

9 June 2021

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BluGlass placement and non-renounceable entitlement offer

Key Points:

- BluGlass placement to leading technology focused micro-cap fund to raise A\$2 million.
 - BluGlass entitlement offer of approximately A\$6 million to provide capital to expedite laser diode opportunity and enable ongoing execution of business strategy.
 - Entitlement offer priced and structured to encourage broad shareholder participation.
 - Issue price of placement and entitlement offer of \$0.03 represents a 47.5% discount to the Company's 15 day VWAP to 7 June 2021 of \$0.0571.
 - Directors and key executives to take up full entitlement under the entitlement offer.
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BluGlass Limited (ASX:BLG) (**BluGlass** or **Company**) announces today a non-renounceable entitlement offer on a 1 for 4 basis (**Entitlement Offer**) to holders of ordinary shares in the Company (**Shareholders**) held at 7:00pm (Sydney time) on 15 June 2021 (**Record Date**).

BluGlass is also undertaking a private placement of 66,666,667 new fully paid ordinary shares (**New Shares**) to raise \$2 million at an issue price of \$0.03 per New Share (**Placement**). The New Shares to be issued under the Placement will be issued to a leading technology focused fund and are intended to be issued on or around 11 June 2021 and will be eligible to participate in the Entitlement Offer.

The Entitlement Offer will be offered to those Shareholders who are registered as a holder of ordinary shares in the Company as at the Record Date with a registered address in Australia, New Zealand and certain other jurisdictions in which the Company has decided to extend the Entitlement Offer and are not in the United States (**Eligible Shareholders**). Eligible Shareholders will receive an Entitlement Offer booklet (**Offer Booklet**) including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the Offer Booklet will be lodged with the ASX on 9 June 2021 and available on the ASX website.

The Offer Booklet will be dispatched to Eligible Shareholders on or before 16 June 2021.

Details of the Entitlement Offer

Pursuant to the Entitlement Offer, the Company will issue up to 197,333,333 New Shares to raise approximately A\$6 million (before costs). The New Shares will rank equally with existing ordinary shares in the Company.

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Under the Entitlement Offer, Eligible Shareholders will be invited to subscribe for 1 New Share for every 4 ordinary shares held by them at the Record Date. Fractional entitlements will be rounded up to the next whole New Share. BluGlass Directors and its key executives intend to take up their full entitlement under the Entitlement Offer.

The issue price per New Share of \$0.03 (**Issue Price**) represents a 46.4% discount to the Company's last close of \$0.056 on 4 June 2021, and a 47.5% discount to the Company's 15 day VWAP to 7 June 2021 of \$0.0571. The Company will make an application to the ASX for the official quotation of the New Shares.

The Entitlement Offer is being conducted under section 708AA of the *Corporations Act 2001* (Cth) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and does not require a prospectus or other disclosure document.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. The Entitlement Offer is not underwritten. Eligible Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up (and their shareholding in the Company will be diluted). Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible. No shareholder approval is required for the Entitlement Offer.

Purpose of the Placement and Entitlement Offer and use of funds

BluGlass intends to invest the proceeds of the Placement and Entitlement Offer as follows:

- Ongoing research and development of the laser diode product;
- Continue product development and testing to expedite delivery of laser diode products in our selected markets;
- Investment in sales and marketing channels for successful future laser diode product launch;
- Continue investment in our specialist laser diode epitaxy and commercialisation expertise;
- Advance development with existing and potential new industry strategic partners, including LED, microLED and RPCVD market participants;
- Reduce operating expenses by developing in-house fabrication processes; and
- General working capital to enable ongoing execution of business strategy.

Available funds from the Entitlement Offer will also be used by the Company to pay for the costs of the Entitlement Offer.

Indicative Timetable for Entitlement Offer

Event	Date
Announcement of the Entitlement Offer Lodgement of Appendix 3B, Offer Booklet and Cleansing Notice	Before 10am (Sydney time) on Wednesday, 9 June 2021
"Ex" date	Friday, 11 June 2021
Record date for Entitlement Offer	7.00pm (Sydney time) on Tuesday, 15 June 2021
Entitlement Offer opens Offer Booklet and entitlement and acceptance form despatched	Wednesday, 16 June 2021

Event	Date
Closing date for acceptances under the Entitlement Offer	5.00pm (Sydney time) on Tuesday, 6 July 2021
Trading in New Shares commences on a deferred settlement basis	Wednesday, 7 July 2021
Announcement of results of Entitlement Offer	Friday, 9 July 2021
Settlement of the Entitlement Offer	Monday, 12 July 2021
Allotment of New Shares issued under the Entitlement Offer	Tuesday, 13 July 2021
Normal trading on ASX for New Shares issued under the Entitlement Offer commences	Wednesday, 14 July 2021
Despatch of holding statements for New Shares issued under the Entitlement Offer	Wednesday, 14 July 2021

The timetable above is indicative only and may be subject to change. Subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws, the Directors reserve the right to vary the dates of the Entitlement Offer.

The Directors reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to issue of the New Shares. In that event, any application monies (without interest) will be returned in full to the applicants.

Dealing with Entitlements

Before taking any action in relation to the Entitlement Offer, shareholders should read the Offer Booklet in its entirety, and seek professional advice from their professional advisers.

Eligible Shareholders have the following alternatives available in relation to the Entitlement Offer:

- take up all of their entitlement to New Shares and potentially apply for additional New Shares under a top-up facility;
- take up part of their entitlement to New Shares and allow the balance to lapse; or
- do nothing and allow all of their entitlement to New Shares to lapse.

Eligible Shareholders who do not participate in the Entitlement Offer, or participate for an amount less than their entitlement, will have their percentage holding in the Company reduced or diluted.

Full details of the terms and conditions of the Entitlement Offer are contained in the Offer Booklet lodged with the ASX and to be dispatched to Eligible Shareholders in accordance with the timetable set out above.

This announcement has been approved by the board of BluGlass.

About BluGlass

BluGlass Limited (ASX: BLG) is a global leader commercialising a breakthrough technology using Remote Plasma Chemical Vapour Deposition (**RPCVD**) for the manufacture of high-value semiconductor devices such as **laser diodes**, next generation **LEDs** and **microLEDs**. BluGlass has invented a new process using RPCVD to grow advanced materials such as gallium nitride (GaN) and indium gallium nitride (InGaN). These materials are crucial to the production of high-efficiency devices used in next-generation devices from lighting, displays, virtual reality systems and industrial cutting and welding.

RPCVD's unique low temperature, low hydrogen growth platform offers many potential benefits to electronics manufacturers over existing growth techniques; including higher efficiency, lower cost, greater substrate flexibility and has the potential to enable novel applications.

In 2019, BluGlass launched its direct-to-market Laser Diode business unit to exploit its unique tunnel junction technology capability in the high-value and high-margin laser diode market.

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