



ASX Announcement

For immediate release

1 June 2017

Rights issue to raise up to \$2.53 million to grow sales pipeline

Highlights

- Bluechiip to raise up to \$2.53 million through a 1:3 non-renounceable rights issue.
- Funds raised will be used to invest in direct support of our OEM partners, build inventory and to fund ongoing working capital requirements.
- 1 new share offered for every 3 existing shares held at a price of \$0.028 per share, a discount of 10% to the last traded price and approximately 18% to the last 3 months VWAP at which Bluechiip Shares traded on ASX.

Bluechiip Limited (ASX: BCT) (**Bluechiip** or **Company**) today announced that it is raising up to \$2.53 million (before costs) through a pro-rata non-renounceable one for three rights issue of fully paid ordinary shares (**New Shares**) in Bluechiip to all eligible shareholders holding shares on the record date (**Entitlement Offer**).

Funds raised from the Entitlement Offer will be used to invest in direct support of our OEM partners, build and to fund ongoing working capital requirements.

Details of the Rights Issue (Entitlement Offer)

Under the Entitlement Offer, eligible shareholders will be able to subscribe for one new share for every three existing shares held on the record date of **8 June 2017** at an offer price of \$0.028 per New Share (**Offer Price**).

In addition to being able to apply for new shares under the Entitlement Offer, eligible shareholders will also have the ability to apply for additional New Shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer at the Offer Price.

New Shares issued under the Entitlement Offer will rank equally with existing Bluechiip shares in all respects.

Key dates in the Entitlement Offer are provided in the Timetable section below. As the Entitlement Offer is non-renounceable, shareholders will not be able to sell or trade their entitlements that they do not take up.

The entitlements under the Entitlement Offer may only be taken up by eligible shareholders being persons who are registered holders of Bluechiip ordinary shares at 7:00pm (Sydney

time) on 8 June 2017 and have a registered address in Australia or New Zealand, or who fall under a specified exemption provided for under the applicable laws of another jurisdiction.

Shareholder information

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the information booklet and updated investor presentation will also be lodged with ASX. Those shareholders who Bluechiip determines to be ineligible shareholders will also be notified.

Timetable (indicative)

Event	Date
Announcement of Entitlement Offer	Thursday, 1 June 2017
Lodgement Date – Entitlement Offer Document, Appendix 3B and cleansing notice lodged with ASX	Monday, 5 June 2017
Dispatch of Notice containing information required by Appendix 3B to Shareholders	Tuesday, 6 June 2017
Ex Date – The date on which Existing Shares commence trading without the Entitlement to participate in the Entitlement Offer	Wednesday, 7 June 2017
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer (7.00pm (Sydney time))	Thursday, 8 June 2017
Entitlement Offer Document sent to Shareholders – Anticipated despatch of Entitlement Offer Document and Entitlement and Acceptance Forms – Entitlement Offer opens	Tuesday, 13 June 2017
Closing Date – The last day for receipt of Applications (5.00pm (Sydney time))	Friday, 30 June 2017
Notify ASX of Shortfall	Wednesday, 5 July 2017
Allotment Date – Allotment of New Shares under the Entitlement Offer	Friday, 7 July 2017
Despatch Date – Anticipated despatch of holding statements for New Shares	Friday, 7 July 2017
Expected commencement of normal trading in New Shares on ASX	Monday, 10 July 2017

Note: the above timetable is indicative only and subject to change. All references to time are Sydney time. The Company reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend the indicative timetable set out above or to withdraw the Entitlement Offer at any time.

Iain Kirkwood, Bluechiip Chairman said, “*The business continues to grow and the sales pipeline is beginning to grow. We expect to report cash receipts from sales of over \$250,000 this year through license fees and sales of developer kits. This year alone we have sold 12*

developer kits including repeat orders. As recently announced we signed up our third OEM partner – this one a leader in the US market. Our IVF business which was signed up in FY16 is now expected to commence supply in FY18 after a few delays. We have high expectations of very solid sales growth from both the IVF market and international market”

He added, *“the directors decided to price the Entitlement Offer at \$0.028 per share to provide all existing shareholders with an incentive to fully subscribe for their entitlement offer ahead of any new shareholders that may be invited to come in to the company via private placement”.*

Bluechiip CEO Andrew McLellan said, *“Our highly differentiated, expanding and protected core technology is now being incorporated into our partners’ products with an immediate, addressable market of over US\$250 million from our 3 executed licence and supply agreements. Our most recent agreement with Labcon North America is a clear demonstration that our pipeline of partnership opportunities continues to accelerate and convert. We now have 12 developer kits delivered to potential OEM partners including delivery this month of a kit to a large multinational in the over-US\$2B Biopreservation market.*

The capital raised through the rights issue will allow Bluechiip to move to a sustainable revenue generating business through the delivery of products to our existing and new partners. We expect significant revenue growth in FY’18 on partner’s product launch”

ENDS

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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.



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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