

Appendix 4E

BLUGLASS LIMITED

ACN

116825793

Full Year Ended

30 June 2025

Corresponding period was the twelve months ended 30 June 2024

Results for announcement to the market

RESULTS

		%		\$A
Revenues from ordinary activities	Up	16	to	11,704,847
(Loss) from ordinary activities after tax attributable to members	Up	8	to	(10,977,894)
(Loss) for the period attributable to members	Up	8	to	(10,977,894)

EPS

Earnings per Security (cents per share)	30 Jun 2025	30 Jun 2024
Basic loss per share (cents per share)	(0.59) cents	(0.63) cents
Diluted loss per share (cents per share)	(0.59) cents	(0.63) cents

Net Tangible Asset Backing

	30 Jun 2025	30 Jun 2024
Per Ordinary Security (cents per share)	0.33 cents	0.63 cents

Dividend Payable

No dividends have been paid or declared during the period.

Dividend Re-investment Plan

There is no dividend re-investment plan in operation.

Control gained over entities having material effect

There is no control over any new entities	NIL
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Loss of control of entities having material effect

Name of entity (or group of entities)	NIL
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Details of associates and joint venture entities

Name of entity (or group of entities)	NIL
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This report is based on the Full Year Financial Report which is audited. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 2025 Full Year Financial Report and the 2024 30 June Annual Financial Report. No matters have arisen which would result in a dispute or qualification.

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BLUGLASS LIMITED
and CONTROLLED
ENTITIES

ABN 20 116 825 793

FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2025

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DIRECTORS' REPORT

Your directors present their report on BluGlass Limited ("the Company") and its controlled entities ("BluGlass" or "the Group") for the financial year ended 30 June 2025.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Mr James Walker (Chair)
Mr Vivek Rao
Mr Stephe Wilks
Mr Jean-Michel Pelaprat

PRINCIPAL ACTIVITIES

The Group's principal activity during the financial year was to progress the development and commercialisation of its proprietary laser platform. This included delivery of key technical milestones under its contracts with the US Department of Defense's Microelectronics Commons' CLAWS Hub lead North Carolina State University and Uviquity. The Group is working on achieving these milestones using both industry-standard MOCVD technology and its patented low-temperature Remote Plasma Chemical Vapour Deposition (RPCVD) manufacturing process, creating higher-performance, lower-cost GaN lasers. In parallel, the Group continues to fulfil laser orders and provide foundry services under contract.

REVIEW OF OPERATIONS

BluGlass is one of a handful of global suppliers of high-energy gallium nitride (GaN) lasers, spanning the visible violet to green spectrum. BluGlass is delivering unmatched precision and fidelity lasers for the most demanding applications in defense, aerospace, quantum technologies, healthcare, and biotechnology. Our proprietary platform enables next-generation laser solutions that go beyond raw power — providing high fidelity light for exacting needs in LiDAR, communications, quantum sensing, countermeasures, and disinfection.

The Group has operations in both Australia and the USA, including a purpose-built production facility in Silicon Valley.

BluGlass delivered record annual revenues and income of \$11.7 million in FY25, securing a second-year position within the US Department of Defense's Microelectronics Commons, and showcasing world-leading gallium nitride (GaN) laser performance. The Group's growing reputation is attracting attention from global leaders across its target markets, supporting a growing project pipeline of 29 active opportunities collectively valued at over US\$100m.

Over the course of the year, BluGlass continued to expand its customer and partner engagement, securing new development projects with the Microelectronics CLAWS Hub, US-based photonics pioneer Uviquity, and the Indian Ministry of Defence's Solid State Physics Laboratory. Alongside project growth, BluGlass continues to grow its laser sales and order backlog across its full portfolio and market verticals, securing new and repeat customers and orders. BluGlass is working with diverse customers including industry-leading original equipment manufacturers (OEMs), defence primes, government agencies, leading international research institutions and disruptive start-ups.

The Group's leadership in developing high-fidelity ultra-precision GaN lasers for next-generation precision applications, combined with its ability to address specific customer challenges and design tailored solutions has been validated by the calibre of customers and partners already working with the Group, and progressing through its growing >US\$100 million pipeline. BluGlass' differentiated market approach is positioned to meet growing demand for a collaborative, flexible supplier building next-generation capabilities, meeting custom and complex needs, and provide dedicated supply through a pure-play GaN laser offering.

The Year in Review:

\$2.9 million US DoD CLAWS Hub sub-contract

In FY25, BluGlass Limited secured a second-year \$2.9 million sub-contract with North Carolina State University (NCSU) for visible laser development as part of the US Department of Defense's Microelectronic Commons. The Commercial Leap Ahead for Wide bandgap Semiconductors (CLAWS) Hub is one of eight innovation hubs focused on advancing next-generation dual-use technologies for the US Department of Defense. CLAWS Hub members include leading global companies Coherent, MACOM, and General Electric.

BluGlass' visible GaN lasers enable key performance advantages such as ultra-precision and high-spectral purity, accelerating the commercialisation of innovative photonics for critical defence applications as well as materials processing, sensing, communications, AI and future quantum technologies.

As part of its CLAWS Hub development activities, BluGlass has continued to advance its laser capabilities, demonstrating improved single-mode power conversion efficiency across its core violet to blue wavelengths, rapidly approaching or exceeding the levels of major competitors. BluGlass is also collaborating with CLAWS Hub partner, North Carolina State University (NCSU), on advanced DFB modelling to fast-track design optimisation and performance improvements.

\$1.2 million Joint Development Agreement

During the year, BluGlass secured an \$1.2 million order for the first phase of a joint development agreement (JDA) with Uviquity - a leading US-based venture-backed start-up pioneering integrated photonics. Under the multi-phase development agreement, BluGlass and Uviquity are developing novel photonic chips that combine highly complementary technologies to produce Heterogeneously Integrated Photonic Integrated Circuits, called the HIPIC. The Joint Development Agreement has made strong progress during the year, with the successful demonstration of human safe ultra-violet laser light at 214nm, a breakthrough achievement progressing next-generation biotech applications in the enormous US\$5 billion sanitisation market.

The JDA has the potential for a minimum of two additional phases of non-recurring engineering, each with a similar revenue potential for BluGlass.

\$230k order from Indian Government

BluGlass continued to build its industry standing with international governments in FY25, recognised as an approved supplier of specialist GaN lasers to the Indian Ministry of Defence. BluGlass' first purchase order following the recognition is from India's Solid State Physics Laboratory, worth \$230,000, entails benchmarking the fabrication process of GaN-based lasers for the Solid State Physics Laboratory - a leading research institution at the forefront of advanced semiconductor materials and device development.

GaN lasers offer compact performance, higher photon energy, and improved temperature stability, making them ideal for underwater and atmospheric LiDAR applications, countermeasures and jamming systems, communications, and quantum sensing and computing.

BluGlass' ability to solve customers' most complex problems from the atomic level through to advanced packaging and flexible integrations, combined with expertise in developing high-performance GaN laser technology for next-generation applications led to our selection and approval as a supplier to the Indian government.

India is poised to become one of the world's largest economies and is strategically investing in its advancement of semiconductor and technological capabilities by integrating cutting-edge lasers and photonics.

\$120k order from repeat customer

In FY25, BluGlass received a \$120,000 order from the College of Optics and Photonics (CREOL) at the University of Central Florida for semi-custom GaN laser diode bars. A repeat customer, CREOL's latest order follows successful trials demonstrating significant performance gains using BluGlass' laser bars in a Coherent Beam Combining (CBC) array, delivering superior coherence and phase locking compared to commercial alternatives. A CBC merges multiple high-power laser beams into a single beam with increased optical power, maintained beam quality, and enhanced radiance. This advanced CBC setup using BluGlass' visible GaN laser bars enables high-power, single-mode blue laser beams with

exceptional phase stability and narrow linewidths, critical for applications such as underwater and aviation LiDAR, space communications, and quantum sensing technologies.

World-record single-mode GaN laser performance

BluGlass achieved world-record single-mode GaN laser performance during the year, demonstrating 1250 milliwatts of power from a single GaN laser chip while maintaining single-spatial mode. This was accomplished using a 450nm single-mode master oscillator with an integrated power amplifier in a single monolithic chip (SM-MOPA). The achievement surpasses BluGlass' previously reported 750mW result by over 67%. This breakthrough in high-power single-mode MOPA technology delivers the precision and compactness of a single-mode laser alongside the brightness and performance of high-power output ideal for next-generation applications in a single device for the first time.

LiDAR project

In October 2024, BluGlass partnered with Macquarie University and defence company Aurizn to develop and test a new laser-based method to measure subsurface water temperature and depth. BluGlass is providing visible GaN lasers to the project. The project will develop and run commercial trials of blue ocean LiDAR (Light Detection and Ranging) technology to enhance maritime situational awareness in defence and environmental contexts, such as detecting underwater objects and improving climate modelling.

Customer engagement

Under BluGlass' project-to-product strategy, the Company is progressing development agreements and long-term projects, including multi-decade opportunities with the potential for follow-on manufacturing supply agreements. BluGlass currently has a robust pipeline of 29 active, large-scale opportunities, collectively valued at over US\$100 million. Ranging from early inception to final negotiations, these development agreements and projects span quantum, defence, aerospace, consumer electronics, biomedical, and med-tech sectors and include government agencies, large scale original equipment manufacturers (OEMs), leading international research institutions, and disruptive start-ups.

The calibre of customers and partners engaging BluGlass to develop ground-breaking innovations is a strong validation of the Company's go-to-market strategy and reflects growing global demand for visible lasers for next-generation technologies.

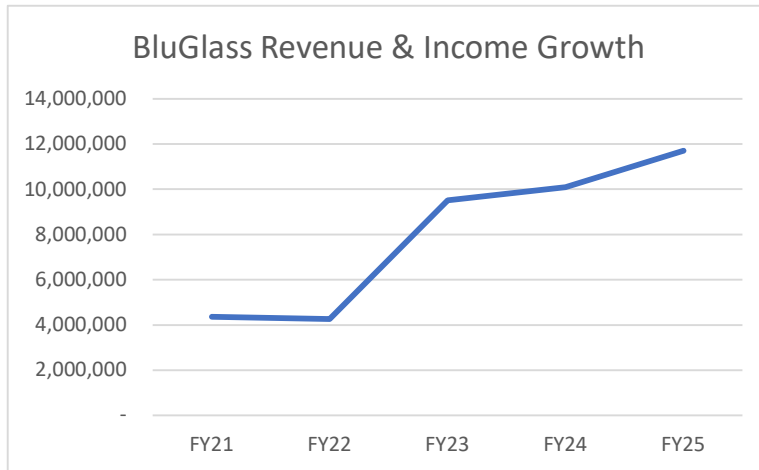
While these complex negotiations take time to realise, cumulatively, they are transformative for BluGlass - building industry influence, developing and commercialising innovative product portfolios in critical emerging markets, and securing the company's growth and profitability.

Industry Advisory Board

During the year, BluGlass established an Industry Advisory Board to accelerate its technical roadmap and progress the adoption of its GaN lasers by the global quantum, defence, and biotech markets. Led by laser pioneers Professor Steven DenBaars and Richard Craig, the Industry Advisory Board provides strategic guidance on technology development, market positioning, and commercial partnerships to augment BluGlass' position as a leader in GaN laser solutions and accelerate its project-to-product strategy. The Board complements and leverages technical advice provided by BluGlass' SSLEEC and CLAWS Hub Consortium advisers; Nobel Laureate and tech titan Prof. Shuji Nakamura, Prof. Fred Kish, and Prof. John Muth.

Capital

BluGlass delivered strong revenue growth in FY25 with annual revenues and income up 16% over the prior corresponding period to \$11.7 million. Revenues comprised the NCSU CLAWS contract, a one-off payment for IP transfer to the European wafer developer, accrued \$6.05 million R&D tax rebate for development activities carried out in Australia and the USA in FY25 (expected receipt in Q2 FY26), foundry services and laser orders. Cash Receipts from customers increased by 216% to \$6.9m from \$2.18m last year, and cash burn from operating activities reduced by \$800k (12%) reduction year on year.



BluGlass strengthened its balance sheet during the year, receiving \$5.4 million R&D tax rebate for development activities carried out in Australia and the USA in FY24, and raising \$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.

Showcased technical improvements at global conferences

During the year, BluGlass continued to showcase technical advances and new product capabilities at leading industry conferences. These global conferences included Photonics West in San Francisco, Laser World of Photonics in Munich, and the International Congress on Nitride Semiconductors in Sweden. Industry conferences provide a strategic platform to engage with existing and prospective customers and partners, supporting BluGlass' commercial opportunities and project pipeline.

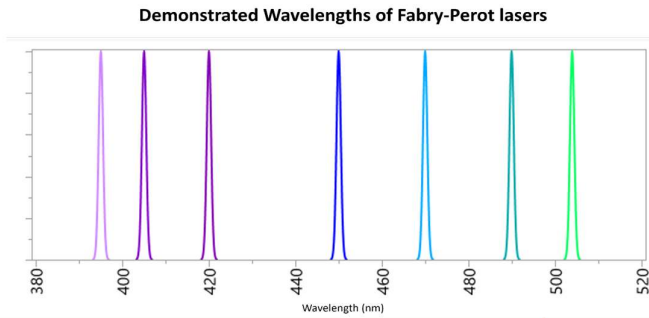
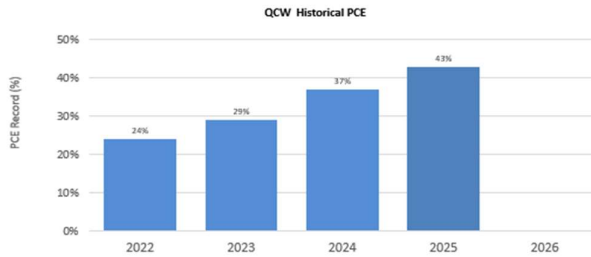
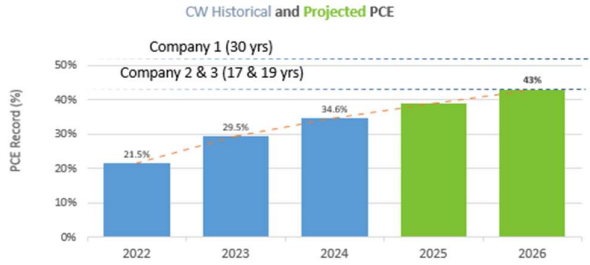
International Congress on Nitride Semiconductors

BluGlass released improved GaN laser results and cutting-edge precision capabilities at the International Congress on Nitride Semiconductors (ICNS15) in Sweden in July.

The invited presentation by Senior Product Developer Dr. Ryan Anderson showcased performance improvements, including multi-mode QCW power conversion efficiencies of 43% - a 16% year-over-year increase. BluGlass expanded its demonstrated single-mode wavelengths to include aquamarine (488nm) and light green (504nm) laser wavelengths, while also continuing to advance development of in-demand true green wavelengths.

The Company is also progressing embedded laser gratings for its distributed feedback (DFB) lasers 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.

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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

Photonics West

In January, BluGlass showcased its breakthrough GaN DFB laser technology and novel device architectures at Photonics West. Dr. Ryan Anderson presented a technical paper highlighting high-performance results and innovations designed for wafer-scale fabrication, reducing downstream alignment costs and enabling compact, high-power solutions. Demonstrated capabilities included near single-frequency emission from violet to aqua-marine wavelengths, side-mode suppression ratios above 40 decibels, and spectral linewidths under 3 picometers. The paper also unveiled advanced semiconductor optical amplifier (SOA) gain chips and a monolithically integrated GaN master oscillator power amplifier (MOPA) achieving 750 mW in single spatial mode, offering significant performance, precision, and form-factor advantages for quantum, defence, biotech, and next-generation photonics applications.

Laser World of Photonics

BluGlass showcased its growing 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.

Hosted Semiconductor Australia 2024

In October, BluGlass hosted Semiconductor Australia 2024, Australia's premier investor conference for the semiconductor, quantum, and photonics industry. The sold-out inaugural event was attended by over 200 in-person participants, and hundreds more online. The one-day conference featured keynote presentations from Australia's Chief Scientist, Dr Cathy Foley and venture capitalist, Peter Barrett, expert roundtable sessions, and presentations from public and private Australian deep-tech leaders, including BluGlass CEO Jim Haden and Chair James Walker.

Intellectual Property

In FY25, BluGlass filed three US patent applications for next-generation high-power, tunable GaN lasers, protecting novel capabilities and device architectures designed to address power, precision and tunability challenges. The new US provisional patents ringfence BluGlass' novel high-peak power continuous wave tunable GaN lasers for use in three critical markets:

- Aerospace, marine and defense applications
- Quantum computing and sensing applications
- Biomedical and biotech applications

BluGlass' intellectual property portfolio currently comprises:

- 51 internationally granted patents in key semiconductor manufacturing jurisdictions, including Japan, Taiwan, China, USA, and Europe.
- 3 applications in Patent Cooperation Treaty stage; and 3 in provisional application stage
- Eight patent families; and
- 13 trademarks.

The Year Ahead:

BluGlass continues to execute on its project-to-product strategy, partnering with industry and defence primes on large revenue-generating development projects while scaling laser revenues. This is a well-established commercialisation strategy for laser companies, providing the fastest path to sustainable profitability.

In FY26, BluGlass remains focused on converting opportunities from its US\$100 million pipeline into large development contracts while also securing new and repeat laser orders. In parallel, BluGlass will continue to advance its technical roadmaps, positioning the business as the global partner of choice for next-generation applications.

The Company's four key strategic objectives for FY26 are:

- Strengthen strategic partnerships across industry, government, and defence;
- Advance technology roadmaps and launch new capabilities;
- Continuous improvement of manufacturing and operations, and
- Win large-scale projects and deliver non-dilutive revenue and development funding.

As the only pure-play visible GaN laser supplier globally, BluGlass enables customers to bring critical capabilities to market across the quantum, defence, aviation, and biotech sectors. The GaN laser market continues to disrupt traditional laser

applications, and gain market share given its significant competitive advantages over IR laser technologies in both existing and emerging markets and applications.

Material Business Risk:

While BluGlass Limited, like any business, is subject to general risks, the key risks specific to our operations include:

- **Development and Commercialisation of Technologies:** The success of BluGlass is highly dependent on the development and commercialisation of its technologies. Any delays or failures in meeting performance expectations could impact our ability to bring products to market and may require additional time and resources to address, potentially delaying commercialisation.
- **Research and Development:** There are inherent risks in our R&D efforts, including the possibility that projects may not achieve desired milestones or commercial viability. Uncertainties in early-stage development could lead to delays or cessation of certain projects.
- **Intellectual Property:** Protecting our intellectual property is crucial, but challenges in enforcement and potential litigation could arise. Additionally, unauthorised use of the BluGlass brand could lead to revenue loss and damage to our brand reputation.

These risks are actively managed to mitigate their potential impact on our business operations.

FINANCIAL SUMMARY

The consolidated loss for the year increased by 8% to \$10,977,894 (2024: \$10,138,866).

The net assets of the consolidated entity decreased by 22% to \$11,591,285 (2024: \$14,886,073).

Revenue, finance income and other income increased by 16% to \$11,704,847. Material variations in revenue received are as follows:

- Revenue from Laser Diode Project of \$3,391,154 (up 65%) was recorded for the year compared to \$2,053,102 in the 2024 financial year.
- Revenue from Laser Diode Product of \$367,560 (up 476%) was recorded for the year compared to \$63,837 in the 2024 financial year.
- Revenue for the provision of foundry services to third parties of \$1,692,426 (down 32%) was recorded for the year compared to \$2,501,498 in the 2024 financial year.
- Revenue recorded from the Research and Development Grant of \$6,053,755 (up 13%) compared to \$5,372,680 in the 2024 financial year.
- Gross expenditure increased by \$2,589,795 (up 13%) to \$22,682,741 compared to \$20,092,946 in the 2024 financial year.
- Cash receipts from customers of \$6,908,799 (up 216%) were recorded for the year compared to \$2,184,441 in the 2024 financial year.
- Net cash outflows from operating activities (cash-burn) reduced by \$799,536 (down 12%) compared to the 2024 financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the developments reported elsewhere in this report, there were no significant changes in the state of affairs during the year.

DIVIDENDS PAID OR RECOMMENDED

No dividends were declared in 2025 or 2024.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no other reportable financial matters subsequent to the end of the Financial Year.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

BluGlass will position itself to take advantage of the growing laser diode market to maximise shareholder return.

BluGlass will continue to validate the RPCVD technology as the Group works towards its industry acceptance goals to commercialise the technology.

These developments, together with the current strategy of continuous improvement and innovation are expected to assist in the achievement of the Group's long-term goals and development of its business opportunities.

ENVIRONMENTAL AND SAFETY ISSUES

The BluGlass RPCVD technology uses some materials classified under the Dangerous Goods Act. All materials and consumables are handled in compliance with relevant regulatory environmental, health and safety codes.

The Group has in place WHS procedures and a Safety Manager who reports weekly to the Chief Operating Officer on all safety and environmental related matters. BluGlass meets and exceeds all state and federal WHS statutory requirements.

There were no reportable incidents during the period.

INFORMATION ON DIRECTORS

MR. JAMES WALKER

Non-Executive Chair
B Comm, FCA, GAICD

Special Responsibilities:

Chair, Audit and Risk Committee member

Current Directorships

Scalare Partners Holdings Limited (ASX: SCP) November 2024 – present
Native Mineral Resources (ASX: NMR) August 2020 – present

Former Directorships in last 3 years:

Kaddy Ltd (ASX: KDY) Sep 2019 – May 2023

Experience and Expertise:

James is an experienced leader in commercialising technology in new markets, with roles as a Non-Executive Chair, Director and Chief Executive of ASX-listed companies. He also has deep experience as a Chief Financial Officer for a UK, AIM-listed technology company as well as executive roles in other growth companies.

He is currently a non-executive Chair of Native Mineral Resources (ASX: NMR) and a non-executive director of Scalare Partners Holdings Limited (ASX: SCP).

James has over 25 years' experience as a Chartered Accountant, company secretary and senior executive of various high growth private companies. James has successfully completed multiple ASX IPOs, corporate acquisition transactions, secondary round raises on both the ASX and UK AIM markets and private capital raises.

James thrives on scaling businesses, commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including deal-tech, data-driven customer experience, sensor systems, mining technology services, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors.

James Walker has been the Chair of BluGlass for five years and director of the Company for seven years.

MR. STEPHE WILKS

Non-Executive Director
BSC, LLM

Special Responsibilities:

Audit and Risk Committee member

Current Directorships

Vonex Limited (ASX:VN8) October 2020 – present

Former Directorships in last 3 years:

1st Group Ltd (ASX:1ST) Jun 2021 – Nov 2022

Experience and Expertise:

Stephe Wilks is a professional company Director, with a long record leading successful global technology companies in high growth and disruptive industries. He has headed several Australian and international technology companies, including as Regional Director (Asia and Japan) Regulatory affairs for BT Asia Pacific, Managing Director of XYZed Pty Ltd (an Optus company), Chief Operating Officer of both Nextgen Networks and Personal Broadband Australia, and as Consulting Director of NM Rothschild and Sons.

Stephe has extensive finance, strategic management, M&A and public affairs expertise add significant value to the BluGlass board.

Stephe Wilks has been a director of BluGlass for seven years.

MR. VIVEK RAO

Non-Executive Director
BS-Electronics, MS-EE

Special Responsibilities:

Audit and Risk Committee Chair

Experience and Expertise:

Vivek Rao is the President & Chief Operations Officer of SPT Microtechnologies (a Division of SPP Technologies). Vivek is a seasoned semiconductor professional with more than 30 years' experience in the semiconductor capital equipment industry in various managerial and technical leadership roles and brings to the BluGlass board a strong understanding of BluGlass' target markets and customers.

Vivek has been a director of BluGlass for eight years.

JEAN-MICHEL PELAPRAT

Non-Executive Director
BSPHy

Experience and Expertise:

Jean-Michel brings deep photonics industry expertise, with over 30 years' experience establishing, commercialising and scaling laser and semiconductor businesses. As co-founder and former Director of NUBURU – a US-based company recognised as a pioneer in blue GaN lasers for industrial, 3D printing and display – Jean-Michel helped steer the business from start-up to a recognised industry leader. Jean-Michel retired as Director of NUBURU in March 2022 and remains as head of the Advisory Board, as the company merges with Tailwind Acquisition Corp to take the business public.

Jean-Michel held numerous leadership positions in high-growth photonics businesses, including President and CEO of Vytran, a fiber optics capital equipment company supplying optical communications, fiber lasers, medical devices, sensing and aerospace applications. He led the business to growth and profitability during the 2009-2010 recession and served on the Board of Vytran's sister company, NKT Photonics.

Other senior roles include Chair and CEO of Novalux, Inc. a start-up developing red-green-blue (RGB) semiconductor laser sources for the projection display industry, and Director of Nuvonux, a pioneer in infrared high-powered semiconductor lasers for industrial and defence.

Prior to Novalux, Jean-Michel spent 13 years at Coherent, Inc. There, his positions included Vice President and General Manager for both Diode-Pumped Solid-State (DPSS) and Laser business and Semiconductor Laser groups—with a focus on aggressive organic growth combined with several M&As. He pioneered the DPSS and the Optically Pumped Semiconductor Laser (OPSL) mass-market adoption. He was also the Vice President of Strategic Marketing for the company.

Jean-Michel holds a degree in Physics from the University of Montpellier, France (USTL) and has undertaken Sales Management and Finance education at the Wharton School of Business and studied Strategic Marketing for the High-Tech Industry at Stanford University. He previously served as the Chair of the Corporate Associates committee and as Director of the Optical Society of America.

Jean-Michel has been a director of BluGlass for four years.

CEO

Mr Jim Haden, MsEE, BEE

Jim Haden is an expert laser diode executive with more than three decades' industry expertise. He has a demonstrated track record transforming advanced technology businesses from R&D and early-stage product development to profitable, high growth commercial entities. He has held senior executive and advisory roles at several of BluGlass' prospective customers and competitors, including Senior Technical and Operations Adviser at Kyocera SLD, Chief Operating Officer at nLight, Director of Operations and Product Line Management at Coherent, and Director of Operations at JDS Uniphase (now Lumentum).

Jim's unique synergy of deep technical, commercialisation and leadership skills along with his extensive customer and supply chain network will be invaluable in helping BluGlass solve our reliability challenges as we transition the Company to profitability and deliver a pipeline of next-generation laser products to market.

In his most recent role at Soora Laser Diode (now Kyocera-SLD), Jim was responsible for guiding operations and development teams to stabilise, improve, and ramp high-power blue GaN lasers. This product development delivered a leading automotive customer (BMW) and rapid revenue growth, assisting in their acquisition by Kyocera in January 2021. Prior to this, Jim was the Chief Operating Officer at nLIGHT, helping transform the business from early-stage revenue generation to its current market leadership position. During his time with nLIGHT, he more than doubled revenue, delivered a four-fold increase in R&D return on investment, streamlined production management, and improved manufacturing yields and cost margins; ultimately assisting the business to attract expansion capital of US\$25M.

Other senior roles include Director of Operations and Product Line Management at Coherent Incorporation, Director of Operations South Bay Operations at JDS Uniphase, and Director of Operations at Spectra Diode Lasers (acquired by JDS Uniphase for US\$41B).

As President, Jim oversees all aspects of the business and has been leading the company for three years.

COMPANY SECRETARY

The following persons held the position of Company Secretary during the financial year:

Ms Patricia Vanni

Ms Patricia Vanni was appointed Company Secretary on 1 July 2024. Ms Vanni is a qualified lawyer with more than 20 years' professional experience spanning corporate governance, mergers & acquisitions, project finance, contracts and compliance, as well as company secretarial services for ASX listed, private, and not-for-profit companies across several industries.

Ms Vanni holds a Bachelor of Laws and is admitted to practice in Brazil and Victoria, Australia. She is also an Affiliate of the Governance Institute of Australia.

REMUNERATION REPORT (AUDITED)

INTRODUCTION

The Directors of BluGlass Limited present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2025. This Remuneration Report forms part of the Directors Report and is subject to audit by the external auditor in accordance with the Corporations Act 2001.

The Report details the nature and amount of remuneration for the Group's non-executive directors and the Group's Key Management Personnel. The Key Management Personnel are the key people accountable for directing the affairs of the Company and its controlled entities.

The people who currently hold Key Management Personnel positions are listed in the table below

NON-EXECUTIVE DIRECTORS		EXECUTIVES	
James Walker	Chair	Jim Haden	Chief Executive Officer
Vivek Rao	Director	Samuel Samhan	Chief Financial Officer
Stephe Wilks	Director	Brad Siskavich	Vice President
Jean-Michel Pelaprat	Director	Ian Mann	Chief Operations & Technology Officer

REMUNERATION STRATEGY

The remuneration policy of BluGlass Limited has been designed to align shareholder objectives with the strategic business objectives of BluGlass. This is achieved by providing;

- a competitive market related fixed remuneration component,
- a small component of short-term incentives and
- long-term incentives based on key performance areas affecting the consolidated entity's ability to commercialise its technology milestones when achieved.

The remuneration policy, setting the terms and conditions for the directors and executives was developed by the remuneration committee and approved by the Board after seeking professional advice from independent external consultants.

The Board of BluGlass Limited aims for the remuneration strategy to attract and retain the appropriate executives and directors to run and manage the consolidated entity.

The ability to attract the best staff is achieved via ensuring all staff as well as executives and directors have access to a meaningful and rewarding long term incentive scheme currently in the form of an employee option scheme in association with an employee share trust that creates goal congruence between directors, executives and shareholders.

The Directors have implemented an employee option plan which will maintain the alignment between directors, executives and shareholders. The framework of the employee option plan is a combination of both Long-Term Incentives (LTI) and Short-Term Incentives (STI) which is based on both pre-agreed personal contribution and company performance goals.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determine payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No such advice has been obtained during the year.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Company's employee option scheme.

The current remuneration of non-executive directors is:

Position	Remuneration
	\$
Chair	165,000
Director	70,000
Committee Chair	5,000
Committee member	2,500

A non-executive director's remuneration thus comprises the base board fee, any applicable committee chair fee and the 11.5% superannuation levy contribution.

	Year	Short Term		Post Employment	Long Term Incentives	Total Remuneration	
		Board and Committee fees cash	Bonus	Super-annuation	*Share Based Payments (performance rights)	Total	% of Remuneration that is Non-cash
		\$	\$	\$	\$	\$	%
Non-executive Directors							
James Walker	2025**	170,000	-	19,550	74,215	263,765	28.14
	2024	165,000	-	18,150	108,386	291,536	37.2
Vivek Rao	2025	75,000		7,875	64,127	147,002	43.62
	2024	75,000		7,875	66,474	149,349	44.5
Stephe Wilks	2025	72,500		8,337	64,127	144,964	44.24
	2024	72,500		7,915	66,474	146,889	45.3
Jean-Michel Pelaprat	2025	70,000		-	64,127	134,127	47.81
	2024	70,000		-	65,716	135,716	48.4
Total	2025	387,500	-	35,762	266,596	689,858	
Total	2024	382,500	-	33,940	307,050	723,490	

* Share based payments includes the periodic annual expense costs for the rights issued to directors.

** James Walker 2025 Board and Committee fees cash includes \$5,000 from recovered from prior years short payments.

EXECUTIVE REMUNERATION

The Board's policy for determining the nature and amount of remuneration for executives of the consolidated entity is as follows.

All key management personnel receive a base salary (which is based on factors such as length of service, performance, qualifications and experience), superannuation, and access to a limited short-term cash incentive scheme and to the longer-term incentive scheme via performance rights.

The executives are entitled to receive performance rights for the year ended 30 June 2025. This is based on a combination of short-term and long-term incentives. The STI is based on 25% of annual base salary and LTI is 5,000,000 performance rights for Mr Jim Haden, and 3,000,000 performance rights for each Messrs Samuel Samhan, Ian Mann and Brad Siskavich. The LTI performance rights which are earned will vest over 3 years. The overall amount of STI and LTI is weighted on 75% on achievement of company goals and 25% on achievement personal contribution goals.

The non-market vesting conditions for these rights are:

- 34% Performance rights will vest upon delivering pre-agreed company goals for FY25;
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY26 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2026; and
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY27 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2027.

Pre-agreed goals include but are not limited to commercialisation of products, achievement of sales targets and operational strategies.

Rights given to executives are valued at grant date using the Black-Scholes model.

The board review executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from similar industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the achievement of specific BluGlass technology and commercial milestones being achieved and the efficient conduct of the Group's operations. All bonuses and incentives are linked to these predetermined performance criteria or milestones. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to reward executives for performance that will result in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements under the employee incentive scheme.

Executives receive a superannuation guarantee contribution required by the government, which is currently 11.5% (12% from 1 July 2025), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

EXECUTIVE TOTAL REMUNERATION

	Year	Short Term			Post Employment	Long Term Incentives	Total Remuneration	
		Cash Salary	KPI Related Incentive	Share Based Payments (performance rights)	Super-annuation	Share Based Payments (performance rights)	Total	% of Remuneration (share based)
		\$		\$	\$	\$	\$	%
Jim Haden	2025	440,359	-	58,843	73,181	88,459	660,842	22.29
	2024	419,389	152,505	33,551	41,819	133,039	780,303	21.3
Samuel Samhan	2025	291,200	-	42,042	36,644	24,430	394,316	16.86
	2024	226,153	-	27,440	24,877	10,001	288,471	13.0
Ian Mann	2025	293,576	-	40,807	36,417	25,584	396,384	16.75
	2024	280,856	-	21,766	34,163	15,867	352,652	10.7
Brad Siskavich	2025	333,270	-	45,616	40,636	25,262	444,784	15.94
	2024	320,452	-	24,434	49,872	15,824	410,582	9.8
Robert Ambrogio (Resigned 29 September 2023)	2025	-	-	-	-	-	-	-
	2024	39,928	-	-	3,468	-	43,396	-
Total	2025	1,358,405	-	187,308	186,878	163,735	1,896,326	
Total	2024	1,286,778	152,505	107,191	154,199	174,731	1,875,404	

The value of share-based payments in the above table reflects the share-based payment expense recognised in the profit and loss and other comprehensive income for the year and not the fair value of the rights granted during the year and may not reflect the current market value of the shares granted.

CONTRACTED EXECUTIVE REMUNERATION

The role of the Company's Company Secretary is contracted from BluGlass to Automic Company Secretarial Pty Ltd (Automic). The contract with Automic includes provisions that the contract may be terminated by either party with one month's notice, subject to any minimum terms. As a contracted position the Company Secretary does not form part of the BluGlass' executive team.

EMPLOYMENT CONTRACTS OF EXECUTIVES

The employment terms and conditions of the president and other executives are formalised in contracts of employment. All executives are permanent employees of BluGlass Limited.

Terms of employment require that the relevant group entity provide an executive contracted person with a minimum of one month's notice prior to termination of contract. The CEO's contract is subject to 3 months' notice. Termination payments are determined by the Board, and a termination payment is deemed appropriate. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least one month's notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

PERFORMANCE BASED REMUNERATION

As part of the executive remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between executives with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with executives to ensure buy-in. The measures are specifically tailored to the areas each executive is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit and cover financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved and the period of employment for the period. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

At the end of 30 June 2025, the IP portfolio included 51 granted patents in various countries covering eight separate patent families. In addition, 11 applications were filed in numerous countries that are at multiple stages of examination including 3 US Provisionals. BluGlass' potential value exists in it being able to commercialise its GaN laser product portfolio and leverage its extensive IP rights into the growing markets for quantum, defence, biotech, consumer electronics, and scientific markets.

	2019	2020	2021	2022	2023	2024	2025
Revenue and other income \$'000	2,747	3,822	4,362	4,266	9,520	10,087	11,705
Net Loss \$'000	14,421	5,994	6,298	9,356	11,751	10,139	10,978
Share price at year-end (cents)	16	3	3	3	4	3	1
Patents lodged	6	8	10	14	8	3	8
Patents granted	18	11	11	9	7	5	11

MOVEMENT IN SHAREHOLDINGS OF KMP AS AT 30 JUNE 2025

	Total	Direct	BLG ESS	*Movement			Total	Direct	*BLG ESS
	Opening Balance			On	Off	Other	Closing Balance		
Non-executive Directors									
James Walker	3,302,102	3,302,102	-	846,154	300,000	-	4,448,256	4,448,256	-
Vivek Rao	1,557,155	1,557,155	-	846,154	300,000	-	2,703,309	2,703,309	-
Stephe Wilks	1,499,458	1,409,458	900,000	846,154	300,000	-	2,645,612	2,555,612	90,000
Jean Michel Pelaprat	366,555	366,555	-	846,154	200,000	-	1,412,709	1,312,709	100,000
Executives									
Jim Haden	12,921,575	11,998,475	923,100	846,154	2,442,926	-	16,210,655	13,711,605	2,499,050
Samuel Samhan	-	-	-	846,154	100,000	-	946,154	946,154	-
Ian Mann	6,351,096	4,942,991	1,408,105	846,154	1,349,976	-	8,547,226	6,659,799	1,887,428
Brad Siskavich	2,549,874	2,187,944	361,930	846,155	1,119,334	-	4,515,363	3,672,523	842,840

* On/off movement represents share acquisition movement on-market and off-market. Off-market transactions typically represent the receipt of shares from vested options/rights.

Options and performance rights held by KMP as at 30 June 2025

	Movement							Closing Balance	Vested and exercisable	Unvested
	Opening Balance	Vested in O/B	Vested in period	Total Vested	Exercised	Granted in period	Expired or Forfeited in period			
Non-executive Directors										
James Walker	4,491,489	100,000	200,000	300,000	(300,000)	-	-	4,191,489	7	93
Vivek Rao	3,491,489	200,000	100,000	300,000	(300,000)	-	-	3,191,489	9	91
Stephe Wilks	3,491,489	200,000	100,000	300,000	(300,000)	-	-	3,191,489	9	91
Jean-Michel Pelaprat	3,391,489	100,000	100,000	200,000	(200,000)	-	-	3,191,489	6	94
Executives										
Jim Haden	6,791,900	-	1,575,950	1,575,950	(1,575,950)	5,000,000	(3,000,000)	7,215,950	22	78
Samuel Samhan	1,000,000	-	166,600	166,600	(166,600)	3,000,000	(510,000)	3,323,400	5	95
Ian Mann	1,695,145	-	479,323	479,323	(479,323)	3,000,000	(612,500)	3,603,322	13	87
Brad Siskavich	1,702,570	-	480,910	480,910	(480,910)	3,000,000	(618,750)	3,602,910	13	87

Options and performance rights vested when the vesting criteria for the share option have been met. Options and performance rights are then converted into ordinary shares and held in the BluGlass Employee Share Scheme Trust until they are elected to be withdrawn by the beneficiary.

For clarity the vested options held as shares in the Trust are also disclosed in the KMP's shareholding above as they can be exercised and withdrawn at any time once vested.

SHARES ISSUED ON EXERCISE OF COMPENSATION OPTIONS

No options were exercised during the year by the Company's employee share trust, BluGlass Employee Incentive Plan Pty Ltd. When options that have been granted as compensation in prior periods meet the requisite vesting conditions they are exercised by the trust into shares. These shares are then held in the share trust for the eligible employees until employees exercise their right to withdraw the vested shares from the trust. During the year no shares were withdrawn from the trust.

APPROVAL OF 2024 REMUNERATION REPORT

A resolution seeking approval of the 2024 Remuneration Report was tabled at the October 2024 Annual General Meeting. The resolution was passed at that meeting with the vote in favour recorded of 90.85%.

REMUNERATION ADVISORS

No remuneration advisors were engaged during the year nor was any formal remuneration advice received during the year.

END OF REMUNERATION REPORT - AUDITED

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DIRECTORS' REPORT CONTINUED

MEETINGS OF DIRECTORS

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS - Audit & Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
James Walker	7	7	1	1
Vivek Rao	7	7	1	1
Stephe Wilks	7	6	1	1
Jean Michel Pelaprat	7	7	-	-

INDEMNITIES GIVEN TO AND INSURANCE PREMIUMS PAID FOR AUDITORS AND OFFICERS

The Group has entered into Deeds of Indemnity, Insurance and Access with each of the directors and the Company Secretary. Each deed provides officers with the following:

- A right to access certain Board papers of the Group during the period of their tenure and for a period of seven years after that tenure ends;
- Subject to the Corporations Act 2001, an indemnity in respect of liability to persons other than the Group and its related bodies corporate that they may incur while acting in their capacity as an officer of the Group or a related body corporate, except where that liability involves a lack of good faith, and for defending certain legal proceedings; and the requirement that the Group maintains appropriate directors' and officers' insurance for the officer;
- No liability has arisen under these indemnities as at the date of this report;
- The Group has paid premiums of \$72,946 (2024: \$81,619) to insure each of the directors, secretary and executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Group, other than conduct involved in a wilful breach of duty in relation to the Group; and
- The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

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OPTIONS

At the date of this report, the unissued ordinary shares of BluGlass Limited under option/rights are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
15 July 2022	1 March 2026	-	4,770,539
12 August 2022	1 March 2026	-	534,350
25 February 2023	1 March 2026	-	1,791,900
28 February 2023	24 March 2026	0.120	4,000,000
15 December 2023	15 December 2028	-	4,366,059
15 December 2023	15 December 2028	-	4,929,351
21 December 2023	21 December 2028	-	2,468,640
15 July 2024	28 February 2027	0.060	135,136
13 December 2024	31 December 2029	-	27,330,000
4 March 2025	28 February 2027	0.060	188,000
19 June 2025	31 May 2026	0.013	180,845,544
24 June 2025	31 May 2026	0.013	391,793,079
1 July 2025	31 May 2026	0.013	153,846,154
1 July 2025	31 May 2026	0.013	19,500,000
1 July 2025	31 May 2026	0.013	9,230,769
			805,729,521

CORPORATE GOVERNANCE POLICY AND STATEMENT

The Groups Corporate Governance statement can be viewed on the Company's website at www.bluglass.com

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party or taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

No amounts have been paid to the auditors of the Group, In.Corp Audit & Assurance Pty Ltd, or its related practices for non-audit services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required by s307C of the Corporations Act 2001 for the year ended 30 June 2025 has been received and can be found on page 21 and forms part of the Directors' Report.

This Directors' Report incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

James Walker



Non-Executive Chair
27 August 2025

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001**

To the members of BluGlass Limited

As lead auditor for the audit of BluGlass Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BluGlass Limited and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 27 August 2025

In.Corp Audit & Assurance Pty Ltd
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PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated Entity	
		2025	2024
		\$	\$
Revenue	2	5,451,140	4,618,437
Other income	2	6,193,877	5,405,859
Finance income	2	59,830	62,676
Employee benefits expense	17	(8,489,421)	(7,411,476)
Professional fees		(210,171)	(262,075)
Board and secretarial fees		(541,666)	(509,744)
Corporate compliance & legal expense		(198,067)	(203,710)
Consultant fees		(322,743)	(71,959)
Finance cost		(441,492)	(351,024)
Office Utilities		(1,292,878)	(1,277,307)
Rent expense		(324,170)	(246,655)
Subscriptions		(684,607)	(532,795)
Travel and accommodation expense		(257,485)	(275,586)
Consumables		(3,166,633)	(2,071,834)
Depreciation and amortisation expense		(3,294,271)	(3,029,475)
Share based payment expense		(552,013)	(769,506)
Other expenses		(2,907,124)	(3,079,800)
Loss before income tax	3	(10,977,894)	(10,005,974)
Income tax expense	4	-	(132,892)
Loss for the year		(10,977,894)	(10,138,866)
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		146,023	(47,446)
Total comprehensive income		(10,831,871)	(10,186,312)
Earnings Per Share			
Basic loss per share (cents per share)	6	(0.59)	(0.63)
Diluted loss per share (cents per share)	6	(0.59)	(0.63)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the following notes.

FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Consolidated Entity	
		2025	2024
		\$	\$
Current Assets			
Cash and cash equivalents	7	5,737,859	5,573,205
Trade and other receivables	8	7,772,435	8,221,301
Inventories	9	1,069,037	886,346
Other current assets	10	33,285	36,814
TOTAL CURRENT ASSETS		14,612,616	14,717,666
Non-Current Assets			
Security deposits		698,931	415,158
Plant and equipment	11	8,618,849	8,007,282
Intangible assets	12	-	-
TOTAL NON-CURRENT ASSETS		9,317,780	8,422,440
TOTAL ASSETS		23,930,396	23,140,106
Current Liabilities			
Trade and other payables	14	2,951,046	1,391,874
Lease liabilities	21	782,012	862,419
Short-term provisions	15	700,052	621,040
Borrowings	16	3,047,908	1,149,236
TOTAL CURRENT LIABILITIES		7,481,018	4,024,569
Non-Current Liabilities			
Long-term provisions	15	1,583,497	1,564,994
Lease liabilities	21	3,274,596	2,664,470
TOTAL NON-CURRENT LIABILITIES		4,858,093	4,229,464
TOTAL LIABILITIES		12,339,111	8,254,033
NET ASSETS		11,591,285	14,886,073
Equity			
Issued capital	18	120,076,236	112,583,155
Reserves	19	549,028	359,003
Accumulated losses	20	(109,033,979)	(98,056,085)
TOTAL EQUITY		11,591,285	14,886,073

The consolidated statement of financial position should be read in conjunction with the following notes.

CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Note	Issued Capital	Share-Based Payments Reserve	Other Reserves	Accumulated Losses	Total
Consolidated Entity		\$	\$	\$	\$	\$
Balance at 1 July 2023		101,886,520	372,581	(454,722)	(87,917,219)	13,887,160
Loss for the year		-	-	-	(10,138,866)	(10,138,866)
Other comprehensive income		-	-	(47,446)	-	(47,446)
Total comprehensive income for the year		-	-	(47,446)	(10,138,866)	(10,186,312)
Transactions with owners in their capacity as owners						
Shares issued during the year	18	11,200,634	-	-	-	11,200,634
Share transaction costs during the year	18	(779,040)	-	-	-	(779,040)
Shares issued in lieu of cash		134,669	(134,669)	-	-	-
Share based payments	23	-	769,506	-	-	769,506
Rights exercised	23	140,372	(140,372)	-	-	-
Forfeited options	23	-	(5,875)	-	-	(5,875)
Balance at 30 June 2024		112,583,155	861,171	(502,168)	(98,056,085)	14,886,073
Balance at 1 July 2024		112,583,155	861,171	(502,168)	(98,056,085)	14,886,073
Loss for the year		-	-	-	(10,977,894)	(10,977,894)
Other comprehensive income		-	-	146,023	-	146,023
Total comprehensive income for the year		-	-	146,023	(10,977,894)	(10,831,871)
Transactions with owners in their capacity as owners						
Shares issued during the year	18	7,670,975	-	-	-	7,670,975
Share transaction costs during the year	18	(700,768)	-	-	-	(700,768)
Shares issued in lieu of cash		152,967	(152,967)	-	-	-
Share based payments		-	552,013	-	-	552,013
Rights exercised		355,044	(355,044)	-	-	-
Options exercised		14,863	-	-	-	14,863
Balance at 30 June 2025		120,076,236	905,173	(356,145)	(109,033,979)	11,591,285

The consolidated statement of changes in equity should be read in conjunction with the following notes.

CASHFLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated Entity	
		2025	2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,908,799	2,183,441
Research and development tax rebate		5,372,680	7,306,966
Interest received		59,830	62,676
Interest paid on lease liabilities	21	(272,386)	(331,902)
Taxes Paid		-	(134,437)
Payments to suppliers and employees		(18,219,665)	(16,037,022)
Net cash used in operating activities	23	(6,150,742)	(6,950,278)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for security deposits		(283,773)	-
Purchase of plant and equipment		(1,808,502)	(1,466,320)
Disposal of plant and equipment		7,392	-
Net cash used in investing activities		(2,084,883)	(1,466,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs	18	7,451,688	9,389,106
Lease liability		(780,993)	(725,076)
Interest paid		(169,106)	(81,797)
Proceeds from Borrowings		4,547,152	3,705,136
Borrowing repayments		(2,648,462)	(2,555,900)
Net cash provided by financing activities		8,400,279	9,731,469
Net increase/(decrease) in cash held		164,654	1,314,871
Cash at beginning of financial year		5,573,205	4,258,334
Cash at end of financial year	7	5,737,859	5,573,205

The consolidated statement of cash flows should be read in conjunction with the following notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

The financial report covers BluGlass Limited as a consolidated entity ("Group"). BluGlass Limited is a listed public Company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity BluGlass Limited have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 26 August 2025 by the directors of the Company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

Basis of Preparation

The consolidated general-purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). BluGlass Limited is a for-profit entity for the purpose of preparing financial statements.

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

Notwithstanding the loss of \$10,977,894 and the negative cashflows from operations of \$6,150,742 for the financial year, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, on the following basis:

- The Group has cash and cash equivalents of \$5,737,859 as at 30 June 2025 (2024: \$5,573,205). As at that date, the Group had current assets of \$14,612,616 (2024: \$14,717,666) and net assets of \$11,591,285 (2024: \$14,886,073). The Group has performed a detailed cash flow forecast, and determined that it will have adequate cash resources with the anticipated research and development tax rebate and future capital raises;
- The Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001. The Group has raised in excess of \$7.6 million in the 2025 financial year. The Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required;
- If required, the Group has the ability to finance the 2026 research and development tax rebate to have access to the funding earlier, which will improve the liquidity of the Group; and
- The Group has the ability to scale back a significant portion of its development activities if required.

As a result of these factors, there is material uncertainty as to whether the Group will continue as a going concern and therefore whether it will realise its assets and settle its liabilities and commitments in the normal course of business at the amounts stated in the financial report.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

Notwithstanding the above, the Directors are confident they will be successful in one of or a combination of the above factors and on this basis the financial report has been prepared on a going concern basis. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts and of the liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the Directors have prepared the financial report on a going concern basis.

Accounting Policies

a. Tax consolidation

BluGlass Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. BluGlass Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 21 September 2006. The tax consolidated group has entered a tax sharing agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

b. Plant and Equipment

Each class of plant and equipment is carried at cost, less, any accumulated depreciation and impairment losses.

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	10%
Leasehold improvements	20-100%
Plant and equipment	33.33%
Computer hardware and software	33.33%
Right of use	Life of lease

c. Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks and intellectual property have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 5 to 10 years. All new patent and trademark costs are expensed during the year they are incurred.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

c. Intangibles continued

Intellectual property

Intellectual property (IP) which represents in process research is recognised at cost of acquisition. IP has a finite life once the asset is ready for use. Once the asset is ready for use the asset will be carried at cost less any accumulated amortisation and any impairment losses.

d. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent and controlled entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

e. Equity-settled compensation

The Group operates an equity-settled share-based payment employee share and option scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of rights with non-market conditions is ascertained using the Black Scholes model. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

f. Revenue and Other Income

Revenue arises mainly from foundry revenue and laser diode revenue. To determine whether to recognise revenue, the Group follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract for foundry revenue and laser diode revenue is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised consistent with the pattern of transfer of control of the underlying good or service to the customer. Accordingly, when the entity satisfies a distinct performance obligation at a point in time (such as on the delivery of wafers), revenue attributable to the associated good or service is recognised in full at that time. Alternatively, when the entity satisfies a distinct performance obligation over time (such as when it undertakes or provides research and development services to a customer), revenue attributable to the associated good or service is recognised on a pro-rata basis over the relevant

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

f. Revenue and Other Income continued

period. The Group currently has no obligation for returns, refunds or warranties.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

g. Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

h. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates — Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates — Share Options and Performance Rights

The Company issues options under the BluGlass Limited employee incentive option scheme. The options and performance rights granted in the year were valued using the Black-Scholes model at the date of grant. The prior year options and performance rights were valued using the same methodology. The key inputs to the pricing model are disclosed on Note 24. In addition to the pricing, key judgements revolve around the likelihood of vesting and estimated vesting date where there are vesting conditions. These judgements impact the expense recorded for the period.

Key estimates — Deferred Taxes

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in relevant tax jurisdictions in relation to the value of accessible carried forward losses into future years.

Key estimates- R&D tax rebate

The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured. Judgement is applied to each transaction the Group incurs each financial year, by determining a percentage of each transaction that relates to R&D. R&D income is determined using eligibility criteria and percentages of eligibility estimated by management. These estimated eligibility percentages determine the base for which the R&D tax rebate is calculation and therefore is subject to a degree uncertainty.

Key estimates- Lease make good provision

The Group has received an external estimate to return the current lease to the original condition the property was in at the beginning of the lease. This judgement impacts the provisions recorded and the expensed amounts for the period.

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

h. Critical accounting estimates and judgments continued

Key estimates- Useful lives of depreciable assets

Useful lives and residual values of depreciable assets Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets.

i. Adoption of New and Revised Accounting Standards

The Group has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2024. None of these have a material impact on the Group's financial statements.

j. Accounting standards and interpretations issued but not yet effective

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Entity	
	2025	2024
	\$	\$
Revenue		
Foundry Services Revenue – recognised at a point in time	1,692,426	2,501,498
Laser Diode Product Revenue – recognised at a point in time	367,560	63,837
Laser Diode Project Revenue – recognised overtime	3,391,154	2,053,102
Total Revenue	5,451,140	4,618,437
Other Income		
Research and development tax rebate	6,053,755	5,372,680
Other	140,122	33,179
Total other income	6,193,877	5,405,859
Finance Income		
Interest received	59,830	62,676
Total finance income	59,830	62,676

NOTE 3: LOSS FOR THE YEAR

	Consolidated Entity	
	2025	2024
	\$	\$
Expenses		
Finance cost on right of use asset leases	272,386	331,902
Share based payments	552,013	769,506

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NOTE 4: INCOME TAX EXPENSE

	Consolidated Entity	
	2025	2024
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	(10,977,894)	(10,005,974)
Prima facie tax payable on loss before income tax at 25% (2022: 25%) consolidated entity	(2,744,474)	(2,501,494)
Add:		
Tax effect of:		
Share based payments during the year	138,003	192,377
Non-allowable items (R&D)	1,965,731	1,744,577
Other non-allowable items	22,958	11,289
Income tax benefits not brought to account	617,782	420,359
	-	(132,892)
Accumulated tax losses not brought to account:		
Australia	25,834,867	26,566,186
Potential tax benefit at 25%	6,458,717	6,641,547
United States	6,056,470	3,006,262
Potential tax benefit at 21%	1,271,859	631,315

NOTE 5: AUDITOR'S REMUNERATION

	Consolidated Entity	
	2025	2024
	\$	\$
Remuneration of the auditor for:		
In.Corp Audit & Assurance Pty Ltd auditing or reviewing the financial report	65,000	40,000
Grant Thornton reviewing the financial report	-	26,748
	67,205	66,748

NOTE 6: LOSS PER SHARE

	Consolidated Entity	
	2025	2024
	\$	\$
(a) Loss attributable to members of the parent entity	10,977,894	10,138,866
(b) Basic and diluted loss per share (cents per share)	0.59	0.63
	No.	No.
(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS.	1,870,955,312	1,621,508,554

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2025	2024
	\$	\$
Cash at bank and in hand	5,737,514	5,384,796
Short-term bank deposits	-	188,064
Petty cash	345	345
	5,737,859	5,573,205

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2025	2024
	\$	\$
Research and development tax rebate	6,065,794	5,372,680
Trade receivables	1,333,141	786,332
Other receivables	373,500	2,062,289
	7,772,435	8,221,301

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. No impairment of receivables is deemed to exist. There were no bad debts during the year (2024: \$nil).

NOTE 9: INVENTORIES

	Consolidated Entity	
	2025	2024
	\$	\$
CURRENT		
Consumables at cost	1,069,037	886,346
	1,069,037	886,346

NOTE 10: OTHER CURRENT ASSETS

	Consolidated Entity	
	2025	2024
	\$	\$
CURRENT		
Prepayments	33,285	36,814
	33,285	36,814

NOTE 11: PLANT AND EQUIPMENT

	Consolidated Entity	
	2025	2024
	\$	\$
Plant and equipment		
At cost	19,201,870	16,803,933
Accumulated depreciation	(15,015,397)	(12,652,177)
Total plant and equipment	4,186,473	4,151,756
Leasehold improvements		
At cost	6,648,917	6,558,861
Accumulated depreciation	(6,524,339)	(6,468,884)
Total leasehold improvements	124,578	89,977
Lease make good provision		
At cost	1,540,344	1,536,932
Accumulated depreciation	(943,002)	(1,006,018)
Total lease make good provision	597,342	530,914
Computer equipment		
At cost	551,117	519,173
Accumulated depreciation	(497,653)	(454,211)
Total computer equipment	53,464	64,962
Furniture and fittings		
At cost	241,775	236,857
Accumulated depreciation	(221,188)	(194,690)
Total furniture and fittings	20,587	42,167
Right of use asset		
At cost	6,836,989	5,459,418
Accumulated depreciation	(3,200,584)	(2,331,912)
Total right of use asset	3,636,405	3,127,506
Total plant and equipment	8,618,849	8,007,282

NOTE 11: PLANT AND EQUIPMENT (CONT.)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Right of use Asset	Plant and Equipment *	Lease Make Good	Leasehold Improvements	Computer Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated Entity:							
Balance at 30 June 2024	3,127,506	4,151,756	530,914	89,977	64,962	42,167	8,007,282
Additions	-	2,317,982	-	88,179	30,916	3,968	2,441,045
Remeasurement of lease liability	1,377,571	-	-	-	-	-	1,377,571
Depreciation expense	(868,672)	(2,363,220)	63,016	(55,455)	(43,442)	(26,498)	(3,294,271)
Exchange rate movement		79,955	3,412	1,877	1,028	950	87,222
Balance at 30 June 2025	3,636,405	4,186,473	597,342	124,578	53,464	20,587	8,618,849

*The value of assets under construction of \$2,116,671 (2024: \$46,627) is included within plant and equipment that is not yet depreciated.

NOTE 12: INTANGIBLE ASSETS

	Consolidated Entity	
	2025	2024
	\$	\$
In process research and development:		
Cost	12,130,080	12,130,080
Accumulated impairment	(12,130,080)	(12,130,080)
Net carrying value	-	-

NOTE 13: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
		2025	2024
Parent Entity:			
BluGlass Limited	Australia	-	-
Subsidiaries of BluGlass Limited:			
Semiconductor Industry Australia Pty Ltd	Australia	100	100
Gallium Enterprises Pty Ltd	Australia	100	100
EpiBlu Technologies Pty Ltd	Australia	100	100
BluGlass Incorporated	United States	100	100

* Percentage of voting power is in proportion to ownership

NOTE 14: TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2025	2024
	\$	\$
Current		
Trade payables	2,074,367	576,955
Sundry payables and accrued expenses	876,679	814,919
	2,951,046	1,391,874

The carrying value of trade payables, sundry and accrued payables are considered to be reasonable approximation of fair value.

NOTE 15: PROVISIONS

	Consolidated Entity	
	2025	2024
	\$	\$
Current		
Employee benefits	700,052	621,040
Total Current provisions	700,052	621,040
Non-Current		
Lease make good	1,540,344	1,536,932
Employee benefits	43,153	28,062
Total Non-current provisions	1,583,497	1,564,994
	2,283,549	2,186,034

	Lease Make Good	Employee Benefits	Total
	\$	\$	\$
Consolidated Group			
Opening balance at 1 July 2024	1,536,932	649,102	2,186,034
Additional provisions	-	292,460	292,460
Exchange rate movements	3,412	-	3,412
Amounts used	-	(198,357)	(198,357)
Total Non-current provisions	1,540,344	743,205	2,283,549

NOTE 16: BORROWINGS

	Consolidated Entity	
	2025	2024
	\$	\$
Current		
Borrowings*	3,047,908	1,149,236
	3,047,908	1,149,236

*BluGlass executed two loan agreements with Innovation Structured Finance Co., LLC ("RADIUM Capital") on 19 February 2025 and 11 April 2025. The two loans, with a maturity date of 31 December 2025 and an annual interest rate of 16%, are secured by the FY25 R&D tax rebate claim.

NOTE 17: EMPLOYEE BENEFITS EXPENSE

	Consolidated Entity	
	2025	2024
	\$	\$
Wages and salaries	8,240,384	7,190,413
Superannuation	249,037	221,063
Total employee benefit expense	8,489,421	7,411,476
Share based payments	552,013	769,506

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NOTE 18: ISSUED CAPITAL

	Consolidated Entity	
	2025	2024
	\$	\$
2,413,198,962 (2024: 1,827,108,411) fully paid ordinary shares	120,076,236	112,583,155
Total employee benefit expense	120,076,236	112,583,155
	No.	\$
(a) Ordinary Shares 2025		
At the beginning of reporting period	1,827,108,411	112,583,155
Shares issued during the year		
15 July 2024	135,136	6,216
6 September 2024	9,399,895	282,297
16 September 2024	2,531,360	124,487
11 November 2024	97,537	4,097
19 December 2024	1,000,000	93,430
22 January 2025	100,000	3,700
5 March 2025	188,000	8,648
9 May 2025	177,460,928	2,306,992
24 June 2025	3,384,616	44,000
24 June 2025	391,793,079	3,819,982
30 June 2025 *	-	1,500,000
Share Issue transaction costs	-	(700,768)
At reporting date	2,413,198,962	120,076,236
	No.	\$
(a) Ordinary Shares 2024		
At the beginning of reporting period	1,528,045,654	101,886,520
Shares issued during the year		
7 December 2023	17,436,556	1,032,488
15 December 2023	2,992,650	134,669
15 December 2023	810,199	38,079
19 February 2024	116,216,213	4,300,000
5 April 2024	270,000	9,990
5 April 2024	216,217	8,000
5 April 2024	54,055	2,000
5 April 2024	216,217	8,000
2 April 2024	3,008,593	102,292
3 April 2024	157,842,057	5,840,157
Share Issue transaction costs	-	(779,040)
At reporting date	1,827,108,411	112,583,155

*\$1,500,000 proceeds were received on 30 June 2025, the related 153,846,154 Ordinary Shares were issued on 1 July 2025.

NOTE 18: ISSUED CAPITAL (CONT.)

(a) Shares

SHARES ISSUED IN 2025 FINANCIAL YEAR

- On 15 July 2024 and 4 March 2025, BluGlass issued 135,136 and 188,000 fully paid shares consecutively as part of exercised options at \$0.046 related to the 2024 capital raise.
- On 15 December 2023, as part of the STI program for key personnel, 2,992,650 fully paid shares were issued in lieu of their cash bonuses on achievement of FY23 company's KPI's. The shares were issued at \$0.045 per share.
- Share parcels issued between 6 September 2024 to 22 January 2025 were in relation to STI and LTI program, 6,118,676 fully paid shares were issued as STI paid in shares, and the remainder 1,402,023 fully paid shares were issued on conversion of vested Performance Rights exercised by employees under the Incentive Option & Performance Rights.
- On 9 May 2025, BluGlass completed Placement offer to a group of International and Australian Institutional and sophisticated investors via a share Placement offer of \$0.013 per share. The placement raised \$2,306,992 before costs for 177,460,928 new fully paid ordinary shares, the amount includes key personnel contribution to the raise of \$44,000 for 3,384,616 fully paid ordinary shares. The issue price represented a 18.75% discount to the last closing share price on 28 April 2025 and a 25.5% discount to the 10-day volume weighted average market price of the Company's shares. The Placement includes one free attaching listed option for every new share (Attaching Option), exercisable at \$0.013 and expiring on 31 May 2026. Every free attaching option exercised will include one fully paid share and one additional option (Piggyback Option), exercisable at \$0.019 and expiring on 31 May 2028.
- Shares issued on 24 June 2025 were the directors' placement of \$44,000 for 3,384,616 fully paid ordinary shares which was approved by shareholders. The same terms of the Placement offer applied.
- On 24 June 2025 were in relation to a Share Purchase Plan, enabling eligible shareholders to subscribe for new shares in the Company, raising \$3,819,982 before costs for 391,793,079 new fully paid ordinary shares at \$0.013 per share. The same terms of the Placement offer applied.
- 153,846,154 Ordinary Shares were issued on 1 July 2025 for new investors, the related \$1,500,000 proceeds were received on 30 June 2025, closing the shortfall of Share Purchase Plan. The same \$0.013 price and terms of the Placement offer applied.

SHARES ISSUED IN 2024 FINANCIAL YEAR

- On 7 December 2023, BluGlass issued 17,436,556 fully paid shares as part of the consideration for the acquisition of GaNWorks Foundry Inc., at \$0.059 per share in lieu of cash payment of \$1,032,488.
- On 15 December 2023, as part of the STI program for key personnel, 2,992,650 fully paid shares were issued in lieu of their cash bonuses on achievement of FY23 company's KPI's. The shares were issued at \$0.045 per share.
- On 15 December 2023, as part of the LTI program for key personnel, 810,199 fully paid shares were issued in conversion of vested Performance Rights exercised by employees under the Incentive Option & Performance Rights. The shares were issued at \$0.047 per share.
- On 19 February 2024, BluGlass completed Placement offer to a group of International and Australian Institutional and sophisticated investors via a share placement offer of \$0.037 per share. The placement raised \$4,300,000 before costs for 116,216,213 new fully paid ordinary shares. The issue price represented a 19.6% discount to the last closing share price on 8 February 2024 and a 24.3% discount to the 15-day volume weighted average market price of the Company's shares. The Placement includes one free attaching listed option for every new share (Attaching Option), exercisable at \$0.046 and expiring on 28 February 2025. Every free attaching option exercised will include one fully paid share and one additional option (Piggyback Option), exercisable at \$0.06 and expiring on 28 February 2027.
- On 2 April 2024, as part of the LTI program for key personnel, 3,008,593 fully paid shares were issued in conversion of vested Performance Rights exercised by employees under the Incentive Option & Performance Rights. The shares were issued at \$0.034 per share.
- Share parcels issued between 3 April 2024 to 5 April 2024 were in relation to a Share Purchase Plan, enabling eligible shareholders to subscribe for new shares in the Company, raising \$5,868,146 before costs for 158,598,546 new fully paid ordinary shares at \$0.037 per share. The same terms of the Placement offer applied.

NOTE 18: ISSUED CAPITAL (CONT.)

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Shares have no par value.

(b) Options

For information relating to the BluGlass Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, refer to Note 24 Share-based Payments.

(c) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the consolidated entity can fund its operations and continue as a going concern.

The consolidated entity's capital comprises ordinary share capital. There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year.

NOTE 19: RESERVES

(a) Share-based payments reserve

The reserve records items recognised as expenses on valuation of employee share options and shares. The Company has elected to reclassify amounts representing expired options to accumulated losses.

(b) Foreign currency translation reserve

Comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Australia dollars.

(c) Other reserves

This reserve is used to recognise the difference between purchase consideration paid and the non-controlling interest carrying value.

	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Consolidated Group				
Opening balance at 1 July 2024	861,171	480,282	(982,450)	359,003
Movement	44,002	146,023	-	190,025
Balance at 30 June 2025	905,173	626,305	(982,450)	549,028

NOTE 20: ACCUMULATED LOSSES

	Consolidated Entity	
	2025	2024
	\$	\$
Beginning of financial year	(98,056,085)	(87,917,219)
Net loss	(10,977,894)	(10,138,866)
End of financial year	(109,033,979)	(98,056,085)

NOTE 21: LEASE LIABILITIES

	Consolidated Entity	
	2025	2024
	\$	\$
Current	782,012	862,419
Non-Current	3,274,596	2,664,470
	4,056,608	3,526,889
Future lease payments in relation to lease liabilities as at year end are as follows:		
Within one year	1,297,955	1,041,320
Later than one year but not later than five years	3,617,473	2,946,576
Later than five years	593,636	-
	5,509,064	3,987,896
Amounts recognised in the statement of profit or loss		
Interest expense (Included in finance cost)	272,386	331,902
Total cash outflow for leases	1,053,379	1,056,978

The Silverwater lease was extended for an additional term of five years to February 2033. The property lease is a non-cancellable lease with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the greater of CPI or 4.0% per annum. The lease does not allow for subletting of any lease areas. The lease for 74 Asquith Street is supported by The Commonwealth Bank of Australia ("CBA") bank guarantee for \$168,000. Collateral for the bank guarantee is an off-set against cash invested with the CBA for \$168,000.

BluGlass entered into a four-year lease from November 2021 for a facility in New Hampshire USA for packaging and testing. The property lease is a non-cancellable lease with a four-year term. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 2.5% per annum. The lease does not allow for subletting of any lease areas.

BluGlass agreed to three-year lease in May 2022 for the new facility in California USA with the lease commencing 1 May 2022. The property lease is a non-cancellable lease with a three-year term with an extension option for an additional three years to July 2028 with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3.5% per annum. The lease does not allow for subletting of any lease areas. This lease is supported by Collateral Pledge of \$US125,000 held at the Primary Bank and a security deposit of \$US75,000 held by the landlord. There is also a Collateral Pledge held in favour of the City of Fremont, which will be returned on exit of the property in a state satisfactory to the authorities.

NOTE 22: OPERATING SEGMENTS

(a) Business and geographical segments

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of research and development activities. The Group's operation has one main risk profile and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the product or service;
- the distribution method; and
- any external regulatory requirements

Applying the above criteria, the Group only has one operating division being the research and manufacture of Gallium Nitride (GaN).

The Group operates in two geographical area being in Australia and the United States.

	Australia	USA	Intersegmental Elimination	Total
	\$	\$	\$	\$
30 June 2025				
Sales to Customers	1,697,426	3,753,714	-	5,451,140
Intersegment Revenue	1,157,671	9,047,414	(10,205,085)	-
Other Revenue	6,193,877	-	-	6,193,877
Interest Revenue	59,830	-	-	59,830
Total Segment Revenue	9,108,804	12,801,128	(10,205,085)	11,704,847
Depreciation and amortisation	305,203	2,989,068	-	3,294,271
Employee benefit expense	2,604,186	5,885,235	-	8,489,421
Other expenses	13,438,918	7,665,216	(10,205,085)	10,899,049
Segment Results	(7,239,503)	(3,738,391)	-	(10,977,894)
Segment Non-Current Assets	13,642,080	6,532,529	(10,856,829)	9,317,780
Segment Assets	26,707,808	8,079,417	(10,856,829)	23,930,396
Segment Liabilities	8,299,853	15,342,299	(11,303,041)	12,339,111

NOTE 22: OPERATING SEGMENTS (CONT.)

	Australia	USA	Intersegmental Elimination	Total
	\$	\$	\$	\$
30 June 2024				
Sales to Customers	2,525,498	2,116,940	-	4,642,438
Intersegment Revenue	632,858	8,472,728	(9,105,586)	-
Other Revenue	5,372,680	9,178	-	5,381,858
Interest Revenue	62,676	-	-	62,676
Total Segment Revenue	8,593,712	10,598,846	(9,105,586)	10,086,972
Depreciation and amortisation	403,334	2,626,141	-	3,029,475
Employee benefit expense	2,182,511	5,228,965	-	7,411,476
Other expenses	12,338,412	6,552,061	(9,105,586)	9,784,887
Segment Results	(6,330,545)	(3,808,321)	-	(10,138,866)
Segment Non-Current Assets	9,285,509	7,102,324	(7,965,393)	8,422,440
Segment Assets	22,580,029	8,525,470	(7,965,393)	23,140,106
Segment Liabilities	4,620,620	12,127,617	(8,494,204)	8,254,033

NOTE 23: CASH FLOW INFORMATION

	Consolidated Entity	
	2025	2024
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(10,977,894)	(10,138,866)
Non-cash flows in loss		
Depreciation and amortisation expense	3,294,271	3,029,475
Share based payment expense	552,013	769,506
Interest paid included in financing activities	169,106	81,797
Other non-cash items	(8,076)	(74,390)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	448,866	(621,061)
(Increase)/decrease in other assets	3,529	41,544
(Increase)/decrease in inventories	(182,691)	(296,412)
Increase/(decrease) in trade and other payables and accruals	452,619	207,085
Increase/(decrease) in provisions	97,515	51,044
Net cash used in operating activities	(6,150,742)	(6,950,278)

NOTE 24: SHARE-BASED PAYMENTS

The following share-based payments existed at 30 June 2025:

	Consolidated Entity			
	2025		2024	
	Number of options and performance rights	Weighted Average Exercise Price (\$)	Number of options and performance rights	Weighted Average Exercise Price (\$)
Outstanding at the beginning of the year	48,362,747	-	33,550,000	-
Granted	28,530,000	-	37,665,956	-
Forfeited/lapsed	(17,655,692)	-	(19,034,418)	-
Exercised	(7,010,115)	-	(3,818,791)	-
Expired	-	-	-	-
Outstanding at year-end	52,226,940	-	48,362,747	-
Exercisable at year-end	-	-	900,000	-

The life of the options and performance rights is based on the historical exercise patterns, which may not eventuate in the future.

The fair values of the granted performance rights were determined by the vesting conditions of the rights.

Rights on issue in 2025

December 2020 Rights Issue

The non-market condition performance rights were valued using the Black-Scholes model at grant date. Management have estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market-based vesting conditions. These performance rights were valued at \$0.0997 per right.

The non-market vesting conditions for rights issued are spread between Directors' rights and executive rights with both rights expiring 31 December 2024 with no exercise price.

Executive rights vesting conditions:

- 20% of the Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and
- 80% Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the Vesting Period.

Director's rights vesting conditions:

- 14% Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the Vesting Period;
- 56% Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and
- 30% Performance Rights to be issued will vest at a rate of 100,000 Performance Rights for each year of service over the Vesting Period.

November 2021 Rights Issue

The rights were valued using the Black-Scholes model at grant date. Management have estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.037. The rights have an expiry date of 31 December 2024 with no exercise price. The vesting conditions for these rights are:

- 16% Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the Vesting Period;
- 62% Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and

NOTE 24: SHARE-BASED PAYMENTS (CONT.)

- 22% Performance Rights to be issued will vest at a rate of 100,000 Performance Rights for each year of service over the Vesting Period.

July 2022 & August 2022 Rights Issue

These rights were valued using the Black-Scholes model at grant date. Management have estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.024 (July 2022 rights) and \$0.025 (August 2022 rights). The rights have an expiry date of 1 March 2026 with no exercise price. The non-market vesting conditions for these rights are:

- 33% Performance rights will vest upon delivering pre-agreed company goals for FY23;
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY23 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2024; and
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY23 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2025.

February 2023 Rights Issue

These rights were valued using the Black-Scholes model at grant date. Management have then estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.073. The rights have an expiry date of 1 March 2026 with no exercise price. The non-market vesting conditions for these rights are:

- 34% Performance rights will vest upon delivering pre-agreed company goals for FY23;
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY23 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2024; and
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY23 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2025.

February 2023 Rights Issue

These rights were valued using the Black-Scholes model at grant date. These rights were issued to Bell Potter. 75% of the options will vest when the capital raise is completed and the remaining 25% of the options will vest if the funds received for the March 2023 capital raise are in excess of \$8 million. As at 30 June 2025 all the vesting conditions have been met but none of the options have been exercised. These rights were valued at \$0.0258. The rights have an expiry date of 24 March 2026 with an exercise price of \$0.12.

September 2023 Rights Issue

These rights were valued using the Black-Scholes model at grant date. Management have then estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.042. The rights have an expiry date of 21 December 2028 with no exercise price. The non-market vesting conditions for these rights are:

- 34% Performance rights will vest upon delivering pre-agreed company goals for FY24;
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY24 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2025; and
- 33% Performance rights will vest upon delivering pre-agreed company goals for FY24 and continued employment with BluGlass until the issue of financial statements for the year ended 30 June 2026.

October 2023 Rights Issue

These rights were valued using the Black-Scholes model at grant date. Management have then estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.052. The rights have an expiry date of 15 December 2028 with no exercise price. Apart from 1,000,000 rights, of which 500,000 rights vested immediately and the remainder vested in one year. The non-market vesting conditions for the rest of the rights are:

- 34% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 15 December 2024; and
- 33% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 15 December 2025; and

NOTE 24: SHARE-BASED PAYMENTS (CONT.)

- 33% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 15 December 2026.

December 2024 Rights Issue

These rights were valued using the Black-Scholes model at grant date. Management have then estimated the number of instruments that will ultimately vest based on the expectations for meeting non-market based vesting conditions. These performance rights were valued at \$0.025. The rights have an expiry date of 31 December 2029 with no exercise price. The non-market vesting conditions for the rest of the rights are:

- 34% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 13 December 2025; and
- 33% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 13 December 2026; and
- 33% Performance rights will vest upon delivering pre-agreed company goals and board employment until the time of vesting 13 December 2027.

All rights have an underlying service condition to remain employed until the time of vesting.

NOTE 25: RELATED PARTY TRANSACTIONS

	Consolidated Entity	
	2025	2024
	\$	\$
The totals of remuneration paid to key management personnel of the group during the year are as follows:		
Short term employment benefits	1,745,905	1,928,974
Post-employment benefits	222,640	188,139
Share-based payments	617,639	481,781
	2,586,184	2,598,894

Key Management Personnel with the Group during the years. The Group uses management software owned by their CEO Jim Haden and has paid \$33,357 as subscription fees in the current year (2024: \$32,745). The Group has no other related parties.

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NOTE 26: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to a subsidiary and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Entity	
		2025	2024
		\$	\$
Financial Assets			
Cash and cash equivalents	7	5,737,859	5,573,205
Trade and other receivables	8	7,772,435	8,221,301
		13,510,294	13,794,506
Financial Liabilities			
Trade and other payables	14	2,951,046	1,391,874
Borrowings	16	3,047,908	1,149,236
Lease liabilities	20	4,056,608	3,526,889
		10,055,562	6,067,999

The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The ARC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counter party credit risk, currency risk, financing risk and interest rate risk. The ARC meets regularly and minutes are reviewed by the Board.

The ARC's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments is interest rate risk. Other risks include foreign currency risk, liquidity risk, credit risk, and commodity and equity price risk.

The maximum exposure to financial risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

(a) Credit Risk

The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity.

(b) Price Risk

The Group has no exposure to commodity price risk.

(c) Liquidity Risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

NOTE 26: FINANCIAL RISK MANAGEMENT (CONT.)

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements.

As at 30 June 2025 the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-Current	
	Within 6 months	6 - 12 months	1 to 5 years	Later than 5 years
	\$	\$	\$	\$
30 June 2025				
Trade and other payables	2,951,046	-	-	-
Borrowings	3,047,908	-	-	-
Lease liabilities	391,006	391,006	2,383,383	891,213
Total	6,389,960	391,006	2,383,383	891,213

	Current		Non-Current	
	Within 6 months	6 - 12 months	1 to 5 years	Later than 5 years
	\$	\$	\$	\$
30 June 2024				
Trade and other payables	1,391,874	-	-	-
Borrowings	1,149,236	-	-	-
Lease liabilities	431,210	431,210	2,664,470	-
Total	2,972,320	431,210	2,664,470	-

Financial assets and financial liabilities are being held at amortised costs.

(d) Market Risk

(i) Foreign Exchange Risk

The Group does not have any material foreign exchange risk exposure to any single asset or liability or group of assets or liabilities under financial instruments entered into by the consolidated entity.

(ii) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:

	Consolidated Entity			
	2025		2024	
	\$	%	\$	%
Consolidated Entity Financial Assets:				
Cash	5,737,514	0.01	5,384,796	0.01
Investments in term deposits and bank bills	218,800	0.33	188,064	0.33
Total Financial Assets	5,956,314		5,572,860	

All other financial assets and liabilities are non-interest bearing.

NOTE 26: FINANCIAL RISK MANAGEMENT (CONT.)

(iii) *Financial instrument composition and maturity analysis*

All trade and sundry payables are expected to be paid within the next 45 days.

(iv) *Net Fair Values*

All financial assets and liabilities at 30 June 2025 that have maturities of less than 45 days and carrying value represents net fair value. Lease liabilities have been discounted to their present value.

(v) *Sensitivity analysis*

The consolidated and parent entity does not have projected material exposure to foreign currency risk, price risk or interest rate risk.

NOTE 27: CONTINGENT LIABILITIES

There are no contingent liabilities at or since balance date.

NOTE 28: EVENTS AFTER REPORTING DATE

No significant events have occurred after Statement of Financial Position date.

NOTE 29: BLUGLASS LIMITED PARENT COMPANY INFORMATION

	2025	2024
	\$	\$
Parent entity		
Assets		
Current assets	13,011,739	13,268,120
Non-current assets	13,642,080	9,285,509
Total assets	26,653,819	22,553,629
Liabilities		
Current liabilities	5,112,701	2,620,024
Non-current liabilities	3,347,391	1,998,196
Total liabilities	8,460,092	4,618,220
Net Assets	18,193,727	17,935,409
Equity		
Issued capital	120,076,236	112,583,155
Accumulated losses	(101,805,230)	(94,533,738)
Share based payments reserve	905,173	868,444
Other reserves	(982,452)	(982,452)
Total Equity	18,193,727	17,935,409
Financial Performance		
Loss for the year	(7,271,492)	(6,354,544)
Other comprehensive income	-	-
Total comprehensive income	(7,271,492)	(6,354,544)

NOTE 30: COMPANY DETAILS AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business of the Company is:

BLUGLASS LIMITED
 74 ASQUITH STREET
 SILVERWATER NSW 2128
 Ph: +61 2 9334 2300

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of tax residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

(a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Parent Entity:				
BluGlass Limited	Body corporate	Australia	-	Australia
Subsidiaries of BluGlass Limited:				
Semiconductor Industry Australia Pty Ltd	Body corporate	Australia	100%	Australia
Gallium Enterprises Pty Ltd	Body corporate	Australia	100%	Australia
EpiBlu Technologies Pty Ltd	Body corporate	Australia	100%	Australia
BluGlass Incorporated	Body corporate	United States	100%	United States

DIRECTORS' DECLARATION

1. In the opinion of the directors of BluGlass Limited:

- a. the consolidated financial statements and notes of BluGlass Limited are in accordance with the Corporations Act 2001, including
 - I. giving a true and fair view of its financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
 - II. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. there are reasonable grounds to believe that BluGlass Limited will be able to pay its debts as and when they become due and payable.
- c. the information disclosed in the attached consolidated entity disclosure statement is true and correct.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2025.

3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



James Walker
Non-Executive Chair
27 August 2025

BLUGLASS LIMITED
INDEPENDENT AUDITOR'S REPORT

To the members of BluGlass Limited

Opinion

We have audited the financial report of BluGlass Limited (“the Company”) and its controlled entities (“the Group”), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group’s financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and *Corporations Regulations 2001*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the financial report in Australia.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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BLUGLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss of \$10,977,894 and had net cash outflows from operations of \$6,150,742 during the year ended 30 June 2025. These events or conditions along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Research and Development Tax Incentive

We considered Research and Development Tax Incentive to be a key audit matter.

The Group has recorded income related to the research and development tax incentive of \$6,053,755 and this is material to the financial report.

This area is considered a key audit matter due to the subjectivity in assessing the eligibility of expenditure and judgment required by the Group in measuring the eligible expenditure and recognising the corresponding research and development tax incentive income and receivable.

How our Audit Addressed the Key Audit Matter

Our procedures included:

- Inquiring with management to gain an understanding of their process for calculating the Research and Development Tax Incentive;
- Reviewing the outcome of the previous year's research and development tax incentive claim;
- Engaging an internal Research and Development Tax Incentive expert to:
 - Evaluate the methodology used by management and their expert for consistency with Research and Development Tax legislation; and
 - Review the nature of the expenses to determine whether they meet the eligibility criteria of the R&D tax incentive scheme; and
- Reviewing the adequacy of related disclosures in the financial statements.

BLUGLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and out auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- a) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

BLUGLASS LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of BluGlass Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 27 August 2025