bluechiip Tracking Solutions

ASX Announcement

For immediate release

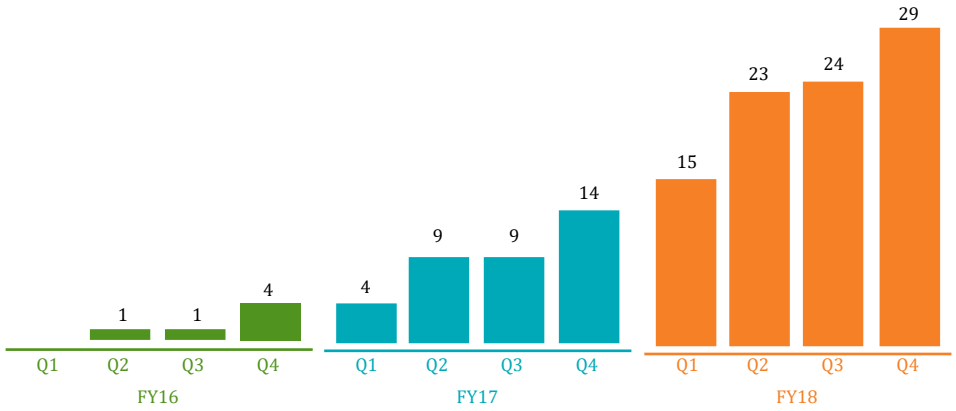
28 August 2018

2017-18 Highlights

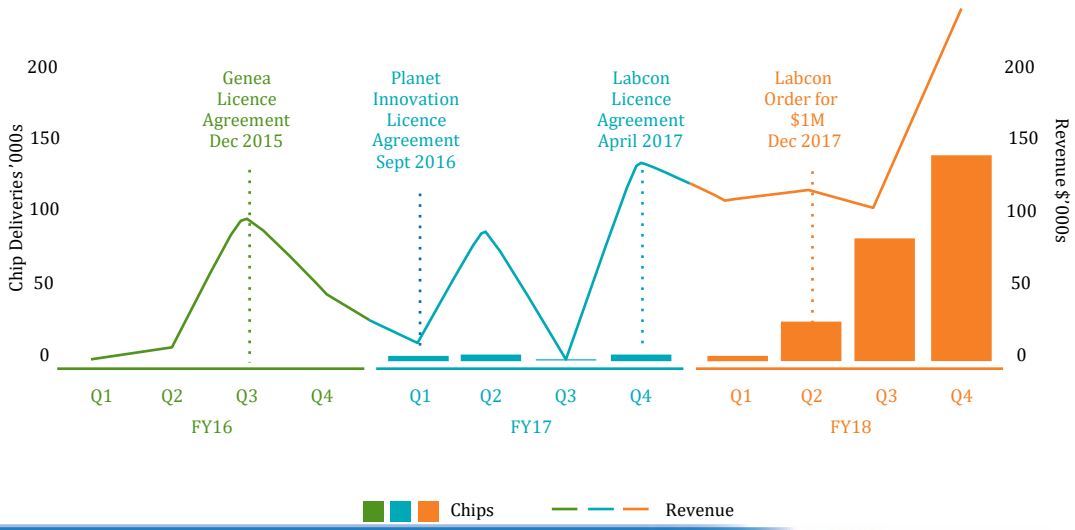
- World-first, highly differentiated technology, with protected IP
- >$200M+ growing target market, with very large adjacent markets
- Dramatically increasing partner pipeline, 29 cumulative readers sold to date up from 14 in FY17
- Sale of products tripled to $434k up from $140k in FY17
- Well advanced product development
- Partner opportunity conversion with three executed licence and supply agreements and Bluechiip Enabled products in manufacture
- Growing partner supply, over 250k chips delivered in 2H FY18 Initial repeat revenues with sales up 136% year on year
- Orders in hand over $1M, expected to grow dramatically FY18,19 and 20

Key Performance Indicators	**2018**	**2017**	**Change %**
Turnover (AUD)	$561,544	$237,773	136%
Number of Chips Sold	251,660	15,450	1,529%
No. of readers sold	15	10	50%
Loss After Tax (AUD)	($2,492,491)	($2,018,633)	23%
Share Price (AUD) as at 30 June	0.054	0.028	93%

Cumulative Reader Sale



Quarterly Chip Deliveries and Revenue



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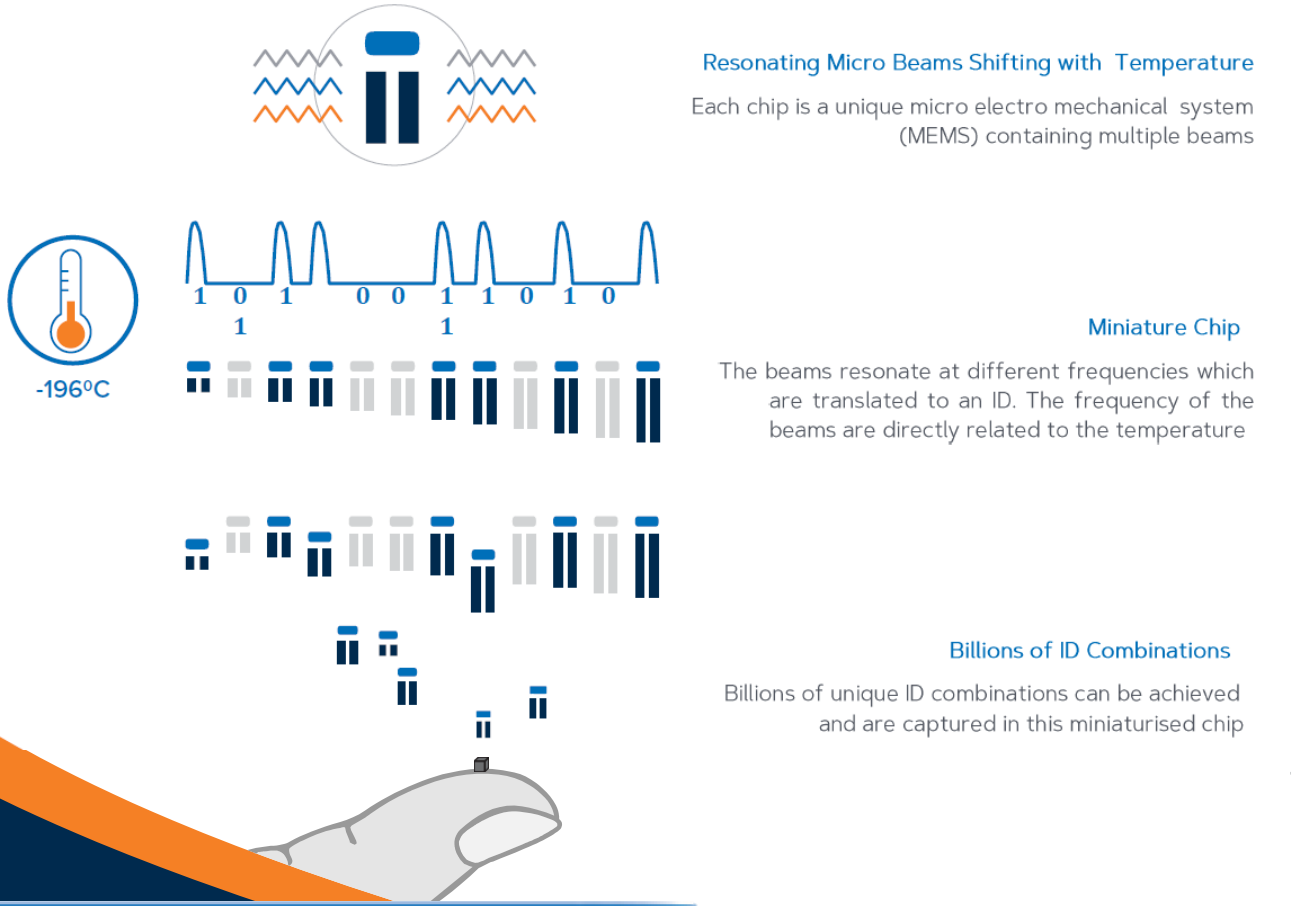
Bluechiip Overview

Bluechiip's technology wirelessly tracks the identification and temperature of valuable samples such as tissue, blood, serum and plasma which are stored in vials and bags in harsh environments like liquid nitrogen. Bluechiip's technology improves productivity, reduces human error and ensures sample integrity in industries such as the US$2B bio-preservation market. Bluechiip's miniature chips – smaller than the size of a matchhead – are attached to storage bags and vials, and information from these chips is read by a mechanical reader. Current sample-tracking technology – largely barcodes, radio-frequency identification (RFID) technology and written labels – is simply not keeping up with the increasing value of biosamples. Bluechiip's chips are currently being built into a range of vials by a US company,
Labcon North America, one of the world's biggest consumables manufacturers. Bluechiip is in discussion with several other manufacturers to incorporate its technology into their products. Bluechiip's strong IP portfolio across ten patent families, including 25 granted patents.

Bluechiip Technology

The chip, a Micro Electro Mechanical System (MEMS), measuring 1mm x 1mm x 1mm, is a purely mechanical device with no powered electronics. Unlike other labelling technology – such as labels, barcodes and radio-frequency identification (RFID) technology – Bluechiip's chips perform in extreme environments like liquid nitrogen, operating reliably at -196°C. They are also resistant to gamma sterilisation, they are extremely difficult to clone or corrupt, and provide the temperature of samples when read.



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Bluechiip Strategy

Bluechiip is now in the commercialization phase, having secured three OEM Agreements with companies in Australia and the USA. The company is shipping chips and producing growing revenue. Bluechiip's experienced team is working with potential customers to increase take up of the company's products and services. The company is initially targeting companies with high-value samples – where the cost of failure is high – such as IVF, regenerative medicine, cryo-transport and pharmaceuticals.

Primary Target Markets

Bluechiip's initial target is the US$2b bio-preservation and cryo-preservation market, which processes more than 300 million samples per year of tissue, blood, serum, plasma, etc for industries such as pharmaceuticals, IVF, research and clinical trials.

Our Product

Bluechiip's product range consists of a wireless tracking/measuring chip, a reader, and associated software.

- Bluechiip works with OEM partners to embed Bluechiip core technology into our partners' consumables.
- The reader: There are several types of Bluechiip reader – benchtop, handheld and multi-point. Readers enable instant tracking of each sample's data, including provenance, history and temperature.
- The software: Bluechiip's easy-to-use software database has wireless connectivity, and keeps chain-of- custody records for each sample in one location.

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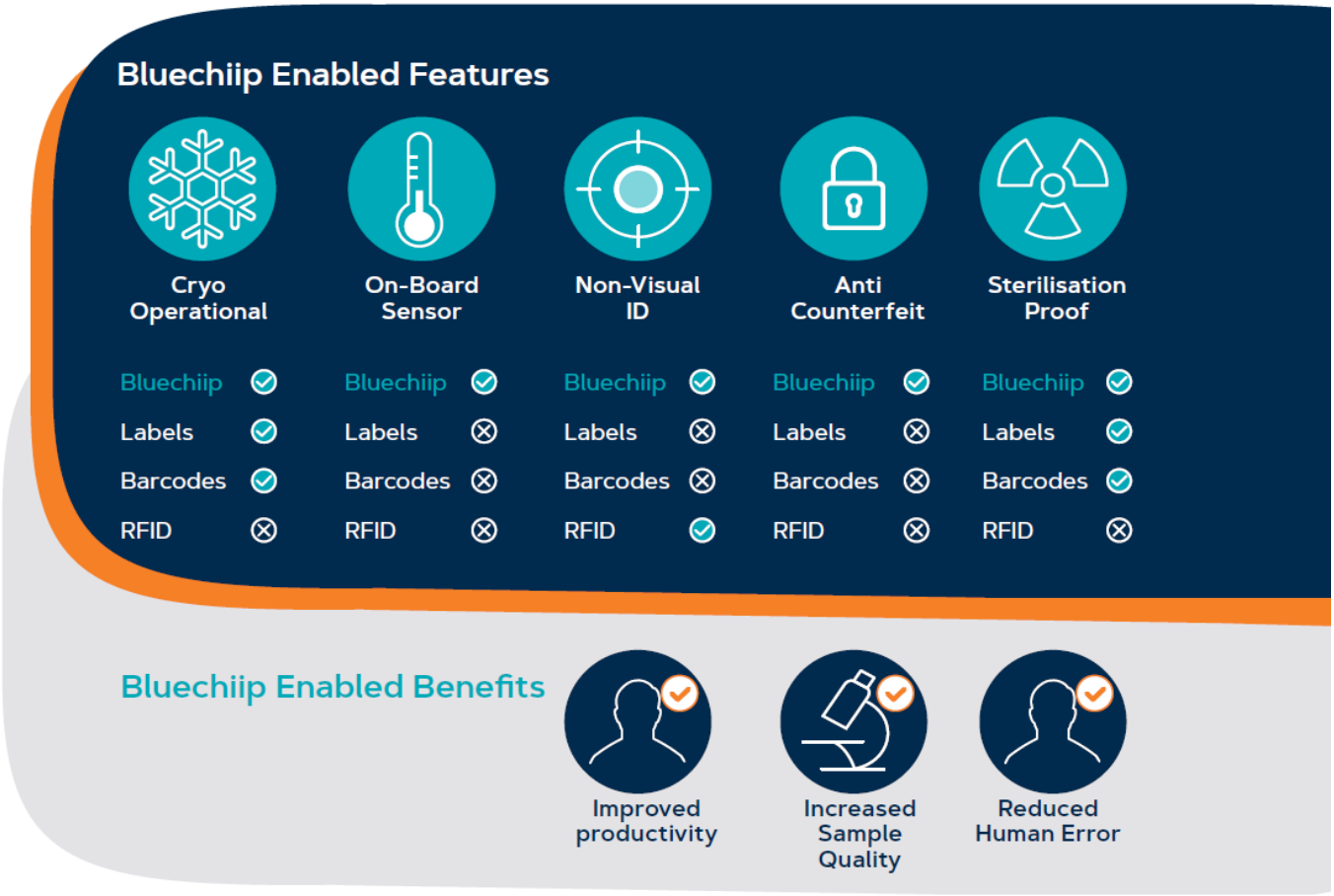
Competitive Advantages

Few technologies work in extreme environments and no other technology provides integrated wireless temperature-reading and tracking. Traditional tracking technologies such as barcode and labels are not suited for many high-value industries because labels and barcodes cannot be read through frost and removing frost to take readings can damage samples. RFID technologies typically do not work in very low temperatures or survive sterilization procedures. Conventional temperature-sensing technologies are limited because they sense the environmental temperature, not the temperature of the specific samples, and they require wiring and electronics which do not work in harsh environments.

Senses temperature and reads ID through frost

Overcomes issues with legible handwriting

Frost time wasted and uncontrolled temperature



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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