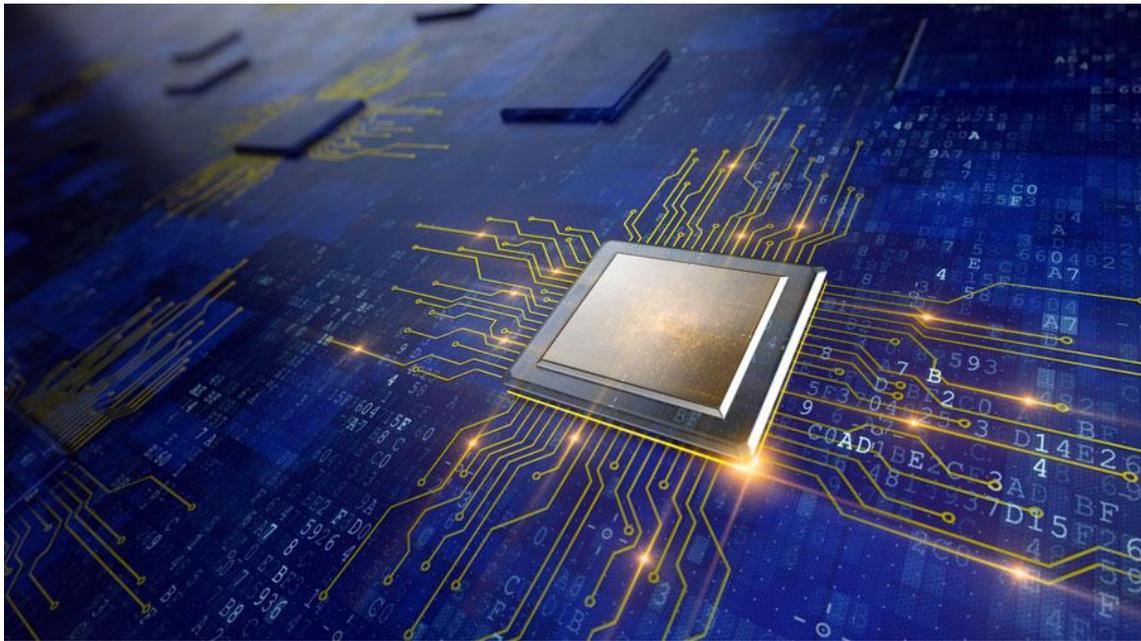


## Bluechiip secures \$1 million deal with US customer

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Bluechiip Limited (ASX:BCT), a growing developer of tracking technology, has secured an operational boost in the form of a \$1 million sales deal, signed with an unnamed licensed Original Equipment Manufacturer (OEM) partner in the US.

Bluechiip says the OEM manufacturer has “placed orders for Bluechiip chips, readers, software and services valued at over A\$1 million” and was completed to help Bluechiip “address a variety of markets in Life Sciences including cryogenics, drug screening, cell therapy as well as forensics”.

Speaking to Open Briefing, an Australian online investor communication platform, Bluechiip Managing Director Andrew McLellan says he’s guiding the company into a very large addressable market despite it being a niche at this early stage. “The revenue potential for Bluechiip in biobanking is over US\$200m-US\$300m per annum with significant room for growth.



Bluechiip Managing Director Andrew McLellan

“We have sold developer kits to 16 organisations, which is the pre-cursor step to OEM negotiations. We have also converted three of these developer kit sales into OEM agreements and we continue negotiations to convert several of our developer kit clients into OEM partners across multiple markets. Our cash receipts are growing at an accelerating rate now that we are entering the sales and production ramp phase,” he adds.

It should be noted that BCT is a speculative stock and investors should seek professional financial advice if considering this stock for their portfolio.

Bluechiip’s cash receipts for Q3 2017 were up 40% compared to last quarter and almost treble compared to the same time last year. “We expect growth to accelerate underpinned by the \$1 million order we announced earlier this week,” says McLellan. “Over the next twelve months we expect to see products enter the market through product launches from our OEM partners and hopefully, an increase in the number of our own product orders.”

The \$1 million deal signed this week, is expected to harness Bluechiip-enabled consumables to address a variety of markets in Life Sciences including cryogenics, drug screening, cell therapy as well as forensics. The deal also means Bluechiip will supply its US-based OEM-partner with chips, readers and software, all of which are either in production or progressing to production.



Source: Bluechiip

“Our sales growth numbers validate the partnering strategy we implemented two years ago. In 2015, Bluechiip was entering the market with our own vials and readers and at that point we only had a single point reader. We were attempting to compete in a very competitive bio-storage market. We changed the strategy and model to utilize our core capability and differentiator, our very unique Bluechiip technology, and partner through OEM agreements to access multiple global markets with global organizations.

“This strategy has been successful in enabling our products to differentiate themselves as well as helping us [Bluechiip] upscale our operations.”

## More about Bluechiip Limited

Bluechiip was founded in 2002 and listed on the ASX in 2011. The company has its main head office in Melbourne, Australia, and is in the process of growing its operations globally via a series of 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  $-196^{\circ}\text{C}$  to  $+200^{\circ}\text{C}$ , 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.

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.

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