



BluGlass Limited

ABN 20 116 825 793

Entitlement Offer

1 for 4 pro-rata non-renounceable entitlement offer of fully paid ordinary shares in BluGlass at an offer price of \$0.03 per New Share.

The Entitlement Offer opens on Friday, 1 April 2022 and closes at 5.00pm (Sydney time) on Tuesday, 12 April 2022.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Nature of this Offer Booklet

This Offer Booklet relates to the Entitlement Offer by BluGlass Limited ABN 20 116 825 793 (**BluGlass**) and is dated 24 March 2022. Defined terms and abbreviations used in this Offer Booklet are detailed in the glossary of terms in Section 7.

The Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, which allows entitlement offers to be made to investors without a prospectus). This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus, product disclosure statement or other disclosure document under the Corporations Act. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Shareholders to read carefully and understand this Offer Booklet and the information about BluGlass and the Entitlement Offer that is made publicly available. In particular, please refer to the materials in this Offer Booklet, BluGlass' annual reports and other announcements made available at www.BluGlass.com.au (including BluGlass' 2021 Annual Report which was released to the ASX on 29 September 2021 and BluGlass' half-yearly report which was released to the ASX on 22 February 2022), and other announcements which may be made by BluGlass after publication of this Offer Booklet.

By paying for your New Shares in accordance with the instructions on your personalised Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand unless BluGlass, in its discretion, is satisfied that the Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares is subject to all requisite authorities and clearances being obtained for BluGlass to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to

whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

This Offer Booklet and any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares offered in the Entitlement Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the US Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws. The Entitlements and the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Shareholders (as defined in Section 6.1) and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (AUD).

Privacy

BluGlass collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's holding in BluGlass.

By paying for your New Shares, you will be providing personal information to BluGlass (directly or through the Share Registry). BluGlass collects, holds and will use that information to assess your application. BluGlass collects your personal information to process and administer your shareholding in BluGlass and to provide related services to you. BluGlass may disclose your personal information for purposes related to your shareholding in BluGlass, including to the Share Registry, BluGlass' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that BluGlass holds about you. To make a request for

access to your personal information held by (or on behalf of) BluGlass, please contact BluGlass through the Share Registry.

Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the applications are governed by the law of New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of BluGlass and the outcome and effects of the Entitlement Offer. Forward looking statements can generally be identified by the use of forward looking words such as "**expect**", "**anticipate**", "**likely**", "**intend**", "**propose**", "**should**", "**could**", "**may**", "**predict**", "**plan**", "**will**", "**believe**", "**forecast**", "**estimate**", "**target**", "**outlook**", "**guidance**", "**potential**", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of BluGlass, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section included in Section 5 for a summary of certain general and BluGlass specific risk factors that may affect BluGlass. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including one or more of the key risk factors in Section 5. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. The forward-looking statements are based on information available to BluGlass as at the date of this Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), BluGlass undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including the past share price performance of BluGlass cannot be relied upon as an indicator of (and provides no guidance as to) future BluGlass performance including future share price performance. The pro forma historical information is not represented as being indicative of BluGlass' views on its future financial condition and/or performance.

Risks

Refer to the "Key Risks" section included in Section 5 for a summary of certain risk factors that may affect BluGlass.

Trading in New Shares

BluGlass will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by BluGlass, the Share Registry or failure to maintain your updated details with the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 6 for details.

Table of contents

KEY DATES	2
LETTER FROM THE CHAIR	4
1. IS THIS OFFER BOOKLET RELEVANT TO YOU?	5
2. SUMMARY OF OPTIONS AVAILABLE TO YOU	6
3. HOW TO APPLY	8
4. AUSTRALIAN TAX CONSIDERATIONS	15
5. KEY RISKS	18
6. IMPORTANT INFORMATION	24
7. GLOSSARY	30

KEY DATES

Event	Date (2022)
Announcement of the Entitlement Offer	Before 10.00am (Sydney time) on Thursday, 24 March
Lodgement of Appendix 3B, Offer Booklet and Cleansing Notice	Before 10.00am (Sydney time) on Thursday, 24 March
"Ex" date	Monday, 28 March
Record date for Entitlement Offer	7.00pm (Sydney time) on Tuesday, 29 March
Entitlement Offer opens	Friday, 1 April
Offer Booklet and Entitlement and Acceptance Form despatched	Friday, 1 April
Closing date for acceptances under the Entitlement Offer	5.00pm (Sydney time) on Tuesday, 12 April ¹
Trading in New Shares commenced on a deferred settlement basis	Wednesday, 13 April
Announcement of results of Entitlement Offer	Tuesday, 19 April
Lodgement of Appendix 2A applying for quotation of New Shares under the Entitlement Offer	Before 12.00pm (Sydney time) on Thursday, 21 April
Settlement of the Entitlement Offer	Thursday 21 April
Allotment of New Shares issued under the Entitlement Offer	Thursday, 21 April
Normal trading on ASX for New Shares issued under the Entitlement Offer commences	Friday, 22 April
Despatch of holding statements for New Shares issued under the Entitlement Offer	Friday, 22 April

The timetable above is indicative only and may change. BluGlass may amend any of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, BluGlass reserves the right to extend the Closing Date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens to ensure their application is received by the Share Registry in time.

¹ Eligible Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite Application Monies or pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 12 April 2022. Eligible Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

Enquiries

If you have any questions, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

LETTER FROM THE CHAIR

24 March 2022

Dear Shareholder

As a valued Shareholder, I am pleased to invite you to participate in this non-renounceable pro-rata 1 for 4 Entitlement Offer at an issue price of \$0.03 per New Share, to raise approximately \$7.5 million (before costs).

New Funding

The issue price of \$0.03 represents a 6.2% discount to BluGlass' last close of \$0.032 on 21 March 2022, and a 11.7% discount to BluGlass' 15 day VWAP to 21 March 2022 of \$0.034.

Eligible Shareholders also have the opportunity to subscribe for any New Shares that are not subscribed for under the Entitlement Offer pursuant to the Top-Up Facility under this Offer Booklet.

Proceeds of the Entitlement Offer will be used for:

- acquisition of Silicon Valley based fabrication equipment and lease of existing facility;
- additional capital expenditure for this facility; and
- general working capital for this facility and the ongoing execution of business strategy.

The Board recommends that you take up your Entitlement after reading this Offer Booklet in its entirety including the key risks outlined in Section 5.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 12 April 2022.

If you decide to take this opportunity to increase your investment in BluGlass please ensure that you have paid your Application Monies pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form or your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 12 April 2022.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

This Offer Booklet and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this Entitlement Offer. In particular, Eligible Shareholders should consider the key risk factors outlined in Section 5, including going concern and financing risks, dependency on key personnel, competition, protection of BluGlass' intellectual property and, more generally, the speculative nature of the investment.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

James Walker
Executive Chair
BluGlass Limited

1. IS THIS OFFER BOOKLET RELEVANT TO YOU?

This Offer Booklet is relevant to you if you are an Eligible Shareholder (as defined below).

In this Offer Booklet, references to "you" are references to Eligible Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Eligible Shareholders are those persons who:

- are registered as a holder of BluGlass shares on the Record Date, being 7.00pm (Sydney time) on Tuesday, 29 March 2022;
- have a registered address on the BluGlass share register that is in Australia or New Zealand, or are a Shareholder that BluGlass has otherwise determined is eligible to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds BluGlass ordinary shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Shareholder you may take any of the following actions:

1. take up all of your Entitlement and, if you do so, you may also apply for additional New Shares under the Top-Up Facility;
2. take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed part of your Entitlement; or
3. do nothing and let all of your Entitlement lapse and you will receive no value for the lapsed Entitlement.

If you are a Shareholder that is not an Eligible Shareholder you are an **Ineligible Shareholder**. Refer to Section 3.9 for more detail on Ineligible Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised Entitlement and Acceptance Form (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares.</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 12 April 2022.</p> <p>Eligible Shareholders who take up their Entitlement in full can also apply for additional New Shares under a top-up facility established for that purpose (Top-Up Facility). Details of the Top-Up Facility are included in Section 3.10. There is no guarantee that you will be allocated any additional New Shares under the Top-Up Facility.</p>
2. Take up part of your Entitlement	<p>If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares, at the Offer Price, than the number of New Shares specified in your personalised Entitlement and Acceptance Form (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares.</p> <p>If you only take up part of your Entitlement, the part of your Entitlement not taken up will lapse and you will not receive any payment or value for that part of your Entitlement. If you do not take up your Entitlement in full, you will have your percentage shareholding in BluGlass reduced as a result of dilution by the New Shares issued under the Entitlement Offer. Lapsed Entitlements will be offered for subscription under the Top-Up Facility and, at the discretion of the Board, to any persons following the close of the Entitlement Offer.</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 12 April 2022.</p>

3. Do nothing and let all of your Entitlement lapse

If you do nothing with respect to all of your Entitlement, you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred. These Entitlements will be offered for subscription under the Top-Up Facility and, at the discretion of the Board, to any persons following the close of the Entitlement Offer.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Although you will continue to own the same number of BluGlass shares, your percentage shareholding in BluGlass will be diluted.

3. HOW TO APPLY

3.1 Overview of the Entitlement Offer

Eligible Shareholders are being offered the opportunity to purchase 1 New Share for every 4 existing Shares held as at the Record Date of 7.00pm (Sydney time) on Tuesday, 29 March 2022, at the Offer Price of \$0.03 per New Share (**Entitlement Offer**).

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is not underwritten. Further details on the Entitlement Offer are set out below.

3.2 Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are invited to apply for 1 New Share for every 4 existing Shares held as at the Record Date at the Offer Price of \$0.03 per New Share.

The Entitlement Offer opens on Friday, 1 April 2022 and will close at 5.00pm (Sydney time) on Tuesday, 12 April 2022.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 4 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of BluGlass shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares.

See Sections 6.1 and 6.14 for information on restrictions on participation.

3.4 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to read carefully and understand the information on BluGlass and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement.

In particular, please refer to this Offer Booklet and other announcements made available at www.asx.com.au (including announcements which may be made by BluGlass after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" in Section 5.

3.5 Options available to you

If you are an Eligible Shareholder, you may take one of the following actions:

1. take up all of your Entitlement and possibly apply for additional New Shares under the Top-Up Facility; or
2. take up part of your Entitlement and let the remainder lapse; or
3. do nothing and let all of your Entitlement lapse.

Eligible Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in BluGlass reduced.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Shares in your Entitlement; or
2. pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 12 April 2022.

If you take up and pay for all your Entitlement before the close of the Entitlement Offer, it is expected that you will be issued New Shares on Friday, 29 April 2022. BluGlass' decision on the number of New Shares to be issued to you will be final.

BluGlass also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders or persons claiming to be Eligible Shareholders, if BluGlass believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to BluGlass' satisfaction (see Section 6.4).

Eligible Shareholders who take up their Entitlement in full can also apply for additional New Shares under the Top-Up Facility. See Section 3.10 for further details on the Top-Up Facility.

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Shares via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 12 April 2022.

If you take up and pay part of your Entitlement before the close of the Entitlement Offer, it is expected that you will be issued New Shares on Friday, 29 April 2022. BluGlass' decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be offered for subscription under the Top-Up Facility and, at the discretion of the Board, to any persons following the close of the Entitlement Offer.

BluGlass also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders or persons claiming to be Eligible Shareholders, if BluGlass believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to BluGlass' satisfaction (see Section 6.4).

If you wish to let all or part of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be offered for subscription under the Top-Up Facility and, at the discretion of the Board, to any persons following the close of the Entitlement Offer.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in BluGlass will be diluted.

3.6 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by Electronic Funds Transfer (EFT).

Cash payments will not be accepted. Receipts for payment will not be issued.

BluGlass will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Payment by EFT or BPAY®

For payment by EFT or BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via EFT or BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific biller code. For both EFT or BPAY make sure you use your unique reference number on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the reference number specific to that holding. If you do not use the correct reference number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by EFT or BPAY®:

1. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.8; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your EFT or BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 12 April 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

3.7 Mail or hand delivery

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (Sydney time) on Tuesday, 12 April 2022. If you make payment via cheque you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

BluGlass Entitlement Offer
C/- Automic Registry Services
GPO Box 5193
Sydney NSW 2001

Hand Delivery Address

BluGlass Entitlement Offer
C/- Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at BluGlass' registered or corporate offices or other offices of the Share Registry.

3.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by EFT or BPAY®, you will be deemed to have represented to BluGlass that you:

- are an Eligible Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, and BluGlass' constitution;
- authorise BluGlass to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that there is no cooling-off period under the Entitlement Offer and that once BluGlass receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via EFT or BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via EFT or BPAY®, at the Offer Price per New Share;
- authorise BluGlass, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on

instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of BluGlass;
 - BluGlass and each of its affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the shares in BluGlass indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in BluGlass and is given in the context of BluGlass' past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section in Section 5 and that investments in BluGlass are subject to risk;
- acknowledge that none of BluGlass or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of BluGlass, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of shares on the Record Date;
- authorise BluGlass to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are an Eligible Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares, and that you are otherwise eligible to participate in the Entitlement Offer;
- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds BluGlass ordinary shares for the account or benefit of such person in the United States);
- understand and acknowledge that:
 - neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States; and

- neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing an Entitlement or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- have not and will not send this Offer Booklet, the Entitlement and Acceptance Form, or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand;
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting on behalf of a person in the United States.

3.9 Entitlements of Ineligible Shareholders

In compliance with ASX Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, BluGlass has determined that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders because of the small number of such Shareholders, the number and value of BluGlass shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

Entitlements of Ineligible Shareholders will be offered for subscription under the Top-Up Facility and, at the discretion of the Board, to any persons following the close of the Entitlement Offer.

3.10 Issue of additional New Shares under the Top-Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility at the same Offer Price (**Eligible Top-Up Facility Participants**). An Eligible Top-Up Facility Participant can apply for additional New Shares under the Top-Up Facility by completing the relevant section of their personalised Entitlement and Acceptance Form.

There is no guarantee that those Eligible Top-Up Facility Participants will receive the number of New Shares applied for under the Top-Up Facility, or any. If Eligible Top-Up Facility Participants apply for more New Shares than are available under the Top-Up Facility, the Directors propose that New Shares available under the Top-Up Facility be allocated to Eligible Top-up Facility Participants on a pro-rata basis.

If you apply for additional New Shares under the Top-Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top-Up Facility.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.automicgroup.com.au and following the instructions.

3.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.12 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Entitlement Offer for Eligible Shareholders that hold their shares on capital account for Australian income tax purposes. The category of Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for Shareholders who:

- hold existing Shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing Shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing Shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of shares, New Shares or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

This summary is based upon relevant Australian tax legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Shareholder.

As the taxation implications of the Entitlement Offer will depend upon a Shareholder's particular circumstances, Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Entitlement Offer that are not covered by this summary. Such Shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Entitlement Offer in any jurisdictions that are relevant to them.

Neither BluGlass nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Entitlement Offer.

4.2 Income tax consequences of Entitlements

(a) Issue of Entitlements

The issue of Entitlements to Australian resident Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Shareholders.

(b) *Exercise of Entitlements*

The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (CGT) provisions.

Eligible Shareholders that exercise their Entitlements will receive New Shares. New Shares will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Shares.

(c) *Lapse of Entitlement*

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse taxation implications for an Eligible Shareholder from the lapse of the Entitlement.

(d) *Acquisition of Shares under Top-Up Facility*

Eligible Shareholders that acquire additional New Shares under the Top-Up Facility should include the amount paid to acquire the additional New Shares (i.e. the Offer Price) and any non-deductible incidental costs of acquisition and disposal in the cost base of the New Shares for CGT purposes.

4.3 Income tax consequences of New Shares

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing Shares held in the same circumstances.

As outlined above, the CGT cost base of a New Share should generally be equal to the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Share. Any future sale of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced CGT cost base of a New Share.

Shareholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Shares have been held for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including generally where a flow through trust or partnership distributes to such Shareholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident Shareholders who hold New Shares on revenue account, as trading stock or are subject to the rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) concerning the taxation of financial arrangements should seek separate independent professional advice.

4.4 Non-resident CGT withholding

Specific withholding tax rules can apply to the disposal of shares whereby, a 12.5% non-final withholding tax may be applied. However, this withholding tax should not apply to the disposal of a New Share on the ASX (in accordance with a specific exemption).

4.5 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus a Medicare levy of 2%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided and no exemption applies. Australian tax resident Shareholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Shareholders that have not previously provided their TFN or ABN (if applicable) to the Share Registry may wish to do so prior to the close of the Entitlement Offer to ensure that withholding tax is not deducted from any future distribution payable to them.

A Shareholder is not obliged to provide their TFN, or where relevant, ABN to BluGlass.

4.6 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Shares.

Eligible Shareholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares (such as costs relating to professional advice obtained by Shareholders regarding the Entitlement). This will depend on each Eligible Shareholder's particular circumstances and as such this should be reviewed by Shareholders prior to making any claim.

5. KEY RISKS

5.1 Introduction

Eligible Shareholders should be aware that there are risks associated with an investment in BluGlass and the New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. The key risk factors relevant to an investment in BluGlass are set out below. If you have any queries or are uncertain about any aspects of the Entitlement Offer, including these risk factors, consult with your stockbroker, accountant or other professional adviser.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in BluGlass' announcements and reports. However, the summary is not exhaustive and Eligible Shareholders should examine the contents of this Offer Booklet in its entirety and consult their professional advisors before deciding whether to apply for New Shares.

5.2 Risks specific to BluGlass

(a) Loss of key management personnel

BluGlass has recently appointed Jim Haden as BluGlass President and together with James Walker as Executive Chair are responsible for the management of the business.

With the acquisition of the US based Fab BluGlass will employ many of the current US based Fab team, some of whom have extensive experience of the equipment being acquired.

BluGlass' ability to effectively execute its business strategy depends upon the performance and expertise of its key management personnel. Any loss of key management personnel, any delay in the replacement of any key management personnel, or any extended period where key management personnel are unable to work will adversely affect BluGlass' operations and future performance.

(b) Development and commercialisation of technologies

The success of BluGlass will be impacted by the successful development and commercialisation of its technologies.

For instance, BluGlass' RPCVD technology may fail to achieve the performance of its MOCVD laser diode may fail to meet competitive specifications. BluGlass' key laser diode suppliers may also experience technology limitations.

Should the development not be completed in accordance with BluGlass' specifications or should the results of further testing indicate technology performance is below market requirements, BluGlass will have to expend additional time and resources to rectify any outstanding issues which will delay the commercialisation of the technology. BluGlass may also experience difficulty in raising capital if such technology-related milestones are not achieved.

BluGlass believes that it provides a meaningful and engaging offering. Moreover, in addition to its current products, BluGlass is planning to continue innovation and development on its technologies and associated products. There is the risk that delays in product development, cost overruns or difficulties in delivering new features will negatively impact BluGlass and its business.

The acquisition of the US based Fab facility should lead to the accelerated product manufacturing outcomes and reduced manufacturing costs. BluGlass' ability to integrate the new facility into its internal process will be key in delivering these outcomes.

(c) Research and development

BluGlass can make no representation that any of its research into or development of its various technology units will be successful, that the development milestones will be achieved, or that its technologies will be developed into products that are commercially exploitable.

There are many risks inherent in the development of technology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(d) Product liability and uninsured risks

Through its business, BluGlass is exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of its products or products developed with future co-development alliance partners. It is therefore necessary to secure insurance to help manage such risks.

Although BluGlass regularly reviews its insurance policies to ensure all required insurance is in place, BluGlass may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in addition, BluGlass' insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.

Although BluGlass endeavours to work to rigorous standards, there is still the potential for its products to contain defects that may result in system failures. These defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to BluGlass' reputation or increased insurance costs. If BluGlass fails to meet its clients' expectations, BluGlass' reputation could suffer and it could be liable for damages.

Furthermore, BluGlass is exposed to the risk of catastrophic loss to necessary laboratory equipment, computer equipment or other facilities, which would have a serious impact on BluGlass' operations. BluGlass gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

(e) Intellectual property

BluGlass relies upon a combination of patents, know-how, trade secret protection and confidentiality agreements to protect its technologies. However, if BluGlass fails to protect the intellectual property adequately, competitors may gain access to its technology which may harm BluGlass' business.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trade mark, copyright and trade secret protection may not be available to BluGlass in every country in which its products may be sold. Accordingly, despite its efforts, BluGlass may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, BluGlass may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to BluGlass and cause a distraction to management.

In addition, unauthorised use of the “BluGlass” brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

(f) Impact of Covid-19 on supply chain

BluGlass and its suppliers are subject to various risks which could limit BluGlass' ability to procure sufficient supply of key components and materials. As a consequence of the fact that BluGlass relies on imported products from outside Australia, BluGlass is exposed to various risks in relation to its supply chain. Outbreaks of pandemics or diseases and, in particular, the recent outbreak of Covid-19, have the potential to have a detrimental financial impact on BluGlass' business.

The Covid-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses and governments to operate. Across Australia and the world, travel, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to Covid-19 have resulted in significant market volatility, including the prices of securities trading on the ASX.

Although Covid-19 did not severely affect BluGlass' operations, and in particular did not have any material effect on BluGlass' operations in Australia, there still remains a degree of uncertainty as to the duration and further impact of Covid-19 and the long-term impacts from Covid-19 on general economic or industry conditions. The Covid-19 pandemic could result in further disruptions, including future delays or cancellations of orders from international suppliers or manufacturers of products to be purchased by BluGlass or additional lockdowns. Such disruptions may adversely impact the financial performance of BluGlass.

Separately, there is a risk that any change in BluGlass' relationships with key suppliers (including a supplier seeking to terminate the relevant agreement) may result in BluGlass being unable to continue to source products from existing suppliers, and in the future, to source products from new suppliers, at favourable prices, on favourable terms, in a timely manner and in sufficient volume. BluGlass cannot guarantee that its existing arrangements with key suppliers will be renewed, or renewed on terms similar to their current terms. The loss or deterioration of BluGlass' relationships with suppliers, or an inability to negotiate agreements with new suppliers on terms which are not materially less favourable than existing arrangements, may have a material adverse effect on BluGlass' financial and operational performance.

(g) Competition

The industry in which BluGlass is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While BluGlass undertakes all reasonable due diligence in its business decisions and operations, BluGlass has no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of BluGlass' projects and business. For instance, new technologies could result in BluGlass not being differentiated to other similar offerings.

The size and financial strength of some of BluGlass' competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, BluGlass' ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of BluGlass.

(h) Regulatory Risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, the respective interpretation of the legal requirements in any of the legal jurisdictions that govern the BluGlass' operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of BluGlass and its shares. In addition, there is a commercial risk that legal action may be taken against BluGlass in relation to commercial matters.

(i) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Offer Booklet. Although BluGlass is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of BluGlass.

(j) Security breaches

BluGlass collects, stores, processes and analyses various information which can be highly sensitive, regulated and confidential in nature. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of BluGlass in a wide variety of industries

Whilst BluGlass has recently upgraded its servers and cyber security measures, and follows best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise risks, there is no guarantee that the implementation of such precautions will be sufficient to prevent data security breaches and information being compromised or misused.

(k) Contract risks

BluGlass and its subsidiaries operate through a series of contractual relationships with operators, sub-contractors and manufacturers. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of BluGlass' operations.

5.3 General risks

(a) Share market and economic risk

The market price of the New Shares may be highly volatile and subject to wide fluctuations. In addition, the trading volume of New Shares may fluctuate and cause significant price variations to occur. If the market price of the New Shares declines significantly, you may be unable to resell your New Shares at or above your purchase price, if at all. BluGlass cannot assure you that the market price of the New Shares will not fluctuate or significantly decline in the future.

Some specific factors that could negatively affect the price of the New Shares or result in fluctuations in their price and trading volume include:

- actual or expected fluctuations in BluGlass' operating results;
- changes in market valuations of similar companies;
- further changes in BluGlass' key personnel;
- changes in financial estimates or recommendations by securities analysts; and

- conditions in the financial markets or changes in general economic conditions.

In addition, general economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on BluGlass' activities, as well as on its ability to fund those activities.

(b) Additional requirements for capital

BluGlass' funding requirements depend on numerous factors including BluGlass' ability to generate income from its business endeavours, the outcome of future research and development programs and the acquisition of any new projects or acquisitions. BluGlass may require further funding in addition to current cash reserves to fund future activities or the acquisition of new projects. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If BluGlass is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programs.

(c) Litigation risk

BluGlass is exposed to possible litigation risks including intellectual property claims, contractual disputes, work health and safety claims and employee claims. Further, BluGlass may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on BluGlass' operations, financial performance and financial position. BluGlass is not currently engaged in any litigation.

(d) Technology sector risk

The technology sector is characterised by rapid change. New and disruptive technologies can place competitive pressures on existing companies and business models, and technology stocks may experience greater price volatility than securities in some slower changing market sectors.

The value of BluGlass' securities may be adversely affected by any general decline in the valuation of listed securities and/or adverse market sentiment towards the technology sector in particular, regardless of the BluGlass' operating performance.

(e) Force majeure

BluGlass, now or in the future, may be adversely affected by risks outside the control of BluGlass including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

(f) Acquisitions

As part of its business strategy, BluGlass may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to BluGlass' business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

5.4 Investment highly speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by BluGlass or by investors in BluGlass. The above factors, and others not specifically referred to above, may in the

future materially affect the financial performance of BluGlass and the value of the New Shares offered under this Offer Booklet. Therefore, the New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in BluGlass is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

6. IMPORTANT INFORMATION

This Offer Booklet and enclosed personalised Entitlement and Acceptance Form have been prepared by BluGlass.

This Offer Booklet is dated Thursday, 24 March 2022 and also available at www.asx.com.au. The information in this Offer Booklet remains subject to change without notice and BluGlass is not responsible for updating such information.

There may be additional announcements made by BluGlass after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or transfer or do nothing in respect of, your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by BluGlass (by visiting ASX's website at www.asx.com.au, or BluGlass' website at www.bluglass.com.au) before submitting your application to take up your Entitlement.

No party other than BluGlass has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in such information.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer booklet may not be relied on as having been authorised by BluGlass, or its related bodies corporate in connection with the Entitlement Offer.

The information in this Offer Booklet is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risks" section included in Section 5, any of which could affect the operating and financial performance of BluGlass or the value of an investment in BluGlass.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

6.1 Eligible Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Eligible Shareholders are those persons who:

- are registered as a holder of BluGlass shares as at the Record Date, being 7.00pm (Sydney time) on Tuesday, 29 March 2022;
- have a registered address on the BluGlass share register in Australia or New Zealand, or are a Shareholder that BluGlass has otherwise decided is entitled to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds BluGlass shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. BluGlass reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

6.2 Ranking of New Shares

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in BluGlass' constitution, a copy of which is available at www.asx.com.au.

6.3 Risks

This Offer Booklet details important factors and risks that could affect the financial and operating performance of BluGlass. You should refer to the "Key Risks" section which is included in Section 5. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.4 Reconciliation, Oversubscription Shares and the rights of BluGlass

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that BluGlass may need to issue additional New Shares (**Oversubscription Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Oversubscription Shares would be issued is not known.

To the maximum extent permitted by law, BluGlass also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders or other applicable investors, if BluGlass believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by BluGlass in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of BluGlass to require any of the actions set out above.

6.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.6 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.7 Personal Entitlement

As outlined in Section 2, your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (Sydney time) on Tuesday, 12 April 2022, your rights will lapse.

6.8 Notice to nominees and custodian

If BluGlass believes you hold BluGlass shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and may receive no value for any such Entitlements held.

BluGlass is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of BluGlass shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. BluGlass is not able to advise on foreign laws.

6.9 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. BluGlass is not licensed to provide financial product advice in respect of the New Shares. This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with BluGlass' other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia except (i) Australian nominees may send this Offer Booklet and related offer documents to beneficial Shareholders who are professional or institutional Shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "Foreign Jurisdictions" section included in Section 6.14 and (ii) to beneficial Shareholders in other countries (other than the United States) where BluGlass may determine it is lawful and practical to make the Entitlement Offer.

6.10 Quotation and trading of New Shares

BluGlass will apply for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, BluGlass will repay all Application Monies (without interest). It is expected that trading on ASX of New Shares to be issued under the Entitlement Offer will commence at 10.00am (Sydney time) on Monday, 2 May 2022 on a normal settlement basis. Application Monies will be held by BluGlass on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. BluGlass will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by BluGlass or failure to maintain their updated details with the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.11 Placement of shortfall shares outside the Top-Up Facility

Any Shortfall Shares from the Entitlement Offer may be issued under the Top-Up Facility as described in Section 3. The Directors reserve the right to issue any remaining Shortfall Shares, following allocation to Eligible Shareholders under the Top-Up Facility, at their discretion to any persons following the close of the Entitlement Offer. Any placement of Shortfall Shares outside the Top-Up Facility will be made within 3 months after the close of the Entitlement Offer. The issue price of any Shortfall Shares placed outside the Top-Up Facility will not be less than the Offer Price under the Entitlement Offer.

Unless otherwise determined by BluGlass, if there are any Shortfall Shares, BluGlass will allocate the Shortfall Shares according to the following priority:

- (a) Shortfall Shares may be allocated to any Eligible Shareholders who applied for additional New Shares under the Top-Up Facility, at the absolute discretion of the Directors.
- (b) If following the allocation in paragraph (a) there remains any Shortfall Shares, to those eligible investors who apply for Shortfall Shares following an invitation from BluGlass.
- (c) If following the allocation in paragraphs (a) and (b) there remains any Shortfall Shares, the Directors reserve the right to issue the remaining Shortfall Shares at their discretion, subject to compliance with the Corporations Act and ASX Listing Rules.

Shortfall Shares will not be offered or issued to any applicant if, in the view of the Directors, to do so would increase that applicant's voting power in BluGlass above 19.9% or otherwise result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

6.12 Dilution and effect on control

Eligible Shareholders should note that if they do not participate in the Entitlement Offer and the Entitlement Offer is otherwise fully subscribed, their holdings will be diluted to the extent of the number of New Shares taken up under the Entitlement Offer and Top-Up Facility.

The Entitlement Offer is not expected to give rise to control implications for BluGlass albeit that the effect of the Entitlement Offer on the voting power in BluGlass, for the purposes of the Corporations Act, is dependent upon the number of New Shares and Shortfall Shares taken up.

6.13 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the period of the Entitlement Offer by calling the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the Share Registry.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the BluGlass website will not include an Entitlement and Acceptance Form.

6.14 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold shares in BluGlass or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold shares in BluGlass or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of BluGlass with registered addresses in New Zealand to whom the offer of New Securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

6.15 Underwriting

The Entitlement Offer is not underwritten.

6.16 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.17 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by BluGlass, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of BluGlass, nor any other person, warrants or guarantees the future performance of BluGlass or any return on any investment made pursuant to this Offer Booklet or its contents.

6.18 Withdrawal of the Entitlement Offer

BluGlass reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case BluGlass will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to BluGlass will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to BluGlass.

6.19 Privacy

As a Shareholder, BluGlass and the Share Registry have already collected certain personal information from you. If you apply for New Shares, BluGlass and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, BluGlass and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Share Registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) BluGlass or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to BluGlass through the Share Registry as follows:

Automic Registry Services

GPO Box 5193

Sydney NSW 2001

hello@automicgroup.com.au

Ph: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)

7. GLOSSARY

In this Offer Booklet, unless the context otherwise requires:

\$ or A\$	means Australian dollars.
Application Monies	means application monies for New Shares received by BluGlass from an applicant.
ASIC	means the Australian Securities & Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.
BluGlass	BluGlass Limited (ABN 20 116 825 793).
Board	means the board of Directors of BluGlass.
Business Day	means Monday to Friday inclusive, excluding public holidays in New South Wales and any other day that ASX declares is not a trading day.
CGT	means capital gains tax.
Closing Date	means the day the Entitlement Offer closes, expected to be 5.00pm (Sydney time) on Tuesday, 12 April 2022.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	means a director of BluGlass.
Eligible Shareholder	means a person who: <ul style="list-style-type: none">(a) is registered as a holder of BluGlass shares as at the Record Date, being 7.00pm (Sydney time) on Tuesday, 29 March 2022;(b) has a registered address on the BluGlass share register that is in Australia or New Zealand, or are a Shareholder that BluGlass has otherwise determined is eligible to participate;(c) is not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds BluGlass ordinary shares for the account or benefit of such person in the United States); and(d) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Eligible Top-Up Facility Participants	has the meaning given to that term in Section 3.10.
Entitlement	means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.
Entitlement and Acceptance Form	means the personalised form that accompanies this Offer Booklet when despatched to Eligible Shareholders.

Entitlement Offer	has the meaning given to that term in Section 3.1.
Ineligible Shareholder	means a Shareholder that is not an Eligible Shareholder.
LED	means light-emitting diode.
MOCVD	means Metal Organic Chemical Vapor Deposition.
New Share	means a Share offered pursuant to this Offer Booklet.
Offer Booklet	means this offer booklet dated 24 March 2022.
Oversubscription Shares	has the meaning given to that term in Section 6.4.
Record Date	means 7.00pm (Sydney time) on 29 March 2022.
RPCVD	means Remote Plasma Chemical Vapour Deposition.
Section	means a section of this Offer Booklet.
Share	means a fully paid ordinary share in the capital of BluGlass.
Share Registry	means Automic Pty Ltd (ACN 152 260 814).
Shareholder	means a registered holder of Shares.
Shortfall Shares	means the New Shares not applied for under the Entitlement Offer.
Top-Up Facility	has the meaning given to that term in Section 2.
US Securities Act	means the U.S. Securities Act of 1933.

CORPORATE DIRECTORY

Issuer

BluGlass Limited
ABN 20 116 825 793
74 Asquith Street
Silverwater NSW 2128

Tel: +61 2 9334 2300
Website: www.bluglass.com.au
ASX Code: BLG

Directors

James Walker - Executive Chair
Vivek Rao - Non-Executive Director
Stephe Wilks - Non-Executive Director
Jean-Michel Pelaprat - Non-Executive Director

Company Secretary

Emmanuel Correia

Share Registry

Automic Registry Services
ABN 48 078 279 277
Level 5, 126 Phillip Street
Sydney NSW 2000
www.automic.com.au

Legal Counsel to the Entitlement Offer

Highgate Legal
31 Highgate Court
North Kellyville NSW 2155