

b) Summarised financial information for associate (continued)

Statement of Financial Position	**31-Dec-25**	**30-Jun-25**
Current Assets	20,089,825	20,161,025
Non-Current Assets	23,019,095	17,542,969
Total Assets	43,108,920	37,703,994
Current Liabilities	6,245,476	6,420,755
Non-Current Liabilities	17,666,180	13,019,252
Total Liabilities	23,911,656	19,440,007
Net Assets	19,197,264	18,263,987
Total Equity	19,197,264	18,263,987

c) Interests in Associates

Opening Balance 1 July	11,004,897	10,502,448
Share of Profits from Continuing Operations	372,659	737,292
Downstream Sale of Asset to Associates	12,519	(234,843)
	11,390,075	11,004,897

NOTE 5: TRADE AND OTHER RECEIVABLES

	31-Dec-25	**30-Jun-25**
	$	**$**
Trade Receivables	9,509,256	12,293,025
Provision for expected credit losses	(128,236)	(128,236)
Loans – Employees	6,144	24,780
Prepayments and other receivables	3,343,941	1,024,018
	12,731,105	13,213,587

	Gross Amount	**Provision for expected credit losses**	**Ageing**				**Total**
			<30	**31-60**	**61-90**	**>90 (Outside Terms)**	
	$,000	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**
31-Dec-25							
Trade receivables	9,381	(128)	2,894	3,040	1,375	2,199	9,381
Other receivables	3,350	-	3,350	-	-	-	3,350
	12,731	(128)	6,244	3,040	1,375	2,199	12,731
30-Jun-25							
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

NOTE 5: TRADE AND OTHER RECEIVABLES (continued)

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 the historical experience of sales and bad debts.

NOTE 6: PROPERTY, PLANT & EQUIPMENT

	31-Dec-25	30-Jun-25
	$	$
Work in Progress	1,582,454	1,203,019
Prepayments of Plant and Equipment	748,808	329,353
Plant & Equipment		
At Cost	23,399,018	23,193,452
Less Accumulated Depreciation	(14,460,400)	(13,668,017)
	8,938,618	9,525,435
Office Equipment		
At Cost	349,293	336,215
Less Accumulated Depreciation	(230,164)	(233,289)
	119,129	102,926
Motor Vehicles		
At Cost	884,478	870,539
Less Accumulated Depreciation	(549,441)	(544,374)
	335,037	326,165
Right of Use Assets		
At Cost	13,190,932	12,816,048
Less Accumulated Depreciation	(5,785,583)	(5,137,353)
	7,405,349	7,678,695
TOTAL PROPERTY, PLANT & EQUIPMENT	19,129,395	19,165,593

NOTE 7: FINANCIAL LIABILITIES

	31-Dec-25	30-Jun-25
	$	$
Current Liabilities		
Hire purchase and finance lease	917,680	869,678
Lease Liabilities	510,667	1,006,106
	1,428,347	1,875,784
Non-Current Liabilities		
Hire purchase and finance lease	1,954,648	2,226,224
Lease Liabilities	8,256,166	7,928,720
	10,210,814	10,154,944

NOTE 8: CONTRIBUTED EQUITY

	31-Dec-25 Shares	31-Dec-25 $	30-Jun-25 Shares	30-Jun-25 $
Opening Balance	117,651,994	24,823,861	116,756,333	24,434,722
Issued Shares	548,642	234,855	895,661	389,139
	118,200,636	25,058,716	117,651,994	24,823,861

(a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)	$
1st July 2025	Opening Balance	117,651,994		24,823,861
26th September 2025	Dividend Reinvestment Plan	433,194	0.5061	210,137
19th December 2025	Employee Share Plan	115,448	0.6300	24,718
31st December 2025	Closing Balance	118,200,636		25,058,716

Issue costs above are less transactional fees arising from the issue.

NOTE 9: DIVIDENDS

	31-Dec-25 $	31-Dec-24 $
Declared 2025 fully franked final ordinary dividend of 0.8 (2024: 0.4) cents per share franked at the tax rate of 30.0% (2024:30.0%)	941,216	934,015
Total dividends per share for the period	0.8 cents	0.8 cents

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 (2025: 0.8) fully franked based on tax paid at 30.0%. The aggregate amount of the proposed dividend expected to be paid on the 27th of March 2026 out of retained earnings as of 31 December 2025 but not recognised as a liability at year-end is $945,605. The debit expected to the franking account arising from this dividend is $283,681.

NOTE 10: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Apart from security deposit guarantees of $468,897 with CBA for the leased premises, the directors are not aware of any contingent liabilities that would require disclosure in these financial statements. (2024: security deposit guarantees $245,102).

The Company has committed to $2,410,567 of fixed asset purchases, of which $748,809 has been recognised in Prepayments of Assets classified in Property, plant, and equipment (Note 6) as at 31 December 2025.

NOTE 10: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

In 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 issued a bank guarantee 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 31 December 2025.

The Company had no other contingent liabilities or capital commitments as at 31 December 2025.

NOTE 11: MATTERS SUBSEQUENT TO PERIOD END

No matters 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, which has not already been reflected in this report.

Company Details

Registered Office and Principal Place of Business:

LaserBond Ltd	2/57 Anderson Road SMEATON GRANGE NSW 2565 Phone: 02 4631 4500 www.laserbond.com.au

Divisions of Head Office:

South Australia	112 Levels Road CAVAN SA 5094 Phone: +61 8 8262 2289
Victoria	26-32 Aberdeen Road ALTONA VIC 3018 Phone: +61 3 9398 5925
Queensland	74 High Road BETHANIA QLD 4205 Phone: +61 7 3200 9733

Investments in Associates:

Western Australia	The Gateway Group 110 Nardine Close HIGH WHYCOMBE WA 6057 Phone: +61 8 9209 2700 www.gatewaygroup.net

Share Registry:

Boardroom Pty Ltd	Grosvenor Place Level 8, 210 George Street SYDNEY NSW 2000 Phone: 1300 737 760 www.boardroomlimited.com.au

Auditor:

LNP Audit & Assurance Pty Ltd	Level 8, 309 Kent Street SYDNEY NSW 2000 www.lnpaudit.com.au

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 9, Darling Park Tower 1 201 Sussex Street SYDNEY NSW 2000