LASERBOND®
PRODUCTIVITY | INNOVATION | CONSERVATION

2024

Annual Report

CONTENTS

OPERATIONS - WHAT WE DO

SERVICES DIVISION

Repair and refurbishing worn or damaged machine parts

Exposure to recurring service problems leads to research for better solutions & product opportunities

RESEARCH & DEVELOPMENT

New cladding materials and application technologies

A wide range of customers and industries seeking better than new repair of (mostly) wear related machinery maintenance problems

LASERBOND

PRODUCTIVITY | INNOVATION | CONSERVATION

Technology developed in collaboration with researchers and industry partners

TECHNOLOGY DIVISION

Design, manufacture, licensing & support of tailored cladding systems

Global METS OEM partners who are seeking strategic advantage from high performance wear components

PRODUCTS DIVISION

Specialised surface engineered components for OEM partners and end users.

COMPANY SNAPSHOT

A market-leading specialist surface engineering business that develops and applies sophisticated technologies to increase wear life on capital intensive machinery across the spectrum of heavy industry. Its products and services increase productivity, while reducing cost and environmental impact.

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.

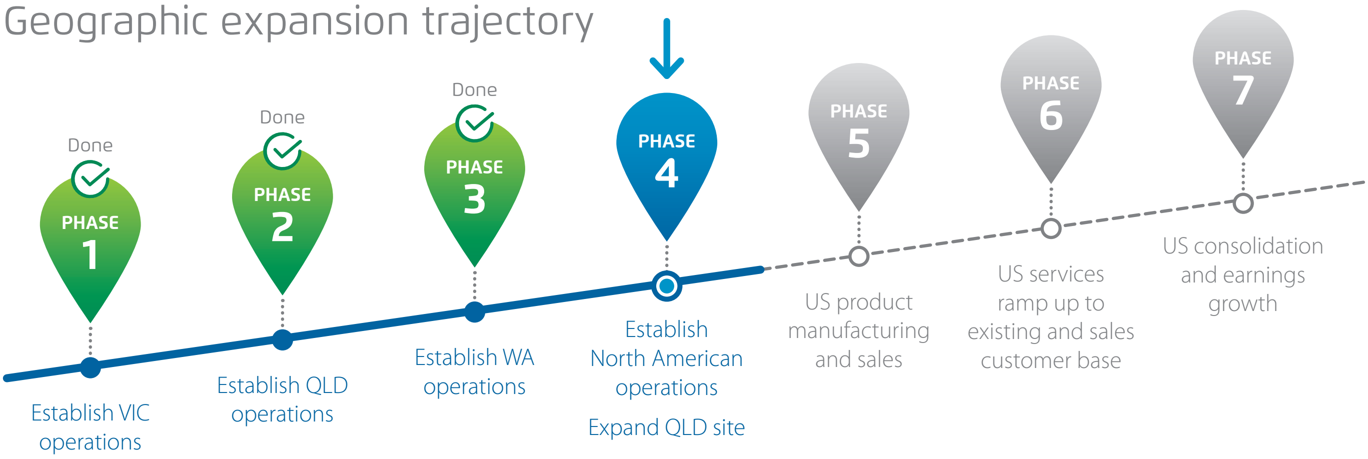
AUSTRALIAN MARKET LEADER IN SURFACE ENGINEERING

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.

Geographic expansion trajectory



FY24 PERFORMANCE SNAPSHOT

HEALTH & SAFETY

LTI
Better than FY23

↓ 62.5%

LTIFR
Better than FY23

↓ 65.3%

Staff Engagement
↑ 82%

75% in FY21

Staff Enthusiasm
↑ 89%

78% in FY21

OPERATIONAL

R&D Investment
77.6% on pcp

↑ $0.81M

New Modular Cell
Design completed

↑ 100%

Acquisition
Gateway in WA

↑ 1

New Senior People
Operations & Sales

↑ 3

FINANCIAL

Revenue
8.7% on pcp

↑ $41.98M

NPAT
25.9% on pcp

↓ $3.52M

Dividend
In line with pcp

1.6 cents

Cash from Ops
13% on pcp

↓ $6.71M

STRATEGIC UPDATE

FOCUS: GROWTH AND INNOVATION

LaserBond's strategy is designed to guide the expansion into global markets and retain the culture of innovation to support its continued market-leading position.

1 Push existing and new products into new domestic and offshore markets

1 | Geographic expansion

2 Invest in people and equipment to improve margins and build productivity

2 | Capacity and Capability

VISION

To be a global leader in the research, design and implementation of advanced surface engineering technologies and innovations that tangibly reduce unit operating costs, and impact on the environment, by extending the wear and operational life of production - vital equipment.

MISSION

To optimise the capacity and capability of our facilities and staff to deliver innovative services and products and build on our core competency of surface engineering to diversify and grow our business.

VALUES

Zero Harm
Respect
Inclusion
Pride
Innovation

3 | Innovation

3 Innovate, build R&D capability and stay ahead of the market

4 | Technology Licensing

4 Build a suite of technologies for sale under long-tailed licensing arrangements

During 2H24, the Board reviewed LaserBond's strategy and built it out to 2028. This latest revision better supports and guides the proposed move into the North American market with a facility located in the US that is closer to large existing OEM customers, and that also offers a significant level of opportunity for the wider LaserBond products, services and technologies. During the year, much investigative work was done to assess what the optimum operating model might look like and to better understand the breadth and scope of opportunity for an LaserBond offering in various large and attractive regional markets.

In FY24, LaserBond also completed its national footprint with the acquisition of a 40% stake in Gateway Equipment, Parts and Services. The purchase agreement provides LaserBond a right to increase its stake to 51% after three years, which is an attractive prospect given the FY24 performance of the business and the access that it opens up for LaserBond to pursue significantly greater levels of work in the mining, oil and gas, and agricultural sectors. The purpose of the acquisition, as with other states, is also to locate LaserBond facilities closer to customers' operations, thus reducing lead times and increasing efficiency.

PERFORMANCE AND FY25 PLANS

STRATEGY	STRATEGIC OBJECTIVE FY24	PROGRESS	STRATEGIC OBJECTIVE FY25
Geographic Expansion	• Purchased a 40% equity stake in Gateway Equipment Parts and Services Pty Ltd in WA, including a right to acquire a minimum of 51% on/after three years • Expanded business case modelling for North America, including key and secondary target customers and markets, and sales and marketing plans. Currently progressing discussions with multiple acquisition prospects in the region	✓	• Introduce surface engineering capabilities to Gateway in WA, including laser cladding, thermal spray technologies and support equipment • Refine plans for North American acquisition or investment • Consider further domestic expansion to support opportunities in some regional states, particularly QLD and WA
Capacity and Capability	• Invested at all sites to better support local customers and increase efficiency, including large turning, grinding, milling, boring and R&D capabilities • Inducted 12 of the current tranche of 15 skilled visa applicants and began training in June 2024 • Continued to enhance a strong culture of safety, innovation, and commitment to excellence	✓	• Continue investing in people and training to maximise capacity utilisation across multiple shifts at all facilities • Continue to invest in new and upgraded equipment, automate processes to improve efficiency, and provide capabilities to local customers • Develop 'Quick Response Teams' across all facilities to support short lead times on critical customer parts
Innovation	• Invested in R&D resources to enable increased spending and outcomes appropriate to growth plans • Strengthened new business development plans with the recently appointed technical product and business development team members • Significantly increased investment in R&D for FY24 – 78% increase on pcp	✓	• Continue investing in research and development activities and projects to remain ahead of the market for surface engineering equipment, applications, and capabilities • Continue expanding Services Division applications for a broader range of industry sectors, including cement, beverages, clean and wastewater, and renewable energy
Technology Licensing	• Achieved revenue recognition for three laser cladding cells in FY24 • Progressed design for modular laser cladding cells to increase opportunities for sale under license agreements	✓	• Sell a laser cladding cell to Gateway in WA (not under license) • Finalise construction of the first modular laser cladding cell design for sales support services and reintroduce business development activities • Incorporate modular elements and software into existing internal laser cladding cells to increase efficiencies and improve cross-training across all aspects of the laser cladding process

CHAIR'S LETTER

Dear Shareholder

I am pleased to present this report on our FY24 performance and an update on our ambitious national and international expansion strategy.

Highlights this year have been to make a significant investment in WA and strengthen the skill level of the senior leadership team to ensure we have a great team to execute the company's next stage of growth.

Firstly, our WA investment in The Gateway Group has been in the planning stage for several years, and the full benefit will not be seen in our financial statements until we can consolidate our share of the revenue, as distinct from just earnings, in our reports.
Our view is that it was much more important to join with a strong business that has excellent management in the first instance to maximise our opportunities in the large WA market. Hence, we agreed to an initial 40% ownership with the right to 51% within three years. Gateway is an equipment, parts and services business in Perth that services industrial markets in Western Australia via a strong industry network and customer base consistent with that of LaserBond. As with every good acquisition, the business case was founded on the combination of the two businesses, equaling more than the sum of the parts. Gateway's valuable client base and strength of operating track record, combined with LaserBond's proprietary surface engineering technologies and services, enables significant up-selling and business expansion opportunities.

Gateway is a relatively large business, with 2023/24 revenue of $40.28 m (an increase of 23.6% over 2022/23) and a pretax profit of $3.30 m in the 2023/24 year. Once we are able to consolidate, shareholders will readily appreciate a group with over $80 million in current revenues.

We purchased our 40% for $10.0m in cash and scrip, and Gateway's 2022/23 adjusted EBITDA was $5.58 m. (EBITDA was adjusted to suit accounting standard requirements related to AASB 16: Right of Use Assets and AASB 119: Employee Entitlements.)

Secondly, to enhance the senior leadership team, LaserBond has appointed a new head of engineering, a sales head, and a COO. To ensure we could attract the best talent, we engaged The Rewards Practice to develop a performance-based remuneration scheme, which our Remuneration Committee has been actively working on. The plan, set to be implemented in 2024/25 pending shareholder approval, includes Total Fixed Remuneration (TFR), Short-Term Incentives (STI), and Long-Term Incentives (LTI) for senior executives. The STI is tied to profit performance, while the LTI depends on achieving specific EPS growth and ROCE targets over three years.

These measures are designed to align management's success with long-term shareholder value, avoiding conflicts of interest seen in other cases.

While LaserBond made strong progress with several important investments and initiatives to advance its operational performance and the execution of its strategy, the year also presented some operational challenges with the later than expected arrival of the next group of skilled visa applicants and some ongoing process issues by a large OEM customer. The late arrival of this newest group of migrant workers hindered our plans to increase capacity at all sites, while the OEM issues saw a reduction in normal ordering levels.

However, with the progressive arrival of the additional workforce over the past few months, capacity constraints will soon be alleviated, and the OEM issues are now largely resolved with normal ordering levels restored.

EXPANDING MARKETS

Much was also achieved in the investigations into establishing a US manufacturing base. As we build our business case for a US manufacturing site, we are discovering a range of additional market opportunities for all three of our operating divisions. While the genesis of these plans lies in a large OEM customer requesting LaserBond to assist with wear problems on significant components constrained by logistics via a US manufacturing base, the demand for other LaserBond branded products has also become apparent. With a local US base, LaserBond branded steel mill rolls have a significant growth opportunity. Furthermore, there is ample scope to leverage the strength of customer relationships in Australia with larger divisions or head offices in North America for increased sales in the region. This is a particularly attractive prospect given the encouragement from large customers who believe that there is no alternative globally to LaserBond's technology, especially given the bespoke nature of our solutions, our range of proprietary technologies and our ability and willingness to design solutions for almost any situation.

Our investigations into these additional opportunities are continuing, and we are working closely with a large consultancy to assist us in assessing the options for where and how best to establish a local base. We plan to acquire a facility in North America early in the 2025 calendar year.

CAPITALISING ON INNOVATION

Our confidence in our geographic expansion plans is also founded on the value that we know is embedded in our business with our protected, exclusive LaserBond technologies. These technologies are the result of a commitment to technical development that spans more than three decades and are not surpassed in sophistication. As with all development initiatives at LaserBond, technologies are designed to reduce customer costs, provide greater operational efficiency, and help reduce environmental impact.

We operate with a long-term mindset, which over time has delivered a range of solutions to the problems our customers are facing today and tomorrow. It is this unwavering focus on innovation that has positioned us so solidly for overseas expansion, with North American customers requesting our operating presence in closer proximity to their operations for logistical and efficiency reasons.

RETURNING VALUE TO SHAREHOLDERS

The Board has determined to pay a final dividend of 0.8 cents per share, bringing the full year's dividend to 1.6 cents per share. This level is in line with the FY23 dividend, with returns to shareholders increasing by a compounding growth rate from FY20 of 9.8% per annum.

LOOKING AHEAD

Australia's economic outlook remains positive, driven by strong commodity exports, renewable energy investments and resilient consumer spending. Challenges include inflationary pressures, housing affordability and global economic uncertainties. A continued focus on innovation, sustainability and trade diversification is crucial for sustained growth against continually evolving global dynamics, all of which are key aspects of LaserBond's operations and plans.

Considering the Gateway Group's FY24 revenue of $40.3 million, if we were able to consolidate their revenue for the four months since our acquisition, LBL's revenue would have totaled $56.6 million in FY24. By implementing our technology in Gateway, combined with our organic growth and overseas expansion plans, we aim to continue the strong growth of the business.

However, these undertakings and our aggressive offshore expansion plans cannot be undertaken without the absolute commitment of a highly competent and engaged team of people working across the organisation to achieve a common goal.

LaserBond is fortunate to have such a team to assist the Board and management in taking advantage of the many opportunities to expand the business and realise the LaserBond vision for growth. I thank them for their loyalty and dedication.

The continued support of our shareholders is equally critical to achieving our plans, and I thank you for your ongoing trust in the future of our business as we embark on a period of significant growth.

I look forward to updating you on the next six months of an exciting phase in our evolution.

Philip Suriano | Chairman

CEO'S REVIEW OF OPERATIONS

Dear Shareholder

While a year passes quickly, there is much to update you about the significant headway we have made on several fronts. Following the Chair's briefing on our strategic moves into the Western Australian market and our plans for a US manufacturing base, I will update you on strategic operational matters that will continue to deliver the strong growth of the business.

STRENGTHENING OPERATIONS

The need for a responsive turnaround for our existing and prospective customers has driven our geographic expansion. Almost without exception, our customers need to receive remanufactured and surface-engineered components within a short lead time to allow them to return high-value equipment to service promptly, reducing the costs of lost production, inventory and WIP. In a "jobbing" environment, where every job is nominally different, and day-to-day order intakes can be unpredictable, this can be a challenge. We continue to focus on strategically increasing the capability of each site to deliver our range of products and services in a timely manner, knowing this, along with our superior technology and business development, will drive the future organic growth of the business.

Our capacity to deliver quickly has been enhanced by fully utilising our production facilities. To date, shift work has only been regularly carried out on two sites, the main hurdle being having sufficient fully trained staff to work shifts. Recruiting, upskilling and cross-functional training of employees continue to be a focus. Within our workforce of approximately 150 personnel across the four wholly owned sites, we currently have 31 employees in formal training (apprentices, trainees, undergraduate and postgraduate interns). The Gateway group in Perth has similar training objectives, with 14 apprentices in its workforce of 94.

In addition, we have recruited strongly, including the appointment of 15 additional skilled migrants (predominantly machinists) in 2H24. The significant expense of recruitment, migration, accommodation, onboarding, and training skilled migrants must be borne up front but will yield substantial benefits in increasing our capacity across the business.

In addition to investing in people, we enhanced the plant capacity on each site, mainly through larger machining equipment, again with a focus on reducing lead times and delivering for our customers. Capex during FY24 was approximately $2.5m across the four wholly owned sites.

We are currently in the process of forming Quick Response Teams (QRTs) at LaserBond sites to ensure a focus at all levels of the organisation on shorter turnaround times for major customers. The QRTs will work with larger customers to effect a faster turnaround on critical equipment components without compromising quality, providing increased opportunity for additional sales based on timing and efficiency factors.

STRENGTHENING SALES & BUSINESS DEVELOPMENT

Our geographically dispersed sales team members have had dual roles of account management and new business development, with the latter often taking a "back seat" mainly due to the natural increase in existing customer requirements as we have grown our customer base. We have enhanced this by employing a technical team, without specific geographic territories, to work closely with the R&D team and focus purely on business development in new industries and applications. This is progressing well and will deliver growth in the business domestically and opportunities globally whilst reducing customer and industry dependencies.

STRENGTHENING SENIOR LEADERSHIP

We have grown from two sites to five in the last four years. Revenue from four sites (with the 5th yet to be consolidated) has essentially doubled, and we plan to continue that growth globally. To support LaserBond's growth plans, a new position of COO has recently been established, and Michael Tyler commenced on 1 July this year. Michael brings a wealth of experience in leadership positions with global manufacturing organisations, including in the steel industry, complemented by an honours degree in Metallurgy and an MBA. His expertise and leadership experience will be a significant asset as he provides leadership in streamlining processes, driving efficiencies, and improving performance across our multiple sites. Along with our entire leadership team, Michael will assist in driving our culture of safety and engagement and identifying development opportunities for high performers.

A new Head of Sales and Marketing, Keith Allen, has also been appointed and will drive a more ambitious agenda and provide direction and cohesion for our sales, business development and marketing team spread around Australia with a focus on international and domestic customers.

Effective leadership is critical at a time when a large team needs to be aligned and engaged in executing our substantive expansion plans. It is also critical in maintaining stability in the team, reducing turnover and the additional work needed to replace key staff. As one of the business's identified key risks, skillful leadership is a mitigating strategy for staff turnover, protecting against loss of productivity, the potential impact on quality, and additional time and cost associated with recruiting and training new employees.

UNDERLYING FINANCIAL STRENGTH

The business achieved a solid revenue performance, increasing total revenue by 8.7%. (Note that the Gateway Group revenue cannot be consolidated at this stage due to the minority interest.)

EBITDA experienced a modest decrease of 7.3% compared with FY23, as expected considering the planned increased expenses associated with recruitment and equipment upgrades. After-tax profit was affected by a sizeable increase in the tax rate from 25% to 30% due to the acquisition of our 40% share of the Gateway Group.

However, the balance sheet remained strong, and cash flow was robust. Net assets increased by 23.7% to $44 million, and net tangible assets increased by 30.1% to $30.93 million.

COMMERCIALISING R&D & TECHNOLOGY

Our Projects team is responsible for delivering the LaserBond® cladding equipment for our own use as well as our licensees. Under the management of our Projects Manager, Grant Wyber, the team has completed the design of modular cells with common electromechanical and control modules that can be added or removed as required. The aim of this project was to tie together the best features of earlier designs whilst reducing lead times and costs. This helps us fill a gap in the market by enabling smaller surface engineering businesses the opportunity to use sophisticated LaserBond technology outside of bespoke units that require a lengthy period for manufacture with a higher price tag.

The modular units are designed to handle the different needs of smaller service providers, but they can also be enhanced in a modular fashion to accommodate broader customer needs where required. The units are sold under long-term license agreements, providing ongoing subscription revenue for LaserBond. The first of these latest design modular cells is currently being manufactured for sale to The Gateway Group on commercial terms.

In FY24, the direct investment in the R&D program was almost doubled. Amongst several priorities, the team collaborated with renowned universities and industry partners in the publicly funded SEAM Training Centre, supported by the Australian Research Council. With Swinburne University and an industrial partner from the defence industry, the team developed lightweight surface-engineered fibre composite components, combining the lightweight and high strength of composites with extreme wear resistance. A demonstrator part has been developed and is currently undergoing mechanical testing.

A second SEAM project involved the development of novel in-situ process monitoring systems that detect potential flaws within claddings as they are being applied. These systems thereby dramatically reduce the probability that completed parts will have flaws and reduce rework costs.

One of SEAM's aims is to train early-career researchers in an industrial context, and we were pleased that two of the project partners successfully completed their Ph. Ds, one of which was directly supervised by LaserBond staff.

Internal R&D focused on the development of solutions and demonstration of the performance of our surface engineering in many industrial applications, including:

- Grinding & comminution
- Slurry handling
- Screening
- Iron ore processing
- Agriculture
- General qualification of existing processes for new customers.

ENHANCING SUSTAINABILITY FOR INDUSTRY

The global focus on sustainability, the drive towards Net Zero, and the progressive introduction of a reporting regime against the Sustainability Accounting Standards Board (SASB) standards provide LaserBond with enhanced market prospects. By providing remanufacturing of components and major improvements to the life of wearing components, LaserBond allows our customers to reduce their scrap and waste and, in many circumstances, improve the efficiency of their operations, thereby improving their own sustainability.

We are not required to report on identified areas of sustainable operating practices under the SASB standard that are relevant for sectors classified under the Industrial Machinery and Goods category until 1 July 2027. LaserBond has been implementing systems and processes to enable the capture of relevant data and understand our baseline in several areas and begin reporting against sustainability.

In summary, the opportunities in front of LaserBond are substantial and exciting, and there is much vital activity in preparing and progressing our strategic objectives to capture the value they offer. As noted by the Chair, we are fortunate to have the right team of people to help bring these plans to fruition and deliver the company to the next phase of its growth.

Wayne Hooper | Chief Executive Officer and Executive Director

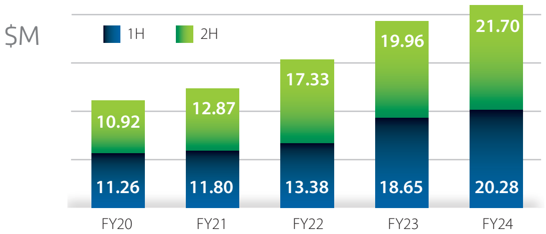
OPERATING AND FINANCIAL REVIEW

Group Performance | Earnings

While our gross margin remained above the targeted 50% level, several factors impacted earnings performance. As a result of the Gateway acquisition, LaserBond is now taxed at a higher rate, given its increased revenue, as the ATO requires the accounts to be consolidated.

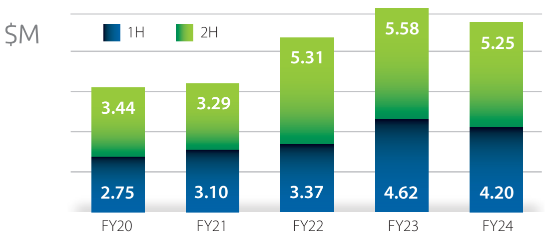
Furthermore, while total revenue increased, lower orders from a significant OEM customer affected the Products Division performance, as explained in the segmental reporting section of this report.

Lastly, increased employment expenses and planned costs for plant and equipment improvements, thereby increasing depreciation costs, impacted earnings performance.



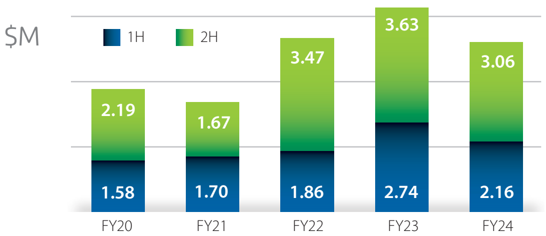
Revenue

- 8.7% growth on pcp
- 7.0% growth in the second half
- Strong growth in Services Division revenue of 13.3% partly offset by 7.2% decline in Products Division revenue
- Technology Division revenue of $2.0m with recognition of several laser cladding cell sales



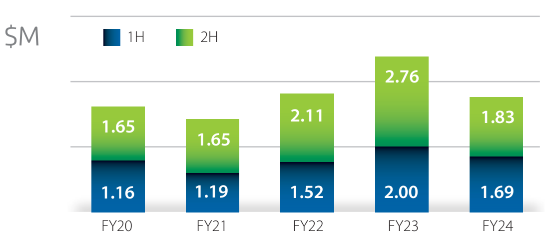
EBITDA

- 7.3% decline on pcp
- 25.0% growth in the second half
- 5.8% increase in gross profit offset by planned increase in expenses of 23.7%, driven by:
  - upgrading of laser cladding equipment
  - increased staff costs from maintenance of market wages and increased headcount



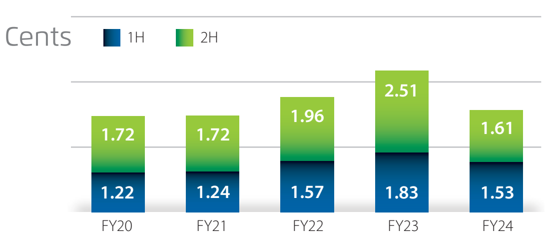
Net Profit before Tax

- 18.1% decline on pcp
- 41.7% growth in the second half
- 6.0% increase in depreciation and amortisation due to the increasing PP&E base
- Increased interest costs



Net Profit after Tax

- Reduction of 26.0% on pcp
- ATO requires consolidation of Gateway Group's accounts for tax purposes
- The resulting increase in profit promoted LaserBond into the 30% company tax rate category, compared to 25% in previous years



Earnings per Share

- Decrease in EPS of 27.7% on pcp driven by:
  - NPAT reduction of 26.0% on pcp
  - increase in shares on issue at end of year of 6.2% compared to start of year and 2% increase in weighted number of shares on issue
- Move to 30% company tax category, on tax consolidation of Gateway Group.

Group Performance | Cash, Debt and Working Capital

While working capital and cash have decreased, the balance sheet remains solid, given that these funds were always earmarked for acquisitive or organic growth.

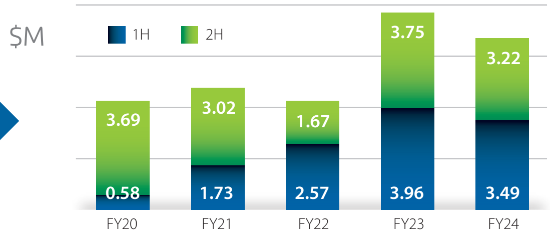
Cash from operations was lower due to the planned increases in employee costs and plant and equipment improvements to increase capacity for future growth, while net cash flows were impacted by the payment of $4.9 million for the Gateway Group acquisition in 2H24.

Working capital of $13.4 million remains adequate to fund the existing and planned operations.

The business continues to rely on equipment finance facilities without the need for additional bank facilities.

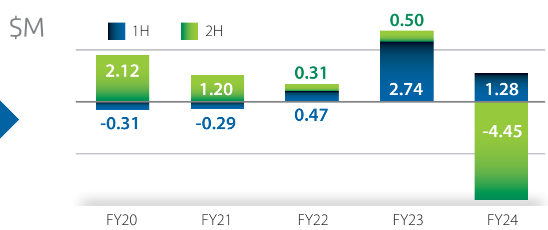
Cash Flows from Operations

- Decrease of 13.0% on pcp
- 4.6% increase in receipts from customers offset by 10.0% increase in payments to suppliers and employees



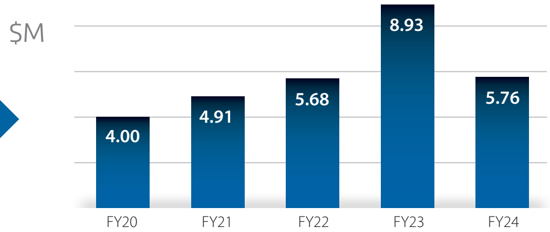
Net Cash Flows

- 197.7% reduction in net cash flows on pcp, primarily due to $5.0 million used for acquisition of 40% of Gateway Group
- Excluding the effect of the Gateway acquisition, net cash flows were $1.83 million, down 43.6% on pcp
- Equipment finance payments increased by 46.5% to $2.8 million



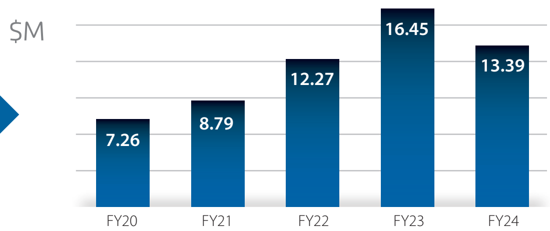
Cash on Hand

- Decrease of $3.2million for FY24
- Closing balance of $5.8 million adequate for ongoing requirements



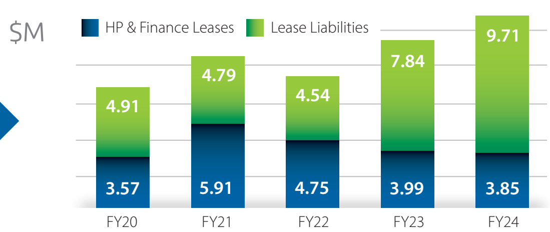
Working Capital

- 18.6% reduction on pcp to $13.4 million due to cash purchase of stake in Gateway Group
- 9.1% increase on FY22 level
- Working capital remains adequate for ongoing requirements



Debt

- Lease liabilities refer to the right-of-use assets impacted by the renewal of the facility lease for the Altona, Victoria premises as of 1 July 2024.
- Equipment finance decreased marginally (3.5%) on pcp



OPERATING AND FINANCIAL REVIEW (continued)

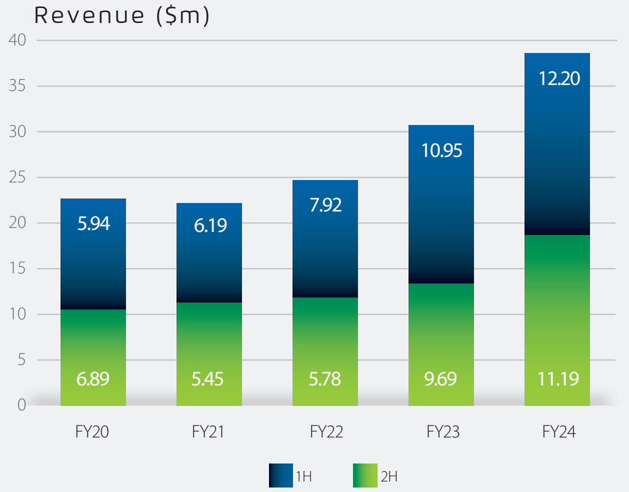
Services Division Performance

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

Growth on pcp
↑ 13.3%

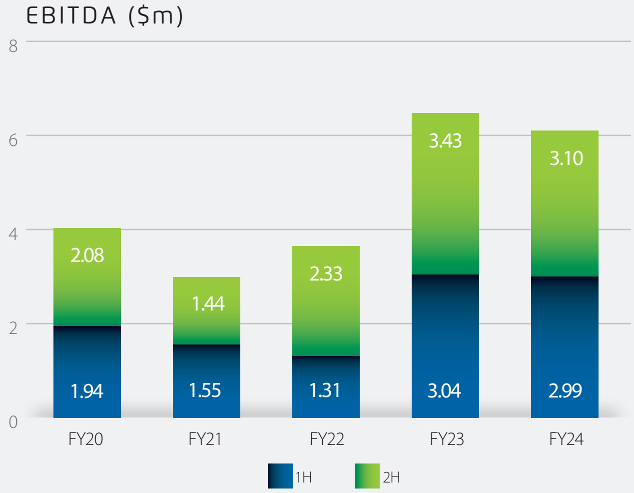
Growth in 2H24
↑ 8.1%



EBITDA

Decline on pcp
↓ 5.8%

Growth in 2H24
↑ 3.7%



Revenue from the Services Division achieved a healthy increase, culminating in a four-year compound annual growth rate of 16.2%. However, earnings before interest tax and depreciation declined marginally by 5.8%, largely due to increased employee costs.

The 13.3% revenue increase is despite some unrealised revenue caused by the late arrival of the next group of skilled migrants. The planned arrival in March would have enabled workers to become operational from 4Q24 and the subsequent introduction of additional shifts at all sites.

Under a fully commercial arrangement, LaserBond is currently manufacturing a newly designed modular cell for installation and commissioning at the Gateway site in WA. The cell will enable LaserBond® technology to be offered in valuable market sectors with its superior claddings located closer to the customer, which has shorter lead times, reduced downtime, and lower costs.

Both the NSW and QLD sites performed strongly, while the Victorian site is expected to improve its performance with the commencement of a new business development lead to build the customer base and optimise the opportunities in the Victorian surface engineering market.

The strong performance and growth of the QLD site have warranted relocation to a larger site to accommodate the full spectrum of LaserBond technologies and services, increase production capacity, and reduce customer lead times. The new site is expected to be operational in FY26.

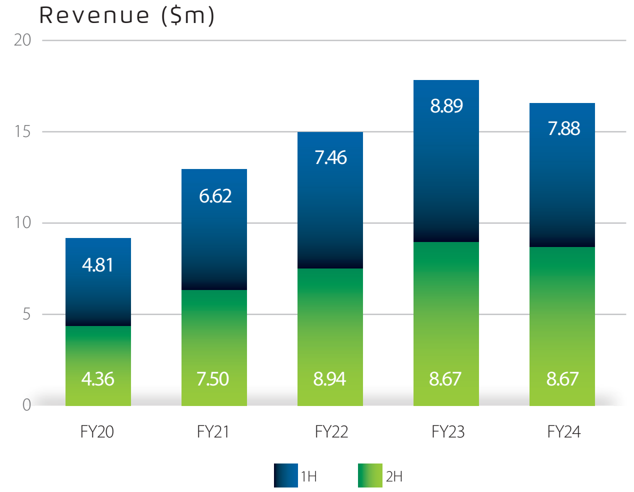
Products Division Performance

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.

REVENUE

Decline on pcp
↓7.2%

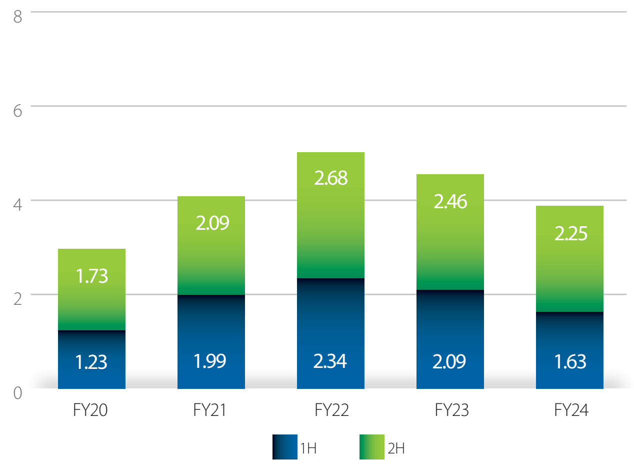
Decline in 2H24
↓9.2%



EBITDA

Decline on pcp
↓14.6%

Growth in 2H24
↑38.0%



The decline in Products Division revenue was driven by lower demand from a large OEM. A $2 million revenue shortfall was reported in the half-year report due to a change in the OEM authorised supplier for components we surface engineer and deliver. At that time, there were orders and capacity but no supply for critical components. A new OEM-approved supplier was made available, ready to fulfil orders in 2H24 using the increased capacity of skilled migrant workers. However, they arrived later than expected, and the situation was further exacerbated by a change in the OEM's ERP software in 2H24, causing delays in orders flowing through, with normal ordering levels only being restored in late June.

Mitigating this situation to some extent, however, was a 38% increase in orders from international customers for steel mill rolls and some margin improvements in 2H24 owing to price increases instituted late in FY23.

The Board and management have strategies to diversify revenues so that they are not critically impacted by key customer dependencies. These strategies include developing a wider base of 'tenant' customers to dilute the risk and business development plans to target new customers in new markets. New monitoring and reporting processes have also been introduced to keep track of customer dependencies. The new group of skilled visa workers will also add capacity with additional shifts to support the targeted increase in customer base and workload to mitigate critical customer dependency risk.

OPERATING AND FINANCIAL REVIEW (continued)

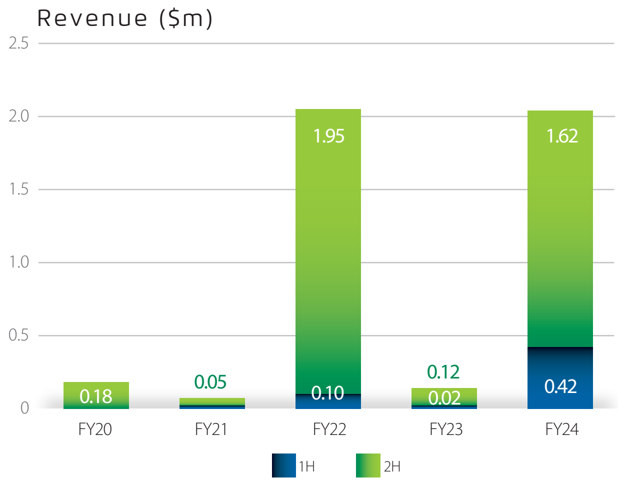
Technology Division Performance

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.

REVENUE

Increase on pcp

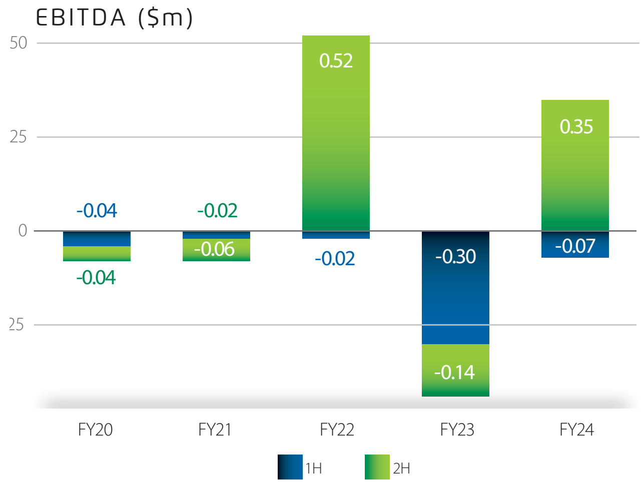
↑ $1.91M



EBITDA

Increase on pcp

↑ $0.72M



Revenue for the business unit was up by $1.91 million on FY23 due to the ability to recognise revenue from laser cladding cells for Swinburne University in Melbourne and Curtin University in Perth, as well as ongoing licensing fees and consumables for the UK and NZ licensees. Revenue was also generated from the sale of components of a cell to an Indian customer with ongoing licensing fees. The revision to the operational scope for the North American licensee has progressed to a solution developed by LaserBond, subject to our customer conducting production trials to validate this solution. On successful production trials, factory acceptance will be gained resulting in the revenue recognition of this equipment.

A Board review of the Technology Division earlier in the year determined its focus should be on two priorities. The first priority is to support the internal requirements of its sites with the acceleration of planned installations of proprietary LaserBond cells or major upgrades at all facilities. The second priority is to better respond to market demand by offering a small range of standardised modular LaserBond cladding cells that are produced cost-effectively with short lead times, thus enabling an option for smaller surface engineering businesses to expand into the area of laser technology.

During the second half of the year, design and development were completed on a set of three modular laser cladding cells using various combinations of the same modules.

The first purchase order for a modular laser cladding cell has been received from the Gateway Group in Perth, which is now 40% owned by LaserBond. The cell is currently being manufactured, and revenue recognition is expected in FY25.

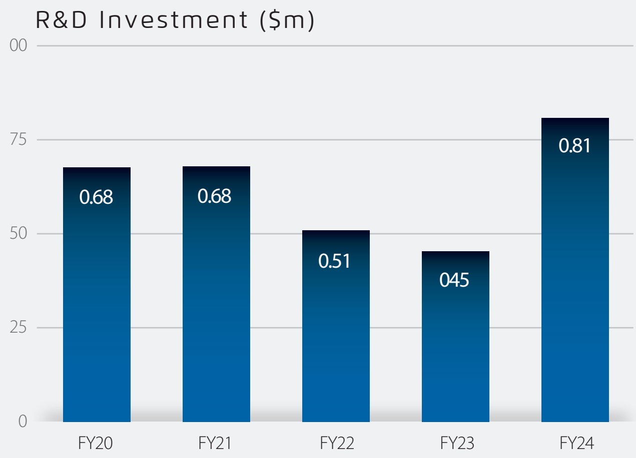
Research and Development Division Update

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.

From day one, LaserBond has been an innovator committed to developing leading-edge products and technologies that anticipate market direction and demand. The business has also built collaborative relationships with universities and research institutions to leverage its R&D investment and achieve third-party validation of its work.

Increase in R&D investment

↑ 77.6%



Throughout FY24, LaserBond increased its focus on its innovation agenda, almost doubling its investment in R&D and expanding its team with a PhD student to increase momentum on an ambitious development program directed at a range of international and local customers.

During the year, the LaserBond R&D team developed very thin but highly wear-resistant coatings that require no or minimal post-processing. These coatings are aimed at two specific applications in the minerals processing and oil and gas industries, respectively. Case studies have been conducted and one product is already in use with a customer.

Coating systems were also developed for use in grinding and crushing equipment used in minerals processing. An international customer successfully tested the first test parts, while test parts for a market-leading European customer have recently been shipped for intensive testing at its technical centre in Germany. The first results are expected during 1H25.

Further development work was carried out on steel and water industry applications, including investigating applications for Super Duplex steel coatings. One promising application was identified, which is currently undergoing field testing.

In addition to pursuing technologies that produce improved quality, a key feature of these developments is minimising the impact of industrial operations on the environment through significantly increased wear life, lower maintenance requirements, and reduced reliance on critical resources such as energy and water. These processes assist customers in meeting rigorous compliance requirements and achieving their sustainability targets.

SUSTAINABILITY REPORT

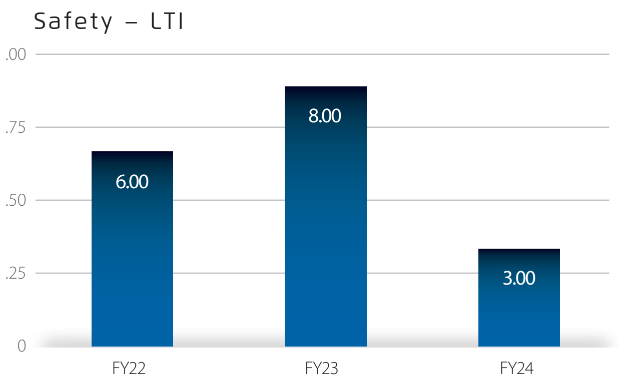
Health and Safety

With safety as a mainstay of the LaserBond culture, the business has not had a serious injury since it began operating in 1992. The Board and leadership team embrace a 'safety first' agenda with health and safety a feature of every meeting or gathering at every level of the organisation.

LOST TIME INJURIES

Down from 8 in FY23 to 3 in FY24

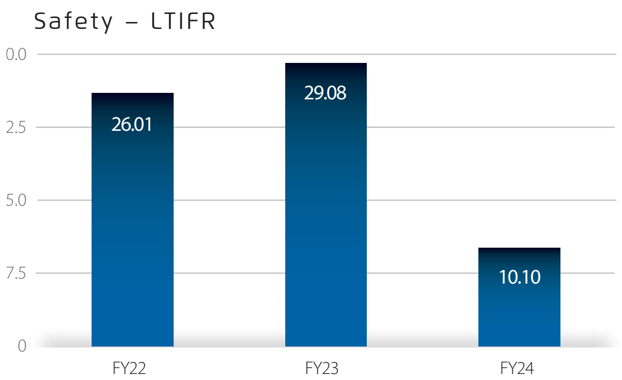
↓ 62.5%



LOST TIME INJURY FREQUENCY RATE

Down from 29.075 in FY23 to 10.096 in FY24

↓ 65.3%



LASERBOND HAS JAS-ANZ CERTIFICATIONS

ISO 9001 – quality management systems
ISO 14001 – environmental management system
ISO 45001 – internationally recognised standard for managing OHS risks

LaserBond's widely promoted policies and procedures and its long-term certification to ISO 45001, the international standard for an occupational health and safety management system are testimony to its rigorous safety approach. The FY24 safety performance, driven by its Zero Harm value, reflects the business' commitment to protecting its people. Operations are regularly tested for health hazards, including dust, fumes and noise and employees are given hearing tests to ensure no detriment to hearing.

MENTAL HEALTH

LaserBond prioritises the wellbeing and psychological safety of its workforce with strong leadership and a culture of open communication, respect and inclusion. An employee assistance program is available to all employees and managers and team leaders remind people of their availability and benefit. An open and trusting environment also means that issues and problems can be raised without fear of judgement or detriment to jobs.

PREVENTION MEASURES

Near-miss reporting is used to strengthen processes in a pre-emptive manner to protect people from the potential incidents in future.

Similarly, health and safety processes are introduced and strongly promoted at acquisition sites with appropriate levels of communication to ensure the proliferation of the LaserBond safety focus at these new sites. While the business acquired new operations and sites in 2021, 2022 and 2024, its safety performance was not impacted due to the attentiveness of management in promoting and training the LaserBond safety framework.

Environmental Commitment

As a business that operates in industrial markets, LaserBond understands its impact on the environment and is acutely conscious of its responsibilities in preserving the earth's finite natural resources. Outside of its own operations, LaserBond is in the enviable position of offering its customers a range of solutions to their operational problems that also deliver cost benefits, greater efficiency and, not least, reductions in the environmental impact of their businesses.

SASB INDUSTRIAL MACHINERY AND GOODS STANDARDS

Notably, the 'Remanufacturing Design and Services' topic encourages businesses to design products with remanufacturing in mind, offering services that extend product life, reduce waste and lower the need for new raw materials. This concept is already core business for LaserBond and the products and services that it offers to its customers, with approximately 50% of revenue derived from surface engineering technologies applied to restore equipment to a better than new quality in terms of wear life.

Thus, under this new reporting regime, LaserBond's services and technologies have become even more critical to heavy industry businesses that operate large industrial machinery and equipment as they endeavour to align with a key component of SASB's regulatory framework. These best-in-breed services and technologies, which have no equal in Australia, and possibly further afield, can assist with compliance by reducing the need for new materials in manufacturing new parts and equipment, reducing the cost of plant and equipment, and minimising environmental impact.

ENERGY MANAGEMENT

LaserBond's operations require energy as a critical input for its manufacturing and services processes. However, for FY24 the total cost of electricity formed only 1.1% of total group costs, which was also in line with electricity costs in FY23. The Queensland site generates its own energy via a solar system, while consideration is currently being given to the feasibility of renewable energy sources at other LaserBond sites.

RESPONSIBLE SOURCING

Supply chain sustainability is also a critical element of LaserBond's operations. The business treats its suppliers respectfully, fairly and ethically, aiming for a collaborative approach to negotiations and interactions. Effectively as partners, all suppliers are expected to source responsibly, operate sustainably and minimise waste through reduction and recycling. Through these supplier partners, in Australia and overseas, the business seeks to manage its risk with respect to such issues as human rights, modern slavery and child labour.

LaserBond's services and technologies have become even more critical to heavy industry businesses that operate large industrial machinery and equipment as they endeavour to align with a key component of SASB's regulatory framework.

FY24 revenue aligned with SASB Standard

SUSTAINABILITY REPORT (continued)

People

In accordance with the second tenet of its strategy – invest in people and equipment to build margins and improve productivity – LaserBond has recruited new leadership team members as well as additional skilled employees to augment capacity at sites where operational equipment can be optimised with additional production time, and to help drive its growth plans.

Employees at end FY24, up 6% on FY23	Skilled Migrant Workers recruited*	Employees gaining satisfaction at work	New leadership members (COO and Head of Sales)
↑147	40	87%	2

SATISFIED EMPLOYEES

Ultimately, LaserBond relies on a team of highly skilled people who are utterly committed and engaged in what they do. In the latest employee engagement survey,

- 86% of employees intend to be in their roles in 12 months time.
- 84% have positive relationships with co-workers,
- 87% gain a sense of personal achievement from their work.

The business also supports diversity and inclusion. It has demonstrated its success in this area with the welcoming environment for skilled migrant workers and the high retention rate for these groups.

ENHANCED CAPABILITY

In further initiatives to support current priorities, a new COO and a new Head of Sales and Marketing were recently added to the leadership team. Both executives have excellent track records and experience relevant to LaserBond's current growth agenda.

In FY24, $93k was spent on external training, augmented by an internal training program for cross-site training whereby trainers and trainees travel to spread and increase capability at all sites. This initiative has the benefit of providing more options closer to a site's customers and ensures that the training programs remain relevant and tailored to LaserBond's requirements.

ADDITIONAL CAPACITY

A continuing challenge for LaserBond is hiring appropriately skilled people to optimise production time on its equipment and maximise output. Two initiatives are countering the shortage of local skilled labour.

The first program involves our Training and Development manager engaging with schools and training institutions, educating students (and teachers) around our site localities about the appeal and benefits of acquiring trade or other STEM qualifications for work in surface engineering.

The second initiative involves the hiring of skilled migrants. Over several years up to and including FY24, forty such workers have been recruited with successful results once fully trained. In FY24, LaserBond recruited 15 skilled migrants, with six arriving in mid-June, three months later than expected. A further six arrived in July, with the final three about to arrive. Once fully trained, these workers will enable afternoon shifts to occur across all sites

** Of these 40, there has been only one skilled migrant resignation and it was due to family reasons.*

Invest in people and equipment to build margins and improve productivity.

DIRECTORS' REPORT

The directors present their report together with the financial statements of LaserBond Limited for the financial year ended 30th June 2024.

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 10.

DIRECTORS AND COMPANY SECRETARY

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

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

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CURRENTLY HOLDING OFFICE)

Philip Suriano 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's professional background is in financial markets, commencing as an equities analyst and moving to various banking positions until establishing Nanyang Ventures. Ian is a Chairman for The Executive Connection, where he mentors CEOs. 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.

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 (Cer*t) – 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 2024 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.
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,

DIRECTORS' REPORT (continued)

c. Transparent and easily understood, and

d. Acceptable to shareholders.

The remuneration committee assesses performance against KPIs and intends to adopt STI and LTI policies for 2025. 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 at or near the median, with the flexibility to consider capability, experience, value to the Company and performance of the individual.

b. Tax-Exempt Employee Share Plan (ESP)

The Company has an existing ESP, which was last approved by shareholders at the 2021 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 who participate in any other form of non-cash incentive are ineligible from being a participant.

c. Short-Term Incentives (STI)

No KMP was entitled to remuneration in the form of an STI.

The remuneration committee has been considering the introduction of STIs for KMPs for 2025. The STI policy remains subject to consideration by the remuneration committee; however, a policy will be implemented. The STI policy will be based on performance to certain key performance indicators (KPIs), which will include a profit performance gateway as part of the financial performance hurdles, safety, and individual KPIs. It is expected to be payable annually in cash.

d. Long-Term Incentives (LTI)

No KMP was entitled to remuneration in the form of an LTI. The remuneration committee has been considering the introduction of LTIs for KMPs for 2025. The LTI remains subject to final consideration by the remuneration committee; however, a policy will be implemented, subject to all necessary approvals. The LTI policy will focus on achieving long-term goals and supporting the retention of KMPs based on performance metrics, including earnings per share growth and return on capital employed measures. This policy is expected to be based on a three-year performance period, with annual vesting in cash or equity (at the Board's discretion). An equity-based scheme that is developed will be placed before shareholders to seek their approval.

(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, 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.

	2024 $	2023 $	2022 $	2021 $	2020 $
Revenue	41,983,590	38,612,404	30,711,118	24,664,453	22,177,264
Net Profit after Tax	3,738,469	4,758,549	3,628,751	2,838,114	2,805,061
Share price at year-end (Cents)	71.00	75.00	66.00	94.50	39.50
Dividends paid (Cents)	1.6	1.6	1.2	1.2	1.0

(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 2024 and 30 June 2023.

		Short-Term Benefits		Benefits	Long-Term Benefits			
		Salaries & Fees	STI	Super	ESP	LTI	Long Service	Total
Non-Executive Directors								
Philip Suriano[1]	2024	60,000	-	-	-	-	-	60,000
	2023	90,000	-	-	-	-	-	90,000
Ian Neal[1]	2024	60,000	-			-	-	60,000
	2023	60,000	-	-	-	-	-	60,000
Dagmar Parsons[1]	2024	60,000	-			-	-	60,000
	2023	25,000	-	-	-	-	-	25,000
Total NED	2024	180,000	-	-	-	-	-	180,000
	2023	175,000	-	-	-	-	-	175,000
Executive Directors								
Wayne Hooper	2024	356,787	-	38,585	-	-	-	395,372
	2023	340,308	-	34,335	-	-	-	376,643
Matthew Twist	2024	220,728	-	24,039	1,000	-	-	245,767
	2023	182,914	-	19,093	1,000	-	-	203,007
Total Executive & Other KMPs	2024	577,515	-	72,920	1,000	-	-	651,435
	2023	523,222	-	53,428	1,000	-	-	577,650
Total	2024	757,515	-	62,624	1,000	-	-	831,435
	2023	698,222	-	53,428	1,000	-	-	752,650

[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 16 (b).

DIRECTORS' REPORT (continued)

(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 2024)
Wayne Hooper	Executive Director / CEO	Unspecified	12 months by either party	$351,415 per annum, plus superannuation.
Matthew Twist	Executive Director / Company Sec. / CFO	Unspecified	1 month by either party	$220,000 per annum, plus superannuation.

(i) Non-executive director arrangements

For the year ended 30 June 2024, each non-executive director received a Board fee of $60,000 per annum. 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 2024 financial year held by each of the Company's key management personnel, including their related parties, is set out below:

Name	Balance 30 June 2023	Granted as remuneration	Bought / (Sold)	Dividend Reinvestment	Balance 30 June 2024
Wayne Hooper	11,399,295	-	-	-	11,399,295
Philip Suriano	913,029	-	-	20,107	933,136
Ian Neal	25,000	-	40,000	-	65,000
Dagmar Parsons	-	-	-	-	-
Matthew Twist	115,163	1,111	-	-	116,274

(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 (2023: $Nil). If approved loans to key management personnel are generally short-term, unsecured and interest-free.

(l) Use of Remuneration Consultants

During 2024, the Company appointed The Rewards Practice to conduct an independent review of all remuneration components, including supporting the development of STI and LTI policies.

End of the Remuneration Report.

DIRECTOR'S MEETINGS

During the financial year ended 30th June 2024, 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	13	13	3	3	2	2
Ian Neal	13	13	3	3	2	2
Dagmar Parsons	13	13	3	3	2	2
Wayne Hooper	13	12	-	-	-	-
Matthew Twist	13	13	-	-	-	-

Please refer to the Corporate Governance Statement at http://www.laserbond.com.au/investor-relations/governance-statement.html for further information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

a) 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.

b) Sustainability Disclosure Standards

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.

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

c) 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 FY2024, electricity costs were 1.1% of the total group reported revenue (1.0% FY2023).

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.

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

Metric	FY2024	FY2023
Fatality Rate	0.0	0.0
Total Recordable Incident Rate (TRIR)	10.8	9.4

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.

DIRECTORS' REPORT (continued)

d. Materials 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 is 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 FY2024, our reclamation of worn industrial components revenue represented 50.0% of total reported revenue (FY23: 47.8%).

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, 2023 final dividends of 0.8 cents per share and 2024 interim dividends of 0.8 cents per share were paid. The directors have recommended the payment of a final dividend for FY2024 of 0.8 cents per fully paid ordinary share (FY2023: 0.8c), fully franked based on the tax paid at 30.0%. The dividend will be paid on September 27th, 2024.

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.

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 2024, 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 31.

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

Wayne Hooper | Director

Dated this 23rd day of August 2024

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 36 to 56 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 23rd day of August 2024

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 2024, 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

22 August 2024

LNP Audit + Assurance

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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 2024, 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 2024 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. The matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon. We do not provide a separate opinion on the matter. For the 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
Acquisition of and Accounting for Investment in Associate The statement of financial position of the Company includes an investment in associate with a carrying amount of $10,502,448, as disclosed in Note 7. The investment was acquired during the current financial year and was initially measured at its cost of acquisition. It represents a significant asset of the Company. Australian Accounting Standards require the directors to determine whether the Company controls the investee, in accordance with AASB 10 Consolidated Financial Statements or has significant influence over it, in accordance with AASB 128 Investments in Associates and Joint Ventures ("AASB 128"). This assessment is important as it determines the appropriate post-acquisition method of accounting for the investment. The directors determined that the Company does not control the investee, but does have joint control. Hence, the equity method of accounting has been applied. Australian Accounting Standards also require the Company to assess whether there are indicators of impairment in respect of the carrying amount of the investment (AASB 128). As the determination of the accounting methodology required judgement, it was considered to be a key audit matter.	Our audit procedures in relation to the investment in associate included, but were not limited to the following: • Reviewed management's assessment of the existence of control against the requirements of AASB 10; • Reviewed management's assessment of the existence of significant influence or joint control against the requirements of AASB 128; • Assessed the methodology used by the Company to recognise and measure the investment against the requirements of AASB 128; • Reconciled the share of profit of associate recognised by the Company in the financial report to the income statement of the associate and assessed compliance with AASB 128; • Evaluated management's assessment of the existence of impairment indicators in respect of the investment; and • Assessed the adequacy of related disclosures in Note 7 to the financial statements.

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 2024, 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.

Responsibilities of the Directors for the Financial Report

LNP Audit + Assurance

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.

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 Group 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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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 in pages 23 to 26 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of LaserBond Limited for the year ended 30 June 2024, 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

22 August 2024

Financial Report

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30th June 2024

	Note	2024	2023
		$	$
Revenue	24	41,983,590	38,612,404
Cost of sales		(20,341,627)	(18,149,392)
Gross Profit		**21,641,963**	**20,463,012**
Other income	3	262,333	517,538
Share of Profit of associate	7	503,329	-
Administration expenses	4	(4,836,275)	(4,535,120)
Depreciation & amortisation		(3,463,881)	(3,267,536)
Employment expenses		(6,655,175)	(5,443,711)
Finance Costs		(864,102)	(622,980)
Research & development		(805,402)	(453,537)
Other expenses		(567,717)	(290,551)
Profit before income tax expense	5	**5,215,073**	**6,367,115**
Income tax expense	5	(1,692,316)	(1,608,566)
Profit after income tax expense		**3,522,757**	**4,758,549**
Other comprehensive income		-	-
Total comprehensive income attributable to members of LaserBond Limited		**3,522,757**	**4,758,549**

Earnings per share for profit attributable to members:

	Note	2024	2023
Basic and diluted earnings per share (cents)	6	3.138	4.341

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

Statement of Financial Position
As of 30th June 2024

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents		5,759,153	8,929,215
Trade and other receivables	8	9,677,020	9,442,622
Inventories	9	6,800,803	7,343,427
Total current assets		**22,236,976**	**25,715,264**
NON-CURRENT ASSETS			
Property, plant, and equipment	10	20,227,472	18,798,257
Deferred tax assets	12a	1,152,369	759,123
Rental Bond		45,557	43,777
Investment in associate	7	10,502,448	-
Intangible assets	11	6,501,206	6,516,030
Total non-current assets		**38,429,052**	**26,117,187**
TOTAL ASSETS		**60,666,028**	**51,832,451**
CURRENT LIABILITIES			
Trade and other payables	13	3,292,799	4,689,060
Current Tax Liabilities		1,043,828	254,710
Employee benefits		2,262,055	1,994,607
Financial liabilities	15	2,248,100	2,325,409
Total current liabilities		**8,846,782**	**9,263,786**
NON-CURRENT LIABILITIES			
Financial liabilities	15	11,310,217	9,508,197
Deferred Tax Liabilities	12b	1,849,098	1,834,342
Employee benefits		224,465	155,568
Total non-current liabilities		**13,383,780**	**11,498,107**
TOTAL LIABILITIES		**22,230,562**	**20,761,893**
NET ASSETS		**38,435,466**	**31,070,558**
EQUITY			
Issued capital	14	24,434,722	18,782,492
Retained earnings		14,000,744	12,288,066
TOTAL EQUITY		**38,435,466**	**31,070,558**

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

Statement of Cash Flows
for the Year Ended 30th June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,294,192	42,356,033
Payments to suppliers and employees		(36,198,003)	(32,911,005)
Interest paid		(202,776)	(622,980)
Interest received		93,354	60,733
Income taxes paid, net		(1,281,688)	(1,178,455)
Net cash inflow from operating activities	20	**6,705,079**	**7,704,326**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(828,729)	(1,328,688)
Payment for acquisition	7	(4,999,021)	-
Loans to employees		44,916	(1,261)
Net cash outflow from investing activities		**(5,782,834)**	**(1,327,427)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share issue costs		(34,588)	(10,738)
Payments for hire purchase assets and finance leases		(2,787,476)	(1,903,146)
Dividends paid		(1,270,243)	(1,217,612)
Net cash (outflow) / inflow from financing activities		**(4,092,307)**	**(3,131,496)**
INCREASE IN CASH AND CASH EQUIVALENTS		(3,170,062)	3,245,403
Cash and cash equivalents at the beginning of the year		8,929,215	5,683,812
CASH AND CASH EQUIVALENTS AT END OF YEAR		**5,759,153**	**8,929,215**

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

Statement of Changes in Equity for the Year Ended 30th June 2024

	Issued capital $	Retained earnings $	Total equity $
Opening Balance at 1st July 2022	**18,226,957**	**9,281,155**	**27,508,112**
Profit for the year	-	4,758,549	4,758,549
Issue of Share Capital, net of cost	555,535	-	555,535
Dividends paid/payable during the year	-	(1,751,638)	(1,751,638)
Closing Balance at 30th June 2023	**18,782,492**	**12,288,066**	**31,070,558**
Profit for the year	-	3,522,757	3,522,757
Issue of Share Capital, net of cost	5,652,230	-	5,652,230
Dividends paid/payable during the year	-	(1,810,079)	(1,810,079)
Closing Balance at 30th June 2024	**24,434,722**	**14,000,744**	**38,435,466**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 23rd August 2024. 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.

f) Investments in Associates

Investments in associates are accounted for using the equity method.

NOTE 1 (i): STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

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.

NOTE 1 (i): STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

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.

NOTE 1 (i): STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

Significant judgements

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

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.

NOTE 2: SEGMENT REPORTING

The Company has identified its operating segment based on internal reports reviewed and used by the executive directors (chief decision-makers) to assess performance and determine resource allocation. The Company operates entirely within Australia. Segment information for the reporting period is provided below.

Segment Definitions:

a) Services – the reclamation or repair of worn components for end users or the manufacture of products that do not incorporate LaserBond® cladding applications.
b) Products – the manufacture of products incorporating LaserBond® cladding applications.
c) Technology – the sale of LaserBond® cladding technology, associated licensing fees, and consumables supply.
d) Research & Development – costs related to the ongoing development of new or improved technology, applications, and products.

	30 June 2024				
	Services	**Products**	**Technology**	**R&D**	**Total**
Revenue	23,387,254	16,549,141	2,047,195	-	41,983,590
Gross Profit	53.6%	50.9%	33.6%	-	51.5%
EBITDA	6,098,466	3,882,231	276,415	(807,410)	9,449,702
Interest	(451,358)	(319,390)	-	-	(770,748)
Depreciation & Amortisation	(2,011,226)	(1,423,171)	-	(29,484)	(3,463,881)
Profit Before Income Tax	3,635,882	2,139,670	276,415	(836,894)	5,215,073
Income tax expense	(1,179,861)	(694,333)	(89,698)	271,576	(1,692,316)
Profit after Income Tax	2,456,021	1,445,337	186,717	(565,318)	3,522,757
Assets					60,666,028
Liabilities					(22,230,562)

	30 June 2023				
	Services	**Products**	**Technology**	**R&D**	**Total**
Revenue	20,644,496	17,827,054	140,854	-	38,612,404
Gross Profit	55.7%	49.8%	53.9%	-	53.0%
EBITDA	6,471,969	4,544,418	(445,644)	(373,865)	10,196,878
Interest	(301,701)	(260,526)	-	-	(562,227)
Depreciation & Amortisation	(1,726,016)	(1,490,465)	-	(51,055)	(3,267,536)
Profit Before Income Tax	4,444,252	2,793,427	(445,644)	(424,920)	6,367,115
Income tax expense	(1,122,780)	(705,721)	112,585	107,350	(1,608,566)
Profit after Income Tax	3,321,472	2,087,706	(333,059)	(317,570)	4,758,549
Assets					51,832,451
Liabilities					(20,761,893)

NOTE 3: OTHER INCOME

	2024 $	2023 $
Grant Income	-	58,948
Government Rebates / Subsidies	60,360	205,234
Other	201,973	253,356
	262,333	517,538

NOTE 4: AUDITOR REMUNERATION

Profit before Income Tax from continuing operations includes the following specific expenses:

Auditors Remuneration		
Audit Services – audit and review of Financial Reports	114,561	109,477
Non-Audit Services	30,000	-
	144,561	109,477

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

NOTE 5: INCOME TAX

Reconciliation of Income Tax Expense from continuing operations		
Profit before Income Tax expense	5,215,073	6,367,115
Prima Facie Tax at the Australian tax rate of 30.0% (2023: 25.0%)	1,564,522	1,591,779
Change in corporate tax rate to 30.0% (2023: 25.0%)	215,044	-
R&D Tax Concession	(57,342)	(40,869)
Share of Profit in Associate's Tax	(150,999)	-
Net Non-Deductible Expenses	79,050	63,268
Other Deductible Expenses	(10,377)	(2,685)
Net adjustment relating to prior year income tax provisions (a)	52,418	(2,927)
Total income tax expenses	1,692,316	1,608,566

As per the aggregated turnover rules of the Tax Act, direct control of an entity is deemed to occur with at least 40% of the voting power for tax purposes. Our recent purchase of 40% equity in the Gateway Group now requires the Company to apply the 30% company tax rate. As per international accounting standards, control is 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

Profit after tax	3,522,757	4,758,549
Basic and diluted earnings per share (cents)	3.138	4.341

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

(a) Weighted Average Shares on Issue	**No. of Shares**	**Weighted No.**
Opening Balance as of 1st July 2023	109,971,995	109,971,995
Shares issued on 6th October 2023	283,006	207,796
Shares issued 20th December 2023	59,302	31,357
Shares issued on 5th March 2024	5,974,729	1,915,187
Shares issued on 28th March 2024	467,301	120,346
Closing Balance as of 30th June 2024	116,756,333	112,246,681

NOTE 7: INVESTMENT IN ASSOCIATES

On 5th March 2024, LaserBond settled the 40% equity purchase in Gateway Equipment Parts & Services Pty Ltd (Gateway). This purchase was part of the Company's strategic plan to expand domestically, with Western Australia as our last target location after Victoria in August 2020 and Queensland in February 2022. The purchase consideration was in cash and scrip, escrowed for twelve months.
Gateway offers customers refurbished components such as hydraulics, cylinders, powertrain components, undercarriage parts, front attachments and hydraulic pumps and valves. LaserBond's surface engineering technology and capabilities will enhance Gateway's offerings by allowing the reclamation and extension of wear life for these refurbished components.

The decision to invest in Gateway was based on several factors:

a) Gateway is firmly founded in large WA industrial markets, with a strong industry network consistent with LaserBond's customer profile.
b) Gateway's excellent management team has a track record of delivering strong growth and are now shareholders in LaserBond.
c) Gateway needs LaserBond's capabilities, and we share the strong desire to introduce our specialised surface engineering technologies to other customers in the region.
d) It allows the Company to comprehensively service WA customers by providing shorter lead times, reduced downtime, and lower costs, allowing for growth in WA.

LaserBond currently holds 40% equity in Gateway. Accordingly, this interest in associate has been equity accounted in accordance with Australian Accounting Standards where LaserBond only reports its share of Gateway's net profit after tax in the Statement of Profit or Loss. Since acquisition of interest in Gateway in March 2024, the Company has recognised $503,329 in the current year financial statements representing 40% of LaserBond's share of profit after tax in Gateway.

As per the purchase agreements between LaserBond and Gateway:

a) LaserBond has a right to obtain 51% equity in Gateway on or after the third anniversary of purchase.
b) The original Gateway shareholders have a right to provide LaserBond with any level of equity at any time.

a) Principal Place of Business

110 Nardine Close, High Wycombe Western Australia 6057

b) Summarised financial information for associates

Statement of Profit or Loss	**Mar-Jun 24 (post-Settlement)**	**2024**	**2023 (Unaudited)**
	$	**$**	**$**
Revenue	14,585,647	40,283,443	32,589,920
Cost of Sales	(10,556,133)	(30,603,100)	(24,321,743)
Gross Profit	4,029,514	9,680,343	8,268,177
Expenses	(2,231,409)	(6,138,541)	(5,373,688)
Profit before income tax expense	1,798,105	3,541,802	2,894,489

Statement of Financial Position	2024 $	2023 (Unaudited) $
Current Assets	17,570,266	15,425,406
Non-Current Assets	16,672,782	15,890,160
	34,243,048	31,315,566
Total Assets		
Current Liabilities	5,741,479	7,652,414
Non-Current Liabilities	11,460,602	11,672,014
Total Liabilities	17,202,081	19,324,428
Net Assets	17,040,967	11,991,138
Total Equity	17,040,967	11,991,138

2023 balances have been adjusted to incorporate the correct reporting of transactions related to AASB 119: Employee Entitlements and AASB 16: Right of Use Assets & Liabilities.

c) Interests in Associates	2024 $	2023 $
Opening Balance 1 July	-	-
Investment in Gateway	9,999,119	
Share of Profits from Continuing Operations	503,329	-
	10,502,448	-

NOTE 8: TRADE AND OTHER RECEIVABLES

Trade Receivables	8,525,330	8,685,547
Provision for expected credit losses	(125,000)	(105,000)
Loans – Employees	6,151	31,760
Prepayments and other receivables (a)	1,270,539	830,315
	9,677,020	9,442,622

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

	Gross Amount $,000	Past due (and impaired) $,000	Within Trade Terms (not impaired) <30 $,000	31-60 $,000	61-90 $,000	>90 $,000	Total $,000
2024							
Trade receivables	8,400	125	3,114	2,978	799	1,384	8,400
Other receivables	1,277	-	1,277	-	-	-	1,277
	9,677	125	4,391	2,978	799	1,384	9,677
2023							
Trade receivables	8,581	105	3,260	2,916	1,077	1,223	8,581
Other receivables	862	-	862	-	-	-	862
	9,443	105	4,122	2,916	1,077	1,223	9,443

Standard customer credit terms are 30 to 90 days, 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 historic experience of sales and bad debts.

NOTE 9: INVENTORY

	2024 $	2023 $
Stock on Hand – Raw Materials	3,947,340	3,746,311
Stock on Hand – Finished Goods	1,062,666	247,752
Work in Progress	1,790,797	3,349,364
	6,800,803	7,343,427

NOTE 10: PROPERTY, PLANT & EQUIPMENT

Work in Progress	551,128	377,546
Prepayments of Plant and Equipment	28,765	415,691
Plant & Equipment		
At Cost	20,200,736	20,643,180
Less Accumulated Depreciation	(9,578,573)	(10,179,395)
	10,622,163	10,463,785
Office Equipment		
At Cost	350,352	350,352
Less Accumulated Depreciation	(258,614)	(263,849)
	91,738	86,503
Motor Vehicles		
At Cost	830,536	830,836
Less Accumulated Depreciation	(576,120)	(537,471)
	254,416	293,365
Right of Use Assets		
At Cost	12,561,734	10,505,756
Less Accumulated Depreciation	(3,882,472)	(3,344,389)
	8,679,262	7,161,367
TOTAL PROPERTY, PLANT & EQUIPMENT	20,227,472	18,798,257

(a) Movements in Carrying Amounts	Work in Progress	Plant & Equipment	Office Equipment	Motor Vehicles	Right of Use Assets	Total
2024 Financial Year	$	$	$	$	$	$
Balance at the beginning of the year	377,546	10,879,476	86,503	293,365	7,161,367	18,798,257
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)	(1,175,506)	(3,423,377)
Carrying Amount at the end of the year	551,128	10,650,928	91,738	254,416	8,679,262	20,227,472
2023 Financial Year	$	$	$	$	$	$
Balance at the beginning of the year	1,540,668	10,518,053	107,908	148,014	4,052,653	16,367,296
Additions / Transfer In	-	2,407,859	28,796	190,459	4,195,234	6,822,348
Disposal of Asset / Transfer Out	(1,163,122)	(2)	(7)	-	-	(1,163,131)
Depreciation Expense	-	(2,046,434)	(50,194)	(45,108)	(1,086,520)	(3,228,256)
Carrying Amount at the end of the year	377,546	10,879,476	86,503	293,365	7,161,367	18,798,257

(b) Asset Additions financed

	2024	2023
	$	$
The values of assets purchased utilising finance leases or hire purchase agreements during the year:	1,050,677	550,469

NOTE 11: INTANGIBLES

	2024	2023
Goodwill	6,260,968	6,260,968
Patents and Trademarks		
At Cost	267,760	267,760
Less Accumulated Amortisation	(60,338)	(36,932)
	207,422	230,828
Software		
At Cost	88,528	62,845
Less Accumulated Amortisation	(55,712)	(38,611)
	32,816	24,234
TOTAL INTANGIBLES	6,501,206	6,516,030

(a) Movements in Carrying Amounts	Goodwill	Patents & Trademarks	Software	Total
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)	(77,439)
Carrying Amount at the end of the year	6,260,968	207,422	32,816	6,501,206
2023 Financial Year	$	$	$	$
Balance at the beginning of the year	6,260,968	117,253	40,390	6,418,611
Additions	-	142,897	-	142,897
Disposal of Asset	-	(6,198)	-	(6,198)
Depreciation Expense	-	(23,124)	(16,156)	(39,280)
Carrying Amount at the end of the year	6,260,968	230,828	24,234	6,516,030

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 2024, using specific input providing a weighted average cost of capital of 9.9%, the conclusion is that no current impairment risk exists. Some of these 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%.

NOTE 12: DEFERRED TAX

a) Deferred Tax Asset

	2024	2023
Deferred tax assets comprise temporary differences attributable to:	$	$
Employee Benefits	745,956	537,544
Accruals	406,413	221,579
	1,152,369	759,123
Deferred tax assets expected to be recovered within 12 months	802,359	519,356
Deferred tax assets expected to be recovered after 12 months	350,010	239,767
	1,152,369	759,123

	Employee Benefits $	Expense Accruals $	Total $
At June 2022	478,259	154,139	632,398
(Charged) / credited			
- to profit or loss	59,285	67,440	126,725
At June 2023	537,544	221,579	759,123
(Charged) / credited			
- to profit or loss	208,412	184,834	393,246
At June 2024	745,956	406,413	1,152,369

b) Deferred Tax Liability

	2024 $	2023 $
Deferred tax liabilities comprise temporary differences attributable to:		
Depreciation of fixed assets	1,849,098	1,834,342

NOTE 13: TRADE AND OTHER PAYABLES

Trade Payables	1,438,949	1,794,269
Superannuation	108,817	94,322
Dividends	28,157	28,157
Deferred Income	898,590	1,905,689
Other payables and accrued Expenses	818,286	866,623
	3,292,799	4,689,060

NOTE 14: CONTRIBUTED EQUITY

Issued and Paid-Up Capital	2024 Shares	2024 $	2023 Shares	2023 $
Opening Balance	109,971,995	18,782,493	109,301,609	18,226,957
Issued Shares	6,784,338	5,652,229	670,386	555,536
	116,756,333	24,434,722	109,971,995	18,782,493

(a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)	$
1st July 2023	Opening Balance	109,301,609		18,226,957
7th October 2022	Dividend Reinvestment Plan	314,034	85.48	266,275
13th February 2023	Employee Share Plan	45,534	84.00	28,963
31st March 2023	Dividend Reinvestment Plan	310,818	85.54	260,298
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

Issue costs 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 borrowings and 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 15: FINANCIAL LIABILITIES

	2024 $	2023 $
Current Liabilities		
Hire purchase and finance lease	1,322,897	1,688,563
Lease Liabilities (AASB 16)	925,203	636,846
	2,248,100	2,325,409
Non-Current Liabilities		
Hire purchase and finance lease	2,525,382	2,302,556
Lease Liabilities (AASB 16)	8,784,835	7,205,641
	11,310,217	9,508,197
	13,558,317	11,833,606

The lease liabilities balances exclude finance costs of $3,058,693 (2023: $2,664,531).

NOTE 16: 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 have an effect on these financial statements. (2023: $245,102).

The Company has committed to $57,530 of fixed asset purchases, of which $28,765 has been recognised in Prepayments of Assets classified in Property, plant, and equipment (Note 10) as at 30 June 2024.

The Company had no contingent liabilities or capital commitments as at 30 June 2024.

NOTE 17: RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Other Related Parties

	2024 $	2023 $
Employment benefits		
Payroll persons related to executive directors	181,425	153,287
Contribution to superannuation funds on behalf of other related parties	25,776	37,880
	207,201	191,167

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

(b) Key Management Personnel Transactions

	2024	2023
Consultants		
Dagmar Parsons	13,625	-
Hawkesdale Group *(Philip Suriano)*	6,341	5,368
Management Abroad *(Ian Neal)*	7,800	-
	27,766	5,368

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 18: 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 2024 or 30 June 2023, and no options were issued during the financial year.

(c) Shares Held

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

Interest		Shares Held as of 30th June 2022	Issued	Purchased (DRP)	Purchased / (Sold)	Shares Held as of 30th June 2023
Wayne Hooper Direct		9,768,797	-	-	(335,000)	9,433,797
Wayne Hooper Indirect		1,295,498	-	-	670,000	1,965,498
Philip Suriano Indirect		896,182	-	16,847	-	913,029
Ian Neal Indirect		25,000	-	-	-	25,000
Dagmar Parsons Indirect		-	-	-	-	-
Matthew Twist	Direct	113,973	1,190	-	-	115,163
		12,099,450	1,190	16,847	335,000	12,452,487

NOTE 19: DIVIDENDS	**2024 $**	**2023 $**
Declared 2024 fully franked interim ordinary dividend of 0.8 (2023: 0.80) cents per share franked at the tax rate of 30.0% (2023: 25.0%)	879,767	877,290
Declared 2023 fully franked final ordinary dividend of 0.80 (2022: 0.80) cents per share franked at the tax rate of 25.0% (2022: 25.0%)	930,312	874,348
Total dividends per share for the period	1.60 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	1,270,225	1,217,213
Satisfied by the issue of shares	539,854	534,425
	1,810,079	1,751,638

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 (2023: 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 September 2024 out of retained earnings as of 30 June 2024 but not recognised as a liability at year-end is $934,051. The debit expected to the franking account arising from this dividend is $280,215.

Franking credits

Franking credits available for subsequent periods based on a tax rate of 30.0% (2023: 25.0%)	4,569,421	4,029,203

NOTE 20: CASH FLOW INFORMATION

Reconciliation of profit after income tax to net cash flows from operating activities		
Profit after Income Tax for the year	3,522,757	4,758,549
Non-cash flows in operating surplus		
Depreciation, Amortisation & Impairment	3,463,881	3,267,536
(Profit) / loss on disposal of property, plant & equipment	59,503	8,030
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(234,398)	461,818
Decrease/(Increase) in inventories	542,624	(1,753,528)
(Increase)/Decrease in deferred tax assets	(393,246)	(126,725)
(Decrease)/Increase in trade and other payables	(1,396,261)	294,671
Increase / (Decrease) in current provisions	267,448	171,340
Increase / (Decrease) in current tax liabilities	789,118	144,696
Increase / (Decrease) in non-current provisions	68,897	65,799
Increase / (Decrease) in deferred tax liabilities	14,756	412,140
Net cash provided by operating activities	6,705,079	7,704,326

NOTE 21: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

Activities undertaken may expose the Company to credit risk, liquidity risk and cash flow interest rate risk. The Company's risk management policies and objectives are therefore reviewed 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 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

Maturity of financial liabilities on 30th June 2023	Within 1 Year	Greater than 1 Year	Total
	$	$	$
Trade and other payables	4,689,060	-	4,689,060
Hire Purchase / Finance Lease	1,688,563	2,302,556	3,991,119
Lease Liabilities (AASB16)	636,846	7,205,641	7,842,487
Total financial liabilities	7,014,469	9,508,197	16,522,666

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 monetary cash flow forecasts.

Net fair value of financial assets and liabilities

The carrying amount of cash, cash equivalents, and non-interest-bearing monetary financial assets and liabilities (e.g., accounts receivable and payable) are at approximate net 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 2024, 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.

NOTE 22: 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.

	2024	**2023**
Number of new shares issued under the plan to participating employees: (refer to Note 14 (a) for details of the issue)	59,302	45,534

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**	**2024 $**	**2023 $**
Shares Issued under the employee share plan	41,502	28,963

NOTE 23: 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 (2023: 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 27th of September, 2024.

The Board expects to continue to maintain future dividends, subject to the Company continuing to develop 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.

NOTE 24: ECONOMIC DEPENDENCY

Revenues of $16,490,790, or 39.3% of reported revenue (2023 - $16,793,974, 43.5%) that are contributed largely to the products segment are derived from two independent customers. The Company has established strong relationships with these customers for over ten years. Supply agreements include fixed prices that can be adjusted upon providing appropriate supporting evidence for any changes. These agreements have no fixed period, reflecting the collaborative nature of our relationship. LaserBond remains committed to continually delivering the best long-wear life solutions for these customers' products.

1. Substantial Shareholders on 28th July 2024

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Ms Diane Constance Hooper	9,433,797	8.080
Mr Wayne Edward Hooper	9,433,797	8.080
Mr Wayne Edward Hooper (W&D Hooper Investments Pty Ltd)	1,965,498	1.683
Mr Rex John Hooper	6,883,916	5.896

2. Distribution of Shareholders as of 29th July 2024

Holdings Ranges	Holders	Total Units	%
1-1,000	568	295,222	0.25
1,001-5,000	1,101	2,766,250	2.37
5,001-10,000	409	2,940,062	2.52
10,001-100,000	692	20,748,653	17.77
100,001-9,999,999,999	114	90,006,146	77.09
Totals	**2,884**	**116,756,333**	**100.000**

Holdings less than a marketable parcel	129	8,085	0.00692

3. Twenty Largest Shareholders as of 28th July 2024

Holder LaserBond Limited	Number of Ordinary Fully Paid Shares Held	%
Ms Diane Constance Hooper	9,433,797	8.080%
Mr Wayne Edward Hooper	9,433,797	8.080%
Mr Rex John Hooper	6,883,916	5.896%
Mrs Lillian Hooper	5,542,928	4.747%
Lornat Pty Ltd <WK & LM Peachey S/Fund A/C>	4,943,344	4.234%
HSBC Custody Nominees (Australia) Limited	4,925,343	4.218%
BNP Paribas Noms Pty Ltd	4,579,103	3.922%
Mr Ian Davies	2,847,907	2.439%
Mr Francis Joseph Maher & Mrs Sharon Jane Maher <The Maher Family A/C>	2,361,194	2.022%
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	2,115,043	1.812%
Mr Keith Knowles	1,900,000	1.627%
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	1,836,777	1.573%
Mr Brendan Thomas Birthistle	1,674,457	1.434%
Dixson Trust Pty Limited	1,534,582	1.314%
W&D Hooper Investments Pty Ltd <W & D Hooper Unit A/C>	1,295,498	1.110%
Gemblue Nominees Pty Ltd <G A Baker Investment A/C>	1,259,303	1.079%
Mining and Civil Management Services Pty Ltd <The Edwards Family A/C>	1,246,186	1.067%
Mr Makram Hanna & Mrs Rita Hanna <Hanna & Co P/L Super A/C>	1,240,700	1.063%
Mrs Julia Catherine Moore & Mr James Edward Moore <J & J Moore Family A/C>	1,180,597	1.011%
Fortitude Enterprises Pty Ltd <Fortitude Super Fund A/C>	1,084,737	0.929%
Totals for Top 20	67,319,209	57.658
Security Totals	**116,756,333**	

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
15,409	7 Feb 2025 – 15,409 shares		
31,720	1 Feb 2025 – 15,880 shares	1 Feb 2026 – 15,840 shares	
67,771	18 Dec 2024 – 22,570 shares	18 Dec 2025 – 22,570 shares	18 Dec 2026 – 22,631 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.

LASERBOND®
PRODUCTIVITY | INNOVATION | CONSERVATION

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