

30 April 2019

QUARTERLY APPENDIX 4C REPORT – 31 MARCH 2019

Australian semiconductor technology developer, BluGlass Limited (ASX: BLG) presents its Appendix 4C for the quarter ended 31 March 2019.

During the period work continued on the facility upgrade and new laboratories at BluGlass' Silverwater facility. This new facility now houses two additional deposition systems, the BLG-300II and the commercial scale AIX 2800 G4. These systems are on-site and being prepared for commissioning with Remote Plasma Chemical Vapour Deposition (RPCVD) retrofits. The first of these two systems, the BLG-300II is expected to commence its first RPCVD growths in the coming weeks.

Our scaling project, in collaboration with AIXTRON SE, to implement RPCVD on a commercial scale platform, the AIX G4, is also making good progress and remains on schedule for its end of 2019 delivery.

The expanded and improved facility with the commissioning of these new deposition systems will significantly increase BluGlass' RPCVD development capacity, increase our RPCVD customer foundry output; while also demonstrating the scaling potential of our technology.

Concurrently with the facility upgrade and scaling program, BluGlass' development efforts were focussed on further progressing our breakthrough development work on RPCVD tunnel junctions and cascade LEDs. We have received strong interest on this development from the industry and discussions with a number of groups are continuing.

During the quarter, operational and capital expenditure remained in line with the Company's budgeted expectations.

In the coming quarter, BluGlass looks forward to inviting our Shareholders to the official opening of the upgraded BluGlass Silverwater facility, bringing the BLG-300II online and continuing to advance our scaling program with our collaboration partner AIXTRON. BluGlass will continue to advance our breakthrough RPCVD tunnel junction project and our industry discussions on the commercialisation of RPCVD.

About BluGlass

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

The RPCVD technology, because of its low temperature and flexible nature, offers many potential benefits over existing technologies including higher efficiency, lower cost, substrate flexibility (including GaN on silicon) and scalability. BluGlass was spun off from Macquarie University in 2005 and listed in 2006.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bluglass Limited

ABN

20 116 825 793

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	152	355
1.2 Payments for		
(a) research and development	(633)	(1,998)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(22)	(56)
(d) leased assets	(88)	(265)
(e) staff costs	(933)	(2,469)
(f) administration and corporate costs	(313)	(836)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	42	179
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives- R&D tax rebate	-	1,987
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,795)	(3,103)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,211)	(3,537)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,211)	(3,537)
*2.1(a) Capital expenditure costs related to the facility upgrade and new tools purchased by BluGlass. A one-off expense expected to be finalised in the coming year.		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	11,720	15,354
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,795)	(3,103)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,211)	(3,537)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	8,714	8,714

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	38	66
5.2	Call deposits	8,676	11,654
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,714	11,720

6. Payments to directors of the entity and their associates

Current quarter \$A'000
76
-

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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7. Payments to related entities of the entity and their associates

Current quarter \$A'000
-
-

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(650)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(20)
9.4 Leased assets	(80)
9.5 Staff costs	(800)
9.6 Administration and corporate costs	(200)
9.7 Other (Cashflow from investing activities- property plant and equipment)	(1,500)
9.8 Total estimated cash outflows	(3,250)
*9.7 Other- Cashflow related to the capital expense for the finalisation of the new tools and the completion of the facility upgrade. Capital costs will be largely completed by the end of the financial year.	

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

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

Sign here: Emmanuel Correia
Company secretary

Date: 30 April 2019

Print name: Emmanuel Correia

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.