



## ASX Announcement

For immediate release

15 August 2016

### **\$1.5 million Rights Issue to fully fund Bluechiip's product release into Assisted Reproductive Technologies (IVF) market & convert pipeline partnerships**

#### Highlights

- Non-renounceable Rights Issue to raise up to \$1.51 million before costs.
- Funds raised will be used primarily to complete the development through to launch of Bluechiip's technology with partner Genea Biomedx and to complete and convert current trials with pipeline partners.
- 1 new share offered for every 3 existing shares held at a price of \$0.0225 per share, a discount of 13% to the last price at which Shares traded on ASX on Wednesday 10 August 2016, the last trading day before this announcement of this Entitlement Offer.

The directors of Bluechiip Limited (ASX: BCT) (**Bluechiip** or **Company**) today announced a 1-for-3 Non-Renounceable Rights Issue (**Entitlement Offer**) to all eligible shareholders to raise up to \$1.51 million before costs. The issue is not underwritten.

#### Rights Issue (Entitlement Offer)

The funds raised by this Entitlement Offer will be used to:

- Complete the development, through to launch, of Bluechiip's technology with partner Genea Biomedx in the Assisted Reproductive Technologies market in accordance with the agreement signed in December 2015;
- Complete and convert current evaluation and development trials with pipeline partners in USA, EU and Asia; and
- Corporate overheads.

Iain Kirkwood, Bluechiip Chairman said, *"The directors are very happy with the progress made within the business over the past 12 months especially with the continued progress of our OEM partner relationships. Our OEM partner strategy has led to over \$150,000 in sales revenue in the last 4 months of the 2016 financial year and we are now seeing repeat orders from both existing and new partners. Progressing to full release with our partner in the growing IVF market will lead to increasing ongoing revenue"*

He added, *"the directors decided to price the Entitlement Offer at \$0.0225 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 a placement of any shortfall. We are now seeing very real traction and expect this to be recognised in our valuation over the coming year."*

Bluechiip CEO Andrew McLellan said, “We are excited by the continued traction we are gaining with our OEM partner strategy. In July we successfully displayed our tracking technology at the European Society of Human Reproductive Embryology (ESHRE) trade show in Helsinki, Finland, with very positive feedback and are now continuing the development to launch of the products expected early in 2017.”

He added “the funds raised through this Entitlement Offer will allow Bluechiip to continue to execute our development program with our partner in the growing IVF market and continue the trials and developments with our significant and increasing pipeline of OEM partners. Through the launch of these products Bluechiip will move to sustainable ongoing revenue through the sale of chips and readers while at the same time, providing valuable validation to existing and new partners.”

### Investment Highlights

- Unique patented technology combining secure wireless tracking with integrated temperature sensing for extreme environments
- \$2b+ bio-preservation / bio-storage target market
- Executed supply agreement with Genea Biomedx in the high value IVF market with global distribution through a major pharmaceuticals company
- Repeat initial revenue from license fees, service and product sales (2nd half FY16 \$150k)
- Pipeline of over 15 partners with initial revenue from developer kits and validation customers
- High sales growth expected in short to medium term on IVF product release early 2017
- Trial and developer agreements in protein crystallography, cell therapies, general biobanking and Auto Identification and Data Capture markets
- Government co-funded projects with University of Melbourne & Swinburne University to make Bluechiips technology adaptable and suitable for various formats with significant value enhancement
- Large adjacent market opportunities

### Details of the 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 22 August 2016 at an issue price of \$0.0225 per share, which represents a discount of 13% to the last price at which shares traded on ASX on Wednesday 10 August 2016, the last trading day before the announcement of the Entitlement Offer. The Company will also make a Shortfall Facility available to eligible shareholders who wish to acquire additional new shares.

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 not renounceable, shareholders will not be able to sell or trade their entitlements.

Eligible shareholders will be invited to participate in the Entitlement Offer which will open on Thursday 25 August 2016 and close at 5:00pm Friday 9 September 2016.

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 Monday 22 August 2016 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 enquiries

Eligible shareholders will be sent an offer document and a personalised entitlement and acceptance form on or around Thursday 25 August 2016. All other announcements can also be downloaded from the Bluechiip website at [www.bluechiip.com](http://www.bluechiip.com).

### Timetable (Indicative)

Event	Date
Announcement of Offer	Monday 15 August 2016
Lodgement Date – Offer Document, Appendix 3B and cleansing notice lodged with ASX	Wednesday 17 August 2016
Dispatch of Notice containing information required by Appendix 3B to Shareholders	Thursday 18 August 2016
Ex Date – The date on which Existing Shares commence trading without the Entitlement to participate in the Offer	Friday 19 August 2016
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Offer (7.00pm (Sydney time))	Monday 22 August 2016
Offer Document sent to Shareholders – Anticipated despatch of Offer Document and Entitlement and Acceptance Forms – Offer opens	Thursday 25 August 2016
Closing Date – The last day for receipt of Applications (5.00pm (Sydney time))	Friday 9 September 2016
Notify ASX of Shortfall	Wednesday 14 September 2016
Allotment Date – Allotment of New Shares under the Offer	Friday 16 September 2016
Despatch Date – Anticipated despatch of holding statements for New Shares	Friday 16 September 2016
Expected commencement of normal trading in New Shares on ASX	Monday 19 September 2016

*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.*

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<sup>®</sup> 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<sup>®</sup> 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](http://www.bluechiip.com)

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