

30 January 2026

December 2025 Quarter Activities Update

Highlights

- Secured A\$1.05 million Year 3 CLAWS Hub contract extension with U.S. Department of War
- Appointed a refreshed Board to drive next phase of commercial growth
- Showcased GaN laser portfolio at leading industry event SPIE Photonics West

BluGlass Limited (ASX: BLG), a global semiconductor developer pioneering visible lasers, provides the following update and Appendix 4C Quarterly Report for the three months ended 31 December 2025 (Q2 FY26).

Executive Chair Omer Granit said: *"It has been a defining quarter for BluGlass with a new Board appointed to transform the business from an underfunded innovator to a global photonics leader within strategic, high-value markets. Our focus is recapitalising the business to unlock significant growth opportunities, take share within tactical markets, execute on a clear path to profitability, and deliver value for our shareholders."*

"BluGlass has all the hallmarks of an industry champion, world-leading critical laser technology, experienced management team, world renowned advisory board, established relationships with tier-1 partners, and US manufacturing capability. As an approved supplier of gallium nitride (GaN) lasers to the U.S. Government, we're also well-positioned to benefit from global tailwinds, including the reshoring of advanced defence and deep-tech manufacturing capabilities and the genuine need for novel technologies to underpin novel applications. Our industry-leading visible laser technology is reaching commercialisation at a time when device size, weight and power considerations have never been more important to the development of next-generation applications for virtually every industry."

"Our recent contract extension with the U.S. Department of War is a testament to the importance of photonics within the defence and quantum domains, and the growing demand for custom solutions to solve customer challenges. Commercial momentum is continuing to build and the year ahead is shaping up to be our best yet as we convert more opportunities from our US\$100 million pipeline, while continuing to deliver existing contracts. We appreciate the ongoing support of our loyal shareholders and encourage those with options in the market to exercise them."

CLAWS Hub contract extension

In January, BluGlass' sub-contract with CLAWS Hub-lead, North Carolina State University, was extended for a third year as part of the US Department of War's Microelectronics Commons. Under its A\$1.05 million Year 3 contract, BluGlass will continue developing high-fidelity, high-precision visible GaN lasers and integrated photonics to address scalability challenges and precision requirements of next-generation defence, quantum and dual-use applications.

The contract extension follows the achievement of significant power conversion efficiency improvements across BluGlass' violet to blue wavelengths as well as enhanced Distributed Feedback (DFB) capabilities under the Year

2 contract. To date, BluGlass has been awarded \$6.5 million for the first three years of the five-year Microelectronics Commons program.

Refreshed Board to drive growth

During the quarter, BluGlass appointed a refreshed Board to lead the Company through its next growth phase and bring its structure in-line with U.S. best practice. Led by U.S.-based Executive Chair Omer Granit, the refreshed BluGlass Board comprises Non-Executive Directors Lucy Robb Vujcic and Ata Gokyildirim as well as Executive Director Jim Haden.

A commercial barrister, Lucy Robb Vujcic strengthens the Board's governance credentials, bringing extensive experience across corporate law, defence procurement, government contracting and international arbitration. Ata Gokyildirim has a proven track record leading high-growth technology ventures and a deep understanding of complex technology business models, operating environments and go-to-market strategy. His hands-on commercialisation experience has already proven invaluable as BluGlass continues to convert its US\$100 million project pipeline.

The Company thanks outgoing Directors James Walker, Stephe Wilks, and Jean-Michel Pelaprat for their significant contribution to BluGlass over many years.

Intellectual Property

BluGlass has entered a license agreement with the University of California Santa Barbara (UCSB) Solid State Lighting and Energy Electronics Consortium (SSLEEC) to obtain the rights to critical long-wavelength visible laser diode intellectual property. The invention protects intricate growth and fabrication techniques for AlGaIn based layers – critical to the light emission layers of long-wavelength visible devices, including laser diodes.

Long-wavelength aquamarine and green lasers have growing applications in quantum sensing, quantum computing, advanced bio-medical devices, and augmented and virtual reality devices for consumer electronics, and will be key to BluGlass taking share in these mega-emerging markets.

Additionally, BluGlass combined three provisional patent applications into one strengthened Patent Cooperation Treaty (PCT) (international patent system) application for the Company's novel high-peak power continuous wave tuneable lasers. These novel designs are designed to address key application challenges and enhance power and versatility of visible GaN lasers where power, precision, and tunability are required and have high value applications in three critical markets:

- aerospace, marine, and defence applications
- quantum computing and quantum sensing applications; and
- biomedical and biotech applications.

Industry events

In January, BluGlass showcased its GaN laser portfolio and novel capabilities at leading industry conference SPIE Photonics West in San Francisco, USA. The world's largest optics and photonics event, Photonics West attracted more than 24,000 attendees. Industry conferences are key to BluGlass' sales and marketing strategy, increasing awareness of the Company's visible laser and integrated photonics offering, and enabling engagement with prospective partners and customers to discuss novel challenges. During the show, BluGlass met potential new customers and others already included in the growing pipeline. The Company is well-positioned to advance discussions and anticipates contract closures over the next quarter.

Financials

Quarterly customer receipts of \$1.43 million included the NCSU development contract, product laser orders, and foundry services for a European wafer developer. R&D development expenditure during the quarter was \$3.16 million, inclusive of salaries, materials and fabrication costs for laser product development. R&D investment remains aligned with the Company's commercialisation roadmap and customer-driven development projects.

Payments to related parties during the quarter were \$92k encompassing Executive Chair and Non-Executive Director fees.

Cash and cash equivalents at the end of the quarter were \$3.2 million. BluGlass continues to actively manage costs, progress opportunities in its US\$100 million pipeline, and position the business for recapitalisation and growth.

Outlook

Executive Director Jim Haden said: *“Lasers sit at the heart of technological megatrends driving global growth; from autonomy and automation to quantum, biotech, datacom, and advanced defense systems with a 2030 TAM of ~ \$150B. Currently, we are experiencing a bifurcation in the market between traditional IR lasers (low-energy photons) and UV-Visible GaN lasers (high-energy photons) due to a convergence of multiple accelerating forces: rapid growth in quantum and photonics markets, rising global demand for security, sensing and sanitisation technologies, and a strategic push by allied nations to reshore critical supply chains. The traditional market is forecasted to grow at a 6% - 8% CAGR over the next five years whereas the emerging ‘premium’ market is expected to outpace this growth, growing two to four times faster. GaN’s high-energy UV-to-green photons enable next-generation applications beyond the reach of low-energy IR (GaAs and InP)—fueling rapid growth in frontier markets in quantum, sensing, communications, biotech, and more.*

“BluGlass is ideally positioned in the fastest growing and least crowded laser markets. Only a handful of companies globally can produce GaN lasers. Our industry leading precision and performance across the strategically critical violet-to-green high-energy wavelength range is driving customer interest, our growing pipeline of opportunities, and the top-tier customers choosing to work with us.

“BluGlass delivers high-fidelity and precision advantages to meet the demanding requirements of next-generation systems—from atmospheric LiDAR and underwater communications to quantum sensing, directed energy countermeasures, and advanced disinfection.

“Over the remainder of FY26, our leadership team will leverage the momentum from Photonics West to convert opportunities in our US\$100 million project pipeline into revenue-generating contracts. Feedback on the performance of our GaN lasers from attendees was overwhelmingly positive, and we are following up additional project and development opportunities as a result.

“Our robust pipeline includes government and tier-1 partners alongside industry pioneers and innovators, with these discussions in various stages of maturity. Development and customisation capability is essential for companies in our pipeline, particularly as our commercialisation strategy is not focused on replacing visible laser technology in existing products. We are developing novel lasers and capabilities for emerging applications so while project lead times can be lengthy, these development projects pave the way for long-term laser orders as our customers’ products come to market.

“Alongside commercial progress, our development activities as part of the CLAWS Hub is further improving the performance of our high-precision, high-fidelity GaN laser portfolio and we’re also working with consortium partners to develop new and novel capabilities.”

Refined strategy

BluGlass continues to advance its project-to-product strategy to cost-effectively fund and fast-track its technology roadmap. R&D collaborations with universities, federal agencies, startups, and national laboratories are materially accelerating BluGlass’ GaN laser development, positioning the Company to take share within emerging commercial and strategic markets.

Under the direction of the new Board, BluGlass is increasing its engagement with the U.S. Government to enhance access to additional non-dilutive grants and funding options. This engagement leverages BluGlass’ strategically critical U.S. onshore manufacturing footprint and established relationships across the U.S. Department of War and U.S. Department of Energy.

This announcement has been approved for release by the BluGlass Board.

For more information, please contact:

Samuel Samhan, BluGlass CFO | +61 2 9334 2300 | ssamhan@bluglass.com.au

Jasmine Walters, Automic Markets | +61 498 209 019 | jasmine.walters@automicgroup.com.au

About BluGlass

BluGlass Limited (ASX:BLG) is a leading supplier of GaN laser diode products to the global photonics industry, focused on the industrial, defense, bio-medical, and scientific markets.

Listed on the ASX, BluGlass is one of just a handful of end-to-end GaN laser manufacturers globally. Its operations in Australia and the US offer cutting-edge, custom laser diode development and manufacturing, from small-batch custom lasers to medium and high-volume off-the-shelf products.

Its proprietary low temperature, low hydrogen, remote plasma chemical vapour deposition (RPCVD) manufacturing technology and novel device architectures are internationally recognised, and provide the potential to create brighter, better performing lasers to power the devices of tomorrow.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BluGlass Limited

ABN

20 116 625 793

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,432	3,197
1.2 Payments for		
(a) research and development	(1,778)	(3,450)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(230)	(257)
(d) leased assets	(347)	(717)
(e) staff costs	(2,327)	(4,558)
(f) administration and corporate costs	(355)	(737)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	15	6,069
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(3,586)	(446)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(250)	(829)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets (security deposits)		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(250)	(829)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12	12
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(451)
3.5	Proceeds from borrowings	2,270	2,270
3.6	Repayment of borrowings	-	(3,048)
3.7	Transaction costs related to loans and borrowings	-	(259)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,281	(1,476)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,754	5,953
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,586)	(446)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(250)	(829)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,281	(1,476)
4.5	Effect of movement in exchange rates on cash held	1	(2)
4.6	Cash and cash equivalents at end of period	3,200	3,200

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,936	4,491
5.2	Call deposits	264	264
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,200	4,755

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	2,270	2,270
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,270	2,270
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered or are proposed to be entered into after quarter end, include a note providing details of those facilities.</p> <p>A secured loan agreement from Radium Capital, with an annual interest rate of 16.5% and a maturity date of 31 December 2026. Borrowed against FY26 R&D rebate.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,586)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,200
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	3,200
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer:</p> <p>The company does not expect operating cash outflows to remain at the current level, due to the following:</p> <ol style="list-style-type: none"> 1. The company continues to generate revenue from existing customer contracts and a growing sales pipeline, including product and project-based revenue. 2. The company is actively progressing funding options and has a demonstrated track record of accessing capital markets. 3. The company expects to receive R&D tax incentive refunds in FY26, which can provide additional non-dilutive funding if required, and can also borrow against. 4. Management continues to actively manage costs and prioritise expenditure in line with cash availability. 	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes, please refer to 8.6.1

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the company expects to continue its operations and meet its business objectives, based on a combination of expected product and project sales, active funding initiatives, and access to non-dilutive funding options including the R&D Tax Incentive. Management continues to actively monitor cash flows and prioritise expenditure to ensure sufficient working capital is maintained.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.