

## **BLUECHIIP LIMITED**

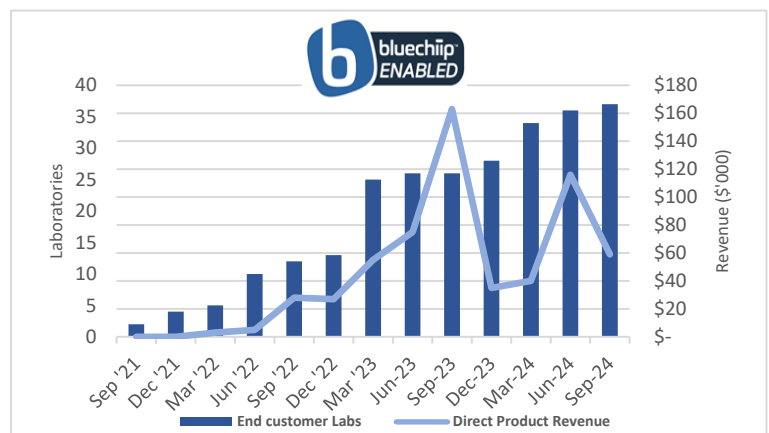
### **SEPTEMBER 2024 QUARTERLY CASH FLOW REPORT**

Bluechiip Limited (**Bluechiip** or the **Company**) (**ASX: BCT**), a leader in the development of advanced sample management solutions for harsh environments, releases the Company's Appendix 4C - Quarterly Cashflow report and update for the quarter ended 30 September 2024.

### **ACTIVITIES REPORT**

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

- The Strategic Review and Interim Capital Raising fundraising initiatives are well advanced with Bluechiip having entered a non-binding memorandum of understanding with a North American company for a licence, development and distribution agreement in the strategically important field of cell and gene therapy;
- Other involved parties are still conducting their internal reviews and in the best interests of its shareholders, the Board will ensure that all parties have adequate time to finalise their due diligence and submit their proposals and will keep the market informed;
- Trading in the Company's shares has been suspended by ASX with effect from Tuesday 1 October 2024, and is expected to remain in place until the Company gives ASX the documents required under rule 4.5 and its annual report required under rule 4.7.
- Recorded sales of \$59k and cash receipts from customers of \$133k for the first quarter of FY25;
- Added an additional global life sciences company that provides products and services essential to scientific research, diagnostics, and pharmaceutical development to its Bluechiip enabled customer base;
- 18 end-users have now ordered Bluechiip products across their 37 laboratories (compared to 26 laboratories at the same time last year);
- The Company is continuing with its cost cutting measures in both North America and Australia to reduce its operating expenditures;
- Received \$10,000 as part of the via a placement to sophisticated and professional investors following the approval of shareholders at the EGM;
- Company made a further drawdown of \$200,000 loan during the quarter from additional R&D advance facility of \$200,000 secured during the quarter.



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- During the quarter, Bluechiip received loan proceeds from shareholders of \$740,000. Also, a further R&D advance facility of \$200,000 was secured and fully drawn down.

### Strategic review

During the end of the fourth quarter FY24, the Company embarked on a strategic review of the Company and its business which comprises exploring strategic partnerships, investments or possible sale of the business targeting interested parties across North America, Europe and Asia Pacific (**Strategic Review**). As part of the Strategic Review, the Company has engaged Purposit International as its adviser and is in discussion with a number of interested parties.

The progress of the Strategic Review is progressing as planned, with Bluechiip entering a non-binding memorandum of understanding with a North American company for a licence, development and distribution agreement in the strategically important field of cell and gene therapy; multiple additional large strategic parties in the cryogenic storage, ULT bio sample management and lab digital automation segments continue to be involved in advanced discussions and data sharing with Bluechiip. The parties are still conducting their internal reviews and in the best interests of its shareholders, the Board will ensure that all parties have adequate time to finalize their due diligence and submit their proposals.

The Company at the recent Extraordinary General Meeting (EGM) on 29 August 2024, successfully obtained shareholders' approval to refresh the Company's capital raising capacity of ordinary shares issue and the proposed issuance of secured convertible notes to potential sophisticated investors to raise up to \$3m in gross proceeds.

As part of the Company's Strategic Review, the Company prior to the final quarter FY24 has mutually agreed with Department of Industry, Science and Resources (Commonwealth) (DISR) to terminate the Supply Chain Resilience Initiative Grant program. Subsequent to the receipt of an invoice for \$448,110 to be refunded to the DISR, the Company has agreed to repay the full amount based on approval from DISR.

### Additional information

During the first quarter FY25, the Company and its US based subsidiary (**Group**) recorded product sales of \$59k (Q4 2024: \$116k). The Group also recorded cash receipts from customers for the quarter ended 30 September 2024 of \$133k (Q4 2024: \$58k) for sales of products and engineering services.

Operational cash payments during the quarter were primarily directed towards staff costs \$836k, research & development \$48k, product and operating costs \$38k, advertising & marketing \$44k, along with administration & corporate costs \$92k. Net operating cash flows for the quarter were \$922k (Q4 2024: \$1.1 million).

During the first quarter FY25, the Company made a further drawdown of \$200,000 advance during the quarter from additional R&D advance facility of \$200,000 secured with Asymmetric Innovation Finance Pty Ltd (**Asymmetric**) during the quarter. The new advance is secured by R&D tax incentive 2023/2024 receivable. An interest rate of 16% per annum is calculated and payable monthly on the amount drawn down. The total R&D Advance fully drawn down stands at \$800,000 as at 30 September 2024.

During the quarter, the Company also received a total of \$740,000 in loan made up of the following:

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- \$300,000 loan proceeds from a non-related shareholder (Loan). The Loan is secured over a general security agreement with a 6-month term at an interest rate of 14% per annum and may be exchanged into convertible notes; and
- \$440,000 loan proceeds from several non-related shareholders.

In the prior final quarter FY24, the Company successfully raised gross proceeds of \$367,600 (before capital raising costs) via a placement of 83.5 million new ordinary shares fully paid-up shares in Bluechiip (New Bluechiip Shares) at an issue price of \$0.0044 per New Bluechiip Share to institutional, sophisticated and professional investors (**Placement**). \$10,000 worth of the Placement was subscribed by Mr Ohanessian, a non-executive director of the Company, was approved by the shareholders at the recent concluded EGM and received by the Company.

The Group's closing cash balance was \$133k as at 30 September 2024.

### Outlook

While undertaking the Strategic Review, the Company continues to respond to market conditions, including:

- Landing new direct customers with new installations, as well as meeting repeat orders from existing customers for Bluechiip Advanced Sample Management Solutions, including Bluechiip-enabled consumables, readers and software for the global biobanking market directly into North America and through distribution partners globally;
- Expanding through existing customers sites into additional potential laboratories and also into additional applications within customer sites; and
- Managing existing cash reserves, in line with the Company's overall strategic review of its operations.

**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® 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, it has significantly developed its technology. Today Bluechiip's Technology 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")**

30 SEPTEMBER 2024

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (3<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 133                                | 133  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | (48)                               | (48)   |
| (b) product manufacturing and operating costs             | (38)                               | (38)   |
| (c) advertising and marketing                             | (44)                               | (44)   |
| (d) leased assets   | -                                  | -  |
| (e) staff costs   | (836)                              | (836)  |
| (f) administration and corporate costs                    | (92)                               | (92)   |
| 1.3 Dividends received (see note 3)                       |                                    |  |
| 1.4 Interest received                                     | -                                  | -  |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | -                                  | -  |
| 1.7 Government grants and tax incentives                  | -                                  | -  |
| 1.8 Other (provide details if material)                   | 3                                  | 3  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(922)</b>                       | <b>(922)</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<br>\$A'000 | Year to date (3<br>months)<br>\$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</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                   | <b>-</b>                              |

|             |   |            |            |
|-------------|---|------------|------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |            |            |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 10         | 10         |
| 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 | (23)       | (23)       |
| 3.5         | Proceeds from borrowings  | 940        | 940        |
| 3.6         | Repayment of borrowings   | -          | -          |
| 3.7         | Transaction costs related to loans and borrowings                                       | (40)       | (40)       |
| 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>887</b> | <b>887</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 period                             | 168   | 168   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (922) | (922) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -     | -     |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.4                                  | Net cash from / (used in) financing activities<br>(item 3.10 above) | 887                        | 887                                   |
| 4.5                                  | Effect of movement in exchange rates on<br>cash held                | -                          | -                                     |
| 4.6                                  | <b>Cash and cash equivalents at end of<br/>period</b>               | <b>133</b>                 | <b>133</b>                            |

| 5.  | Reconciliation of cash and cash<br>equivalents<br>at the end of the quarter (as shown in the<br>consolidated statement of cash flows) to the<br>related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances   | 133                        | 133                         |
| 5.2 | Call deposits   | -                          | -                           |
| 5.3 | Bank overdrafts   | -                          | -                           |
| 5.4 | Other (provide details)   | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of<br/>quarter (should equal item 4.6 above)</b>  | <b>133</b>                 | <b>133</b>                  |

| 6.  | Payments to related parties of the entity and their<br>associates                          | Current quarter<br>\$A'000 |
|---|--|----------------------------|
| 6.1   | Aggregate amount of payments to related parties and their<br>associates included in item 1 | -                          |
| 6.2   | Aggregate amount of payments to related parties and their<br>associates included in item 2 | -                          |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an<br/>explanation for, such payments.</i> |  |                            |

|           |  |   |  |
|-----------|--|---|--|
| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount at quarter end \$A'000</b> | <b>Amount drawn at quarter end \$A'000</b> |
| 7.1       | Loan facilities  | 1,540   | 1,540                                      |
| 7.2       | Credit standby arrangements  | -   | -  |
| 7.3       | Other (please specify)   | 80  | 21   |
| 7.4       | <b>Total financing facilities</b>  | 1,620   | 1,561                                      |
| 7.5       | <b>Unused financing facilities available at quarter end</b>  |   | 59   |
| 7.6       | <p>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.</p> <p>Item 7.1<br/>Comprises of the following:</p> <p>(i) \$800,000 R&amp;D Tax Incentive Prepayment Loan facility from Asymmetric Innovation Finance Pty Limited secured by R&amp;D tax incentive 2023/2024 expected to be received which the entire 8600,000 was fully drawn down. An interest rate of 16% per annum is calculated and payable monthly on the amount drawn down; and</p> <p>(ii) \$300,000 6-month term loan from a non-related shareholder secured over a general security agreement at an interest rate of 14% per annum.</p> <p>(iii) \$440,000 loan from several non-related shareholders.</p> <p>Item 7.3<br/>Relates to credit card facilities</p> |   |  |

|           |  |                |
|-----------|--|----------------|
| <b>8.</b> | <b>Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
| 8.1       | Net cash from / (used in) operating activities (item 1.9)  | (922)          |
| 8.2       | Cash and cash equivalents at quarter end (item 4.6)  | 133            |
| 8.3       | Unused finance facilities available at quarter end (item 7.5)  | 59             |
| 8.4       | Total available funding (item 8.2 + item 8.3)  | 192            |
| 8.5       | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 0.21           |
|           | <p><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></p>  |                |
| 8.6       | <p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: No</p> <p>The Company has commenced a strategic review which comprises exploring strategic partnerships, investments or possible sale of the business targeting interested parties across North America, Europe and Asia Pacific. The Company is to receive proceeds from sales to its customers in the coming quarters whilst reducing its operating expenditures.</p> |                |



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: Yes.

Bluechiip has obtained its shareholders' approval at the recent Extraordinary General Meeting on 29 August 2024 for the approval for amongst others, to refresh the Company's capital raising capacity of ordinary shares issue and the proposed issuance of secured convertible notes to potential sophisticated investors to raise up to \$3m in gross proceeds.

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: Yes.

The Company is continuing its operations supported by the proceeds from sales proceeds and receipts of R&D Tax Incentive refund for the financial year ended 30 June 2024. The Company is also expected to receive potential funding from strategic partnerships, investments or possible sale of the business targeting interested parties in completion of the Strategic Review. Cash proceeds are also to come from the potential issue of shares and convertible notes to potential sophisticated investors.

*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.*

## 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.

**31 October 2024**

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.