

## **BLUECHIIP LIMITED**

### **JUNE 2017 QUARTERLY CASH FLOW REPORT**

Bluechiip Limited (**Bluechiip** or **Company**) (**ASX: BCT**) today released its quarterly cash flow report for the period ended 30 June 2017.

#### **Highlights**

- Bluechiip Rights Issue completed and successfully raised \$3.434 million including a subsequent placement to sophisticated and professional investors; and
- Bluechiip secured a Development and Licence Agreement with Labcon North America.

#### **Commentary on the Cash Flow Report**

Net operating cash outflow for June 2017 quarter was \$439,113, compared to net cash outflow of \$737,142 for the previous quarter. The improvement to the net operating cash outflow during the quarter was mainly attributable to cash receipts from licence income and sales to customers amounted to \$110,980.

During the quarter, we:

- Launched a capital raise of up to \$2.53 million through 1:3 non-renounceable rights issue (**Rights Issue**). Up to 30 June 2017, \$0.647 million was received through shareholder acceptances under the Rights Issue. Subsequent to 30 June 2017, the Company raised a further \$2.787 million pursuant to the Rights Issue and subsequent placement (a total of \$3.434 million);
- Secured a Development and Supply Agreement with a California-based Labcon North America, a world leading manufacturer of earth friendly laboratory consumables. The agreement is our third major and license agreement and our first in North America. The agreement provides technology access fee with upfront payment at date of signing and further quarterly payments;
- Progressed with the second phase of our license and supply agreement to incorporate Bluechiip's technology into our partner, Genea Biomedx 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;

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- Continued to sell products and services to local customers;
- Continued to work through our business development team in the USA on the expansion of Bluechiip's Original Equipment Manufacturer (OEM) pipeline in the USA, Europe and APAC markets and converted OEM partner opportunities;
- Continued to introduce the Bluechiip OEM Developer Kit to more potential OEM partners. The Developer Kit enables OEM partners to integrate Bluechiip's technology with their own products. We also continue research and development of solutions to meet the OEM partners' requirements; and
- Progressed work on advice by our Patent Adviser on registering further patents to add to our existing 24 confirmed patents.

**END.****For more information contact**

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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](http://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")**

30 JUNE 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	111	263
1.2 Payments for		
(a) research and development	(47)	(383)
(b) product manufacturing and operating costs	(40)	(210)
(c) advertising and marketing	(51)	(206)
(d) leased assets	-	-
(e) staff costs (inclusive internal R&D)	(280)	(1,187)
(f) administration and corporate costs	(136)	(642)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(14)	(56)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	675
1.8 Other (provide details if material)	17	59
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(439)</b>	<b>(1,682)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(4)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	647	2,140
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	(7)	(40)
3.5	Proceeds from borrowings	150	600
3.6	Repayment of borrowings	-	(500)
3.7	Transaction costs related to loans and borrowings	(1)	(2)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>789</b>	<b>2,198</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	651	488
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(439)	(1,682)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	789	2,198

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,000</b>	<b>1,000</b>

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	973	624
5.2	Call deposits	27	27
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,000</b>	<b>651</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	(41)
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	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
600	600
-	-
65	-

**Item 8.1**

R&D Tax Prepayment Loan from R&D Capital Partners Pty Ltd for a loan facility of \$600,000 fully drawn down, which \$150,000 was drawn down in current quarter. The facility is secured by R&D tax incentive 2016/2017 expected to be received. An interest rate of 15% per annum is calculated and payable monthly on the amount drawn down.

**Item 8.3**

Relates to credit card facilities.

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Research and development

119

9.2 Product manufacturing and operating costs

5

9.3 Advertising and marketing

50

9.4 Leased assets

-

9.5 Staff costs (inclusive internal R&D)

316

9.6 Administration and corporate costs

227

9.7 Other (provide details if material)

600

**9.8 Total estimated cash outflows**

**1,317**

**Item 9.7**

Repayment of R&D Tax Prepayment Loan facility from R&D tax incentive 2016/2017 expected to be received during the quarter.

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: .....  
(Director/Company secretary)

Date: 27 July 2017

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.