

30 July 2025

June 2025 Quarter Activities Update

Highlights

- Recognised as an approved supplier of visible lasers to the Indian Department of Defence; received first order valued at A\$230,000
- Showcased improved visible laser performance at leading industry conference ICNS-15, including a 16% increase in multi-mode power conversion efficiencies, and new single-mode aqua-marine (488nm) and light green wavelengths (504nm)
- Secured \$7.6 million to fulfil new and existing contracts, optimise operations, and working capital

BluGlass Limited (ASX: BLG), a global semiconductor developer pioneering visible lasers, provides the following update and Appendix 4C Quarterly Report for the three months ended 30 June 2025 (Q4 FY25).

CEO Jim Haden said: *"BluGlass continued to strengthen its industry recognition during the quarter, securing its first order from the Indian Government and being authorised as an approved supplier. India is rapidly building its photonics capability with increased investment in cutting-edge research, such as the Solid-State Physics Laboratory. Our partnership with the Indian Government builds on our established development work with the US Department of Defense, and continued conversion of our \$US100 million project pipeline. While these opportunities are in various stages of maturity, we are continuing to progress technical evaluations and negotiations in line with our long-term project to product strategy."*

"In parallel, we've made significant technical progress across our product portfolio. We've improved the power conversion efficiency of our multi-mode GaN lasers by 16%, approaching our FY26 target of 43% CW PCE ahead of schedule. Power conversion efficiency is critical for customers, increasing device longevity and reducing operational costs. Encouragingly, this now brings us in line with several of our large competitors, who have taken many years or decades to reach this PCE performance standard. We believe we can further improve this metric over the coming year. Other technical enhancements include extending our wavelength capabilities with demonstrated aqua-marine and light green wavelengths, as well as improved capabilities of our single-frequency Distributed Feedback (DFB) lasers."

"Technical advancements support our conversations with new and prospective defence, quantum, and biotech customers, offering advanced precision and tunability in visible wavelengths. Quantum advancements are being underpinned by stimulated light interaction with unique materials, down to the atomic scale, requiring specific wavelengths, and tunability - to target individual atomic interactions. Our modelling collaboration with UCSB and NCSU is accelerating our development in this domain, enabling us to leverage the world-class skills, capability, and expertise of our Microelectronics Commons partner to improve the quality and repeatability of our DFB lasers."

\$230k order from Indian Govt

In June, BluGlass was recognised as an approved supplier of specialist gallium nitride (GaN) lasers to the Indian Ministry of Defence, receiving its first purchase order from the country's Solid State Physics Laboratory, worth A\$230,000. The order entails benchmarking the fabrication process of GaN-based lasers for India's Solid State

Physics Laboratory - a leading research institution at the forefront of advanced semiconductor materials and device development.

Showcased improved laser results at ICNS-15

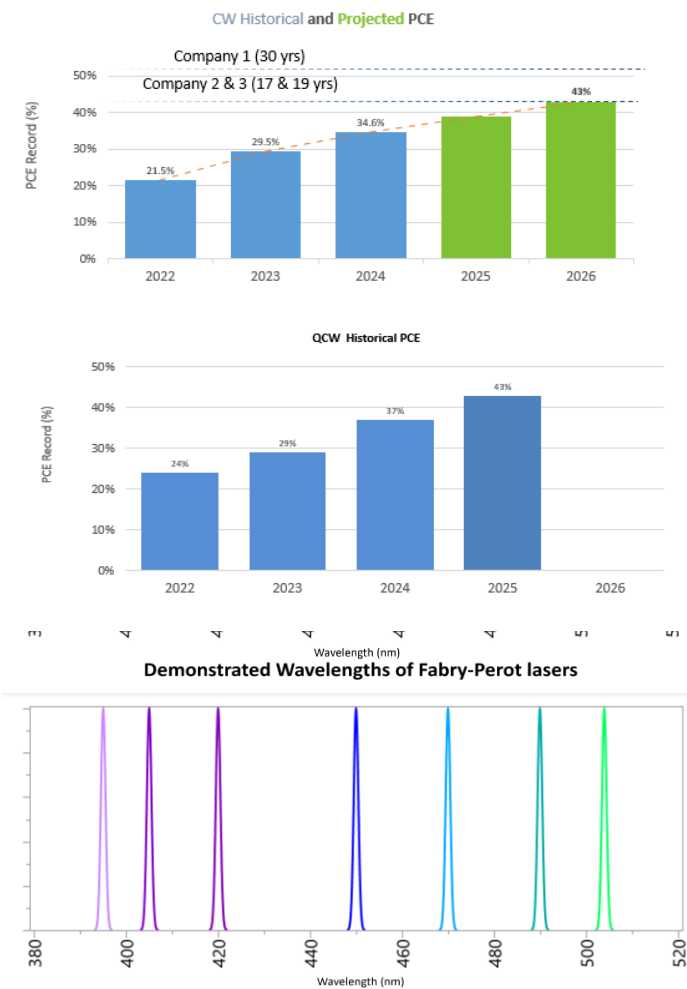


Figure 1: BluGlass’ Power Conversion Efficiency (PCE) benchmark against competitors
Figure 2: BluGlass’ PCE development over time
Figure 3: BluGlass’ demonstrated laser wavelength portfolio

BluGlass released improved GaN laser results, including cutting-edge precision capabilities, at global industry conference, the International Congress on Nitride Semiconductors (ICNS-15) in Sweden in July. The invited presentation by Dr. Ryan Anderson showcased performance improvements, including multi-mode QCW power conversion efficiencies of 43% - a 16% year-over-year increase.

The Company also presented leading 685kHz narrow-linewidth GaN DFB laser capabilities, providing enhanced application versatility where power, precision, and tunability are required. BluGlass is collaborating with its Microelectronics Commons CLAWS Hub partner, North Carolina State University (NCSU), on advanced DFB modelling to fast-track design optimisation and performance improvements. The Company is also progressing embedded laser gratings for DFBs with GaN consortium partner, the University of California Santa Barbara (UCSB). Embedded gratings eliminate unwanted wavelengths, thereby improving the side-mode suppression ratio and enabling near-single-frequency light emission for precision applications.

BluGlass has also expanded its demonstrated single-mode wavelengths to include aqua-marine (488nm) and light green (504nm) laser wavelengths, while also continuing to advance development of in-demand true green wavelengths.

Improved results demonstrated in Microelectronics Commons Program

BluGlass continues to advance its laser capabilities as part of its development activities in the Microelectronics Commons, CLAWS Hub. The Company has demonstrated improved single-mode power conversion efficiency across its core wavelengths (violet to blue), rapidly approaching or exceeding the levels of major competitors who have been in the field for far longer (17–30 years).

BluGlass Demonstrated CW SM PCE	Company 1 (30 Years) Typical CW SM PCE
Blue 450 nm CW PCE > 26.5%	27%-29% CW
Violet 420 nm CW PCE > 31.4%	23% CW
Violet 405 nm CW PCE > 34.6%	21-25% CW

Table 1: BluGlass demonstrates world-class single-mode power conversion efficiencies across the violet to blue spectrum

Exhibited at Laser World of Photonics 2025, Munich

BluGlass showcased its visible GaN laser portfolio at the world's largest photonics event, Laser World of Photonics and World of Quantum 2025, held in Munich in July.

The exhibition provided a strategic platform to engage with existing and prospective customers and partners, further advancing BluGlass' commercial opportunities and contributing to the ongoing growth of its product revenues and project pipeline.

Raised \$7.6 million

BluGlass strengthened its balance sheet during the quarter, securing \$7.6 million to accelerate laser production to fulfil new and existing contracts, implement new fab equipment, and support working capital. The raise comprised a \$2.3 million Placement to institutional and sophisticated investors at an issue price of \$0.013 per share, and a well-supported \$5.3 million Share Purchase Plan at \$0.00975 per share.

Each new share is inclusive of one free attaching option, exercisable at \$0.013 and expiring on 31 May 2026 or 30 days from the announcement of a contract win from a Tier-1 company for a total contract value of \$3 million. Every attaching option exercised will include an additional piggyback option, exercisable at \$0.019 and expiring 31 May 2028.

Financials

Strong quarterly revenue of \$1.8 million comprised the NCSU CLAWS Hub contract, growing laser product sales, and foundry services for a European wafer developer.

BluGlass' Q4 FY25 research and development expenses were \$2.65 million, inclusive of salaries, materials, and fabrication costs. Payments to related parties during the quarter were \$109k encompassing Chair and Non-Executive Director fees.

Activity Undertaken	Amount paid during the quarter \$'000
Laser product development	\$2,599
RPCVD development	\$54
Total direct expenditure	\$2,653

Outlook

CEO Jim Haden said: *"BluGlass is a leading pure-play supplier of high-energy visible GaN lasers, delivering unmatched fidelity and precision for exacting applications. Our innovative approach to GaN laser technology, including short-pulse operation and advanced photonic integration, enables broad applicability for next-generation solutions such as secure underwater optical communication, to quantum sensing, and precision medical diagnostics. Our go-to-market strategy has resulted in a growing pipeline of more than 29 active, large revenue-generating opportunities. Collectively, the total project value of our pipeline exceeds US\$100 million, and includes household names and government partners from the quantum, defence, aerospace, consumer electronics, biomedical, and med-tech sectors. These projects are at all stages of maturity, from inception to negotiation."*

"The strength of our pipeline reinforces the growing need for visible lasers, which underpin almost all next-generation technology, from quantum sensing and computing through to autonomous exploration and navigation. This demand will see our total addressable market reach \$38 billion by 2033, currently serviced by just a handful of players with high barriers to entry. Ongoing laser performance improvements and our ability to solve our customers' biggest challenges ensure we are well-positioned to be designed into these next-generation applications, providing long-term product revenues."

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

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About BluGlass

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

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

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

Appendix 4C

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

Name of entity

BluGlass Limited

ABN

20 116 625 793

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,327	6,909
1.2 Payments for		
(a) research and development	(2,093)	(6,963)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(44)	(329)
(d) leased assets	(315)	(1,366)
(e) staff costs	(1,956)	(8,918)
(f) administration and corporate costs	(388)	(1,596)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	60
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	5,373
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(3,468)	(6,830)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(824)	(1,809)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets (security deposits)	-	(16)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	-	7
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(824)	(1,818)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,632	7,647
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(346)	(346)
3.5	Proceeds from borrowings	1,099	4,547
3.6	Repayment of borrowings	-	(2,648)
3.7	Transaction costs related to loans and borrowings	-	(169)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	8,385	9,031

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,890	5,573
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,468)	(6,830)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(824)	(1,818)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,385	9,031
4.5	Effect of movement in exchange rates on cash held	(30)	(3)
4.6	Cash and cash equivalents at end of period	5,953	5,953

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,689	1,624
5.2	Call deposits	264	266
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,953	1,890

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,048	3,048
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	3,048	3,048
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered or are proposed to be entered into after quarter end, include a note providing details of those facilities.		
	A secured loan agreement from Radium Capital, with an annual interest rate of 15% and a maturity date of 31 December 2025. Borrowed against FY25 R&D rebate.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,468)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,953
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	5,953
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.7
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	1) Answer: The company expect to have funds to meet its operating cashflows for the following reasons: <ol style="list-style-type: none"> The company will receive a significant R&D grant for the year ending 30 June 2025 in Q1/Q2 of FY2026. And can also borrow against it if needed; The Company will generate revenue through product and project sales. 	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Yes, please refer to 8.6.1	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes, the Company expects that the proceeds from its anticipated product and project sales and access to R&D grant and funding, will provide sufficient working capital to meet its operational objectives.	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 30 June 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

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