

BluGlass

Q421 results

Extending cash runway to commercialisation

BluGlass's Q421 activities were dominated by an oversubscribed entitlement offer and placements, which collectively raised A\$8.4m (gross). These funds are intended to provide a cash runway through to initial sales of high-performance laser diodes, which the company plans to start shipping at scale over the coming year.

Year end	Revenue (A\$m)	EBITDA (A\$m)	PBT* (A\$m)	EPS* (c)	DPS (c)	Yield (%)
06/17	0.6	(2.9)	(3.3)	(0.88)	0.00	N/A
06/18	0.7	(3.8)	(3.8)	(0.97)	0.00	N/A
06/19	0.4	(5.1)	(5.1)	(1.21)	0.00	N/A
06/20	0.7	(3.6)	(4.8)	(1.01)	0.00	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

BluGlass had hoped to start shipping samples of its first-generation laser diodes by the end of FY21 (June 2021). The performance of these devices could not be confirmed until the epitaxy processed at BluGlass's facility had been packaged into fully functional devices by third parties. Tests on the packaged prototype devices showed lasing results consistent with commercial specifications for output power and wavelength. This showed the soundness of BluGlass's epitaxial process. However, when the prototypes went through reliability testing, they showed a gradual loss of light output over time, which did not meet with commercial specifications. This issue is related to the part of the devices where light leaves the diode and is caused by problems in the post-epitaxial processing steps carried out by third parties.

While this is the first time that BluGlass has experienced this issue with its devices, the phenomenon is well understood within the laser diode industry. BluGlass intends to seek additional experienced assistance regarding post-epitaxial processing from those with established production capabilities in the industry to help resolve the issue. Non-executive director Jean-Michel Pelaprat, who is cofounder of blue laser pioneer Nuburu and was appointed in May 2021, and senior laser scientist, Dr Arkadi Goulakov, who was appointed in March 2021, are helping solve this problem. Following the resignation of the CEO in June 2021, BluGlass is seeking a replacement CEO who is likely to have deep laser diode industry experience.

In June and July, BluGlass raised A\$5.9m (gross) through an entitlement rights issue and A\$2.5m through placements to technology-focused fund Regal Funds Management and to clients of Viriathus Capital, all at A\$0.03/share. Operating activities consumed A\$2.2m cash during Q421. Cash at end June 2021 was A\$4.2m, which excludes cash from the right issue, a c A\$3m R&D tax refund that management expects to receive in September 2021 and the full repayment of a A\$2.0m loan facility in July 2021. Management notes that this fund-raising activity should provide a cash runway through to initial customer revenues.

Tech hardware & equipment

28 July 2021

4.2

Price A\$0.029 Market cap A\$29m

Net cash (A\$m) at end June 2021 (excluding A\$5.9m from entitlement rights issue)

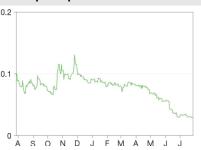
Shares in issue 1,003m
Free float 87.3%

 Code
 BLG

 Primary exchange
 ASX

 Secondary exchange
 N/A

Share price performance



Business description

BluGlass is an Australian technology company that is developing and commercialising a breakthrough compound semiconductor technology for the production of high efficiency devices such as laser diodes, light emitting diodes (LEDs) and micro-LEDs

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