



ASX Announcement

For immediate release

25 January 2017

BLUECHIIP LIMITED DECEMBER 2016 QUARTERLY CASH FLOW REPORT

Bluechiip Limited (**Bluechiip or Company**) (ASX: BCT) today released its quarterly cash flow report for the period ended 31 December 2016.

- **Sales revenue of starter kits to SIAD Europe, Netherlands Distributor, Danish University and repeat sales to the Chinese Centre for Disease, Control and Prevention (CCDC);**
- **Continued aggressively building our pipeline of OEM partners and distributors**

Commentary

Net operating cash inflow for Dec 2016 quarter was \$72,869, compared to cash outflow of \$578,725 for the previous quarter. The improvement in the net operating cash inflow during the quarter is mainly attributable to the government grants and tax incentives received of \$674,677.

During the quarter, we:

- Continued with the second phase of our license and supply agreement to incorporate Bluechiip's technology into our partner's Assisted Reproductive Technologies (**ART**) medical device for sale into In Vitro Fertilisation (**IVF**) clinics across the globe, recording invoices for delivery of technology support service and components;
- Recorded repeat sales of starter kits to the Chinese Centre for Disease, Control and Prevention (**CCDC**), an agency of the Chinese Ministry of Health based in Beijing, People Republic of China. The first sale to CCDC was recorded in prior quarter;
- Recorded sale of 2 starter kits to SIAD-CZ, a Prague based subsidiary of SIAD, a European biobank solution provider for the life sciences sector,. SIAD-CZ has also signed a distribution agreement to distribute Bluechiip's technology in Eastern Europe with exclusivity in Czech Republic, Slovakia, Poland and Hungary;
- Recorded sale of 2 starter kits to our Netherlands distributor GR Instruments BV;
- Continued expansion of Bluechiip's OEM pipeline in the USA, Europe and APAC markets and converted OEM partner opportunities;
- Received a \$50,000 in funding from Innovation Connections to proceed with the second phase of development of its 'over-temperature' chip technology in partnership with the University of Melbourne; and
- Continued to work on registering further patents from the R&D activities from our existing 24 confirmed patents.

END.

For more information:

Andrew McLellan
Managing Director / CEO
Ph: +61 457 823 470
andrew.mclellan@bluechiip.com

About Bluechiip Limited:

Founded in 2003 and ASX listed in 2011 [ASX:BCT], Bluechiip has its head office in Melbourne, Australia and distribution channels around the globe.

Bluechiip's unique and patented technology combines secure wireless sample tracking with integrated temperature reading for use in extreme environments, working reliably in temperatures from -196°C to +200°C, and impervious to autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

Based on MEMS technology, the Bluechiip® tag contains no electronics. Unlike traditional tracking technology like labels, barcodes or RFID, Bluechiip does not require line-of-sight visibility for temperature readings and tracking, and so can be read through frost without damaging the sample.

The tag can either be embedded or manufactured into storage products such as vials or bags. Easy identification, along with any associated information from the tag can be detected by a reader, which can also sense the temperature of the tagged items. Unlike other tracking methods, the Bluechiip® technology can sense the temperature of each item a tag is attached to or embedded in.

This technology is particularly important for industries such as the \$2b biopreservation & cryopreservation 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. It also has applications in cold chain logistics, food, manufacturing, security and defence.

Further information is available at www.bluechiip.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

BLUECHIIP LIMITED

ABN

79 104 795 922

Quarter ended ("current quarter")

31 DECEMBER 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	72	125
1.2 Payments for		
(a) research and development	(71)	(112)
(b) product manufacturing and operating costs	(61)	(118)
(c) advertising and marketing	(53)	(111)
(d) leased assets	-	-
(e) staff costs (inclusive internal R&D)	(311)	(580)
(f) administration and corporate costs	(191)	(384)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	(15)	(36)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	675	675
1.8 Other (provide details if material)	26	32
1.9 Net cash from / (used in) operating activities	73	(506)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	10	1,493
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(25)	(30)
3.5	Proceeds from borrowings	-	150
3.6	Repayment of borrowings	(500)	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(515)	1,113

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,537	488
4.2	Net cash from / (used in) operating activities (item 1.9 above)	73	(506)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(515)	1,113

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,092	1,092

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,066	1,511
5.2	Call deposits	26	26
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,092	1,537

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(20)

-

Item 6.1

Directors' fees accrued for 7 months paid to Non-Executive Directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	170	150
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	65	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Item 8.1

R&D Tax Prepayment Loan from R&D Capital Partners Pty Ltd for a loan facility of \$150,000 (drawn down in previous quarter) secured by R&D tax incentive 2016/2017 receivable. An interest rate of 15% per annum is calculated and payable monthly on the drawn down facilities.

Also relates to a premium funding loan facility of \$20,000 to finance insurance premium. The facility was fully drawn down in last quarter of financial year 2016 and is to be repaid over 10 months.

Item 8.3

Relates to credit card facilities.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	130
9.2 Product manufacturing and operating costs	94
9.3 Advertising and marketing	60
9.4 Leased assets	-
9.5 Staff costs (inclusive internal R&D)	280
9.6 Administration and corporate costs	139
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	703

Item 9.7

None

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	None	None
10.2 Place of incorporation or registration	Not applicable	Not applicable
10.3 Consideration for acquisition or disposal	Not applicable	Not applicable
10.4 Total net assets	Not applicable	Not applicable
10.5 Nature of business	Not applicable	Not applicable

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  – Date: 25 January 2017
(Director)

Print name: Andrew McLellan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.