
ASX Announcement – 22 October 2026

2026 ANNUAL GENERAL MEETING

CHAIR'S ADDRESS

Laserbond made solid progress in FY26, and it did so in a year when many of the conditions affecting our markets were difficult and hard to predict. I will return to these shortly, but I want to begin with what gives the Board the most confidence in the Company's future.

At the heart of Laserbond, is a technology and intellectual property position that the Company has built for itself over many years. It did not buy this capability or rely on outside parties to provide it. That makes it one of the most valuable assets our shareholders own, and the Board continues to invest in it so that it remains a source of advantage.

This capability underpins a long-term growth strategy that the Board fully supports and believes is the right direction for the Company. The strategy unfolds in three stages. Our immediate priority is a stronger core business. From there, we plan to extend solutions that have already proven themselves into new markets and geographies. Our longer-term ambition is for Laserbond to compete on the world stage as a leading provider of technology and surface engineering solutions. The Board considers this a sensible, measured approach to growth that takes account of today's conditions while building value for shareholders over time.

Conditions in FY26 were demanding. Tungsten prices stayed high and unsettled throughout the year, demand from the mining sector remained soft, and the conflict in Iran and changes to US tariffs added to the uncertainty. Laserbond met these pressures with resilience. A diversified spread of operations, close relationships with customers, a strong and resilient culture and steady execution meant the Company kept adding to the momentum of the previous 18 months.

The Board will continue to monitor these external influences closely, including tungsten pricing and supply, international trade policy and the health of the industries we serve. We are confident that management can steer the Company through them, with the support of a broad customer base, tight control over costs and sustained investment in innovation and capability. Alongside this, the Board will maintain discipline in allocating capital between future growth and shareholder returns.

That confidence in management owes much to our Chief Executive Officer, Rob Freeman, who has now completed his first year in the role. On behalf of the Board, I thank Rob for his energy, rigour and clear strategic direction. Over that period, he has reinforced Laserbond's operating base and refined the Company's view of which markets and regions it will pursue. The Board sees that clarity as essential to creating sustainable value.

Safety remains fundamental to how Laserbond operates. The Board receives regular safety reporting, and we were pleased to see the Company's safety and quality practices mature further during the year. We will continue to give this area close attention as the business grows.

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CEO'S ADDRESS

Thank you, Phil, and good morning, everyone.

When I joined Laserbond just over 12 months ago, I set out to understand what makes our technology different, where our customers see the most value in it, and what we would need to change for the business to grow well beyond its current size. The short answers are that our technology is genuinely hard to replicate, that customers value it most where component life and downtime matter, and that to grow we need more capacity, more products and a wider market.

Before I begin, I want to recognise the Laserbond team. FY26 asked a great deal of them. Orders shifted, input costs moved against us, and we were introducing new systems and processes at the same time. They handled all of it with professionalism.

Since year end

I will start with the most recent news, because it sets the tone for the year ahead.

First, we have signed a second licensing agreement with Komatsu, executed on commercial terms comparable to the first agreement, covering a second modular laser cladding cell for Komatsu's Perth facility. This follows our first agreement, signed in August 2025 and valued at \$2.4 million, under which we delivered a cell on time and on budget that is now in operation and is establishing a new standard for Komatsu. When a global equipment manufacturer of Komatsu's standing comes back for a second system, it tells us the first one is doing its job. We expect to sign further licensing contracts during FY27 both domestically and internationally.

Second, and announced for the first time today, we have entered into a Collaboration Agreement with Metal 7 Inc, a Canadian company that provides products, services and solutions to the mining and steel industries. Metal 7 specializes in developing innovative wear-resistant solutions for mining equipment and mineral processing applications, leveraging its expertise in advanced surface coating technologies. The agreement provides a framework for the two companies to develop laser cladding and surface engineering products and services for these markets. Importantly, it takes Laserbond into a range of countries where we do not currently participate, spanning the Americas, Europe, the Middle East, North Africa and India. Metal 7 already has a footprint and customers in these countries, which gives us a much faster path to market than we could build on our own, and it complements both our current activities and our plans to grow internationally.

Under the agreement, Metal 7 will own the customer relationships, while Laserbond retains its intellectual property and provides it under licence. That opens the way for us to sell our laser systems, powders and finished products into these markets, with the commercial terms for each specific opportunity to be set out in separate agreements. We expect Metal 7 to become another major OEM customer for Laserbond within the next one to two years, which also goes directly to the customer concentration I will come to shortly.

Third, mining orders have started to normalise. Since August, order levels from our mining customers have moved back towards more typical patterns after an extended period of softness. It is early, and we are not taking it for granted, but it is an encouraging sign.

Fourth, orders from our OEM partners in the United States are recovering. The softer ordering we saw late in FY26 continued into July and August, but those pressures eased towards the end of September and US orders are now rebuilding.

FY26 performance

Turning to the year itself, revenue grew 10.8% to \$48.2 million. We generated \$25.2 million in the second half, more than in the first, which means growth held through the full 12 months, despite the Q4 headwinds. Gross profit rose to \$24.6 million. Our gross margin was 51.0%, down from 52.4%, with the difference largely due to the higher cost of tungsten. Net profit before tax increased 30.0% to \$6.5 million, and net profit after tax rose 27.7% to \$4.9 million.

The second half was harder than we anticipated when we reported our half-year result, for the reasons the Chair has outlined. Profit growth of this order in those conditions is a result I am proud of.

Services lifted revenue again. Mining customers were slower to recover than we expected, but demand for our premium coatings held, and our business development team won work in new markets, much of it using coatings that need less tungsten carbide. That work matters going forward, because each new market we enter reduces the influence of any one sector on our results.

Products grew well through our original equipment manufacturers (OEM) partners, with the first half especially strong. In the United States, one large customer deliberately ran down its inventory in the second half because of tungsten prices, which reduced order volumes for a period, while tariff changes created their own challenges. That experience reinforced a view I formed early in my time at Laserbond. A significant share of our revenue comes from two OEM customers. That level of

reliance is higher than I am prepared to accept, and it is the main reason our revenue has varied as much as it has from one year to the next. In addition to growing the Komatsu relationship and building on the newly announced collaboration agreement with Metal7, we are now working to bring a new OEM partner on board, which will reduce the economic dependency of the two major OEM customers and give the Products business a broader, steadier base to grow from..

Technology delivered the Komatsu cell I mentioned, and our R&D team progressed several lower-cost alternatives to tungsten carbide. Gateway, the WA business in which we hold a 40% interest, had another strong year. Gateway has been very successful in the WA market, helped by its expansion into laser cladding and other services. It gives Laserbond a valuable foothold in one of the world's most significant mining regions.

Solving the tungsten problem

If one issue defined FY26 for Laserbond, it was tungsten. It affected our margins, it affected a major customer's ordering, and both its price and availability can change quickly. My view is that we cannot simply wait for prices to fall. We are actively reducing our reliance on it.

We are doing that in a number of ways. We are using our inputs more efficiently, including greater use of recycled powders, which will drive better yields and margins. Our R&D team is focused on new coatings and applications that do not depend on critical materials such as tungsten. And we now have two commercial products that shows this approach working.

The first product is X-Clad. Field trials exceeded our expectations, and customers are now placing orders. X-Clad gives customers a cheaper alternative and goes a long way towards solving the tungsten problem for Laserbond. Because it relies far less on tungsten, it should also help protect our margins as volumes grow. Just as importantly, its success in the field confirms that our R&D team is on the right track.

A much larger market

X-Clad addresses a market we already serve. Our next development addresses a far bigger one.

Laser cladding offers performance advantages over many competing surface technologies, but it has always come at a premium, which has kept it out of many applications that still use older processes. One of the most common of these is hard chrome plating. Our R&D team has spent the year working on how to close that price gap, and in early 2027 we expect to release new coatings that bring the cost of laser cladding much closer to that of hard chrome. For customers, that means the chance to get the wear protection of a laser-clad surface at a price that makes sense for a much wider range of components.

The significance of this is scale, as we estimate that competing for hard chrome replacement work could increase Laserbond's addressable market by 10 to 12 times.

We have a suite of developments in progress that we expect will let us release one or two new coatings each year. Each one could open a new market, including defence.

Getting ready to scale

Growing the market is only useful if we can serve it, and much of my first year has gone into making sure we can.

Inside the business, we invested significantly in our older laser cells, including capital work on lasers 1 and 3 to add capacity. We brought in a digitised preventative maintenance system, which is lifting productivity and cutting unplanned downtime, and we completed an end-to-end review of how we work and how we develop our people. We kept investing in our skilled migrant program to secure specialist trades. We are applying lean manufacturing, adding automation and AI tools where they pay their way, strengthening cyber security that will longer term serve our participation in the defence market, and assessing a scalable ERP system. Little of this work is visible from outside the Company, but it is what allows a business to grow without losing control of quality or cost.

We also rebuilt the framework that guides the business: a new five-year strategy, a refreshed brand, a new purpose and values, and a leadership framework that measures our leaders on more than financial results.

Our new Queensland facility at Yatala is on track to begin production in the final quarter of FY27. Our current site runs five days a week in daylight hours. Yatala will be a modern facility able to operate around the clock, seven days a week, with twice our present capacity. Continuous operation will let us shorten turnaround times for customers and take on larger, more complex work, and it gives us the room to produce our new coatings in volume as demand builds. We expect the efficiency benefits to flow from FY28.

Beyond Australia, our plan is to make more systems and to manufacture and sell overseas at scale. Building more of our own systems allows us to add capacity at home and to supply partners overseas with technology that is already proven. Licensing is a big part of this.

Why Laserbond can win

None of this would be credible without a strong competitive position. Ours rests on four capabilities.

First, we control our technology end to end. We formulate our own powders and design our own laser systems, which lets us move quickly from an idea in the lab to a product a customer can use.

Second, our materials and process knowledge has been refined through extensive work on real customer components. It is the kind of practical expertise that a competitor cannot shortcut.

Third, our integrated platform, spanning Services, Products and Technology Licensing, provides multiple pathways to generate value from its innovation.

Fourth, Komatsu's decision to commission a second cell gives us independent, commercial proof from a blue-chip customer that our technology delivers. That proof strengthens our case with other OEMs.

Our strategy is designed to keep these advantages in our hands. We will keep our IP proprietary and build more of our own systems, so that the value we create stays with Laserbond and its shareholders.

Looking ahead

It is exciting looking to the year ahead, with X-Clad orders to keep building, further licensing contracts expected to follow the second Komatsu agreement, the expected release of our new coatings, and the commencement of production at Yatala. Together with the recent improvement in mining and US OEM orders, these provide us good reasons to be optimistic. Behind the scenes, we will keep working through the ERP assessment and our efficiency program, so that the business is ready for the growth these initiatives should bring.

Conditions will not always be in our favour. However, the steps we have taken this year are reducing our dependence on any single material, market or customer, which have oscillated our results in recent years.

Thank you to the Chair and the Board for their support and guidance through my first year, and to our customers and partners for their trust. Thank you also to our shareholders for backing the Company.

Finally, my thanks again to everyone at Laserbond. What they achieved in FY26 has put us in a strong position, and I look forward to sharing more with you as our new products reach the market.

Thank you.

FOR FURTHER INFORMATION

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ABOUT LASERBOND

Laserbond is a specialist surface engineering company that was founded in 1992. The Company focuses on the development and application of 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.