



## ASX Announcement

For immediate release

21 June 2017

### First Products Shipped to Labcon North America

#### Highlights

- **First products shipped to Labcon North America under agreement signed April 2017.**
- **Labcon commence tooling for manufacture**
- **Significant acceleration of annual revenue growth expected in FY18.**
- **Capital raise \$2.53m, 1:3 non-renounceable rights issue and shortfall placement to support growth and working capital.**
- **Notice of allowance to patent for 'Temperature Sensing and Heating Device'**

Bluechiip Limited (ASX: BCT) (**Bluechiip** or **Company**), a leader in the development of sample tracking technology for harsh environments, is pleased to provide this company update.

#### Partner Progress – First Products Shipped to Labcon and Tooling for Manufacture

**Labcon North America** signed a pivotal agreement with Bluechiip in April 2017. In early June Bluechiip partially shipped the first order under this agreement for Bluechiip Buttons, Bluechiip Cryoboxes and Bluechiip Readers all for use in Labcon's customer validation site. Further sites will be established across Europe and US in the months ahead.

Labcon has also begun **tooling for manufacture** of Bluechiip-enabled cryovials to service the 2ml-vial market. Labcon has independently valued this market for BCT's products at \$US40m per year.

Jim Happ, President Labcon North America said, *"We are delighted with the progress and see a large market opportunity for Bluechiip-enabled Labcon cryogenic equipment. We have customers already interested in the technology. The Bluechiip technology enables us to differentiate our range of cryogenic vials and we have already commenced tooling for manufacture."*

**Genea Biomedx** continues to develop and incorporate Bluechiip technology into its Assisted Reproductive Technologies product pipeline distributed globally. Genea Biomedx expects its Bluechiip-enabled Gidget LN2 product to enter the market during FY18.

Tomas Stojanov, CEO at Genea, said: *"The Bluechiip technology enables us to continue to expand our roadmap of new products with exciting new technologies, broadening our portfolio in the global assisted reproductive technologies marketplace. We are particularly excited to soon be able to offer the technology to customers and incorporate Bluechiip's technology into our own IVF facility in Sydney, to improve productivity, product tracking accuracy and safety."*

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**Planet Innovation**, *BRW* magazine's Australia's most innovative company for the past three years and 5% shareholder in Bluechiip, continues to engage downstream partners to execute Bluechiip-enabled opportunities which will incorporate the company's technology.

Bluechiip's order book continues to build with the company having now sold 13 developer kits with an expanding pipeline of more than 30 potential partners.

### Accelerating Revenue

Revenue is expected to accelerate significantly in FY18 based on contractual commitments already in place. This growth continues to be driven by: sale and delivery of products to the company's Original Equipment Manufacturing (OEM) partners, including Labcon North America, Genea Biomedx and Planet Innovation; licence fees; development services and developer kit sales to pipeline partners.

### Rights Issue and Capital Raising

On 1 June Bluechiip announced that it would raise up to \$2.53m via a 1:3 non-renounceable rights issue to fund working capital and growth.

The offer is progressing well. *"Feedback and response has been positive with strong interest"* Bluechiip Managing Director Andrew McLellan said. *"Directors have taken up, or are expected to take up, their full entitlement, and interest in any shortfall placement continues to build. The opportunity exists for shareholders to apply for additional shares on top of their entitlement."*

Non-shareholders, who are sophisticated investors, are also invited to apply for shares as part of the current capital raising.

In addition to the rights issue, we have received an application from a significant investor for a private placement of \$1.1m at the same price as the rights issue, and conditional on the rights issue being fully allocated. This would enable Bluechiip to be fully funded.

Ramsgate Advisors is assisting Bluechiip with its investor relations.

### Expanding Patent Portfolio

Bluechiip's unique, highly-differentiated technology portfolio continues to be reinforced with a notice of allowance for the company's 'Temperature Sensing and Heating Device' patent application. In the coming months this will be granted as a published patent in the United States of America, and will take the company's granted patent portfolio to 25 patents across seven families. The company is progressing with a provisional application for an 'Over-Temperature Sensing' device, the result of co-funded research and development.

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### About Bluechiip Limited:

Bluechiip has developed a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

The unique tag is based on MEMS technology and contains no electronics. The tag can either be embedded or manufactured into a storage product, such as vials or bags. Easy identification, along with any associated information from the tag such as temperature can be detected by a reader, which can also sense the temperature of the tagged items. The traditional identification technologies have significant limitations. Whereas a barcode requires a visible tag or line-of-sight optical scan, bluechiip® technology does not. Unlike labels, barcodes and RFID, the bluechiip® technology can sense the temperature of each item a tag is attached to, or embedded in.

The bluechiip® technology has initial applications in the healthcare industry particularly those businesses which require cryogenic storage facilities (biobanks and biorepositories). bluechiip® offers the only technology that enables accurate and reliable tracking of products including stem cells, cord blood, and other biospecimens. In addition to functioning in extreme temperatures, the bluechiip® tracking solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

The bluechiip® technology has other healthcare applications in pathology, clinical trials and forensics. Several other key markets outside of healthcare include cold-chain logistics/supply chain, security/defence, industrial/manufacturing and aerospace/aviation.

Further information is available at [www.bluechiip.com](http://www.bluechiip.com)

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