

**Tuesday, 6 February 2024**

## **Investor Presentation – Correction**

Bluechiip Limited (**Bluechiip** or the **Company**) (**ASX: BCT**), a leader in the development of advanced sample management solutions for harsh environments notes that there was a data corruption issue on page 8 of the Investor Presentation, released on Monday, 5 February 2024.

The Investor Presentation is reattached with page 8 being corrected.

**END.**

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

This announcement may not be distributed or released in the United States.

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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)



# Equity Raising

5 February 2024



REDEFINE QUALITY • DRIVE PRODUCTIVITY

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CONFIDENCE IN EVERY SAMPLE

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# Important Notices and Disclaimer

This investor presentation ("**Presentation**") is dated 5 February 2024 and has been prepared by Bluechiip Limited (ACN 104 795 922) ("**BCT**", "**Bluechiip**" or the "**Company**"). By accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to a non-renounceable entitlement offer of new fully paid ordinary shares in BCT ("**New Shares**") to be made to eligible shareholders of BCT ("**Entitlement Offer**") under section 708AA of the Corporations Act 2001 (Cth) ("**Corporations Act**") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 ("**Entitlement Offer**").

The Entitlement Offer follows a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("**Placement**"),

The Entitlement Offer and Placement are referred to together as , the "**Equity Raising**").

## Summary Information

The information in this Presentation contains information about the current activities of the Company and is a summary only. This Presentation is not intended to be comprehensive or contain all of the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements, including BCT's full year results for the period ended 30 June 2023, lodged with the ASX on 31 August 2023 available from the Australian Securities Exchange ("**ASX**") at [www.asx.com.au](http://www.asx.com.au).

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications.

Neither BCT nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

The Company does not give any representations or warranties in relation to the statements or information in this Presentation

## Not Financial Product Advice or Offer

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The offer booklet for the Entitlement Offer will be available following its lodgement with ASX. Any eligible shareholder in Australia who wishes to participate in the Entitlement Offer should consider the offer booklet before deciding whether to apply under that offer.



# Important Notices and Disclaimer

## Investment Risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Company, including possible delays in repayment and loss of principal and income invested. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital from BCT or any particular tax treatment. Investors should have regard to the Key Risks section in the Appendix to this Presentation. Cooling off rights do not apply to the Acquisition of New Shares.

## Financial Information

All dollar values are in Australian dollars (\$) or AUD) unless stated otherwise. All references starting with “FY” refer to the financial year for BCT, ending 30 June.

Investors should be aware that certain financial measures included in this Presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under AAS and International Financial Reporting Standards (“**IFRS**”). Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although BCT believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

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You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Lead Manager and each of the Company and the Lead Manager disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.



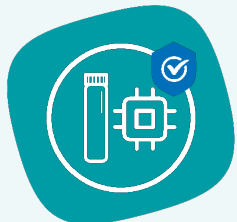
# Bluechip Fundamentals



**Drives  
productivity**



**Redefines  
Quality**



**Confidence in  
every sample**

- World first, highly differentiated technology: 40 granted patents
- >>\$1B growing target markets: Pharma, clinical trials, cell therapies, biobanking, IVF and vaccines requiring Ultra Low temperature ID and temperature traceability
- >>300M/yr high value bio-samples handled at -80°C & -196°C
- New Go To Market Strategy: CE & FDA Registered Bluechip Enabled Solutions
- Expanded US sales team driving significant customer pipeline
- Growing customer base – 28 Labs across 17 customers with over 130 lab opportunity
  - 3 Global top 20 pharma already customers
  - IVY league research institute and leading biopharma groups as customers
- Accelerating repeat orders from customer base
- FujiFilm Partnership in IVF
- >\$3m inventory & scaled production capacity of over 5m chips/yr

# Bluechiip Overview



[Link to corporate video](https://www.bluechiip.com/investor/company-overview/)

<https://www.bluechiip.com/investor/company-overview/>



# Key Achievements

## Bluechiip Enabled Solutions Product in Market

- ISO9001, CFR21-11 software, CE IVD & FDA registration
- Scaled chip supply chain (3m+)
- Hierarchy of Storage Range Released
- Refined Bluechiip reader platforms
- Stream 23 software released

## Accelerating Customer Adoption & Pipeline Building

- Expanded US sales & Marketing Team from 2 to 7
- Customer adoption in EU, US & APAC with rapidly growing repeat orders
- Rapidly expanded customer opportunity pipeline

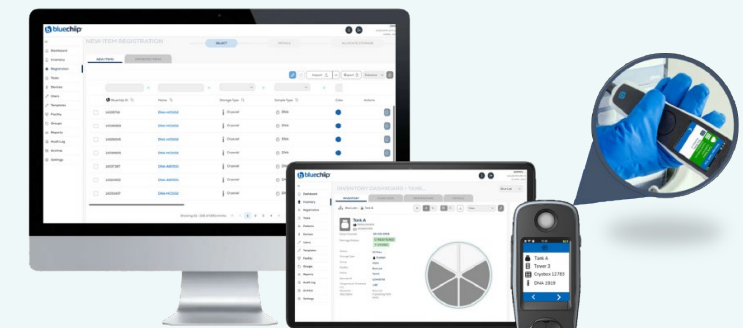
### Bluechiip Enabled Storage



### Bluechiip Readers



### Bluechiip Stream Software



# Bluechiip Enabled Laboratories

## End-user Feedback and Market Progression



*"The Bluechiip System allows me to have a significant amount of oversight throughout our banking process"*

Dr Akhil Chawla MD  
Clinical Assistant Professor of Surgery



*"Bluechiip helps us work more efficiently with confidence in sample integrity and identity"*

Dr Mary Clare McCorry  
Director of Technology and Process Development

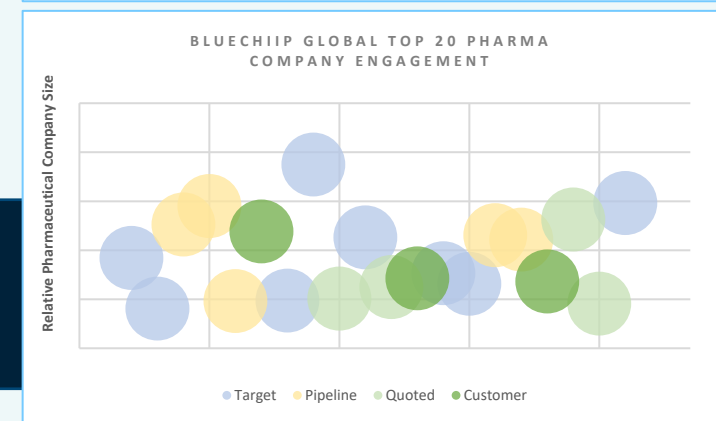
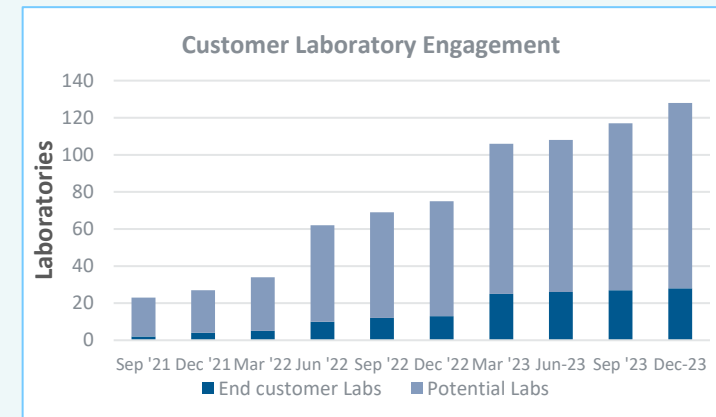
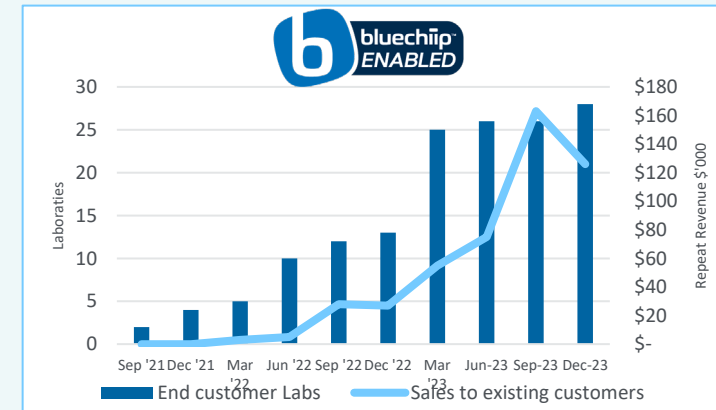


*"The Bluechiip system provides a full audit trail to help us adhere to Good Manufacturing Practice"*

Dominika Lykova  
Cell Therapy Specialist



Palacký University  
Olomouc



**Growing install base 28 labs across 17 accounts including 3 large Global Pharma companies & Ivy League Core Facility**

## Vision

To be the global leader in ID and sensing technology for extreme environments

## Mission

To advance research and medicine by providing confidence in every sample

# Major ID and Sensing Technology Sectors

## Primary Focus



### Lifesciences Cold Chain incl Logistics, Storage and Monitoring

Item level **ID and temperature tracking** of containers holding high value samples through-out the **cryogenic** cold chain cycle. Including Banking, Transport and Monitoring where **frost** is usually present, and **ID errors have high risk and impact.**



### Cold Chain Logistics Food

Item level **tracking** of **frozen**, and **temperature sensitive** food products through-out the cold chain cycle.



### Industrial and Manufacturing

Item level ID and **high/low temperature tracking** tools and parts, structural health monitoring, items exposed to **ionizing radiation** such as nuclear products, sterilised medical devices, disposables and some food products.



### Security and Defence

**Anti counterfeiting** fashion, art, and high value commercial items. Cloning a bluechiip tag is extremely difficult. Parts that are exposed to **ionizing radiation**, security and defence.

Bluechiip is highly differentiated in Lifescience Cold Chain with core technology benefits and large market opportunity

# Life-science Cold Chain Market Trends



Increasing sample numbers and retrieval rates

## PRODUCTIVITY

Minimise total cost of sample ownership and ROI



Increased demand for advanced therapies and sensitive samples

## SAMPLE VALUE

ID tech needs to keep up with higher value samples



Criticality of sample history maps and reports

## SAMPLE QUALITY

Maximise specimen integrity via adequate cold chain handling and reporting



Increasing demand for cryo (-196°C and -80°C) storage

## CRYO TECH

Utilisation of cryo-safe technology and processes



# Biosample Management Technology is Not Keeping up With the Increasing Value of Biosamples

Tissue



Blood



IVF Sperm/Eggs



Vaccines



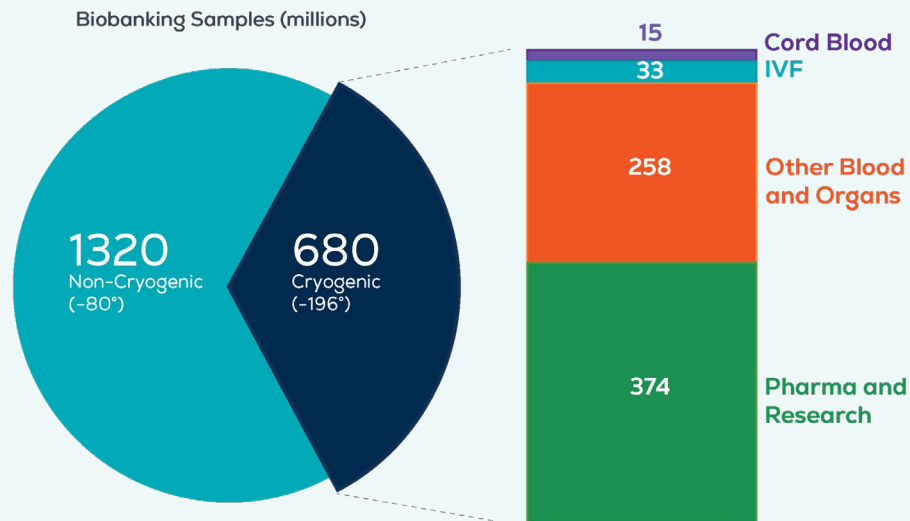
Stem Cell



# Primary Market Opportunity

Global Bio-Preservation Market \$3.1B in 2020 –  
Projected \$4.9B in 2025 (CAGR 9.2%)^

## Samples in Storage\*



## Primary Bluechiip Applications

### Life Science Market Opportunities









Target Market	Market Size by Samples	Bluechiip Addressable Market
Bio-preservation	300m+ samples/year >2B in storage	US\$600m+
Assisted Reproductive Technology (IVF)	2.5m IVF Cycles/year 5-8 consumables per cycle >33m samples in storage	US\$50m+
Clinical trials and research	>35m samples/year	US\$70m+
Cell therapies, Pharmaceuticals	3m samples/year 15m+ in storage	US\$30-50m+

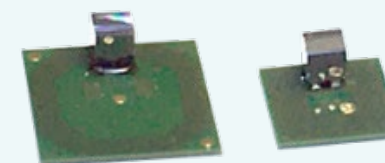
**Total Bio-Preservation: 2B Samples in Storage**  
300M new samples per year in over 10,000 laboratories

Sources: ^Markets and Markets 2020 \*Visual Fuse and MarketsandMarkets 2014

# Bluechiip MEMS Core Technology Advantages

Bluechiip's sensor tag consists of a silicon chip (1mm<sup>2</sup>) with 52 mechanical beams that provide a unique ID when read. The chip is connected to an antenna available in multiple form factors, providing communication of both ID and temperature to a centralized database. Bluechiip's Tag provides key advantages over other forms of ID in cryogenic environments.

	 RFID	 Barcodes	 Bluechiip
 <b>Non-visual ID</b> Reads through frost	~*	✗	✓
 <b>Cryosafe</b> Operates down to -196C	✗	✗	✓
 <b>Guaranteed unique ID</b> ID cannot be overwritten or duplicated	✗	✗	✓
 <b>On-board sensor</b> Senses temperature on each scan	✗	✗	✓
 <b>Sterilization proof</b> Gamma, E-beam, Autoclave	✗ <sup>^</sup>	✓	✓



\*Majority of RFID unreliable below -40C.

<sup>^</sup>Some newer RFID's have resistance

# Bluechiip offers the only Advanced Sample Management solution providing **sample temperature with ID** in cryogenic environments

We understand that every sample is critical and managing each one with optimal quality, in the most efficient way is the objective

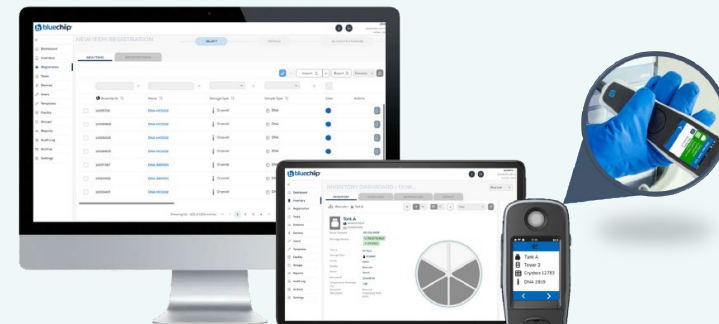
## Bluechiip Enabled Storage



## Bluechiip Readers



## Bluechiip Stream Software



Bluechiip's goal is to deliver confidence in every sample





# Bio-Pharma – Single Tank Revenue Model



Bluechip Readers



\$5.3k each



\$19k

Stream Sample Manager  
Software



\$8k

**Initial Capital Expenditure**

**\$42.9k**

\$4.3



65k vial tank  
**\$280k/yr**



Modular software license  
**\$12k/yr**

**Yearly revenue**

**\$292k**



Scalability of  
**\$280k in every tank**



Additional lab  
expansion across  
customers sites



# Confidence in Every Sample

Bluechiip's unique and patented technology is designed to operate across a wide temperature range from -196°C to over +150°C, creating the perfect system for managing sensitive samples. Bluechiip Enabled Sample Storage, Readers and Software combine to provide an unparalleled ability to track and store sample level data, including temperature across the cold chain process.

## Redefining Quality

- Eliminating errors through optimized inventory management
- Enabling compliance to industry standards and internal procedures
- Capturing ID and temperature at the sample level for cold chain integrity
- Reducing the risk of temperature excursions in cryogenic conditions
- Providing key workflow insights to drive continuous improvement



## Driving Productivity

- Reducing manual processes and eliminating double witnessing
- Identifying multiple samples instantly through frost
- Simplifying inventory handling for faster processing
- Driving efficiency at every step of the workflow





# Bluechip Enablement – Research Institute



## Challenge

The Research Institute needed a solution to centralize and standardize sample management across multiple user groups and locations, many without traceability of their freezers' contents.

## Solution

By digitizing existing and new sample inventory, Bluechip provides the Institute with a single, easy to use platform to track a variety of sample types across multiple freezers.

Starting with 5 freezers and 1 user group, the system has now been rolled out to more than 20 lab groups across the freezer farm.



**Lab Groups 12+**



**Freezers 45+**



**Samples 0.5M+**

# Bluechip Enablement Global Pharma R&D Lab



**Automated LN2  
tank**



**Multiple -80 Freezers**



**Reagent tracking  
at -20C**

## Challenge

A major pharmaceutical R&D facility had poor control of cryovial location data within their LN2 storage tank. Required a solution that could operate across their LN2 sample inventories and their -80C and reagent (-20C) freezers.

## Solution

Bluechip's Multivial reader provides the laboratory a reliable traceability of individual cryovial locations within cryoboxes being transferred into and out of the automated LN2 store.

The laboratory manages their entire inventory of tanks and freezers in the Bluechip Stream database and Bluechip's Flexi Module is being utilized to enabled the registration and tracking of reagents in the -20C freezer.



# Bluechiip - Path to Market



## Bluechiip Direct Solutions

Direct to market: North America

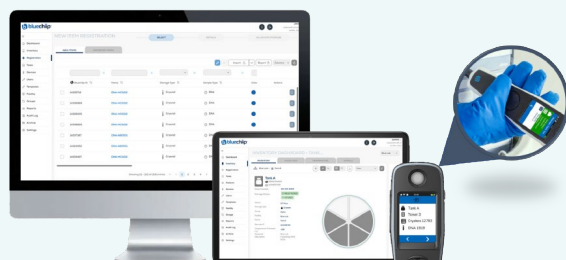
Global distribution network

Consumables, Readers, Software Sales model



## Primary Target Markets

- Bio-preservation
- Clinical trials and research
- Cell therapies & Pharmaceuticals



## Partnerships: Bluechiip Enabled Solutions

- Developer kits sold to global corporations for due diligence
- Conversion to licence agreements and Bluechiip Enabled solutions
- Ongoing licence fees
- Development and service revenues
- Sale of Bluechiip Enabled Consumables, readers & software



## Major Licence agreements

- Finalising development and proceeding towards a subsequent supply agreement with FujiFilm Industries Irvine Scientific for the IVF market
- Labcon distribution agreement

# Growth Initiatives For A Bluechiip Future



- Landing New Accounts through Aggressive Sales & Marketing in US
- Expanding within accounts into new labs & expanding repeat revenue
- Building distribution networks in Europe & Asia in FY'24
- Growing our direct customer base globally across the >>\$1B, Ultra Low temperature clinical trials, cell therapies, pharma biobanking markets
- Execution and conversion of our Major partnerships
- Continued expansion and protection of our world first, highly differentiated technology: >40 granted patents
- Building operational & manufacturing capabilities to meet demand



**Landing and expanding**  
new accounts, new labs and  
growing repeat orders



**Building**  
global distribution channels



**Execution**  
of OEM agreements



**Continuing**  
expansion and refinement  
of product range



# Equity Raise Overview

# Equity Raising Overview

Offer Structure and Size	<p>Bluechiip is seeking to raise up to ~A\$4.8 million via the issue of up to ~687.4 million fully paid ordinary shares ("<b>New Shares</b>") comprising:</p> <ul style="list-style-type: none"> <li>• A placement of A\$0.84 million to sophisticated and professional investors ("<b>Placement</b>");</li> <li>• 5 for 7 pro-rata non-renounceable entitlement offer to eligible shareholders to raise up to ~A\$4.0 million ("<b>Entitlement Offer</b>") (the Placement and the Entitlement Offer together being, the "<b>Equity Raising</b>").</li> </ul> <p><b>Placement:</b> The Placement will raise approximately A\$0.84 million via the issue of ~119.3 million New Shares in accordance with ASX L.R. 7.1.</p> <p><b>Entitlement Offer:</b> Participants in the Entitlement Offer will be entitled to subscribe for five (5) New Shares for every seven (7) existing Bluechiip shares held as at the record date for the Entitlement Offer. The Entitlement Offer seeks to raise up to ~A\$4.0 million via the issue of up to ~ 568.1 million New Shares to eligible shareholders. There is no minimum subscription amount to be raised under the Entitlement Offer.</p> <p>The Placement &amp; Entitlement Offer are not underwritten. Final allocation decisions will be determined by Bluechiip in consultation with the Lead Manager.</p>
Offer Price	<p>A\$0.007 per New Share under the Equity Raising which represents:</p> <ul style="list-style-type: none"> <li>• 46.2% discount to the last traded price of \$0.0130<sup>1</sup></li> <li>• 43.1% discount to the 5-day VWAP price of \$0.0123</li> <li>• 43.4% discount to the 10-day VWAP price of \$0.0124</li> <li>• 43.1% discount to the 15-day VWAP price of \$0.0123</li> </ul>
Ranking	New Shares issued under the Equity Raising will rank pari passu with the Company's existing shares.
Use of Proceeds	<ul style="list-style-type: none"> <li>• North American sales and marketing</li> <li>• Cash to balance sheet for general corporate and working capital purposes</li> <li>• Estimated Offer Costs</li> </ul>
Ranking	Each New Share issued under the Equity Raising will rank equally with existing fully paid ordinary shares on issue
Board Participation	<ul style="list-style-type: none"> <li>▪ Board members of Bluechiip will not participate in the Placement component of the Equity Raising</li> <li>▪ Certain board members are expected to participate in the Entitlement Offer taking up a portion of their pro rata entitlement</li> </ul>

1. Represents the last closing price of Bluechiip on 31<sup>st</sup> January 2024.

# Timetable

Event	Date
Trading halt	Thursday, 1 February 2024
Announcement of Placement and Entitlement Offer	Monday, 5 February 2024
Trading halt lifted and shares recommence trading on ASX	Monday, 5 February 2024
Record date for the Entitlement Offer	7.00pm, Thursday, 8 February 2024
Settlement of the Placement	Friday, 9 February 2024
Allotment of New Shares under the Placement	Monday, 12 February 2024
Offer booklet dispatched and Entitlement Offer opens	Tuesday, 13 February 2024
Entitlement Offer closes	Thursday, 7 March 2024
Settlement of New Shares under the Entitlement Offer	Wednesday, 13 March 2024
Allotment of New Shares under the Entitlement Offer	Thursday, 14 March 2024
Normal trading of New Shares under the Entitlement Offer	Friday, 15 March 2024
<i>This timetable is indicative and subject to change without recourse to the Company, or notice to, or consultation with, you.</i>	

# Key Risks

## Overview:

This section discusses some of the key risks associated with any investment in Bluechiip, which may affect the value of Bluechiip shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Bluechiip. Before investing in Bluechiip, you should be aware that an investment in Bluechiip has a number of risks which are specific to Bluechiip and the Acquisition and some of which relate to listed securities generally, and all of which are beyond the control of Bluechiip. Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Bluechiip (such as that available on the websites of Bluechiip and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

## Offer Risks

Topic	Summary
	Entitlements cannot be traded on ASX or privately transferred. Investors who do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in the Company diluted (in addition to the dilution resulting from the Placement).
<b>Risk of not taking up Entitlement Offer</b>	Investors may also have their investment diluted by future capital raisings by Bluechiip. Bluechiip may issue new shares for capital expenditure or working capital which may, under certain circumstances, dilute the value of an investor's interest. The Company will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.

## Risks relating to an investment in Bluechiip

Topic	Summary
<b>Customer Demand</b>	The Company's financial performance is presently heavily reliant on the success of sales of the Bluechiip products and system. As the future performance of Bluechiip technology and products may be affected by many factors most of which are outside the control of the Company, the Company cannot guarantee the level of customer demand for its products. Any decrease in customer demand for products will have a material adverse impact on the Company's financial performance.
<b>Competition</b>	Intense competition exists in the Bio-Preservation Market, including in relation to developing products, obtaining and sustaining proprietary rights to technology; and marketing, selling and distributing products. The risk exists that one or more of the competitive products, commercially available or in development now or in the future, will prove more efficacious, more cost effective or more acceptable to end users than the Bluechiip technology and products. It is possible that a competitor may enter the market and establish itself as the preferred product for an indicated use. Such competition and new technologies can have the effect of rendering costly development obsolete, decreasing the financial value of products or research projects and reducing pricing and profit margins.
<b>Product Performance</b>	The performance of the Company's technologies and products is critical to its reputation and to its ability to achieve greater market penetration of these products. Any product failure or failure of a product to meet a customer's needs and requirements or the environmental conditions faced at a particular site could have a material adverse effect on the Company's business, results of operations and financial conditions.

# Key Risks

Topic	Summary
<b>Reliance on key management personnel</b>	<p>The Company's industry, commercial and strategic expertise and experience resides within a relatively small number of key senior executives and personnel.</p> <p>The unexpected loss of any key management personnel, or the inability on the part of the Company to attract experienced personnel, may adversely affect its future financial performance</p>
<b>Pricing competition</b>	<p>In order to stay competitive, the Company may need to lower its prices or invest significantly more in product innovation and development. Further, increases in costs (such as materials or technology) may decrease the margin the Company can earn under its pricing models if it is unable to pass on those increases to its customers. In the event that costs changes are passed on, there is a risk of customer churn. Any of these factors may lead to lower profitability</p>
<b>Brand and reputation damage</b>	<p>The success of Bluechiip is largely dependent on its reputation and branding.</p> <p>Maintaining the strength of the reputation and branding of the Company is integral to its ability to maintain relationships with existing customers, appeal to new customers, maintain sales growth and attract key employees. Factors which adversely affect Bluechiip's reputation may have a negative impact on its competitiveness, growth and profitability.</p>
<b>Key Supplier Arrangements</b>	<p>Bluechiip has exposure to certain suppliers. Supplier Agreements with these suppliers (and others) are generally on a non-exclusive basis and do not contain minimum supply obligations. A number of these agreements can be terminated on short notice and without cause. Also, purchases from suppliers are restricted by credit terms.</p> <p>The Company has engaged third party contract manufacturers for its chips and reading devices. There can be no guarantee that there will not be difficulties or delays in the production of the Company's chips or reading devices, that the chips and reading devices can be manufactured to the appropriate price or that the manufacturing process and capacity can be scaled to the level necessary. Difficulties in the manufacturing process may have an adverse impact on the financial performance of the Company.</p>
<b>Strategy Execution Risk</b>	<p>The Company's future growth, profitability and success depend on the ability of its management to successfully execute its business strategy. There can be no assurance that the Company can successfully achieve any or all of its initiatives or anticipated time frames. Failure by the Company to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations</p>
<b>Operational Risk</b>	<p>Operating costs can be influenced by a wide range of factors, many of which may not be under the control of the Company, including the breakdown or failure of equipment or processes, supply chain constraints (which may be caused by any number of factors including global or macroeconomic events), labour disputes, increases in freight costs, wages, insurance expenses, depreciation of equipment, industrial accidents and the need to comply with the directives of central and local government authorities. Significant increases in operational costs may adversely affect the Company's revenue and profitability.</p>



# Key Risks

Topic	Summary
<b>Laws, regulations and Government policy</b>	Changes in laws, regulations, the Listing Rules and/or government policy as well as political decisions may affect the Company and the attractiveness of an investment in the Company..
<b>Intellectual property rights</b>	No assurance can be given that the value of the Company's intellectual property rights will be completely protected or that the Company will be able to maintain its competitive position by the legal protection afforded by a combination of copyright, trade secrecy laws, patent laws, confidentiality and other intellectual property rights. There can be no assurance that third parties or employees will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or will not be able to produce a non-infringing competitive product or service.
<b>Currency</b>	Many of the Company's supplier and customer contracts are denominated in US dollars or Euro, amongst others. Therefore, variations in currency can impact the Company's revenue, cost of sales and gross margin. This foreign exchange risk exposure is largely unhedged.
<b>Customer relationships</b>	<p>The Company's financial performance is dependent on its ability to retain existing customers and to attract new customers,. This depends in part on: the functionality, reliability, pricing, support and value that the Company's products deliver; its ability to deliver products as promised when compared to competing products; and its ability to adapt and respond to changes in the needs of customers.</p> <p>Potential new customers may be reluctant to switch to the Bluechiip system. This may be driven by switching costs imposed the time and resources needed to set up new systems, migrate data, or the work required to introduce new systems to their employees. Customers may cease their relationship with the Company for reasons within or outside of its control. If the Company is unable to retain existing customers or attract new customers at the pricing, size, frequency, and with the costs it anticipates, its business, financial performance and operations may be adversely impacted.</p>
<b>Liability risk</b>	The Company has in place a level of insurance considered suitable for its current business undertakings. However, if the Company's insurance arrangements are not adequate to protect it against liability for all losses (including but not limited to, public liability, product liability or losses arising from business interruption) or should the Company experience losses in excess of the scope of its insurance cover, the Company's financial performance may be adversely affected.
<b>Sufficiency of, and access to, capital</b>	<p>The funding sought to be raised by the Offer is based on the Company's best estimation of cash flow projections and estimated expenditures. The Company has limited financial resources and may need to raise additional funds from time to time to finance its business objectives.</p> <p>There is a risk that the Company may not be able to access equity or debt capital markets to support its business objectives. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.</p>
<b>Impairment of intangible assets</b>	The Company has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, the Company would need to write down the value of its intangible assets which would result in an expense in the income statement, thereby potentially materially impacting the Company's financial condition and reported earnings.

# Key Risks

## General market risks

Topic	Summary
<b>Risks associated with investment in equity capital</b>	There are risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price depending on the financial and operating performance of the Company and external factors over which the Company and the Directors have no control. These external factors include: economic conditions in Australia and overseas which may have a negative impact on equity capital markets; changing investor sentiment in the local and international stock markets; changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which the Company proposes to operate and which may impact on the future value and pricing of shares. No assurances can be given that the New Shares will trade at or above the Offer Price. None of the Company, its Board or any other person guarantees the market performance of the New Shares
<b>Liquidity and realisation risk</b>	There may be few or many potential buyers or sellers of Bluechiip Shares on the ASX at any time. This may affect the volatility of the market price of Bluechiip shares. It may also affect the prevailing market price at which shareholders are able to sell their BCT shares.
<b>Taxation</b>	Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Bluechiip shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which the Company operates, may impact the future tax liabilities and performance of the Company. Any changes to the current rates of income tax applying to individuals and trusts will similarly impact on shareholder returns
<b>General economic conditions</b>	<p>Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside the Company's control and have the potential to have an adverse impact on the Company and its operations.</p> <p>No assurance can be given that the New Shares will trade at or above the offer price. None of Bluechiip, its Board, or any other person guarantees the market performance of the New Shares.</p>

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