

## **BLUECHIIP LIMITED**

### **MARCH 2022 QUARTERLY CASH FLOW REPORT**

Bluechiip Limited (**Bluechiip** or the **Company**) (**ASX: BCT**), a leader in the development of advanced sample management solutions for harsh environments, is pleased to release the Group's Appendix 4C - Quarterly Cashflow report and update for the quarter ended 31 March 2022.

### **ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2022**

#### **Corporate and Business updates for the Quarter**

- Recorded sales for the quarter of \$185k (of which \$132k came in the month of March), and cash receipts of \$109k;
- Delivery and installation of Bluechiip's new range of Bluechiip Enabled Advanced Sample Management solutions for orders from six customers since launch;
- Progressed growing the US sales and marketing team to target the North American market;
- Actively progressed Bluechiip's project with FujiFilm Irvine Scientific;
- Continued executing multiple active projects and negotiations with potential OEMs;
- Successfully granted a new Japanese Patent: Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items;
- Successfully granted the approval by AusIndustry for 2020-2021 research and development (R&D) registration to provide tax incentive cash refund of \$1.1m; and
- Closing cash and cash equivalents of \$2.79m as at 31 March 2022, with no borrowings.

#### **Additional information**

During the quarter, Bluechiip Group recorded sales of goods and engineering services of \$185k, of which \$132k came in March 22. The Group also recorded cash receipts from customers for the quarter of \$109k for products and engineering services.

Following the prior quarter's launch of Bluechiip Enabled storage consumables, readers and software with CE certification and US Food Drug Administration (**FDA**) registration, the Group has been actively engaging with clients particularly in North America.

The Group continued to make delivery and installation of Bluechiip's new range of consumables and Advanced Sample Management solutions for orders received for orders from six customers, both locally and overseas, since launch.

Whilst the Company's products and solutions are gaining traction, Bluechiip continues to execute on our Licence and Development agreement with FujiFilm Irvine Scientific (**FujiFilm**) developing Bluechiip

Enabled solutions for the Assisted Reproductive Technologies (IVF) market place towards expectation of an ongoing supply agreement.

In conjunction with the FujiFilm projects Bluechiip continued executing additional pilot and prototyping projects with multiple OEM potential partners with the intent to progress to OEM partner agreements.

Recently, the Company was successfully granted a new Japanese Patent: Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items. The new patent is in a new family taking Bluechiip's patent portfolio to 33 across 7 patent families.

The Company also received the approval by AusIndustry of Department of Industry, Science, Energy and Resources for registration application in respect of R&D activities in financial year 2020-2021 which will provide a tax incentive refund of \$1.09m cash.

During the quarter, staff costs and commercial production and operating costs continued to dominate cash outflow items - \$632k (Q2 Sep 22: \$646k) and \$379k (Q2 Sep 22: \$184k) respectively. The Company is financially well supported with closing cash and cash equivalents of \$2.79m as at 31 March 2022, with no borrowings.

## Outlook

The Company continues to respond to market conditions, including:

- Focusing on building its direct customer sales base with delivery to existing purchase orders for Bluechiip Advanced Sample Management Solutions including Bluechiip Enabled consumables, readers and software for the global Biobanking market directly in North America and Australia/New Zealand and through distribution partners globally;
- Working to expand its Sales and Marketing team, especially in North America, to drive customer pipeline expansion and conversion;
- Continuing its development activities with FujiFilm with the expectation of a long-term supply agreement;
- Progressing towards OEM partner agreements with potential OEMs, including in the Cell Therapy and target Biobanking space, sectors that have gained significant traction for the Company's products and solutions;
- Managing its existing cash reserves and allocating to evaluated R&D activities and prioritising expenditure in line with the Company's overall strategy;
- Receipt of over \$1m from the Australian Government on registration of 2020-2021 R&D tax refund program; and
- Managing patent applications with patent advisers to add to Bluechiip's portfolio of 7 patent families comprising 33 granted patents.

**END.**

**Authorised for release by the Bluechiip Limited Board**

For more information, please contact:

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**About Bluechiip Limited**

Bluechiip understands that every biological sample – stem cells, blood, eggs, sperm and other biospecimens – is critical, so our objective is to manage each one with optimal quality in the most efficient way. Bluechiip’s advanced sample management solution is the only one that provides sample temperature with ID in cryogenic environments, driving productivity and improving quality. Bluechiip’s solution delivers confidence in every sample.

Bluechiip’s unique patented technology is a MEMS-based wireless tracking solution that contains no electronics. It represents a generational change from current tracking methods such as labels (hand-written and pre-printed), barcodes (linear and 2D), and Radio Frequency Identification. Bluechiip tags are either embedded or manufactured into storage products such as vials or bags. Each product is easily identified and critical information, such as sample temperature, detected by readers and stored in the Bluechiip software. In addition to functioning in extreme temperatures, the Bluechiip<sup>®</sup> Advanced Sample management solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

Bluechiip listed on the ASX in June 2011. Since then, we have significantly developed our technology. Today it has applications in healthcare, including in cryogenic storage facilities (biobanks and biorepositories), pathology, clinical trials and forensics. Other key markets include cold-chain logistics/supply chain, security/defence, industrial/manufacturing and aerospace/aviation.

**Bluechiip: Delivering confidence in every sample.**

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

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

BLUECHIIP LIMITED

**ABN**

79 104 795 922

**Quarter ended ("current quarter")**

31 MARCH 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	109	323
1.2 Payments for		
(a) research and development	(22)	(149)
(b) product manufacturing and operating costs	(379)	(818)
(c) advertising and marketing	(98)	(174)
(d) leased assets	-	-
(e) staff costs	(632)	(1,779)
(f) administration and corporate costs	(196)	(613)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	22	22
1.8 Other (provide details if material)	(29)	48
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,223)</b>	<b>(3,126)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) 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)		
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	-	-

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,013	5,919
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,223)	(3,129)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,790</b>	<b>2,790</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,790	2,013
5.2	Call deposits	-	2,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,790</b>	<b>4,013</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	80	10
<b>7.4 Total financing facilities</b>	<b>80</b>	<b>10</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>70</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,223)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,790
8.3 Unused finance facilities available at quarter end (item 7.5)	70
8.4 Total available funding (item 8.2 + item 8.3)	2,860
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.34</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

**28 APRIL 2022**

Date: .....

### THE BOARD OF BLUECHIIP LIMITED

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.