

2021 Annual General Meeting – 5 November 2021

Presentation by Wayne Hooper - CEO

Good Morning,

Welcome to LaserBond's 2021 Annual General Meeting. I am pleased to present our results for FY21 followed by a discussion on plans to continue our strong growth.

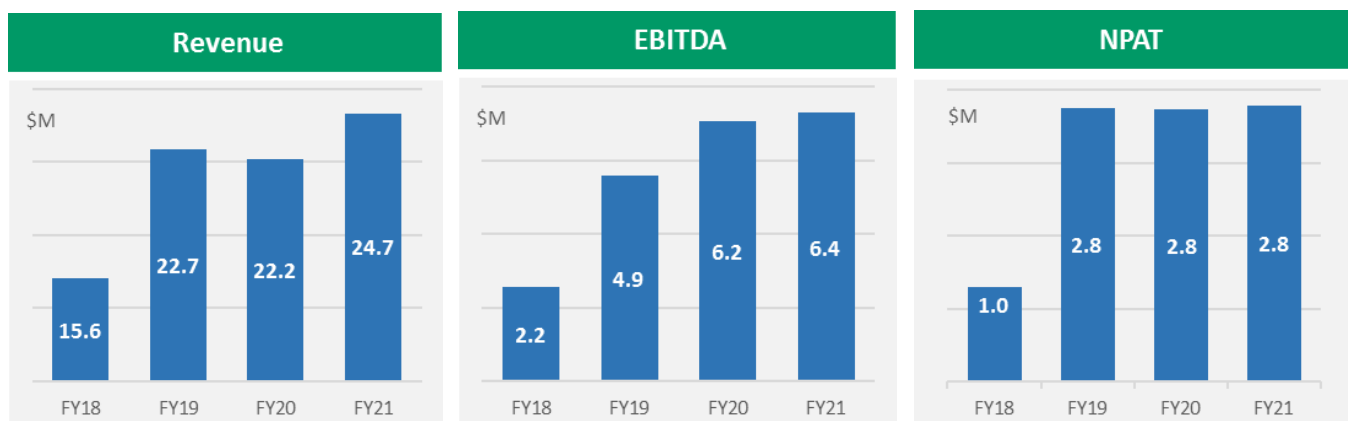
First – A Word on COVID

LaserBond is in the fortunate position of providing essential services to essential industries. We have remained open throughout the pandemic and associated lockdowns, albeit with administration & support staff working from home where they could. Our production teams have carried on through; working safely, maintaining social distancing, wearing masks all day whilst working physically operating the equipment, and staying home to get tested with any symptoms. Daily Rapid Antigen Testing has been implemented in our Sydney and Melbourne facilities, at significant inconvenience to everyone, but with the enthusiastic cooperation of every staff member.

I would like to sincerely thank and congratulate all of the LaserBond team for seeing us through these challenging times. It has been an outstanding achievement.

Whilst we have remained open, the pandemic did have some effect on what we had planned to deliver in the business in FY21. Delayed maintenance activities, particularly the first half, affected Services Division. For our Products Division the inability to travel meant we could not grow our export sales as strongly as we would have otherwise. Similarly, travel restrictions made it more difficult to visit and physically demonstrate our capabilities to potential licensees. Nevertheless, we achieved very good results.

FY21 Financial Results



I am pleased to report that the robustness of the business was clearly demonstrated by revenue growth of 11.2%.

To drive the future growth, we continued to invest in recruitment and training, including additional sales and marketing personnel and international sales agents to allow development of valuable offshore markets for products and technology sales. We also significantly scaled up our engineering projects team, responsible for the design, construction, installation and commissioning of LaserBond® cladding systems for us and our licensees. Despite these additional expenses, EBITDA grew solidly.

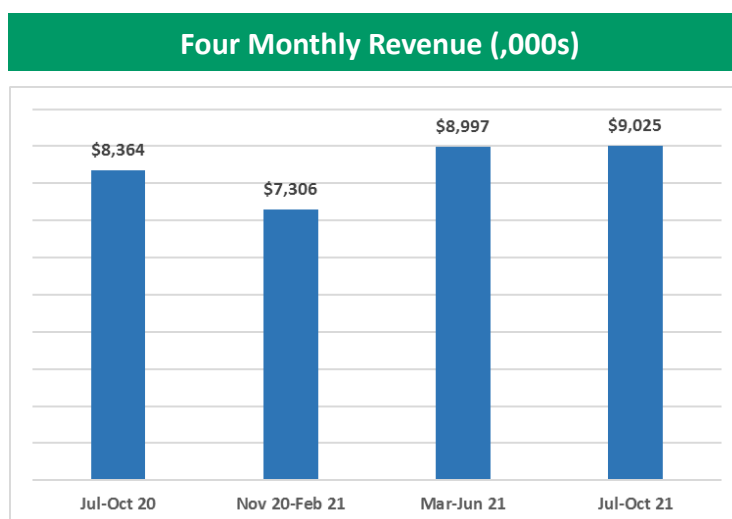
With the inclusion of the Victorian operations and the commencement of construction of two new LaserBond® cladding cells for the business, the company continued to invest in equipment to deliver future growth. Higher depreciation expense resulted.

The fundamental strength and opportunity of the business was reflected in the maintenance of net profits despite the effects of COVID and the investments for growth.

Operating cash flow also increased solidly by 11.7%, and cash on hand increased by 22.8% over the year. The fully franked dividends were increased by 9.1%.

FY22 Financial Progress

LaserBond has experienced a strong start to the FY22 fiscal year, providing stable revenue to end October 21 comparing to the prior four-month period, and significant growth over the p.c.p.



FY21 ended strongly with a rebound in demand in the second half of the year after COVID induced delays to maintenance activities in the first half. Despite further complications caused by COVID lockdowns and restrictions throughout July to October, LaserBond has maintained this revenue in the 4 months to date in FY22. This result means our internal YTD revenue forecasts have been met.

With vaccination levels high, lockdowns ending, and travel restrictions easing, LaserBond is confident in delivering strong growth for the remainder of FY22.

FY22 Revenue Target

Current forecasts indicate a total revenue figure from our existing facilities of \$34 to \$35m, representing very strong growth over FY21 but lower than the long held \$40 million revenue target. To achieve \$40m relies upon the timely acquisition of a bolt-on business that can begin to contribute revenue by early 2H22 at the latest.

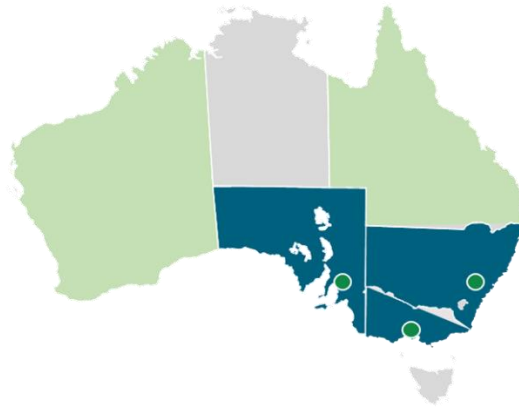
This strong growth over FY21 is expected to be achieved with:

- three technology sales and associated consumables totalling approximately \$4.3m
- ongoing consumable sales and license fees from existing licensees
- utilisation of some of the additional capacity and efficiency of our new LaserBond® cladding systems currently being installed in NSW and Victoria
- increasing sales of products such as steel mill rolls and rotary feeders
- increasing sales through utilisation of E-Clad™, Nanoclad™ and Microclad™
- organic growth in all areas of the business with the elimination of COVID restrictions.



Domestic Expansion

Most customers within our Services division rely on timely reclamation of their wearing components due to tightly scheduled maintenance activities or breakdowns. LaserBond intends to expand its operations domestically, commencing with Queensland and/or Western Australia. This will benefit our Services division revenue with facilities to support more end-users throughout Australia.



LaserBond expanded to Victoria in August 21, with the acquisition of the assets of a thermal spray business. Expanding LaserBond's footprint throughout Australia provides the ability to service the needs of more customers a timely manner.

LaserBond has researched existing engineering and / or surface engineering businesses throughout Queensland and Western Australia, with discussions with a number of potential acquisition opportunities currently progressing.

Thank you for attending our AGM. We look forward to reporting our half-year results in February.

