

Bluechiip signs three-year \$A15.9M supply deal with Labcon

Highlights:

- **New three-year deal added to existing Labcon North America Development and Supply Agreement**
- **\$US4.2m (\$A5.8m) two-year purchase order for chips, readers, software and engineering services**
- **\$US7.4m (\$A10.1m) agreed minimum for third year**
- **Extendable to a fourth and fifth year with minimums to be agreed**

Bluechiip Limited [ASX: BCT] a leader in the development of sample-tracking technology for harsh environments, today announced the signing of a three-year \$US11.6 million (\$A15.9 million) deal to supply its chips and associated hardware and services to vial manufacturer Labcon North America.

Labcon North America, one of Bluechiip's Original Equipment Manufacturer (OEM) partners, is the world's leading manufacturer of Earth Friendly laboratory consumables, last year moulding over 1.4 billion products for major companies in the Life Sciences sector, including centrifuge tubes, pipette tips, microbiology disposables, organization tools, and a wide range of OEM/specialty items.

Last year Labcon commenced production of its Coldpoint™ Bluechiip-enabled range for the global vial market, including Cryovials, Boxes, Readers and Software. In December last year Bluechiip announced the receipt of orders to supply Labcon with \$1 million of chips, readers, software and services, to address markets in the Life Sciences sector, including cryogenics, drug screening, cell therapy and forensics.

Bluechiip has delivered chips each month with over 290,000 chips delivered since December 2017.

This new agreement extends and modifies the existing agreement between Bluechiip and Labcon North America to a three-year term.

Labcon North America has agreed to order \$US4.2 million (\$A5.8 million) of chips, readers, software and engineering services over a two-year period. This is expected to be \$US1.1 million (\$A1.5 million) in year one, and \$US3.1 million (\$A4.3 million) in year two. An additional minimum \$US7.4 million (\$A10.1 million) of products and services will be ordered and supplied in the third year with an additional two-year term to be negotiated as the supply agreement progresses.

Under the agreement Bluechiip extends a preferred moratorium to Labcon for its Coldpoint™ Bluechiip-enabled range. The moratorium means Bluechiip will not engage new OEM partners which compete against Labcon's Bluechiip-enabled products, including its cryogenic vial range. The moratorium does not

include existing OEM partnership agreements that Bluechiip has, including with Genea Biomedx and Planet Innovation, and does not restrict Bluechiip from selling integrated products through its own distribution channels.

Bluechiip Managing Director Andrew McLellan said the updated agreement and order was a significant one for Bluechiip, which the company would use to launch into adjacent markets. "This is an extremely exciting announcement for us because it represents our largest ever order. Importantly, it extends our strong and historic partnership with Labcon North America, which has been a loyal and important customer of ours for several years. The agreement will help us build scale as the orders increase over the three years."

Jim Happ, President of Labcon North America, said: "Bluechiip's unique tracking technology has allowed us to bring differentiated products into the market. Today's announcement represents a large opportunity for us. We are delighted to have gained a first-mover advantage in the Cryogenic Vial market, where the harsh environment severely compromises existing tracking technologies. Our partnership with Bluechiip continues to evolve and progress and we are very excited about a strong future which will see our two teams working closely together."

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About Labcon North America:

Labcon North America is the world's leading producer of low carbon laboratory disposables and was the first to market bioplastics for laboratories. Labcon's focus on sustainable solutions for laboratories dates to 1994 with the first low carbon products. A UL-Certified ISO 9001:2008 company; Labcon North America is headquartered in the San Francisco Bay area.

Further information is available at: <http://www.labcon.com/>

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