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ASX Limited

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BLUGLASS AND IQE ENTER INTO A STRATEGIC PARTNERSHIP TO DEVELOP A RANGE OF ELECTRONIC APPLICATIONS

Key Points

- BluGlass and IQE have entered into an Exclusive Collaboration Agreement to co-develop nitride films for a range of electronic devices on both silicon and IQE's cREO™ technology using BluGlass' unique low temperature RPCVD technology
- IQE is the leading foundry manufacturer of advanced semiconductor wafer products to the global semiconductor industry

Australian technology innovator BluGlass Limited (ASX:BLG) has today announced that it has entered into a formal Collaboration Agreement with IQE (AIM: IQE), a global leader in the design and manufacture of advanced semiconductor wafer products. IQE products are used by major global chip companies to produce the high performance components that enable a wide range of high-tech applications including for the wireless industry, such as smartphone and wireless infrastructure, Wi-Fi, base stations, GPS, and satellite communications; optical communications and optical storage.

The two companies will work together to develop specific enabling technology for high quality nitride films deposited by Remote Plasma Chemical Vapour Deposition (RPCVD) on both silicon wafers and on specially engineered substrates; cREO™ on silicon.

IQE Group's Vice President, Dr. Rodney Pelzel said today "We are extremely pleased to announce our collaboration with BluGlass. BluGlass' world leading RPCVD technology is highly complementary to IQE's existing technology portfolio, and the collaboration is a key step in overcoming challenges inherent to epi-growth of cutting edge materials".

"This arrangement marks another key milestone for IQE as it continues to provide market leading solutions to its customers. This arrangement comes on the heels of our announcement earlier this year of successful transfer of cREO™

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epi capability to IQE's North Carolina manufacturing site. This collaborative arrangement is a key step in furthering this technology." Dr. Pelzel added.

BluGlass Managing Director, Giles Bourne said today "We are delighted to have formed a strategic partnership with IQE, one of the world's leading compound semiconductor foundries, supplying many of today's leading semiconductor manufacturers". Mr. Bourne added "We have chosen to work with IQE, based on the enormous market potential and impact that the applications that we will be co-developing could have on the semiconductor industry in the future. IQE is committed to cutting-edge innovation and their diverse product portfolio makes them a very compelling partner to be working with".

BluGlass is commercialising a breakthrough semiconductor technology called Remote Plasma Chemical Vapour Deposition (RPCVD) in the global multi-billion dollar LED, power electronics, and other emerging markets. BluGlass has developed patented hardware and processes targeting the production of more efficient semiconductor devices at lower cost.

The initial terms of the collaboration are envisioned to continue for 15 months. The exclusive collaboration pertains to specific electronic devices, and is subject to confidentiality agreements. BluGlass anticipates that the successful completion of the Exclusive Collaboration Agreement, where the RPCVD technology demonstrates performance advantages could lead to a commercialisation plan being agreed with IQE.

-Ends-

About BluGlass:

BluGlass Limited (winner of the 2013 Australian Technologies Competition) is an Australian green technology company formed to commercialise a breakthrough in the Semiconductor Industry.

BluGlass has invented a new process using Remote Plasma Chemical Vapour Deposition (RPCVD) to grow semiconductor materials such as gallium nitride (GaN) and indium gallium nitride (InGaN), crucial to the production of high efficiency devices such as next generation lighting technology Light Emitting Diodes (LEDs) with advanced performance and low cost potential. The RPCVD technology, because of its low temperature and highly flexible nature, offers many potential benefits over existing technologies including higher efficiency, lower cost, substrate flexibility including GaN on silicon and greater scalability.

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About IQE:

IQE is the leading global supplier of advanced semiconductor wafers with products that cover a diverse range of applications, supported by an innovative outsourced foundry services portfolio that allows the Group to provide a 'one stop shop' for the wafer needs of the world's leading semiconductor manufacturers.

IQE uses advanced crystal growth technology (epitaxy) to manufacture and supply bespoke semiconductor wafers 'epi-wafers' to the major chip manufacturing companies, who then use these wafers to make the chips which form the key components of virtually all high

technology systems. IQE is unique in being able to supply wafers using all of the leading crystal growth technology platforms.

IQE's products are found in many leading-edge consumer, communication, computing and industrial applications, including a complete range of wafer products for the wireless industry, such as smartphones and wireless infrastructure, Wi-Fi, base stations, GPS, and satellite communications; optical communications, optical storage, printing, thermal imagers, leading-edge medical products, barcode, ultra-high brightness LEDs, a variety of advanced silicon based systems and high efficiency concentrator photovoltaic (CPV) solar cells.

The manufacturers of these chips are increasingly seeking to outsource wafer production to specialist foundries such as IQE in order to reduce overall wafer costs and accelerate time to market.

IQE also provides bespoke R&D services to deliver customised materials for specific applications and offers specialist technical staff to manufacture to specification either at its own facilities or on the customer's own sites. The Group is also able to leverage its global purchasing volumes to reduce the cost of raw materials. In this way IQE's outsourced services, provide compelling benefits in terms of flexibility and predictability of cost, thereby significantly reducing operating risk.

IQE operates multiple manufacturing and R&D facilities worldwide. More information is available at www.iqep.com