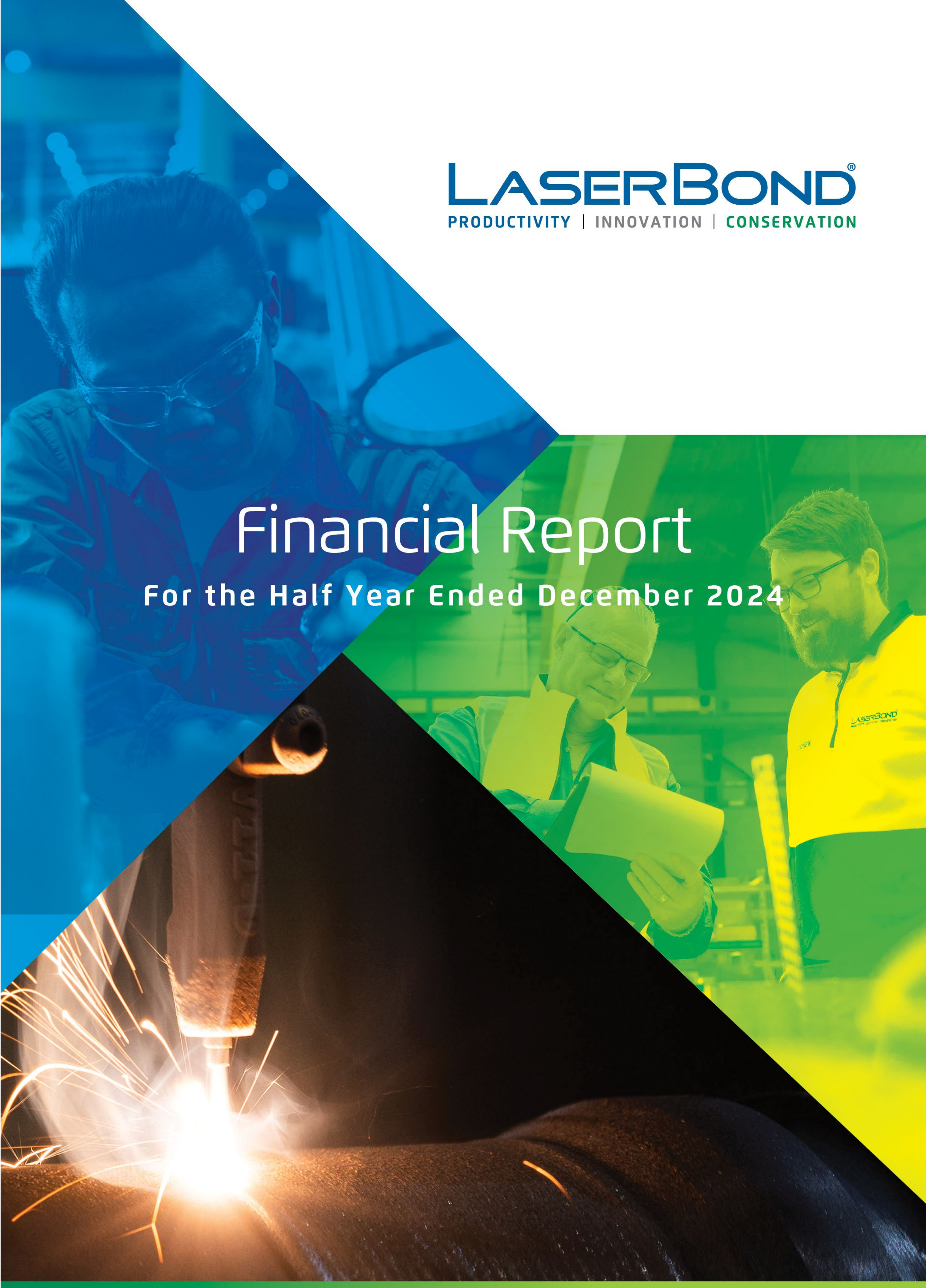


LaserBond

PRODUCTIVITY | INNOVATION | CONSERVATION

Financial Report

For the Half Year Ended December 2024

Appendix 4D & Half-Yearly Financial Report LaserBond Limited

ABN 24 057 636 692

Half Year Information given to the ASX under Listing Rule 4.2A

For the half-year ended 31st December 2024

CONTENTS PAGE

Summary

Your company achieved stable revenue in 1H25 as advised at our 2024 Annual General Meeting.

Within the divisions, our Services Division revenue grew by 16.8%. Product Division revenue was impacted during the period by market issues experienced by our large global OEM customers.

In 2024, we continued to execute our strategy of investing for accelerated growth, including expanding our senior leadership team. This investment impacted profitability in the half but has been critical in establishing a platform for future growth. Importantly, our growth initiatives are increasing the company's momentum, with productivity improving across all facilities, our sales and R&D strategies broadening customer and industry spread, and our modular laser cells allowing a renewed focus on technology licensing.

Over the half, US expansion plans progressed with research, analysis and offshore discussions confirming the multiple advantages and optimal locations for a local facility to capture markets where LaserBond's proprietary technology is highly sought.

The company continues to be highly confident in its future. We are targeting 2H25 revenue of between $22.2 and $25.1 million, representing growth of 9.4% to 23.6% on 1H25. Profit before tax is estimated to be between $2.4 and $3.1 million, representing 80% to 134% growth on 1H25.

Revenue

$20.30M

0.1% increase on pcp

Investment

$1.78M

Benefits becoming evident in 2H25

Net Profit After Tax

$1.04M

38.4% decrease on pcp

2H25 Guidance

Revenue

$22.2 to $25.1M

9.4% to 23.6% increase on 1H25.

Profit Before Tax

$2.4 to $3.1M

80% to 134% increase on 1H25.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half year ended 31st December 2024		Half year ended 31st December 2023
Revenues from ordinary activities	$20,297,296	Up 0.0% from	$20,283,109
Net profit from ordinary operating activities after tax attributable to members	$1,040,585	Down 38.4% from	$1,688,677
Net profit for the period attributable to members	$1,040,585	Down 38.4% from	$1,688,677
Earnings per share (cents) from profit attributable to members	0.89	Down 41.8% from	1.53
Net tangible assets per ordinary share (NTA Backing - cents)	27.59	Up 18.6% from	23.27

Net tangible assets include right-of-use assets with a carrying value of $8,224,471 as at 31 December 2024 (31 December 2023: $9,267,014)

Dividend Information

Dividends	Amount Per Share (cents)	Total	Franked Amount	Record Date	Payment Date
2024 Final	0.8	$934,015	100%	6 September 24	27 September 24
2025 Interim	0.4	$469,326	100%	7 March 25	28 March 25

The Board has resolved to pay a fully franked interim dividend of 0.4 cents per share. With the forecasted continued growth, the Board expects to be able to continue to pay dividends in the future. As the Board resolution regarding dividends was made after 31st December 2024, the dividend will be paid from retained earnings but is not recognised as a liability in the half-year financial statements.

Dividend Reinvestment Plans

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

The Board has resolved to offer the DRP for the FY2025 interim dividend. The discount applied to determine the market price will be 5%, in accordance with the DRP terms and conditions.

Brief Explanation of Results

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

Details of Subsidiaries

During the period from 1st July 2024 to 31st December 2024, LaserBond Limited has not gained or lost control over any entities.

Details of Associates and Joint Venture Entities

During the period from 1st July 2024 to 31st December 2024, LaserBond Limited had a 40% interest in Gateway Equipment Parts & Services Pty Ltd.

Details of Foreign Entities

During the period from 1st July 2024 to 31st December 2024, LaserBond Limited has no interest in any foreign entities.

Audit Modified Opinion, Emphasis of Matter or other matter

None.

DIRECTORS' REPORT

Your Directors present their report on the entity for the half-year ended 31st December 2024.

Directors

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

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

Overview

In 2024, the Company continued executing its strategic plan for accelerated growth, which required a significant investment. The 1H25 results reflect the expected early impact of this outlay.

In line with the Company's Strategic Plan, LaserBond invested substantial capital in 1H25, equating to 84.8% of statutory before-tax profits, to advance initiatives to increase sustainable growth. These measures will optimise the full potential of its manufacturing assets, proprietary technologies, and market demand by supplying sites with additional resources to increase production, reduce lead times, and build sales momentum.

Key Points

- Revenue Performance: in line with AGM guidance for 1H25.
- Strategic Investments: increasing costs by $1.41 million, focused on:
  - Expanded senior leadership, under guidance from and supporting the CEO, transforming the business to deliver on strategic objectives.
  - Driving industry and customer spending through targeted business development and sales efforts.
  - Increasing capabilities via capital investment.
  - Reducing lead times through recruitment, training and improved capacity utilisation.
- Operational Successes:
  - 16.8% revenue growth in Services.
  - Launched the Quick Response Team in Queensland, supporting reducing lead times.
  - Manufactured the first modular LaserBond® laser-cladding cell, reinforcing strategic investment in the Gateway Group.
  - Reintroducing business development activities for modular laser-cladding cells under license.
  - Dedicated time in the US market to refine business strategy, expand opportunities and assess potential acquisitions.

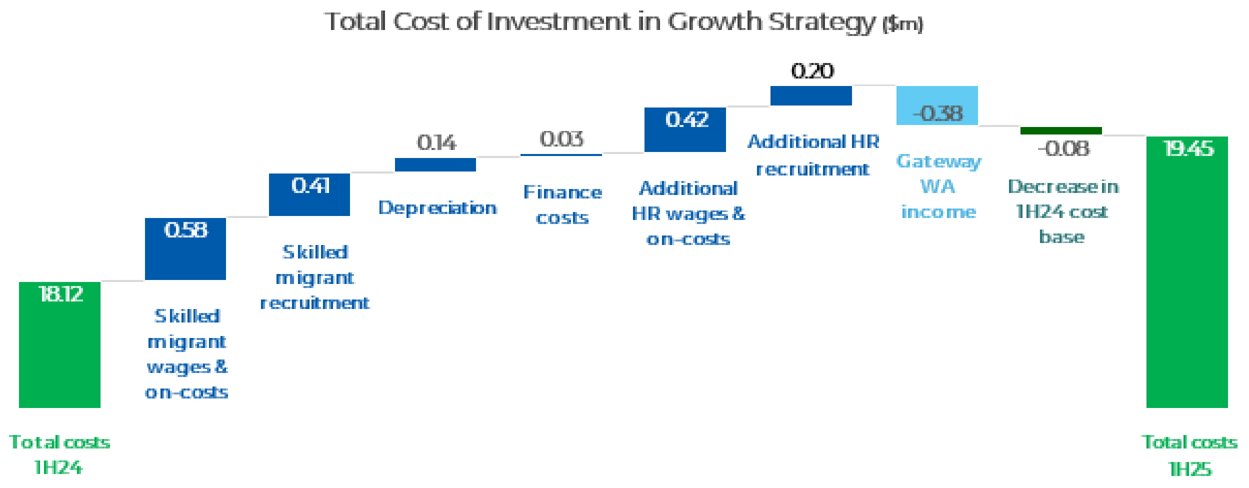
Group Financial Results

While LaserBond's revenues were in line with forecast, overall earnings were impacted by the additional investment for growth. It is important to note that without this investment, our future growth would be limited, and the business would be in a less competitive position. Most earnings metrics reflect continued growth if we exclude the impact of the strategic accelerated investment for expansion.

Half year ended 31 Dec	1H25	% change	1H24
Revenue from continuing operations	$20.30M	Up 0.0% from	$20.28M
EBITDA	$3.30M	Down 21.4% from	$4.20m
EBIT	$1.74M	Down 30.5% from	$2.50M
Net profit before tax	$1.33M	Down 38.6% from	$2.16M
Net profit after tax	$1.04M	Down 38.4% from	$1.69M

Investment Overview

The investment in LaserBond's future could have been spread over a longer timeframe to lessen the impact on profitability. However, the Board's decision to expedite the process was based on analysis that indicated a more concentrated approach, although impacting profits immediately and more intensely, would deliver the targeted level of improved performance more promptly.



During 1H25, an additional net $1.41 million (6.9% of revenue) of costs were invested in:

- Increased Production – the recruitment and training of additional skilled workers to boost production and reduce lead times.
- Personnel - the recruitment of Senior Executives to the leadership team to support the CEO, and technical and sales resources to support increased business development and productivity; and
- Equipment - new infrastructure and equipment installed at all wholly owned sites, adding to depreciation and financing costs.

Of these additional investment costs, $0.61M are one-off costs related to recruitment.

These initiatives enhance LaserBond's operating platform by providing the resources to support our growth targets, as defined in our strategic roadmap. This investment makes the business more resilient and agile, enabling it to adapt quickly to market changes and reducing the risk of customer dependencies.

Most of the investment costs have been absorbed in the current half, with a small amount in FY24. The benefits of these initiatives will begin to flow through in 2H25.

1H25 Earnings Performance

As anticipated at the annual general meeting in October last year, sales revenue increased marginally, driven by a 16.8% increase in Services revenue and the revenue contribution from the sale of a modular laser cladding cell in the Technology division. This robustness in group sales revenue was able to absorb a 27.5% decrease in revenue from the Products division, which experienced further ordering and sales volatility from one of its Original Equipment Manufacturing customers.

Gross profit margins have reduced slightly due to the impact of the training and development program for skilled operators and apprentices. Still, over the last five years, margins have been largely stable since 1H21.

Earnings before interest, tax, depreciation and amortisation were lower than 1H24, down by $0.90 million or 21.4%.

Dividend

Cognisant of the need to fund growth plans, the Board has determined to pay a fully franked interim dividend of 0.4 cents per share. The intention is to continue declaring dividends, balancing the need for capital to grow and shareholders' commitment to the LaserBond expansion plans.

Cash and Debt

The effect of the reinvestment costs is also apparent in cash levels for the half. Cash flows from operations decreased in 1H25, which impacted both net cash flows and the cash-on-hand position at the end of the period.

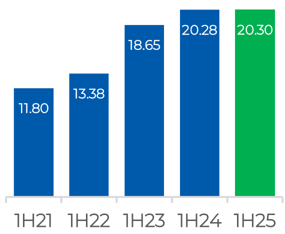
Strategy

LaserBond's expansion strategy gained further momentum during the half, off the back of initiatives undertaken in FY24, specifically to expand into the North American surface engineering market, build capacity and capability to accelerate growth in the Australian operations, and further advance the development and sales of the new, lower-cost, modular laser cladding cells for a wider market.

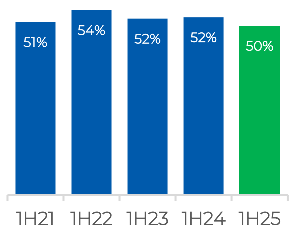
US Expansion Plans

Investigations into establishing a local presence in relevant North American market sectors continued over the half. The initial concept for this move rested on a global OEM customer's suggestion for a LaserBond operation closer to their headquarters to reduce lead times and costs for improved productivity. The basis for their encouragement was the absence in the North American market of any alternative option for LaserBond's technology and capability.

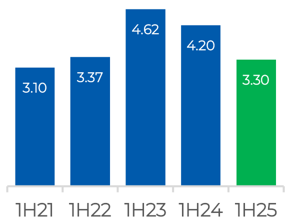
Revenue ($m)



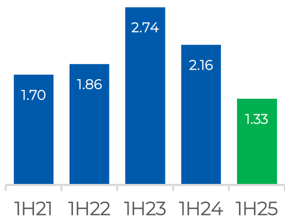
Gross Profit Margin



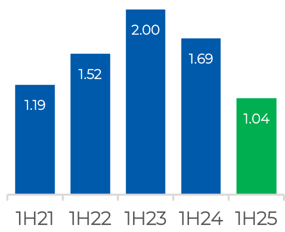
EBITDA ($m)



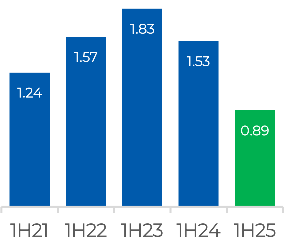
NPBT ($m)



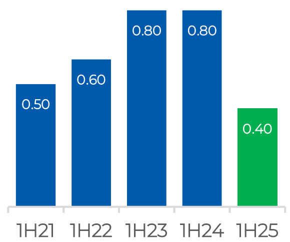
NPAT ($m)



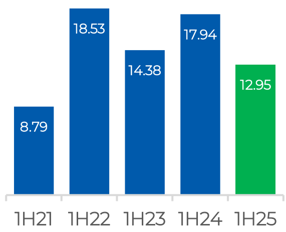
EPS (cents)



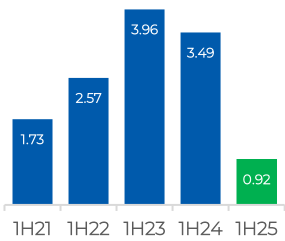
Interim Dividends (cents)



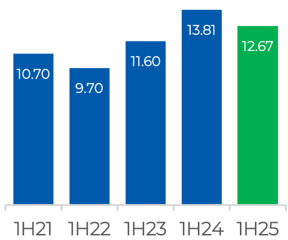
Working Capital ($m)



Cashflows from Ops ($m)



Debt ($m)



A year on from first informing shareholders of this exciting opportunity, much research has confirmed multiple advantages for LaserBond's entry into that market, in addition to the initial reason, including:

- a very attractive market and a locally expressed desire for LaserBond's proprietary technology in steel mill rolls and rotary feeders,
- further support for global customers with operations in North America and
- strong markets for the Services division with LaserBond's superior surface coating technologies that would not be possible to service from Australia due to extended lead times and additional logistics costs.

Work has progressed on assessing an optimal location and identifying existing businesses with compelling synergies and compatibilities with LaserBond. Further due diligence is now required at a more micro level before any decision can be reached on the most appropriate option. Such an acquisition is likely to be funded from cash and debt facilities.

Increased Australian Capacity and Capability

Our customers require short lead times to allow equipment to be returned to service as quickly as possible. Enhancing the capabilities of each site to reduce lead times has been a focus. Over the past 18 months, LaserBond has made strategic investments in new equipment and upgrades to existing infrastructure across all its facilities. This includes improvements in milling, grinding, turning, and cladding machinery, alongside the addition of skilled workers. These upgrades help improve efficiencies, increase production levels, and reduce customer lead-times.

Additionally, the strengthened sales and marketing team, including a new head of sales, is focused on driving growth with both existing and new customers and working to identify new applications and markets. LaserBond's R&D and strong problem-solving capabilities play a key role in this process.

The benefits of these improvements reflect in the Services Division growth and will become more apparent in the 2H25 results.

Newly Designed Modular LaserBond® Cladding Cells

In addition to supporting the facility upgrades required to build capacity within the business, a primary objective of the Technology division's project team has been to utilise proprietary knowledge to better respond to market demand for smaller, modular laser cladding cells that offer superior technology at a lower cost and in a much shorter timeframe.

To this end, under a new Head of Projects appointed in early CY24, the team has spearheaded the development of these cells. A cell prototype has been designed, built and tested, and the first cell has been commissioned for Gateway Group in Perth. Revenue from the sale was recognised in 1H25 with significant interest from several potential new cell technology licensees in the near term.

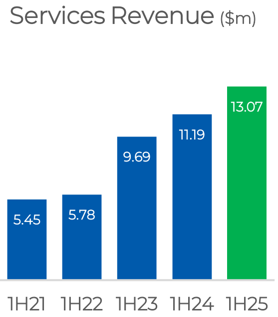
Operational Performance

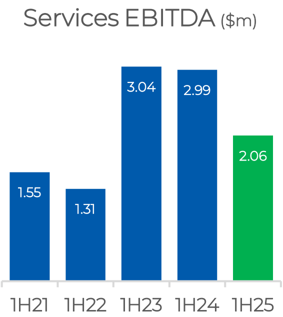
Services Division

The Services division continues its strong growth trajectory, delivering impressive revenue growth of 16.8% to $13.07 million from $11.19 million in 1H24, and a 4-year Compound Annual Growth Rate of 24.4% since 1H21.

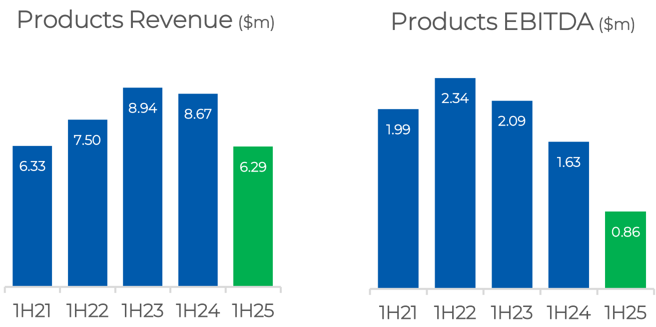
Growth opportunities for the Services division lie in greater efficiencies at site, such as the necessary short lead times to restore a customer's equipment and have it back in service to generate revenue as soon as possible. Phase 1 of the introduction of Quick Response Teams (QRTs) to radically reduce lead times and customer opportunity cost has been completed in the Queensland facility with the introduction of a second shift. The proof of its success was evident in greater throughput at the site. Based on this success, and the growth opportunities available from decreasing lead times and increasing capabilities, arrangements are underway to secure new premises to support expanded operations in Queensland.

Phase 2 of the QRT program will involve a full roll-out across all LaserBond facilities during 2H25, enabling optimal value to be derived from the new machinery and equipment as well as the new skilled workers who are now fully trained and operational across all facilities.





Products Division



Revenue decreased by 27.5% from $8.67 in 1H24 to $6.29 million in 1H25. OEMs (Original Equipment Manufacturers) were affected by increasing operating costs and other competitive pressures, as well as leadership changes. Part of the reinvestment is aimed at reducing exposure to the impact from customers' operating environments through diversifying, expanding and de-risking the customer base.

The Products division has long-standing relationships with several global OEMs, some dating back to 1993. Over the past 18 months, these OEMs have variously experienced disruptions and changes that have resulted in difficulty forecasting demand and lumpy ordering profiles. These disruptions and changes have included supplier closures at short notice, the instalment of new and complex operating software, leadership changes, competition pressures and margin issues. However, based on strong relationships, LaserBond has maintained open communication with these customers to work through each issue as it arises and, as such, revenue is expected to remain stable for at least the next two halves. The affected OEMs are in the process of implementing strategies to restore normal ordering levels and expand their own sales.

Technology Division

During 1H25 the Technology division reports revenue of $0.94 million, including the sale of the first modular laser cladding cell, on arm's length commercial terms, to the Gateway Group, and EBITDA of $0.24 million. LaserBond owns 40% of the equity of the Gateway Group and applies equity accounting principles to this investment. Pursuant to AASB 128: Investments in Associates and Joint Ventures, gains and losses arising on transactions between an entity and its associate are recognised only to the extent of the external investors' interest in the associate (being 60%). Therefore, LaserBond eliminated 40% of the revenue and cost of sales in respect of this asset sale transaction as of 31 December 2024. The eliminated revenue and expenses will be recovered in future periods.

The projects team that was established to deliver the new market offering, successfully developed three modular laser cladding cell designs. These new modular systems are standardised, built with interchangeable components and can be manufactured in a quarter of the time.

With the modular technology now market-ready, the business development for licensing has been ramped up, with several potential customers in discussions and much interest more broadly in the marketplace. The aim is to secure two new licensing agreements annually, reinforcing LaserBond's dominant position in technology development and its relevance to the laser cladding market both in Australia and offshore.

Investment in Associates

Based on LaserBond's ownership of 40% of the equity in the Gateway Group, the Company applies equity accounting principles. LaserBond reports $372,659, presenting 40% of the profits after tax reported by Gateway. For 1H25, Gateway reports $19.86 million in revenue, with limited growth on the previous corresponding period. However, profits grew by 7.4% based on focused productivity improvements. Gateway is expanding its facility from a footprint of 15,000m2 to 25,000m2 to allow for future growth, including the planned additional capabilities to support the introduction of LaserBond's surface engineering applications. We look forward to supporting them through this process and the success to come with surface engineering capabilities in Western Australia.

Innovation

LaserBond's cemented competitive advantage is an R&D program that spans the entire 32-plus years of the business's existence. Over that time, the design and development of new technologies and products have been central to its vision, solving complex customer and industry problems with new applications and have, in turn, built new sources of revenue. Notably, R&D is one of the four pillars of LaserBond's strategy for excellence and growth. Short-term priorities for our R&D team include identifying low-cost alternative materials to protect margins and attract new customers, enhancing deposit rates and speeds for greater productivity, and expanding long wear life solutions across broader industry sectors.

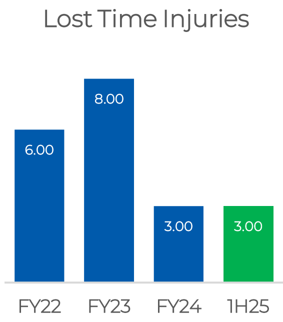
LaserBond's Technical team will also continue to identify new opportunities through discussions, assisting customers and other market players in finding solutions to their equipment problems.

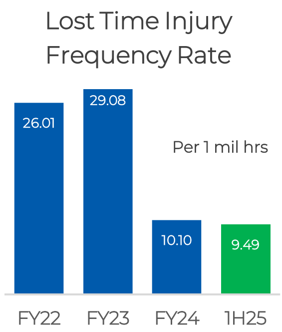
Sustainability

Health and Safety

LaserBond maintains an enviable safety track record and, in line with its rigorous safety focus, its LTI and LTIFR rates for 1H25 reflect a slightly improved performance compared with 1H24. This result incorporates additional employees and approximately 18.5 thousand additional man hours worked over the half compared with 1H24.

Furthermore, the business's strong safety culture has prevented ever having to record a serious injury since the operations began in 1992.





Environmental Commitment and Customer Emissions Reduction Contribution

Uniquely, LaserBond's sustainability performance spans its own initiatives to reduce emissions and overall impact on the environment, as well as making significant contributions to the performance of its customers with technologies to re-coat worn parts and equipment that extend the wear life by three to four times that of its original wear life when purchased new.

Not only is this option generally a lower-cost alternative to buying a new part, or several parts over the equivalent additional wear-life of a LaserBond reclaimed piece of equipment, it substantially reduces the impact on the environment of carbon-intensive manufacturing processes and the use of natural resources that are necessary to manufacture new equipment. Furthermore, it supports improved ESG performance for our customers. In the current times of climate focus, which will only become more important as we proceed towards 2050, these benefits cannot be underestimated. Lastly, as with all recycling, it minimises the need to dispose of prematurely obsolete equipment at landfills.

LaserBond's sustainability program is embedded across the business, underpinning operational efficiency decisions and impact reduction strategies and forming a critical element in all research and development priorities.

The concept of designing products and technologies with a 'remanufacturing' consciousness is central to LaserBond's R&D program and constitutes around 50% of revenue,

With the new sustainability disclosure reporting framework being progressively introduced in Australia, LaserBond's services and technologies are becoming increasingly essential for carbon-intensive, heavy industries operating large infrastructures and machinery.

LaserBond is well-situated to capitalise on the opportunities generated by its new and continually evolving market environment as the only business of its type with any substantive level of sophisticated proprietary surface engineering technology.

Outlook

The benefits of this planned investment are already becoming apparent in the second half of FY25. In the near term, the investment is producing the following results;

- increased production capacity
- increased sales pipeline across all divisions of the business
- expanded customer base through new sectors
- increased activity at all sites
- Modular Cladding cells well received to meet market demand

On this basis, and notwithstanding the traditionally long sales process involved with new customers and products, revenue for 2H25 is expected to be in the range of $22.2 million to $25.1 million, representing growth of 9.4% to 23.6% on the 1H25 performance. The low end of this revenue range is based on maintaining momentum with our services division growth and limited growth in our products division. The higher end of the range is supported by potential services division opportunities and a return to spending on products from our global OEMs at the rates they are targeting. From this revenue range, net profits before tax are estimated for 2H25 of between $2.4 to $3.1 million, representing 80% to 134% growth on the 1H25 performance. For FY25, this range equates to $43.0 million and $46.0 million in revenue and $4.1 to $4.7 million net profit before tax. It should be noted that this revenue estimate does not include revenue from the 40% stake in Gateway Group, acquired in 1H24, given that the two sets of accounts are not consolidated, and thus revenue is not shown.

The Board is grateful for the continued support of LaserBond's shareholders as we seek to increase the company's sustainable growth rate and market penetration both here and offshore. Without their commitment, the plans to realise the full value of LaserBond's capabilities would merely be dreams. In making strategic commitments and allocating capital, the Board is ever cognisant of its investor support and the need to reward it with increasing shareholder value.

Wayne Hooper | Executive Director

Dated this 21st day of February 2025.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The half-year financial statements and notes, as set out on pages 16 to 24 are in accordance with the Corporations Act 2001 and:
    a) Comply with Accounting Standards, Corporations regulation 2001 and other mandatory professional reporting requirements;
    b) Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
    c) Give a true and fair view of the Company's financial position as of 31st December 2024 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Wayne Hooper I Executive Director

Dated this 21st Day of February 2025.

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 half-year ended 31 December 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 review; and

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

LNP Audit and Assurance Pty Ltd

Davind Sinclair
Director
Sydney

20 February 2025

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

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the half-year financial report of LaserBond Limited, (the Company), which comprises the condensed statement of financial position as at 31 December 2024, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

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

(a) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporation Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the half year Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

LNP Audit and Assurance Pty Ltd

David Sinclair
Director
Sydney

20 February 2025

Condensed Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
Revenue from continuing operations	3	20,297,296	20,283,109
Cost of Sales	3	(10,204,035)	(9,704,074)
Gross Profit from continuing operations		**10,093,261**	**10,579,035**
Other Income		214,053	147,650
Share of Profit of associate	4	381,659	-
Administration Expenses		(2,373,083)	(2,299,049)
Depreciation & Amortisation		(1,565,764)	(1,701,682)
Employment Expenses		(4,013,424)	(3,640,651)
Recruitment Costs		(644,506)	(96,008)
Finance Costs		(437,680)	(393,486)
Research & Development Costs		(239,568)	(357,647)
Other Expenses		(87,530)	(77,663)
Profit before tax	3	**1,327,418**	**2,160,499**
Income tax expense		(286,833)	(471,822)
Profit for the period		**1,040,585**	**1,688,677**
Other comprehensive income for the period, net of tax		-	–
Total comprehensive income attributable to members of LaserBond Limited		**1,040,585**	**1,688,677**
Earnings per share for profit attributable to members:			
Basic and Diluted Earnings per share (cents)		0.89	1.53

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

Condensed Statement of Financial Position for the Half-Year Ended 31 December 2024

	Notes	31 Dec 2024 $	30 Jun 2024 $
CURRENT ASSETS			
Cash and cash equivalents		4,192,191	5,759,153
Trade and Other Receivables		11,126,525	9,677,020
Inventories		7,260,464	6,800,803
Total Current Assets		**22,579,180**	**22,236,976**
NON-CURRENT ASSETS			
Property, plant, and equipment	5	19,223,649	20,227,472
Deferred tax assets		1,367,309	1,152,369
Rental Bond		49,557	45,557
Investment in associate	3,4	10,647,620	10,502,448
Intangible Assets		6,552,104	6,501,206
Total Non-Current Assets		**37,840,239**	**38,429,052**
TOTAL ASSETS		**60,419,419**	**60,666,028**
CURRENT LIABILITIES			
Trade and Other Payables		3,000,113	3,292,799
Current Tax Liabilities		1,358,845	1,043,828
Employee Benefits		2,620,109	2,262,055
Financial Liabilities	6	2,650,045	2,248,100
Total Current Liabilities		**9,629,112**	**8,846,782**
NON-CURRENT LIABILITIES			
Financial Liabilities	6	10,018,015	11,310,217
Employee Benefits		268,233	224,465
Deferred Tax Liability		1,710,267	1,849,098
Total Non-Current Liabilities		**11,996,515**	**13,383,780**
TOTAL LIABILITIES		**21,625,627**	**22,230,562**
NET ASSETS		**38,793,792**	**38,435,466**
EQUITY			
Issued Capital	7	24,686,478	24,434,722
Retained earnings		14,107,314	14,000,744
TOTAL EQUITY		**38,793,792**	**38,435,466**

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

Condensed Statement of Cash Flows for the Half-Year Ended 31 December 2024

	31 Dec 2024 $	31 Dec 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	21,283,926	23,696,677
Payments to Suppliers and Employees	(19,897,644)	(19,356,354)
Interest Paid	(125,896)	(393,486)
Interest Received	30,012	57,048
Income Taxes Paid	(367,423)	(519,191)
Net cash provided by operating activities	**922,975**	**3,484,694**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Plant and Equipment	(423,945)	(593,661)
Proceeds from disposal of Plant and Equipment	-	500
Loans to Employees, net	(25,250)	(65,155)
Net cash used in investing activities	**(449,195)**	**(658,316)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Costs from Issue of Shares	(8,765)	(14,548)
Repayment of Finance Leases	(1,335,599)	(886,732)
Dividends Paid	(696,378)	(647,752)
Net cash used in financing activities	**(2,040,742)**	**(1,549,032)**
NET INCREASE/(DECREASE) IN CASH HELD	(1,566,962)	1,277,346
Cash at Beginning of Period	5,759,153	8,929,215
CASH AT END OF PERIOD	**4,192,191**	**10,206,561**

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

Condensed Statement of Changes in Equity for the Half-Year Ended 31 December 2024

	Issued ordinary capital	Retained earnings	Total equity
	$	$	$
Opening Balance at 1st July 2023	**18,782,492**	**12,288,066**	**31,070,558**
Profit for the period	-	1,688,677	1,688,677
Dividends paid during the period	-	(879,767)	(879,767)
Issue of Share Capital (net of costs)	238,752	-	238,752
Closing Balance at 31st December 2023	**19,021,244**	**13,096,976**	**32,118,220**
Opening Balance at 1st July 2024	**24,434,722**	**14,000,744**	**38,435,466**
Profit for the period	-	1,040,585	1,040,585
Dividends paid during the period	-	(934,015)	(934,015)
Issue of Share Capital (net of costs)	251,756	-	251,756
Closing Balance at 31st December 2024	**24,686,478**	**14,107,314**	**38,793,792**

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

Notes to the Condensed Financial Statements for the Half-Year Ended 31 December 2024

Corporate Information

LaserBond Limited (the Company) is a for-profit listed public Company incorporated and domiciled in Australia. The financial report for the half year ended 31 December 2024 relates to LaserBond Limited as an individual entity. The Company specialises in developing technologies and implementing its metal cladding methodologies to increase capital-intensive machinery components' operating performance and wear life. LaserBond operates from New South Wales, Queensland, South Australia, and Victoria facilities.

The financial statements have been approved and authorised for issue by the Board of Directors on 22 February 2025.

Note 1: Material Accounting Policies

a) General information and basis of preparation

The condensed financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001, applicable Accounting Standards (including AASB 134 Interim Financial Reporting) and other mandatory professional reporting requirements. All amounts are presented in Australian dollars ($AUD). The condensed financial report does not include notes of the type typically included in an annual financial report and shall be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made during the half year to 31 December 2024 in accordance with the continuous disclosure obligations under the Australian Securities and Exchange Listing Rules and the Corporations Act 2001. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2024, unless stated otherwise.

b) New and Amended Standards Adopted

The accounting policies adopted in the preparation of the half-year financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and are effective for the financial year beginning 1 July 2024. Adopting these standards did not have a material impact on the Company's half-year financial report.

c) Critical accounting estimates and judgement

In applying the Company's accounting policies, several estimates and assumptions have been made concerning the future. The directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates. The main areas where a higher degree of judgement arises or where assumptions and estimates are significant to the financial statements are:

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

Note 2: Segment Reporting

The Company has identified its operating segments based on the internal reports reviewed and used by the Executive Directors (chief operating decision-makers) to assess performance and determine the allocation of resources. Segment definitions:

a) Services – the reclamation or repair of worn components for end users or the surface engineering of new products manufactured by our customers.
b) Products – the manufacture of products by the Company, incorporating surface engineering applications.
c) Technology – the sales of LaserBond® cladding technology, associated licensing fees, and consumables supply.
d) Research & Development – costs for developing new or improved technologies, applications, and products.
e) Investment in Associate – our share of profits after tax from an equity investment in an associate.

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

	31 December 2024					
	Services $	Product $	Technology $	R&D $	Invest in Assoc. $	Total $
Revenue	13,066,980	6,291,607	938,709	-	-	20,297,296
Gross Profit	50.8%	48.6%	42.4%	-	-	49.7%
EBITDA	2,062,302	856,466	248,991	(239,568)	372,659	3,300,850
Interest	(275,175)	(132,493)	-	-	-	(407,668)
Depreciation & Amortisation	(1,043,450)	(502,409)	-	(19,905)	-	(1,565,764)
Profit Before Income Tax	743,677	221,564	248,991	(259,473)	372,659	1,327,418

	Dec 24
Assets	60,419,419
Liabilities	(21,625,627)

	31 December 2023					
	Services $	Product $	Technology $	R&D $	Invest in Assoc. $	Total $
Revenue	11,187,623	8,672,756	422,730	-	-	20,283,109
Gross Profit	55.8%	47.8%	44.2%	-	-	52.2%
EBITDA	2,994,041	1,630,947	(68,720)	(357,649)	-	4,198,619
Interest	(189,520)	(146,918)	-	-	-	(336,438)
Depreciation & Amortisation	(951,400)	(737,535)	-	(12,747)	-	(1,701,682)
Profit Before Income Tax	1,853,121	746,494	(68,720)	(370,396)	-	2,160,499

	Dec 23
Assets	54,672,186
Liabilities	(22,553,966)

NOTE 3: UNREALISED PROFIT IN ASSOCIATES

In December 2024, LaserBond sold a laser cladding cell, on arm's length commercial terms, to the Gateway Group. LaserBond owns 40% of the equity of the Gateway Group and applies equity accounting principles to this investment. Pursuant to AASB 128: Investments in Associates and Joint Ventures, gains and losses arising on transactions between an entity and its associates are recognised only to the extent of the external investors' relative interest in the associate (being 60%). Therefore, LaserBond has eliminated 40% of the revenue and cost of sales in respect of this asset sale transaction. This elimination also reduces the equity accounted for the carrying amount of the investment. The eliminated revenue and expenses will be recovered in future periods.

NOTE 4: INVESTMENT IN ASSOCIATES

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

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

LaserBond's 40% interest in Gateway is equity accounted per Australian Accounting Standards, with only its share of net profit after tax reported. The Company has recognised $381,659 in the current half-year financial statements.

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

	31 Dec 24 (Unaudited) $	31 Dec 23 (Unaudited) $
Statement of Profit or Loss		
Revenue	19,862,574	19,791,156
Cost of Sales	(15,139,658)	(15,738,339)
Gross Profit	4,722,916	4,052,817
Expenses	(3,359,849)	(2,783,744)
Profit before income tax expense	1,363,067	1,269,073
Income Tax Expense	(408,912)	(474,833)
Profit after income tax expense	954,155	794,240
Statement of Financial Position		
Current Assets	17,687,990	17,570,266
Non-Current Assets	17,207,942	16,672,782
Total Assets	34,895,933	34,243,048
Current Liabilities	5,969,938	5,741,479
Non-Current Liabilities	11,545,636	11,460,602
Total Liabilities	17,515,573	17,202,081
Net Assets	17,380,359	17,040,967
Total Equity	17,380,359	17,040,967

Note 5: Property, Plant & Equipment

	31 Dec 2024 $	30 Jun 2024 $
Work in Progress	572,695	551,128
Prepayments of Plant and Equipment Assets	272,894	28,765
Plant & Equipment		
At cost	22,570,672	20,200,736
Less accumulated depreciation	(12,777,281)	(9,578,573)
	9,793,391	10,622,163
Office Equipment		
At cost	383,659	350,352
Less accumulated depreciation	(274,820)	(258,614)
	108,839	91,738
Motor Vehicles		
At cost	832,136	830,536
Less Accumulated depreciation	(580,776)	(576,120)
	251,360	254,416
Right of Use Assets		
At cost	12,721,287	12,561,734
Less Accumulated depreciation	(4,496,817)	(3,882,472)
	8,224,470	8,679,262
Total property, plant & equipment	19,223,649	20,227,472

The increase in Right of Use Assets relates to renewing the Victorian facility lease for a further three years, plus two options of three years.

Note 6: Financial Liabilities

Current Liabilities		
Hire purchase and finance lease	1,667,615	1,322,897
Lease Liabilities (AASB 16)	982,430	925,203
	2,650,045	2,248,100
Non-Current Liabilities		
Hire purchase and finance lease	1,591,642	2,525,382
Lease Liabilities (AASB 16)	8,426,373	8,784,835
	10,018,015	11,310,217
	12,668,060	13,558,317

The increase in Lease Liabilities related to AASB 16: Right of Use Assets is based on renewing the Victorian facility lease for a further three years, plus two options of three years.

Note 7: Contributed Equity

	31 Dec 2024 Shares	31 Dec 2024 $	30 Jun 2024 Shares	30 Jun 2024 $
Opening Balance	116,756,333	24,434,722	109,971,995	18,782,493
Issued Shares	575,179	251,756	6,784,338	5,652,229
	117,331,512	24,686,478	116,756,333	24,434,722

a) Ordinary Shares

Date	Details	No. Shares	Issue Price (Cents per Share)	$
1 July 2024	Opening Balance	116,756,333		24,434,722
27 September 2024	Dividend Reinvestment Plan	463,709	0.5128	19,255
20 December 2024	Employee Share Plan	111,470	0.5500	232,501
31 December 2024	Closing Balance	117,331,512		24,686,478

Note 8: Dividends

	31 Dec 2024 $	31 Dec 2023 $
Declared fully franked 2024 final dividend of 0.8 cents per share (2023: 0.8)	934,015	879,767

Dividends not recognised during reporting period
Since 31 December 2024, the Directors have recommended an interim dividend of 0.4 cents per fully paid ordinary share (2023: 0.8 cents), fully franked based on tax paid at 30.0%. The aggregate amount of the proposed dividend expected to be paid on 28 March 2025 out of retained earnings at 31 December 2024, but not recognised as a liability, is $469,326.

Note 9: Contingent Liabilities and Commitments

Apart from security deposit guarantees of $245,102 (2023: $245,102) with the Commonwealth Bank for three leased premises, the Company has committed to $327,960 of fixed asset purchases, of which $272,894 has been recognised in Prepayments of Assets classified in Property, plant and equipment (Note 5) as of 31 December 2024.

Otherwise, the Directors are unaware of any other contingent liabilities or commitments as of 31 December 2024.

Note 10: Subsequent Events

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

Company Details

Registered Office and Principal Place of Business:

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

Divisions of Head Office:

South Australia
112 Levels Road
CAVAN SA 5094
Phone: +61 8 8262 2289

Victoria
26-32 Aberdeen Road
ALTONA VIC 3018
Phone: +61 3 9398 5925

Queensland
74 High Road
BETHANIA QLD 4205
Phone: +61 7 3200 9733

Investments in Associates:

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

Share Registry:

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

Auditor:

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

Solicitor:

HWL Ebsworth Lawyers
Level 14, Australia Square
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SYDNEY NSW 2000
Phone: +61 2 9334 8555

Bankers:

Commonwealth Bank of Australia
Major Client Group
Level 9, Darling Park Tower 1
201 Sussex Street
SYDNEY NSW 2000