

The Manager

ASX Announcements Platform

16 November 2015

2015 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

TO BE HELD AT THE OFFICES OF GRANT THORNTON, LEVEL 17, 383 KENT STREET, SYDNEY, 2000, ON
MONDAY, 16TH NOVEMBER, 2015 AT 11.00 AM.

WELCOME – THE YEAR IN REVIEW

Ladies and gentlemen, it is now 11.00 am, a quorum is present and taking the notice of meeting as read, I declare the meeting open.

My name is George Venardos. I am the Non-executive Chairman of BluGlass Limited and I am pleased to welcome you to the Company's 2015 Annual General Meeting.

CORPORATE OVERVIEW

I would like to take this opportunity to introduce you to my fellow directors, Dr. Bill Johnson, Mr. Chandra Kantamneni, Mr. Greg Cornelsen and our Managing Director, Mr. Giles Bourne. Our auditors, Grant Thornton, are also present.

This morning I will outline the group's achievements over the last year and will then call upon our Managing Director, Giles Bourne to review our business activity during the period and provide an update of our commercialisation progress. Giles will be followed by Dr. Ian Mann, our Chief Operations and Technology Officer, who will review the technical progress.

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Following this I will table the formal accounts of the group before the meeting and provide investors with the opportunity to ask questions before proceeding with the formal business of the meeting.

HIGHLIGHTS HISTORICAL

I am pleased to report that 2015 has been a very productive year, both for the technology progress, but also for the company as we progress towards monetising the RPCVD technology and intellectual property.

This year there were a number of important achievements that have brought the Company closer to delivering its commercialisation outcomes, including:

- We recently announced that BluGlass was approached by a world leading Tier-1 LED manufacturer which has commenced a custom trial of the RPCVD technology to assess the performance advantages of our technology for their LED manufacturing purposes. This is a very good development for BluGlass, and forms part of our strategy to conduct a number of industry evaluations in different segments of the value chain.
- This is the second significant industry player to be conducting an assessment of the RPCVD performance advantages. In April of this year, BluGlass announced an evaluation agreement with the largest MOCVD equipment manufacturer, Veeco Instruments. Giles will provide an update on the positive progress of this evaluation during his presentation.
- Both of these evaluations come on the back of BluGlass publishing increasingly improved performance data. In July 2014 BluGlass announced a 10 fold improvement in light output over our previously published RPCVD p-GaN data. This was the result of a breakthrough where the technology team was able to overcome the critical interface challenge and resulted in an immediate improvement in the RPCVD light output.
 - The Company again published another jump in performance in our Half Yearly Report in February 2015, this data was presented at a number of industry conferences in the early part of 2015.

2015 HIGHLIGHTS CONTINUED

- It is worth mentioning again that during the year the ex-production scale RPCVD system came online, called the BLG-300. This is the most advanced RPCVD system to date. This advanced, scaled-up platform has been the precursor to a number of technology improvements during the period, and importantly has helped provide confidence to the industry that the RPCVD technology can be implemented on different MOCVD platforms.

- During the year BluGlass also received the first order for trial RPCVD wafers for a novel LED application.
- In order to continue to grow the BluGlass foundry business, the Company appointed an expert international custom epitaxy (foundry) agent. I will talk more about the foundry business later in my presentation.
- In another exciting development during the year the company demonstrated brighter green LEDs in preliminary testing when compared to the same experiment using MOCVD. This is a great step forward for the technology demonstration.

FOUNDRY BUSINESS DEVELOPMENT

The BluGlass foundry business has continued to develop with repeat orders and a healthy pipeline of new customers. BluGlass has foundry customers and prospects, some of whom have begun to trial RPCVD. BluGlass is now conducting foundry and custom epitaxy services for a variety of applications including green and blue LEDs, power electronics, and laser diodes.

As we recently announced one of our key specialised epitaxy customers has committed to an order for approximately \$300,000 of foundry development to be delivered over the next six months. BluGlass will be supplying the green and blue LED wafers for this customer's unique LED application. This order from a single customer is the largest foundry order that we have received to date and is part of our strategy of growing the revenue generating service part of our business over the coming months. This large repeat order is a testament to our team's ability to deliver custom epitaxy at an industry competitive standard.

Another of our customers was able to implement a commercialisation deal for their unique technology based on the assistance of BluGlass' MOCVD foundry efforts.

The foundry business continues to expose BluGlass to new and emerging applications spanning both LED and power electronic applications that could benefit from a low temperature RPCVD technology.

INTELLECTUAL PROPERTY DEVELOPMENT CONTINUES

Our intellectual property portfolio and patent protection strategy are critical to the future success of commercialising the RPCVD technology. When BluGlass listed in 2006 it owned three provisional patents. This portfolio has grown rapidly to now include 40 international granted patents in key semiconductor markets including the US, China, Europe and Japan amongst others. This is up from 29 granted patents in the same period in 2014. In addition to our granted portfolio we have a further 18 patent applications across seven patent families.

2015 FINANCIAL RESULTS

- Our cash position at the end of September was \$4.059M
- During the year, our financial position was supported by a Share Purchase Plan and Placement which raised a total of \$2.4M
- Our monthly burn rate has dropped to \$412K/ month down from \$450K/month in 2014. This is mainly due to the limited capital expenditure on research equipment
- We are eligible for R&D tax rebates, which provided a cash injection of \$2.1M in respect of expenditure during the 2015 tax year
- We are currently receiving cash from our Clean Tech Innovation grant which reimburses us for research expenditure quarterly. This grant ends in December this year when the total of the \$3M will have been claimed. The company continues to look at alternative grant opportunities. And we are encouraged with the renewed rhetoric around the importance of innovation from our new government
- Although the foundry income during the course of the financial year was lower in 2015 of \$276K, we have now received a commitment from a single customer for ~\$300,000 over the next 6 months, and expect to bring on a couple of new significant customers currently in our pipeline

All of these developments provide a solid foundation for the Company as it pursues commercialisation of our breakthrough RPCVD platform technology. All-in-all, BluGlass is now on the brink of commercialisation and the full focus of the Board and Management over the coming months will be to deliver a strong commercial outcome for our shareholders.

I will now hand you over to Giles Bourne, our Managing Director. Thank-you.