



ASX Announcement

For immediate release
Wednesday 15 June 2016

Market Update: Bluechiip Limited

Bluechiip Limited [ASX:BCT], a leader in the development of sample tracking technology for harsh environments, reports that the company continues to build on recent momentum with the sale of products and license fees.

These sales are a direct result of the company's original equipment manufacturing (OEM) strategy implemented at the beginning of 2015.

Key highlights

- Our new technical sales and support team is actively working with partners and prospects.
- The company continues to make progress with OEM partnerships in Assisted Reproductive Technology, Cell Therapies and Protein Crystallography.
- Recent delivery of developer kits to new partners in Australia and USA.
- Sales revenue received from
 - License fees
 - Chip and reader sales
 - Customisation services
 - Developer Kit Sales

"We are pleased that our partnering pipeline has now grown to well over 15 organisations. This is due to the efforts of our team, the products' maturity, and the developer kit. The developer kit enables us to train and assist OEM companies to integrate our chips and readers into their products. Recent sales include to both a consumables manufacturer in North America and a research institution in Australia," said Andrew McLellan, Bluechiip's Managing Director and CEO.

Bluechiip has also delivered custom-designed and adapted chips and readers for its existing partners in assisted reproductive technologies, cell therapies and protein crystallography markets.

"We are confident that these initiatives, more and more, will translate into further OEM agreements," Mr McLellan said. "As our partners adapt our technology into their own products we are receiving upfront revenue through reader sales and developer kits, and generating long-term ongoing revenue through license fees, royalties and sale of consumables."

Development

Bluechiip continues to develop its products in line with customer feedback. This has resulted in its products becoming more flexible and mobile, with the ability to handle higher volumes.

- Our mobile handheld reader is currently in trials with customers around the world.
- We are developing a high volume multi-vial reader which will progress to customer trials in the new financial year.
- We have also updated Bluechiip buttons to incorporate barcodes, which will allow the buttons to be retrofitted into third-party products.



While focused on specific customer applications Bluechiip has continued to refine and develop its core technology, working in Government co-funded projects with the University of Melbourne and Swinburne University to make the company's chips adaptable and suitable for various formats.

These projects are leading to new valuable intellectual property and patents, which will see an increase in the value of Bluechiip's core technology.

"We continue to see increasing applications outside of our main target market – Biobanking," Mr McLellan said. "Cold chain logistics and agriculture remain emerging and exciting markets and ones we are actively pursuing."

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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