

24 March 2020

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BluGlass non-renounceable entitlement rights issue

Key Points:

- BluGlass rights issue to provide capital to expedite laser diode opportunity
 - Rights issue priced and structured to encourage broad shareholder participation
 - Issue price represents a 43.32% discount to the Company's 15 day VWAP of \$0.0387
 - Top-up facility made available for shareholders to apply for shares over and above their entitlement
 - Directors and key executives to take up full entitlement under the rights issue
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Dear Shareholder,

BluGlass Limited (ASX:BLG) ("BluGlass" or the "Company") has today announced a non-renounceable entitlement rights issue on a 1 for 1 basis ("Entitlement Offer") to holders of ordinary shares in the Company ("Shareholders") held at 7:00pm (AEDT) on 27 March 2020 ("Record Date").

The issue price of \$0.02 represents a 23.08% discount to the Company's last close of \$0.026 on 23 March 2020, and a 43.32% discount to the Company's 15 day VWAP to 23 March 2020 of \$0.0387.

The Entitlement Offer will be offered to those Shareholders who are registered as a holder of ordinary shares in the Company as at the Record Date with a registered address in Australia, New Zealand and certain other jurisdictions in which the Company has decided to extend the Entitlement Offer and are not in the United States ("Eligible Shareholders"). Eligible Shareholders will receive an **Entitlement Offer Booklet** including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the Offer Booklet was lodged with the ASX on 24 March 2020 and is available on the ASX website.

The Entitlement Offer booklet will be dispatched to Eligible Shareholders on or before 30 March 2020.

Details of the Entitlement Offer

Pursuant to the Entitlement Offer, the Company will issue up to 418,907,072 new ordinary shares ("New Shares") to raise up to A\$8,378,141 (before costs). The New Shares will rank equally with existing ordinary shares in the Company.

Under the Entitlement Offer, Eligible Shareholders will be invited to subscribe for 1 New Share at \$0.02 ("Issue Price") for every 1 ordinary share held at the Record Date. Fractional entitlements are being rounded up to the next whole New Share.

The Company will make application to the ASX for the official quotation of the New Shares.

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

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

Purpose of the Entitlement Offer and use of funds

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

- Ongoing development of the laser diode product pipeline and business;
- Product development and testing to expedite delivery of laser diode products in our selected markets;
- Investment in sales and distribution channels for successful laser diode product launch in early 2021;
- Continuing investment in our specialist laser diode epitaxy and commercialisation expertise;
- Advance development with existing and potential new industry strategic partners, including LED, microLED and RPCVD market participants; and
- General working capital to enable ongoing execution of business strategy.

Available funds from the Entitlement Offer will also be used by the Company to pay for the costs of the Entitlement Offer and provide working capital to support continued sales growth.

BluGlass Directors and key executives intend to take up their full entitlement under the Entitlement Offer.

Indicative Timetable for Entitlement Offer

Event	Date
Announcement of the Entitlement Offer Lodgement of Appendix 3B, Offer Booklet and Cleansing Notice	Tuesday, 24 March 2020
"Ex" date	Thursday, 26 March 2020
Record date for Entitlement Offer (7.00pm (Sydney time))	Friday, 27 March 2020
Entitlement Offer opens Offer Booklet and entitlement and acceptance form despatched	Monday, 30 March 2020
Closing date for acceptances under the Entitlement Offer (5.00pm (Sydney time))	Thursday, 16 April 2020
Announcement of results of Entitlement Offer	Tuesday, 21 April 2020
Settlement of the Entitlement Offer	Wednesday, 22 April 2020
Allotment of New Shares issued under the Entitlement Offer	Thursday, 23 April 2020

Normal trading on ASX for New Shares issued under the Entitlement Offer commences	Friday, 24 April 2020
Despatch of holding statements for New Shares issued under the Entitlement Offer	Friday, 24 April 2020

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

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

Dealing with Entitlements

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

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

- take up all of your entitlement to New Shares;
- take up part of your entitlement to New Shares and allow the balance to lapse; or
- do nothing and allow all of your entitlement to New Shares to lapse.

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

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

This announcement has been approved by the board of BluGlass.

About BluGlass

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

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

In 2019, BluGlass launched its direct-to-market Laser Diode business unit to exploit its unique tunnel junction technology capability in the high-value and high-margin laser diode market. BluGlass expects to launch its first laser diode commercial product in 2021.

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