



Bluechip Limited

ABN 79 104 795 922

Appendix 4E

(ASX Listing Rule 4.3A)

Preliminary Final Report For the financial year ended 30 June 2022

**Reporting period - 1 July 2021 to 30 June 2022
(Previous corresponding period - 1 July 2020 to 30 June 2021)**

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Name of entity

BLUECHIIP LIMITED

ABN

79 104 795 922

FINANCIAL YEAR ENDED (“CURRENT PERIOD”)

30 JUNE 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Change	Change in Value \$	%	To
Net revenue from ordinary activities	Up	876,112	1,713.4%	\$927,245
Other income – interest income and R&D tax incentive	Down	\$941,887	53.4%	\$823,490
Operating expenses	Down	\$89,114	1.9%	\$4,652,607
Operating EBITDA	Up	\$161,904	5.0%	\$3,050,615
Loss from ordinary activities after tax attributable to members	Down	\$168,248	5.2%	\$3,059,171

Dividends

It is not proposed to pay a dividend (2021: No dividend proposed).

There are no franked dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 30 June 2022 (2021: Nil).

Net Tangible Assets per security

As at 30 June 2022: 0.73 cents

As at 30 June 2021: 1.18 cents

COMMENTARY ON THE RESULTS FOR THE YEAR AND SIGNIFICANT INFORMATION

Results of operations

Operating Results

The Group reported a consolidated loss after income tax for the financial year ended 30 June 2022 of \$3,059,171 (2021: \$3,227,419 loss).

Results of Operations

On 26 October 2021, the Company signed a two-year Licence and Development Agreement with FUJIFILM Irvine Scientific, Inc. (FISI) based in California, United States (US). Under the agreement FISI will pay Bluechiip initial licence and development fees over the next 18-24 months. Bluechiip and FISI will negotiate and seek to agree a supply agreement for the sale and distribution of the customised Bluechiip Enabled products including minimum volumes, pricing and detailed commercial terms.

During the year, the Company registered its own branded cryovials with the United States Food & Drug Administration (FDA) and received formal CE IVD certification for the Bluechiip Enabled cryovial range, providing direct access to the US and European Union market respectively.

Following this, the Company in November 2021 launched its portfolio of Biobanking products. Bluechiip's direct-to-market portfolio of products for the Biobanking market includes a range of Bluechiip Enabled and Bluechiip-branded cryogenic consumables, Bluechiip readers and Bluechiip Stream software as part of Bluechiip's market strategy.

During the half-year of the FY22, international borders remained restricted to many travellers and had affected the Group's ability to effectively mobilise its sales and marketing team in the international market. Nonetheless, the Group through its sales and marketing team based in the North America, successfully, amongst others, delivered a two-year Licence and Development Agreement with FISI. The sales and marketing team based in Australia also through its persistent virtual customer engagements successfully made some sales both in Australia and in the Europe.

The Company recognised net revenue totaling \$927,245 (2021: \$51,133) during the financial year from the sale of products, licence fee and consulting income.

Other income showed a decrease from \$1,765,377 to \$823,490 during the financial year. This was mainly attributable to the Government Grants no longer available during the financial year which the Company received a total of \$500,250 for the financial year ended 30 June 2021. Included in the Government Grants in prior year were JobKeeper payments and Cashflow Boost as part of the Federal Government's programs to support businesses during this pandemic. Furthermore, there was a decrease in the R&D tax incentive income receivable expected to \$800,000 (2021: \$1,100,000) for the financial year ended 30 June 2022.

There was a decline of 2% in operating expenses during the financial year with \$4,652,607 (2021: \$4,741,721) incurred to arrive at operating EBITDA of \$3,050,615 (2021: \$3,212,519). Although, the overall change in operating expenses is insignificant but there were major composition changes that are attributable to amongst others, the following:

- significant reduction in expenditure on external research and development (R&D) - \$268,675 (2021: \$1,212,537), as Bluechiip moves into production of core chip technology from R&D phase;
- increased employee benefits expense – resulted in the set up of US office and the hire of additional 3 employees. There was also a bonus payment made to certain employees which no payment made in prior year; and
- increases in business development expenses, resulted from the resumption of marketing and travelling activities subsequent to more countries easing their international border restrictions during the financial year \$339,939 (2021: \$48,667).

Although, the Group has seen a positive revival in economic activities as reflected in enquiries and sales activities since the reopening of international borders, the Group recognises new challenges and face some headwinds from adverse global economic conditions.

The Group continues to progress through this challenging operating environment and adverse global economic climate. The Group is well positioned to manoeuvre through this situation with the following in place:

- financial position of the Group remains strong. The balance sheet consists predominantly of cash and no borrowings;
- Bluechiip's ability to sell its own range of Products into the global market subsequent to the launch of the Bluechiip Advanced Sample Management Solution during the financial year and to generate revenue through FISL License and Development agreement;
- business continuity plan to manage the risks from lingering effect of COVID-19, e.g. the facilities to support employees to work and operate from home where possible, thus minimising disruption to the business; and
- continue to pursue core R&D activities with the focus on the following:
 - improving Bluechiip direct to market portfolio of consumables for the Biobanking market; and
 - researching and developing more range of consumables with OEM partners

Acquisition and Divestment

During the year, there have been no entities over which control has been gained or lost during the year ended 30 June 2022.

Capital structure

Other than the conversion of performance rights into shares, there has not been any material movement in the Company's share capital. As at the date of this report, the Company has 598,563,796 fully paid ordinary shares on issue.

Events after Balance Date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or could significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in future financial years.

Audit

This preliminary final report is based on the attached consolidated financial statements for the year ended 30 June 2022 which have been audited by the Company's auditors, Deloitte Touche Tohmatsu.

Other disclosure requirements

Additional ASX Appendix 4E (Listing Rule 4.3A) disclosures can be found in the 2022 Annual Report attached to this document. This document should be read in conjunction with the 2022 Annual Report.



Mr Andrew McLellan
Managing Director and CEO
25 August 2022

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