bluechiip®
Advanced Sample Management

2022 Annual Report

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Bluechiip Limited ACN 104 795 922

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DRIVE PRODUCTIVITY.
REDEFINE QUALITY.
CONFIDENCE IN EVERY SAMPLE.

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Bluechiip
FY22 Key Achievements

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Bluechiip Enabled Solutions Launched

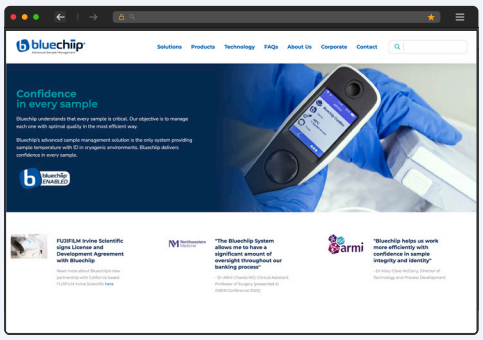
ISO9001, CFR21-11 software,
CE IVD & FDA registration

Scaled chip supply chain (3m+)

International ISBER award:
Bluechiip Cryobox Tracker

Marketing & Communication Refinement

New website and Product Catalogue



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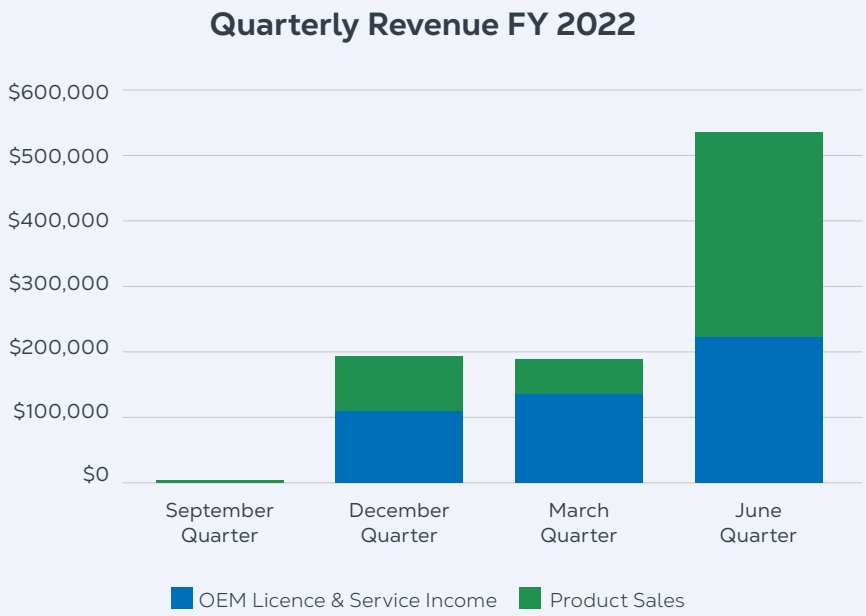
FUJIFILM Industries Irvine Scientific

Licence and development agreement for ART/IVF market

Accelerated Customer Adoption & Pipeline Building

Expanded US sales & Marketing Team

Customer adoption in EU, US & APAC with repeat orders



Bluechiip Focus

Growing direct customer base

Building global distribution channels

Execution of OEM agreements

Continuing expansion and refinement of product range

Bluechiip overview

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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.

Traditional tracking solutions are not keeping up with the increased handling requirements of valuable samples. Bluechiip's unique and patented chip technology is designed to operate across a wide temperature range from -196°C up to 150°C, creating the perfect system for the management of the well over 300m sensitive biologics processed in ultra low temperatures per year.

Bluechiip Tags, Readers and Software combine to provide an unparalleled ability to track and store sample level data, including temperature, across the cold chain process.

Driving Productivity

- Reducing manual processes and eliminating double witnessing
- Identifying multiple samples instantly through frost
- Simplifying inventory management for faster processing
- Driving efficiency at every step of the workflow

Redefining Quality

- Capturing ID and temperature at the sample level for cold chain integrity
- Reducing the risk of temperature excursions in cryogenic conditions
- Providing key workflow insights to drive continuous improvement
- Enabling compliance to industry standards
- Simplifies maximum storage capability and eliminates errors through advanced location control
- Guarantees compliance to industry and internal standards

Bluechiip delivers confidence in every sample

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Bluechiip enabled technology

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 has significantly advanced the application of its technology. Today it 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's chips are designed:

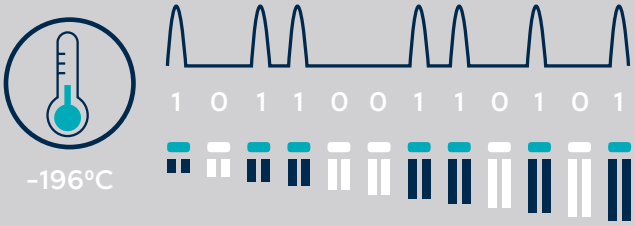
- To perform in cryogenic environments at -196°C
- To sense temperature
- To be resistant to ionizing sterilization
- To be extremely difficult to clone

Resonating Micro Beams Shifting with Temperature

Each chip is a unique micro electro mechanical system (MEMS) containing multiple beams

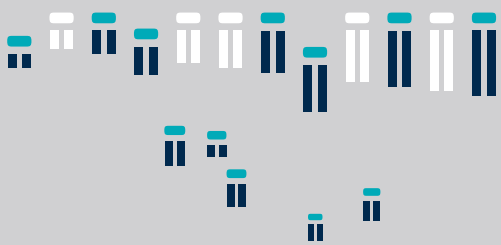
Miniature Chip

The beams resonate at different frequencies which are translated to an ID. The frequency of the beams is directly related to the temperature



Billions of ID Combinations

Billions of unique ID combinations can be captured in this miniaturised chip



bluechiip™ ENABLED

Bluechiip enabled workflow

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Streamlined collection and handling

- Easy data input in bulk - streamline receiving processes with multi-sample readers and intuitive software
- Be certain about your sample ID - Bluechiip® Enabled Consumables have a unique hard-coded ID
- Ensure chain of identity - Bluechiip® products are compatible with barcodes and labels
- Automatically record thermal data when receiving and handling samples
- Multi-site capable solution

Simplified cryostorage

- Readers and consumables operate in liquid nitrogen minimizing temperature variations
- Maximise storage utilization by easily consolidating frozen samples and identifying free space
- Ensure samples are stored where they belong: Eliminate errors with Bluechiip® Guided Storage™ tasks
- Automatic data upload with each ID read – Link the sample ID with instant temperature, time, technician, and storage location

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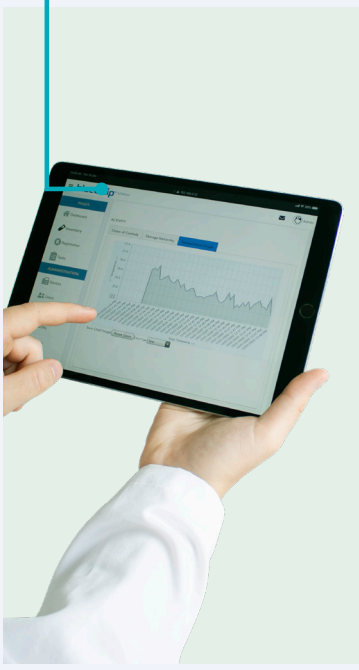
Guided Retrieval™

- Find your samples quickly - Eliminate paper picklists and double witnessing with Bluechiip® Guided Retrieval™
- Retrieve frosted samples in bulk at the first go - Bluechiip® readers do not require a visual line of sight
- Reduce temperature excursions - Instant sample ID reads even at -196°C
- Confirm sample integrity during handling - Temperature check with ID

Unparalleled quality assurance

- Complete Audit Trail - View and report on sample history
- Standardize and de-risk sample handling and cryopreservation processes
- Supports compliance to industry and internal standards: CFR21, ISO20387, CAP, GMP, GTP

› Unique ID
› Temperature
› User
› Time
› Location

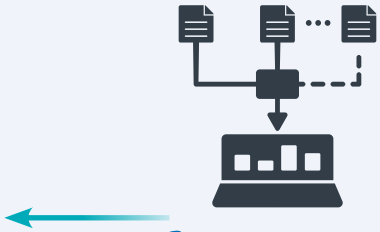


Advanced Sample Management Solution

- **Bluechiip enabled sample storage**
  The cryo-safe, tamper-proof chip is embedded into vials, boxes or attached to storage equipment
- **Multiple reader formats**
  Available in mobile, benchtop, single and multi-vial for bulk reading
- **Easy to use Sample Management Software**
  Bluechiip® Stream Sample Manager™ keeps sample data accessible in one location via a web interface
- Superior Service and Support across sample containers, readers, and software

Software

STREAM SAMPLE MANAGER



DATA AND SYSTEMS INTEGRATION

Readers

HANDHELD READER

MULTIVIAL READER

Sample Storage

CRYOTAGS

UNIVERSAL CRYOBOX

CRYOBOX

CRYOVIALS

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Chairman's Letter

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Dear Shareholders

On behalf of the Board we have pleasure in presenting the 2022 Annual Report to you.

Two years ago, as the COVID-19 global pandemic had much of the world in various states of lockdown, we reported that we were beginning to see strong interest re-emerging from customers as a result of the significant activity in the healthcare and pharmaceutical space. We also said we were "quietly confident" that the Bluechiip technology would be in demand.

Managing Director Andrew' McLellan's report, which follows, goes into more detail on how that 'quiet confidence' in 2020 is materialising into increasing sales and more customer inquiries In all parts of the world which we operate, but particularly in the USA and Europe. The ISBER award certainly increased our profile.

We recently increased our sales team in the USA to four to handle the growth. Two years on the 'green shoots' have resulted in sales revenue of almost $1 million from when we launched our own product portfolio in late 2021. Importantly these sales have come from multiple customers. Pre COVID-19 we had one major customer.

Our team took advantage of the pandemic lockdown to develop and register our own products, secure volume chip manufacturing and complete important regulatory registrations with the FDA (USA) & CE (EU). The company is now very well positioned to take advantage of current and predicted customer demand.

It bears repeating that Bluechiip's technology is unique, and it is protected by a strong family of patents. Existing tracking solutions are not keeping up with Bluechiip's, a fact that is being increasingly recognised by the market. This is even more apparent now that we have our own product suite including consumables, readers and data management software. As explained in this Annual Report, these provide streamlined collection and handling, simplified cryostorage, guided retrieval and unparalleled quality assurance.

We have a clear and consistent mission on which we continue to focus.

We continue to enjoy the trust of many long-term shareholders who remain with us, despite the fact that there may have been a better stock selections In the past. We thank you and all our shareholders. We are confident that this patience will be rewarded.

Finally thank you to our team led by Andrew McLellan. They are doing a terrific job. Keep safe and healthy.

Iain Kirkwood
Chairman

Managing Director's Report

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During the year, Bluechiip:

- Completed CE & FDA registration for our Bluechiip-Enabled Sample Management Solution.
- Created more than 3 million chips, with capacity for creation of 5-10 million chips per year.
- Signed an OEM licence-and-development agreement with a major global brand, FUJIFILM Irvine Scientific for the Assisted Reproductive Technology (ART) and In-Vitro Fertilization (IVF) markets.

The year to the end of June 2022 has been another exciting one for Bluechiip Limited. Importantly, as the year progressed, significant changes were made to your company and the way it operates.

Pre-COVID Bluechiip had one major customer. Our aim was to partner with large Original Equipment Manufacturers (OEMs), which involved long timelines. We had single-customer risk and did not have our own line of consumable products to sell.

In the past year Bluechiip has developed its own products, which are fully approved and registered, which we sell through our own channels via an expanded sales and marketing team. These products, released at the end of calendar year 2021, have already generated rising sales receipts and repeat orders.

Notably, our products have been increasingly recognised in the industry. Last year the International Society for Biological and Environmental Repositories (ISBER) – the leading network in the global biobanking and biorepository community – awarded Bluechiip the Outstanding New Product Award for our BoxTracker™ product.

The boxtracker and Bluechiip's accompanying Handheld Reader are part of Bluechiip's Advanced Sample Management Solution, which tracks and monitors samples being handled outside long-term storage. They record and link sample identification to time and technician, while continually monitoring temperature at the cryobox level during critical transport and handling.

With an improving and growing product range, we expect our customer base to grow significantly in the short, medium, and long-term.

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During the year, Bluechiip:

- Completed CE & FDA registration for our Bluechiip-Enabled Sample Management Solution.
- Created more than 3 million chips, with capacity for creation of 5-10 million chips per year.
- Signed an OEM licence-and-development agreement with a major global brand, FUJIFILM Irvine Scientific for the Assisted Reproductive Technology (ART) and In-Vitro Fertilization (IVF) markets.
- Continued to progress OEM opportunities with other global brands in pharmaceuticals, cell therapies and biobanking markets.
- Increased our sales pipeline across all key markets.
- Gained positive feedback from our customers. Our website carries customer testimonials that provide excellent references for potential new customers.

We are particularly excited by the take-up of our Bluechiip Enabled Sample Management Solution, which has developed a growing direct-customer base globally, including ARMI, OrganaBio, Crux Biolabs and Labcon for their end customer. We expect further and accelerating customer adoption and further growing of our pipeline, enabled by our expanded US sales and marketing team.

Notably, repeat orders are coming from all key markets, including the USA, Europe and the Asia-Pacific region.

While the company's direct-to-market range of products and solutions gains traction, Bluechiip continues to be in discussions with potential OEMs in pursuit of OEM partner agreements, including in pharmaceutical, cell therapy and biobanking markets.

The benefits of Bluechiip technology remain substantial. We have a world-first, highly-differentiated technology, with 32 granted patents across nine patent families.

Bluechiip is front and centre of a $1B+ and growing target markets, including IVF, clinical trials, cell therapies, biobanking and vaccines, all of which require ultra-low temperature ID and temperature traceability. Notably, more than 300 million high-value bio-samples a year are handled at temperatures of between -80°C and -196°C.

Most importantly, Bluechiip's solutions replace current identification methods that are suboptimal, both in terms of productivity and quality.

Bluechiip enters the 2022-23 year with increasing customer receipts, a strong and growing pipeline of opportunities, $2.7m of cash in the bank, approximately $1.1m of receivables, $2.9m of inventory, zero debt and a scaled production capacity of 5-10 million chips per annum. It is an exciting time for your company.

I congratulate and thank the Bluechiip team for their perseverance and resilience through another challenging COVID year. It is through their efforts that we are several important steps closer to achieving our vision of being a global leader in identification and sensing technology for extreme environments.

Our ultimate mission remains clear – to advance research and medicine by providing confidence in every sample.

Andrew McLellan
Managing Director
Bluechiip Limited

Managing Director's Report

The Bluechiip patent portfolio currently has 9 patent families with 32 granted patents, and 11 applications pending in national phase. During the financial year, 2 new patents were granted in 2 families.

Title	Publication Number	Patents Granted	Expiry Date (filing date if not granted)
Family 1: Memory Devices			
Memory Devices	EP 1618513	United Kingdom, France, Germany, Switzerland	17 March 2024
Memory Devices	US 7,434,737	USA	14 November 2025
Family 2: Tagging Methods and Apparatus			
Tagging Methods and Apparatus	EP 2124171	United Kingdom, France, Germany, Switzerland, Italy	22 May 2028
Tagging Methods and Apparatus	US 8,186,587	USA	1 July 2030
Family 3: RFID Memory Devices			
RFID Memory Devices	EP 2297736	United Kingdom, France, Germany, Switzerland, Italy	19 June 2029
RFID Memory Devices	US 8,884,743	USA	2 July 2033
Family 4: Ringup/Ringdown Interrogation of RFID Tags			
Ringup/ Ringdown Interrogation of RFID Tags	EP 2335182	United Kingdom, France, Germany, Switzerland, Italy	30 September 2029
Family 5: Sample Storage and Monitoring System			
Biological Sample Storage and Monitoring System	US 9,140,487	USA	21 January 2032
Sample Storage and Monitoring System	EP 2509412	United Kingdom, France, Germany, Switzerland, Italy	7 December 2030
Family 6: Temperature Sensing and Heating Device			
Temperature Sensing and Heating Device	AU 2011357590	Australia	22 December 2031
Temperature Sensing and Heating Device	US 9,736,890	USA	28 April 2034
Temperature Sensing and Heating Device	EP 2668820		Europe (22 December 2011)
Family 7: Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport			
Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport	EP17818751.1		Europe (29 January 2019)
Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport	US 16/314,609		USA (31 December 2018)
Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport	AU2017287017	Australia	30 June 2037

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Title	Publication Number	Patents Granted	Expiry Date (filing date if not granted)
Family 8: A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items			
A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items	JP 7029442	Japan	31 August 2037
A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items	US 16/328,807		USA (27 February 2019)
A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items	EP 17844689.4		Europe (20 March 2019)
A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items	AU 2017320346		Australia (29 March 2019)
Family 9: Wearable Tag Reader for Temperature-Controlled Environments			
Wearable Tag Reader for Temperature-Controlled Environments	AU 2019215794		Australia (30 July 2020)
Wearable Tag Reader for Temperature-Controlled Environments	JP 2020-541939		Japan (31 July 2020)
Wearable Tag Reader for Temperature-Controlled Environments	US 16/966,628		USA (31 July 2020)
Wearable Tag Reader for Temperature-Controlled Environments	EP 19748035.3		Europe (28 August 2020)
Wearable Tag Reader for Temperature-Controlled Environments	CN 201980023746.5		China (13 November 2020)

Directors' Report

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Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Iain M Kirkwood – Non-Executive Chairman

Qualifications: MA (Hons) Oxon, FCPA

Appointed to the Board in November 2007, Iain serves as Chairman. He is an experienced private consultant, investor and non-executive Director. He has considerable practical and operational experience gained from a successful financial career spanning 35 years in a range of industries including auditing, resources, manufacturing and latterly healthcare in Australia, Britain and the USA. He started his career at Arthur Andersen & Co in London. During his career, he has held a range of senior financial and general management positions, including Woodside Petroleum Limited, Santos Limited, Pilkington plc, F.H. Faulding & Co Limited and Clinuvel Pharmaceuticals Limited.

During the past three (3) years he has also served as a Director of the ASX listed company, Simonds Group Limited (Appointed 20 September 2017).

Andrew McLellan – Managing Director and CEO

Qualifications: MBA, B Eng (Hons), GAICD

Appointed as Managing Director and CEO on 27 January 2015. Andrew has vast experience in innovation and commercialisation combined with significant technical and operational experience. Prior to joining Bluechiip, he was the CEO of Advanced Manufacturing Co-operative Research Centre (AMCRC) which he now serves as a non- executive Director. Andrew focused on bringing together industry and research to develop and commercialise ground breaking innovations. He has held a range of senior positions including Director at Leica Microsystems Pty Ltd (previously Vision BioSystems Pty Ltd, a division of the former publicly listed Vision Systems Limited), Vice President of Marketing and Business Development North America and Director of Product Management at Vision BioSystems Pty Ltd. Andrew holds a Bachelor of Engineering Degree (Hons) and an MBA (Strategy) from Monash University (Melbourne). In addition, he is also a graduate of the Australian Institute of Company Directors (GAICD).

Michael Ohanessian – Non-Executive Director

Qualifications: B Eng, MBA

Appointed to the Board on 15 December 2014. Michael has considerable executive experience gained from technology-related businesses with a mixture of operational, strategic and leadership capabilities.

Following a ten-year career at Mobil Oil, Michael joined the Boston Consulting Group where he consulted to clients in a wide range of industries which include banking, airlines, mining, packaging, sports, oil and gas, retailing and biotechnology.

Michael later moved on to be the CEO of Vision BioSystems, a division of the former publicly listed Vision Systems Limited, where he transformed the business over seven years from a small unprofitable contract manufacturer into a vertically integrated, profitable and growing medical diagnostics business with distribution to over 60 countries. He has also served as Chief Executive of Genetic Technologies Limited and has been involved in investment management and corporate advice with Lion Capital. Michael then joined Praemium Limited, a company listed on the ASX as its CEO on 9 August 2011 until his recent resignation from Praemium Limited on 20 May 2021.

Andrew Cox – Non-Executive Director

Qualifications: MBA, B Commerce (MELB), ICA

Appointed to the Board on 26 July 2017. Andrew is a finance professional with experience in emerging and international markets. Andrew was a co-founder and former chairman of private equity-funded media/ technology business Inlink (sold to ASX-listed oOh! Media Ltd in 2015), and is a co-founder of iPro Pty Ltd.

Andrew began his career with KPMG in Melbourne before moving to China and Hong Kong, where he spent seven years with SG Warburg, the Australian Trade Commission and Ernst & Young. He is a member of the Translation and Commercialisation Committee of the Murdoch Children's Research Institute and is fluent in Mandarin Chinese. Andrew holds a Bachelor of Commerce from the University of Melbourne and an MBA from the International Institute for Management Development (Lausanne, Switzerland). He is also a member of the Australian Institute of Chartered Accountants (ICA) and is a graduate of the Australian Institute of Company Directors.

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Company Secretary

Chelsea Sheridan

Qualifications: Diploma in Business Administration; Affiliate of the Governance Institute of Australia (GIA)

Chelsea is a Company Secretary in the company secretarial division of the Automic Group, a company that provides Registry, Company Secretarial, Governance and Finance services. Chelsea holds a diploma in Business Administration and an Affiliate of the Governance Institute of Australia (GIA). Chelsea provides company secretarial services to various ASX listed, unlisted public and private companies across a range of industries including financial services, technology and biotechnology, mining and exploration and healthcare.

Directors' Report

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Interests in the Shares and Performance Rights of the Company and Related Bodies Corporate

As at the date of this report, the interests of the Directors in the shares (direct and indirect) and performance rights of Bluechiip Limited were:

	Number of Ordinary Shares	Number of Performance Rights Over Ordinary Shares
Iain Kirkwood	27,847,732	-
Andrew McLellan	10,449,086	*5,013,698
Michael Ohanessian	9,247,735	-
Andrew Cox	500,000	-

* Further details of the performance rights and terms are set out on the Variable Compensation – Long-term Incentive section of the remuneration report.

Dividends

No dividends were paid or declared since the start of the financial year (2021: Nil). No recommendation for payment of dividends has been made.

Principal Activities

The principal activity of the Group during the financial year was the development and commercialisation of 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).

There have been no significant changes in the nature of these activities during the financial year.

Operating and Financial Review

Bluechiip rebounded in the second half of FY 2022 with improved sales given the continued economic disruptions from COVID-19 and challenging operating conditions during the financial year. Operations in customers and potential customers sites which have been disrupted over the last 2 years have resumed but not to normalcy, This has had some impacts on the Group's operations and financial performance throughout the Financial Year FY 2022.

Financial Performance

	FY22	FY21	FY22 vs FY21 (%)
Net revenue	927,245	51,133	Up 1,713%
Cost of sales	(148,743)	(287,308)	Down 48%
Other income	823,490	1,765,377	Down 53%
Operating expenses	(4,652,607)	(4,741,721)	Down 2%
Operating EBITDA	(3,050,615)	(3,212,519)	Up 5%
Depreciation and Impairment	(8,556)	(14,900)	Down 43%
Loss before income tax	**(3,059,171)**	**(3,227,419)**	**Down 5%**

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).

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Review 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 Sates 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 FISI 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 withe OEM partners

Capital Structure

Other than the conversion of 683,294 performance rights into shares during the financial year, 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.

Directors' Report

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Key Events and Significant Change in the State of Affairs

Although there has not been any change to the nature of the Company's operations during the financial year, performance for the financial year ended 30 June 2022 has been significantly impacted by a number of events that need consideration.

FUJIFILM Irvine Scientific, Inc. (FISI)

On 26 October 2021, the Company signed a two-year Licence and Development Agreement with FISI. 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.

Launch of Bluechiip Advanced Sample Management Solutions

During the financial year, the Company launched its Biobanking portfolio of products following the successful R&D progress and CE certification for Europe and FDA registration for the US. The Bluechiip 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. The Bluechiip Advanced Sample Management Solutions has led to Bluechiip able to market directly in North America and Australia/New Zealand and through distribution partners globally. This has also enabled Bluechiip to focus on building its direct customer sales base.

Labcon North America

Following the Settlement Agreement between Bluechiip and Labcon that ended their dispute on 22 June 2021, the Company in November 2021 received in full the return of Bluechiip delta tags and products previously sold to, and paid for by, Labcon. These have commenced being incorporated or repurposed into the newest generation of Bluechiip Products and Bluechiip Enabled Consumables

Impact of Coronavirus (COVID-19)

The COVID-19 outbreak and pandemic since March 2020 continues to present detrimental effects to many parts of our lives and globally resulted in disruptions to the business activities and operations. Businesses find difficulty navigating the financial and operational challenges of coronavirus while rapidly addressing the needs of their people and operations.

There is uncertainty as to whether there will be further impact of COVID-19 with emergence of more mutations and variants of the COVID-19 virus. Government's measures and policies including vaccinations and restrictions could have a material adverse effect on the overall economy and a detrimental effect on the Group's operations.

At Bluechiip, we are continuing to build strong resilience to the challenges posed. We are optimistic on our future performance and have responded and addressed the impact of the pandemic in the following ways:

- supporting our employees with regular updates and information and accommodating our employees by adopting the work from home approach. Where possible, we have reviewed and changed our work processes and procedures in the best interest of our employees;
- continually assessing the risk and action plan across the business through a working group within management;
- regularly reviewed the business continuity and response plans in the light of government's action plan on business and community.

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.

Basis of Preparation

The financial report has been prepared on a going concern basis which takes into account the Group's assets and liabilities and assumes that funds will be obtained from several sources as outlined in Note 2 to the Financial Statements.

Likely Developments and Expected Results

The COVID-19 pandemic has significantly impacted both the Australian and global economy. The impact has also affected changes in operations of government, businesses, and people. Although, the Company is conscious of these changes, they could have an impact on the Group's operations, performance and growth.

The Company expects to continue to address its strong and growing opportunity pipeline, with both early-adopting end customers and potential OEMs in multiple

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markets, including in the IVF space, despite the effects of COVID-19.

With the completion of the development and the launch of its own consumables - Bluechiip Enabled Cryovial's, the Company is now able to focus on fulfilling the direct to market range of products and solutions.

While the Company's direct to market range of products and solutions are gaining traction, Bluechiip is expected to continue in discussions and negotiations with potential OEMs in pursuit of OEM partner agreements including the delivery of concepts and prototypes to OEM's in the pharmaceutical, cell therapy and biobanking markets.

Bluechiip is also expected to continue with its development activities with FISI under the licence and development agreement executed in the second quarter of the Financial Year 2022 with the expectation of a subsequent supply agreement over the 18-24 months.

In response to a significantly growing pipeline of opportunities in the North America market, the Company will continue to work through its growing business development team in the USA to engage end-users especially in North America directly and through growing distributor network to access wider global markets.

On the R&D activities, the Company will continue to pursue research and development of solutions to meet both direct customers and OEM partners' requirements as well as continued expansion on underlying core intellectual property whilst at the same time building out its own portfolio of Bluechiip Branded and enabled line of products.

Environmental Regulation and Performance

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory. Nevertheless, the Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. Compliance with environmental obligations is monitored by the Board of Directors.

No environmental breaches have been notified to the consolidated entity by any government agency during the year ended 30 June 2022.

Options

Unissued Shares

As at the date of this report, there were no unexercised options (2021: Nil) over ordinary shares or shares issued on the exercise of options or performance rights except as detailed in the following paragraphs.

As at the date of this report, there were 14,833,476 (2021: 6,712,203) unexercised performance rights (zero exercise price options) over ordinary shares, of which 147,778 (2021: 899,072) performance rights have been vested but remain unexercised. Further details of the performance rights and their terms are set out in the Variable Compensation - Long-term Incentive section of the remuneration report.

Indemnification of Directors and Officers

The Company has not granted any indemnity to any current or former Directors or officers against any liability other than as provided in the Company's constitution and in standard deeds of insurance and indemnity entered into with each of the directors under which the Company indemnifies each officer against any liability to a party other than the Company or a related body corporate, but only to the extent that the liability arises out of conduct in good faith together with legal costs to the extent permitted by the Corporations Act 2001.

During the financial year, the Company has paid premiums in respect of a contract insuring the Directors of the Company (as named above) and all Executive Officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It

is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The total amount of Directors & Officers Liability insurance contract premiums paid was $40,745 (2021: $41,409).

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Director's Meetings		Remuneration and Nomination Committee Meeting		Audit Committee Meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
I Kirkwood	11	11	1	1	2	2
A McLellan	11	11	-	-	-	-
M Ohanessian	11	10	1	1	2	2
Andrew Cox	11	11	1	1	2	2

Committee Membership

As at the date of this report, the Board had the following committees: Audit Committee and a Remuneration and Nomination Committee of the Board.

Members acting on the committees of the Board during the year are:

Audit	Remuneration and Nomination
Andrew Cox (Chairman)	Michael Ohanessian (Chairman)
Iain Kirkwood	Iain Kirkwood
Michael Ohanessian	Andrew Cox

Auditor Independence Declaration

The Directors received the declaration set out on the following page 36 from the auditor of Bluechiip Limited.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 26 of the financial statements. The Directors are satisfied that the provision of non- audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature, value and scope of the non-audit services are considered not to have compromised auditor independence.

This report for the year ended 30 June 2022 outlines the remuneration arrangements in place for Directors and senior executives of the Company In accordance with the requirements of the Corporations Act 2001 and Its Regulations.

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Remuneration Report

Compensation of Executives

The report sets out the current remuneration arrangements for Directors and senior executives of the Company, being the Key Management Personnel (KMP) of the Company – those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director whether executive or otherwise.

All sections contained herein have been subject to audit as required by section 308(3C) of the Corporations Act 2001. Remuneration is referred to as compensation in this report.

Individual KMP Disclosures

Details of KMP of the Company are set out below:

Directors

Iain Kirkwood	Non-Executive Chairman
Andrew McLellan	CEO/Managing Director
Michael Ohanessian	Non-Executive Director
Andrew Cox	Non-Executive Director

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board is responsible for making recommendations to the Board on the remuneration arrangements for Non-Executive Directors (NEDs) and executives. The Board approves the remuneration arrangements for executives having regard to the recommendations made by the Remuneration and Nomination Committee including any Short-term Incentive (STI) or Long-term Incentive (LTI) arrangements. The Board also sets the aggregate fee pool for NEDs (which is subject to shareholder approval) and NED fee levels.

The Remuneration and Nomination Committee comprises all NEDs, each of which is considered independent.

The Remuneration and Nomination Committee meets periodically as part of the Directors' meetings during the year. Executives are not present at meetings of the Committee except by invitation.

The Remuneration and Nomination Committee has not engaged any external remuneration advisers during the financial year.

Further information on the Remuneration and Nomination Committee's role, responsibilities and membership is located a **bluechiip.com/about-us/corporate-governance/**

Principles of Compensation and Strategy

The Remuneration & Nomination Committee of the Board assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Director and executive team and aligning the interests of the executives with those of the shareholders.

Bluechiip's remuneration strategy is designed to attract, motivate and retain employees and executives by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company. To this end, key objectives of the Company's reward framework are to ensure that remuneration practices are aligned to the Company's business strategy, offer competitive remuneration benchmarked against the external market, provide strong linkage between individual and Group performance and rewards and align the interests of executives with shareholders. Where relevant, the remuneration framework incorporates at risk components through STI and LTI arrangements tailored to the particular executive by reference to both financial and other metrics which generate value for shareholders. In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

The Board assumes full responsibility for compensation policies and packages applicable to Directors and senior executives of the Company. The broad compensation policy is to ensure the compensation package appropriately reflects the person's duties and responsibilities, and that compensation levels are competitive in attracting, retaining and motivating people who possess the requisite level of skill and experience. Employees may receive at-risk incentive payments remunerated as cash or share options based on the achievement of specific goals related to the performance of the individual and the Company (as determined by the Directors). Incentives are provided to senior executives and employees for the achievement of individual and strategic objectives with the broader view of creating value for shareholders.

Components of total compensation are 'at risk' (variable compensation) and dependent on meeting pre-determined performance benchmarks including Key Performance Indicators (KPIs). The inclusion of appropriate challenging performance hurdles in relation to variable compensation is designed to align employee performance with the creation of shareholder value and wealth.

Remuneration Report

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KPIs are agreed and set each year for KMP with the specific objective of influencing both short and long-term performance and the generation of shareholder wealth.

Variable or performance-linked compensation comprises cash bonus and/or share-based payments.

Fixed Compensation

Fixed compensation consists of a base salary and employer superannuation contributions. Fixed compensation levels are set so as to provide a base level of compensation which is both appropriate to the position and is competitive in the market.

Fixed compensation is reviewed at least annually by the Remuneration and Nomination Committee and the process consists of a review of the Company's performance, relevant comparative compensation in the market and, where appropriate, external advice on policies and practices. Employees receive their fixed compensation in cash. The Board's policy is to ensure that fixed remuneration is market competitive having regard to industry peers and companies of similar financial size. Given the Company's size, the Company generally undertakes its own review of these matters, which it does on an ongoing basis.

KPIs are individually tailored by the Board, based on recommendations and input from the Remuneration & Nomination Committee in advance for each employee each year, and reflect an assessment of how that employee can fulfil his or her particular responsibilities in a way that best contributes to Company performance and shareholder wealth in that year with close alignment to the role and responsibility within the organization and in conjunction with the strategic objectives of the Company.

Performance Linked Compensation

All employees are potentially eligible to receive at-risk incentive payments and/or securities (shares or options) based on the achievement of specific goals related to (i) performance against individual KPI's and/or (ii) the performance of the Company as a whole as determined by the Board based on a range of factors, both financial and non-financial. These factors include traditional financial considerations such as operating performance, cash consumption and deals concluded and also industry-specific factors. The purpose of these payments is to reward employees for their contribution to the Company.

Employment contracts for staff other than the CEO provide for variable compensation of up to 10% of their total fixed compensation package (although higher variable compensation payments may be made at the Board's discretion).

The Remuneration & Nomination Committee makes a recommendation annually to the Board in respect of incentive compensation for employees and executives.

The Board at its sole discretion determines the total amount of variable compensation payable as a percentage of the total annualised salaries for all employees employed as at the end of the financial year (with pro rata reductions to the annualised salary made for any employee not employed for the entire financial year).

The CEO has the discretion to recommend the offer of rights or options to acquire ordinary shares or the direct issue of shares to any member of staff in recognition of exemplary performance. Such securities may be fully vested upon issue given that they are issued as a reward for past performance rather than as a long-term incentive. Any issue of rights or options proposed as incentive compensation requires approval by the Board and is subject to any limitations imposed by the Corporations Act 2001 and the ASX Listing Rules. The Board considers that the performance linked compensation structure is operating effectively.

At, or as soon as practicable after, the beginning of the financial year, individual and team performance for the previous year is assessed for every employee by their manager and new objectives set for the forthcoming year. These objectives include department and project specific objectives together with individual stretch objectives, challenging, realistic and personal development objectives tailored to the employee's role within the organisation. Measurement, management support, target dates and training course requirements are all set. Progress against the objectives is reviewed during the year and percentage achievement concluded at the end of the year, whereupon the cycle recommences. The outputs of this process form the basis of the assessment of the individual's personal incentive compensation.

The Board has discretion to reduce, cancel or clawback any unvested performance-based remuneration in the event of serious misconduct or a material misstatement in the Group's financial statements.

Variable Compensation – Short-term Incentive (STI)

The Company does not operate a formal STI program other than in respect of the CEO. The CEO is eligible to receive a cash bonus subject to the attainment of defined KPIs. The STI is based on the achievement of financial and non-financial objectives. The actual STI

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payment awarded to the CEO will depend on the extent to which specific targets set at the beginning of the year are met but potentially could be an amount of up to 30% of the CEO's base remuneration package.

Financial performance targets include net sales target and EBITDA. Non-financial performance targets include individual objectives which are aligned to the Group's strategy. The Company has predetermined financial performance benchmarks which must be met in order to trigger payments under the STI plan and these are varied on a yearly basis in line with annual budgeting process.

An amount of $370,511 (2021: $123,166) has been recognised in the Financial Year 2022 by way of share based payment expense. This is in respect of performance rights (unvested) issued.

Service Contracts

Remuneration arrangements for executives are formalised in employment agreements. The following outlines the details of contracts with executives.

Chief Executive Officer

The CEO, Andrew McLellan, is employed under an ongoing employment contract which can be terminated with notice by either party.

The key terms of the contract are as follows:

- Annual base Salary of $320,529 including superannuation;
- Short-term cash Incentive being up to 30% of Andrew McLellan's annual base salary, payable on the achievement of agreed annual performance targets;
- Treatment of entitlements upon termination of employment are as follows:

	Notice Period	Payment in Lieu of Notice	Treatment of Short-term Incentives	Treatment of Long-term Incentives
Termination by Company (death, disablement, redundancy etc)	3 months	3 months	Any STI payments are at Board discretion	At the discretion of the Board
Termination for Cause	None	None	Any STI payments are at Board discretion	Unvested awards forfeited Vested and unexercised awards forfeited
Resignation by Employee	3 months	None	Any STI payments are at Board discretion	Unvested awards forfeited.

Variable Compensation – Long-term Incentive (LTI)

The Remuneration and Nomination Committee also reviews and approves the issue of share-based payments to staff and KMP as a means of providing a LTI for performance and loyalty.

LTI awards to executives are made under the executive Performance Rights Plan and are delivered in the form of performance rights or zero exercise price options. The performance rights will vest over a period of up to three years subject to meeting relative TSR performance measures, Further details of the Company's LTI Plan in issue during the financial year are as follows:

2022

Following receipt of shareholder approval on 25 November 2021, 4,500,000 performance rights (zero exercise price options) were issued to the CEO (Performance Rights Plan 2021) on the terms specified below. A further 9,500,000 performance rights were issued to other employees of the Company. No other performance rights or options were issued to Directors or KMP in the financial year ended 30 June 2022.

2021

No performance rights or options were Issued to the CEO, Directors or KMP In the financial year ended 30 June 2021.

Remuneration Report

Non-Executive Director Compensation

The Constitution and the ASX Listing Rules specify that the aggregate compensation of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding $500,000 was last approved by shareholders at the Company's Annual General Meeting held on 10 November 2011 is to be divided between the Directors as agreed by the Board.

Non-Executive Directors do not receive performance related compensation and the structure of Non-Executive Director and senior management compensation is separate and distinct. Non-Executive Directors do not have contracts of employment but are required to evidence their understanding and compliance with the Board policies of Bluechiip Limited. These Board policies do not prescribe how compensation levels for Non-Executive Directors are modified from year to year.

Compensation levels are to be reviewed by the Board each year taking into account cost of living changes, changes to the scope of the roles of the Directors, and any changes required to meet the principles of the overall Board policies. The remuneration of Non-Executive Directors for the years ended 30 June 2022 and 30 June 2021 is detailed in the table below under 'Remuneration of Key Management Personnel'.

Directors' and Executive Officers' Compensation Tables

Details of the nature and amount of each major element of the compensation of each KMP including Directors of the Company are disclosed in accordance with Accounting Standard AASB 124 Related Party Disclosures and with the Corporations Act 2001 in the following tables.

No options or performance rights held by persons in the 'Remuneration of Key Management Personnel' table were exercised during the Financial Year 2022 (2021: 2,799,087).

The fair value of the performance rights granted to executive officers has been calculated based on the value at the date of grant using a hybrid trinomial option pricing model which uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations. The value as disclosed is the portion of the fair value of the performance rights allocated to this reporting year. Refer to the next sections of this report for full details of the performance rights valuations.

Loan

There were no loans to any Directors or KMPs during the financial year (2021: Nil).

Other Transactions and Balances with KMP

During the financial year, there was no other transactions nor balances outstanding at the end of the reporting period with its directors and KMP.

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Remuneration of Key Management Personnel

2022

	Short-term Benefits				Post-Employment	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits $	Bonuses/ Incentives $	Annual Leave $	Superannuation Contributions $	Long Service Leave $	Shares $	Options/ Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Performance Based %
Directors											
Iain Kirkwood	70,000	-	-	-	-	-	-	-	-	70,000	0.0%
Michael Ohanessian	40,000	-	-	-	-	-	-	-	-	40,000	0.0%
Andrew Cox	36,364	-	-	-	3,636	-	-	-	-	40,000	0.0%
Executive											
Andrew McLellan	268,247	*27,263	61,479	24,656	23,568	5,834	-	**160,570	-	571,617	38.8%
Total Director and Key Management Personnel Compensation	**414,611**	**27,263**	**61,479**	**24,656**	**27,204**	**5,834**	**-**	**160,570**	**-**	**721,617**	**30.8%**

* This relates to monthly novated lease payment made on behalf of the CEO, Andrew McLellan.

** 15,139,269 performance rights (zero exercise price) were granted since 2015 to Andrew McLellan as part of his long-term incentive. During the year, an amount of $160,570, has been recognised as part of the share-based payment expense in respect of the performance rights.

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Remuneration of Key Management Personnel

2021

	Short-term Benefits				Post-Employment	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits $	Bonuses/ Incentives $	Annual Leave $	Superannuation Contributions $	Long Service Leave $	Shares $	Options/ Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Performance Based %
Directors											
Iain Kirkwood	70,000	-	-	-	-	-	-	-	-	70,000	0.0%
Michael Ohanessian	40,000	-	-	-	-	-	-	-	-	40,000	0.0%
Andrew Cox	36,530	-	-	-	3,470	-	-	-	-	40,000	0.0%
Executive											
Andrew McLellan	256,167	*28,139	-	23,646	21,694	5,685	-	**73,182	-	408,513	17.9%
Total Director and Key Management Personnel Compensation	**402,697**	**28,139**	**-**	**23,646**	**25,164**	**5,685**	**-**	**73,182**	**-**	**558,513**	**13.1%**

* This relates to monthly novated lease payment made on behalf of the CEO, Andrew McLellan.

** 10,639,269 performance rights (zero exercise price) were granted since 2015 to Andrew McLellan as part of his long-term incentive. During the year, an amount of $73,182 has been recognised as part of the share-based payment expense in respect of the performance rights.

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Grants, Modifications and Exercise of Options and Performance Rights Over Equity Instruments Granted as Compensation

Shares Issued on Exercise of Options and Performance Rights

No options or performance rights held by persons in the following compensation tables were exercised during the 2022 and 2021 financial years other than performance rights held by Andrew McLellan, which none were vested and were exercised during the financial year (2021: 2,799,087).

Additional Disclosures Relating to Shares

The number of ordinary shares in Bluechiip Limited held by or controlled by each KMP of the Group during the financial year is as follows:

	Balance at 30 June 2021	Granted as Remuneration	Purchased/ (Sold) During the Year	On Exercise of Performance Rights	Net Change Other	Balance at 30 June 2022
I Kirkwood	27,097,732	-	750,000	-	750,000	27,847,732
A McLellan	10,449,086	-	-	-	-	10,449,086
M Ohanessian	9,247,735	-	-	-	-	9,247,735
A Cox	500,000	-	-	-	-	500,000
Total	**47,294,553**	**-**	**750,000**	**-**	**750,000**	**48,044,553**

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Additional disclosures relating to options and shares (2022)

The number of performance rights over ordinary shares in Bluechiip Limited held by each KMP during the Financial Year 2022 is as follows:

	Balance at 1 July 2021	Granted as Remuneration	Net Change Other	Performance Rights Exercised	Performance Rights Lapsed	Balance at 30 June 2022	Vested at 30 June 2022	
							Vesting Date	Exercisable
I Kirkwood	-	-	-	-	-	-	-	-
A McLellan	2,097,602	4,500,000	-	-	(1,583,904)	5,013,698	-	-
Performance Rights Plan 2018								
Tranche 1	-	-	-	-	-	-	30 Aug 19	-
Tranche 2	-	-	-	-	-	-	30 Aug 20	-
Tranche 3	1,369,863	-	-	-	(1,369,863)	-	30 Aug 21	-
Performance Rights Plan 2019								
Tranche 1	-	-	-	-	-	-	30 Aug 20	-
Tranche 2	214,041	-	-	-	(214,041)	-	30 Aug 21	-
Tranche 3	513,698	-	-	-	-	513,698	30 Aug 22	-
Performance Rights Plan 2021								
Tranche 1	-	1,500,000	-	-	-	1,500,000	30 Aug 22	-
Tranche 2	-	1,500,000	-	-	-	1,500,000	30 Aug 23	-
Tranche 3	-	1,500,000	-	-	-	1,500,000	30 Aug 24	-
M Ohanessian	-	-	-	-		-	-	-
A Cox	-	-	-	-		-	-	-
Total	**2,097,602**	**4,500,000**	**-**	**-**	**(1,583,904)**	**5,013,698**	**-**	**-**

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Particulars of performance rights held by KMP In Bluechiip Limited at end of financial year 2022 are as follows:

Performance Rights Plan 2018

The number of performance rights that will vest will be determined by the TSR performance relative to the movement in the ASX All Ordinaries Accumulation Index (AORD). During the FY 2019, a total of 2,283,105 performance rights were granted to Andrew McLellan and 4,890,370 performance rights were granted to employees and contractor of the Company. The performance rights to Andrew McLellan have been issued in three tranches.

	Tranche 1	Tranche 2	Tranche 3	Total
Grant Date	1 July 2018	1 July 2018	1 July 2018	
No. of performance rights granted to CEO and capable of vesting	342,466	570,776	1,369,863	2,283,105
Vesting Date	30 August 2019	30 August 2020	30 August 2021	
No. of performance rights Vested and exercised/(Lapsed)	342,466	456,621/(114,155)	Nil/(1,369,863)	799,087/(1,484,018)
Measurement Period	1 July 2018 – 30 June 2019	1 July 2018 – 30 June 2020	1 July 2018 – 30 June 2021	
Exercise price	Nil	Nil	Nil	
Fair value per performance right	$0.0366	$0.0407	$0.0414	
Performance Hurdle	Relative TSR is assessed each year over 3 years to the end of FY 2021, compared to the movement in the ASX Small Ordinaries Accumulation Index for the relevant Measurement Period. This is designed to focus executives on delivering sustainable long- term shareholder returns **TSR Performance** / **Proportion to vest** Achieving 100% of the index for the relevant Measurement Period / 50% Exceeding the index for the relevant Measurement Period / Balance vests proportionately on a straight-line basis up to 120% of the index performance for the Measurement Period			
Expiry Date	30 June 2021	31 December 2022	31 December 2023	

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Particulars of performance rights held by KMP In Bluechiip Limited during the financial year (Con't)

Performance Rights Plan 2019

The number of performance rights that will vest will be determined by the TSR performance relative to the movement in the ASX All Ordinaries Accumulation Index (AORD). During the FY 2020, a total of 856,164 performance rights were granted to Andrew McLellan and 1,380,000 performance rights were granted to employees and contractor of the Company. The performance rights to Andrew McLellan have been issued in three tranches.

	Tranche 1	Tranche 2	Tranche 3	Total
Grant Date	21 November 2019	21 November 2019	21 November 2019	
No. of performance rights granted to CEO and capable of vesting	128,425	214,041	513,698	856,164
Vesting Date	30 August 2020	30 August 2021	30 August 2022	
No. of performance rights Vested and exercised/(Lapsed)	Nil/(128,425)	Nil/(214,041)	Not vested	Nil/(342,466)
Measurement Period	1 July 2019 – 30 June 2022	1 July 2019 – 30 June 2021	1 July 2019 – 30 June 2022	
Exercise price	Nil	Nil	Nil	
Fair value per performance right	$0.1606	$0.1587	$0.1549	
Performance Hurdle	Relative TSR is assessed each year over 3 years to the end of FY 2022, compared to the movement in the ASX Small Ordinaries Accumulation Index for the relevant Measurement Period. This is designed to focus executives on delivering sustainable long- term shareholder returns: **TSR Performance** — **Proportion to vest** Achieving 100% of the index for the relevant Measurement Period — 50% Exceeding the index for the relevant Measurement Period — Balance vests proportionately on a straight-line basis up to 120% of the index performance for the Measurement Period			
Expiry Date	30 June 2022	31 December 2023	31 December 2024	

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Particulars of performance rights held by KMP In Bluechiip Limited during the financial year (Con't)

Performance Rights Plan 2021

The number of performance rights that will vest will be determined by the TSR performance relative to the movement in the ASX All Ordinaries Accumulation Index (AORD). During the FY 2022, a total of 4,500,000 performance rights were granted to Andrew McLellan and 9,500,000 performance rights were granted to employees and contractor of the Company. The performance rights to Andrew McLellan have been issued in three tranches.

	Tranche 1	Tranche 2	Tranche 3	Total
Grant Date	25 November 2021	25 November 2021	25 November 2021	
No. of performance rights granted to CEO and capable of vesting	1,500,000	1,500,000	1,500,000	4,500,000
Vesting Date	30 August 2022	30 August 2023	30 August 2024	
No. of performance rights Vested and exercised/(Lapsed)	Not vested	Not vested	Not vested	
Measurement Period	1 July 2021 – 30 June 2022	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024	
Exercise price	Nil	Nil	Nil	
Fair value per performance right	$0.0509	$0.0502	$0.0541	
Performance Hurdle	Relative TSR is assessed each year over 3 years to the end of FY 2022, compared to the movement in the ASX Small Ordinaries Accumulation Index for the relevant Measurement Period. This is designed to focus executives on delivering sustainable long-term shareholder returns: **TSR Performance** / **Proportion to vest** Achieving 100% of the index for the relevant Measurement Period / 50% Exceeding the index for the relevant Measurement Period / Balance vests proportionately on a straight-line basis up to 120% of the index performance for the Measurement Period			
Expiry Date	31 December 2024	31 December 2025	31 December 2026	

Remuneration Report

Consequences of the Company's Performance on Shareholder Wealth

The following table summarises the Company's performance in the current financial year and the previous four years since the Company was listed in June 2011.

	30 June 2018 $	30 June 2019 $	30 June 2020 $	30 June 2021 $	30 June 2022 $
Measures					
Closing share price at 30 June	0.054	0.078	0.049	0.041	0.027
Basic Earnings Per Share (cents)	(0.6)	(0.7)	(0.8)	(0.5)	(0.5)
Dividends	None	None	None	None	None
Loss before income tax	**2,492,491**	**3,257,996**	**4,501,085**	**3,227,419**	**3,059,171**

In considering the Company's performance and how best to generate shareholder value, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the technical progress on the Company's products and, where applicable, relationship building with technical institutions, projects introduced, internal innovation etc. The Board has some but not absolute regard to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure and does not contemplate consideration of any dividends in the short to medium term given that all efforts are currently being devoted to obtaining value for the Company's assets and building the business to establish self-sustaining revenue streams. For this reason, adverse movements in the share price do not necessarily reflect the performance of the CEO and that of other employees.

Signed in accordance with a resolution of the Board of Directors.

Iain Kirkwood
Chairman

25 August 2022

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Corporate Governance

The board of Directors of Bluechiip Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines (3rd edition) as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of Bluechiip Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

An overview of the Company's corporate governance structures and practices is published on the Company's website at **www.bluechiip.com/investor/corporate-governance-policies**.

The 2021/2022 Corporate Governance Statement is dated as at 25 August 2022 and reflects the corporate governance practices in place throughout the reporting period. The Corporate Governance Statement was approved by the Board on 25 August 2022 and can be viewed at www.bluechiip.com/investor/corporate-governance-policies.

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Auditor's Independence Declaration

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Deloitte.

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25 August 2022

Board of Directors
Bluechiip Limited
1 Dalmore Drive
SCORESBY VIC 3179

Dear Board Members

Auditor's Independence Declaration to Bluechiip Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bluechiip Limited.

As lead audit partner for the audit of the financial report of Bluechiip Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Jane Fisher
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Bluechiip Limited Consolidated Statement of Financial Position as at 30 June 2022

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	Note	2022 $	2021 $
Current Assets			
Cash and cash equivalents	11	2,750,579	3,918,945
Term deposit	11	-	2,000,000
Trade and other receivables	12	1,125,003	1,109,605
Other current assets	13	88,196	192,220
Inventory	14	795,924	394,416
Total Current Assets		**4,759,702**	**7,615,186**
Non-Current Assets			
Inventory	14	2,164,511	1,155,828
Property, plant and equipment	15	37,397	45,953
Total Non-Current Assets		**2,201,908**	**1,201,781**
Total Assets		**6,961,610**	**8,816,967**
Current Liabilities			
Trade and other payables	16	389,260	409,009
Deferred revenue	17	1,887,622	-
Employee benefits	18	175,254	107,254
Total Current Liabilities		**2,452,136**	**516,263**
Non-Current Liabilities			
Deferred revenue	17	-	1,123,002
Employee benefits	18	147,090	125,090
Total Non-Current Liabilities		**147,090**	**1,248,092**
Total Liabilities		**2,599,226**	**1,764,355**
Net Assets		**4,362,384**	**7,052,612**
Equity			
Issued capital	19	42,579,254	42,562,517
Reserves		5,386,203	5,033,997
Accumulated losses		(43,603,073)	(40,543,902)
Total Equity		**4,362,384**	**7,052,612**

The accompanying notes form part of these financial statements

Bluechiip Limited Consolidated Statement of Profit or Loss and Other Comprehensive Income for year ended 30 June 2022

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	Note	2022 $	2021 $
Revenue from operating activities	6	927,245	51,133
Cost of sales		(148,743)	(287,308)
Other income	7	823,490	1,765,377
Employee benefits expense		(2,449,657)	(1,988,991)
Superannuation		(162,501)	(146,194)
Share-based payment expense	23	(370,511)	(123,166)
Advertising and branding		(68,566)	(29,648)
Business development		(339,939)	(48,667)
Depreciation costs	8 (a)	(8,556)	(14,900)
Research and Development		(268,675)	(1,212,537)
Patent costs		(145,447)	(168,491)
Consultancy fees		(12,803)	(12,500)
Travel and accommodation		(23,095)	(910)
Occupancy costs		(86,882)	(84,218)
Legal and professional fees		(344,777)	(501,773)
Listing, share registry and secretarial fee		(116,801)	(98,115)
Exchange gains / losses		78,987	14,765
Other expenses	8 (b)	(341,940)	(341,276)
Loss Before Income Tax		**(3,059,171)**	**(3,227,419)**
Income tax	9	-	-
Net Loss After Income Tax		**(3,059,171)**	**(3,227,419)**
Other comprehensive income		-	-
Total Comprehensive Loss for The Year		**(3,059,171)**	**(3,227,419)**
Earnings Per Share			
Basic losses per share (cents)	10	(0.51)	(0.54)
Diluted losses per share (cents)	10	(0.51)	(0.54)

Bluechiip Limited Consolidated Statement of Changes in Equity for the year ended 30 June 2022

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	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2021		42,562,517	5,033,997	(40,543,902)	7,052,612
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	18,305	(18,305)		-
Transaction costs on share issue	19(a)	(1,568)	-	-	(1,568)
Share-based payment expense		-	370,511	-	370,511
		16,737	352,206	-	368,943
Comprehensive income					
Loss for the year		-	-	(3,059,171)	(3,059,171)
Other comprehensive income		-	-	-	
Total comprehensive loss attributable to members of the entity		-	-	(3,059,171)	(3,059,171)
At 30 June 2022		**42,579,254**	**5,386,203**	**(43,603,073)**	**4,362,384**

	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2020		42,417,745	5,061,103	(37,316,483)	10,162,365
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	150,272	(150,272)	-	-
Transaction costs on share issue	19(a)	(5,500)	-	-	(5,500)
Share-based payment expense		-	123,166	-	123,166
		144,772	(27,106)	-	117,666
Comprehensive income					
Loss for the year		-	-	(3,227,419)	(3,227,419)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to members of the entity		-	-	(3,227,419)	(3,227,419)
At 30 June 2021		**42,562,517**	**5,033,997**	**(40,543,902)**	**7,052,612**

The accompanying notes form part of these financial statements

Bluechiip Limited Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Note	2022 $	2021 $
Cash Flows From Operating Activities			
Receipts from customers		582,287	1,211,579
Payments to suppliers and employees		(4,879,980)	(5,391,352)
Interest received		15,788	48,943
R&D tax incentive received		1,093,307	1,625,685
Government support programs		21,957	500,250
Net Cash Flows Used in Operating Activities	20	**(3,166,641)**	**(2,004,895)**
Cash Flows From Investing Activities			
Net Cash Flows Used in Investing Activities		**-**	**-**
Cash Flow from Financing Activities			
Transaction costs on share issue		(1,725)	(6,050)
Net Cash Flows Used in Financing Activities		**(1,725)**	**(6,050)**
Net decrease in cash held		(3,168,366)	(2,010,945)
Cash and cash equivalents at beginning of financial year		5,918,945	7,929,890
Cash and Cash Equivalents, including term deposit, at End of Financial Year	11	**2,750,579**	**5,918,945**

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Notes to the Consolidated Financial Statements

Note 1 Corporate Information

The consolidated financial report of Bluechiip Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 25 August 2022.

Bluechiip Limited (the Parent) is a for profit company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group during the year was the development and commercialisation of 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).

Note 2 Basis of Preparation and Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that:

- have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted
- are presented in Australian dollars with all values rounded to the nearest one dollar under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191
- have been prepared on a going concern basis which takes account of the Group's assets and liabilities and assumes continuity of normal activities. For the year ended 30 June 2022 the Group incurred losses of $3,059,171 (FY2021 loss $3,227,419) and negative cash flows from operations totalling $3,166,641 (FY2021 $2,004,895). The Directors' assessment of the going concern basis included considering the expectation that the Group will be able to successfully raise additional capital prior to the fourth quarter of the Financial Year 2023 as well as consideration of:
  - sales revenue and licence fee and milestone payments anticipated to be generated over the next twelve months;
  - up-front license fees, milestone payments, co-development or collaboration funding from third party joint ventures may be generated within the next twelve months;
  - R&D Advance via R&D Tax Prepayment Loan from a lender secured over the R&D Tax Incentive Refundable;
  - grants received from the Australian State and Federal governments, and from overseas sources which the Group continues to actively pursue;
  - receipts from the Federal Government R&D tax incentive programme on the basis that the Group continues to qualify for these receipts; and
  - cash balances held at the date of this report.

Based on the above factors, and notably the expectation that the Group will be able to successfully raise sufficient new capital prior to the fourth quarter of the financial year, the Directors are of the opinion that the use of the going concern assumption is appropriate. In the event that the Group is unable to achieve successful outcomes in relation to the matters listed above, a material uncertainty would exist that would cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

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(b) Application of new and revised Australian Accounting Standards issued not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/Amendment	Effective for Annual Reporting Periods Beginning on or After
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023

The directors do not expect the adoption of these to have a material impact of the financial statements.

(c) Application of new and revised Australian Accounting Standards issued, effective this financial reporting period

The Group has adopted all new and revised accounting standards issued by the AASB that are relevant to its operations and are effective for the current reporting period as at 1 July 2021.

The adoption of these standards and interpretations did not result in a material change on the reported results and position or disclosures of the Group as they did not result in any changes to the Group's existing accounting policies and they are as follows:

Standard/Amendment	Effective for Annual Reporting Periods Beginning on or After
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021
AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entitie	1 July 2021

During the year, the Group applied AASB 120 Accounting for Government Grants and Disclosure of Government Assistance (AASB 120) as the Company qualified for the Federal Government 's JobKeeper grant scheme, administered by the Australian Taxation Office (ATO).

The grant is recognised as income when the Company is reasonably assured that it will be received. The grant is recognised as a receivable when the associated wage payments are made. Receipt of reimbursement from the ATO reduces the receivable.

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Bluechiip Limited and its subsidiaries (the Group) (as outlined in Note 27) as at and for the year ended 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in

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the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) Foreign Currency Translation

i. Functional and presentation currency

Both the functional and presentation currency of Bluechiip Limited and its subsidiaries are Australian dollars ($).

ii. Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(f) Cash and Cash Equivalents (Ref Note 11)

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, or for those with longer maturities, deposits are classified as cash equivalents if they are expected to be utilised for short term commitments.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and Other Receivables (Ref Notes 12)

Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method (except for any short-term receivables where the effect of discounts is immaterial), less any impairment.

Impairment of financial assets

The Group considers and recognises a loss allowance for expected credit losses on financial assets annually.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for loans and receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Credit Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- if becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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De-recognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(h) Inventories (Ref Note 14)

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(i) Non-current assets (Ref Note 15)

Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

Depreciation is calculated on a diminishing value method basis over the estimated useful life of the specific assets as follows:

Computer & Office Equipment	10% to 66.67%
Furniture, Fixtures and Fittings	10% to 20%
Technical Equipment and Tools	10% to 66.67%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(j) Leases

Leases are recognised, measured and presented in line with AASB 16 Leases. Under AASB 16, a contract is a lease or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. AASB 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' if the recognition requirements of a lease are met.

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less than $5,000). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation within loans and borrowings.

Lease payments

Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Finance charges are recorded as a finance expense to profit and loss, unless they are attributable to qualifying assets, in which case they are capitalised.

(k) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicates that the carrying amount may not be recoverable.

Bluechiip Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(l) Research and Development Costs

Research and development costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised

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only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. No development costs have been capitalised to date because the Group is unable to demonstrate that the products will be able to generate future economic benefits.

(m) Financial Liability (Ref Note 16)

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities representing trade and other payables are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(o) Employee Benefits (Ref Note 18)

i. Short-term Benefits

Liabilities for wages and salaries, including non-monetary benefits and certain annual leave benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Annual leave balances that are expected to be settled after 12 months are measured at present value. They are measured at the amounts expected to be paid when the liabilities are settled.

ii. Long-term benefits

The liability for long service leave benefit Is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service.

Expected future payments are discounted at rates using market yield on high quality Corporate Bonds at the reporting date.

(p) Share-based Payment Transactions (Ref Note 23)
Equity-settled Transactions

The Group provides benefits to its employees and Directors (including key management personnel) in the form of share-based payments, whereby services are rendered in exchange for shares or rights over shares (equity-settled transactions).

There is currently a Performance Rights Plan in place as part of the LTI, for the issue of share-based payments to staff and KMP as a reward for performance and loyalty. LTI awards to executives are made under the executive Performance Rights Plan and are delivered in the form of performance rights or zero exercise price options.

The performance rights will vest over a period of up to three years subject to meeting performance measures, The Company uses a combination of absolute total shareholder return (TSR) and commercial targets as the performance measure for the LTI plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they

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are granted. The fair value of the performance rights granted to executive officers has been calculated based on the value at the date of grant using a hybrid trinomial option pricing model which uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group or Company receives the services that entitle the employees to receive payment in equity or cash; and
- Conditions that are linked to the price of the shares of Bluechiip Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Profit or Loss and Other Comprehensive Income is the product of:

a. The grant date fair value of the award;
b. The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
c. The expired portion of the vesting period.

The charge to the Statement of Profit or Loss and Other Comprehensive Income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding entry to equity.

If a non-vesting condition is within the control of the Group, Company or employee, the failure to satisfy the condition is treated as a cancellation.

If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 10).

(q) Contributed equity (Ref Note 19)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Revenue recognition (Ref Note 6)

i. Sales Revenue (Ref Note 6)

The Group recognises revenue at a point in time or over time depending when the Group expects to satisfy the performance obligation and, on the nature, and specifications of contracts entered into with its customers from the following major sources.

Sale of Goods

Revenue from the sale of goods in the ordinary course of activities is measured at the fair value of consideration received or receivable, net of product duties and taxes, rebates, discounts and allowances. Sale of goods is recognised at a point in time when the performance obligations of the sale has been fulfilled and control of the goods has transferred to the customers. In recognising revenue from the sale of goods, the Group makes an assessment of the amount of sales returns expected and presents revenue net of this estimate.

In making the assessment, the Group considers its historical experience with sales return to which revenue is recognised to the extent that it is highly probable that a significant reversal of previously recognised revenue will not arise in the future.

Licence Income

Licence income is the fee income received from customers in consideration to grant the customer the rights and access to use the Bluechiip Intellectual property technology. Licence income is recognised at either a point in time or over time where the Group continues to retain the responsibility for the performance obligations associated with the licence and that the customer simultaneously receives and consumes the benefits from the Group. Amounts collected for rights and access not yet provided are recorded as deferred revenue in the balance sheet.

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Sale of Engineering Services

Sale of engineering services is recognised at a point in time when the performance obligations of rendering the services has been fulfilled which continues to occur at the point of sale when the customers assumes the delivery of the goods with performed services

ii. Government Grants (Ref Note 7)

Government grants are recognised in the Statement of Profit or Loss and Other Comprehensive Income as other income when the grant is receivable. The R&D tax incentive is brought to account only when the amount receivable has been quantified, based on eligible development spend and supported by appropriate claim documentation.

iii Interest Revenue (Ref Note 7)

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. All revenue is stated net of the amount of goods and services tax (GST).

(s) Income Tax and Other Taxes (Ref Note 9)

No taxation has been provided for and no deferred tax assets have been recognised in view of losses incurred.

Deferred tax assets are only brought to account where it is probable that future tax profits will be available against which deductible temporary differences can be utilised. In view of the Group just commenced generating revenues, deferred tax assets are not recognised in respect of the assessed and estimated tax losses to be carried forward on the basis that recoupment is not probable at 30 June 2022.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Trade receivables and other payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Earnings per share (Ref Note 10)

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- Costs of servicing equity; and
- Other non-discretionary changes in revenues or expenses during the year that would result In the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

As the Group incurred a loss during the year, the impact of options and performance rights was anti-dilutive and as such, basic and diluted EPS are the same amount.

(u) Comparative Figures

When required by Accounting Standards, comparative figures will be adjusted to conform to changes in presentation. No comparative adjustment has occurred in the current year.

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Note 3 Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and interest-bearing liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 $	2021 $
Financial Assets			
Cash and cash equivalents	11	2,750,579	5,918,945
Trade and other receivables	12	1,125,003	1,109,605
Total Financial Assets		**3,875,582**	**7,028,550**
Financial Liabilities			
Trade and other payables	16	389,260	409,009
Total Financial Liabilities		**389,260**	**409,009**

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. The Group neither enter into or trade financial instruments and derivative instruments for speculative purposes.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. The Group is also exposed to a certain degree of foreign currency risk as some of its transactions with suppliers and customers are denominated in foreign currencies.

(a) Credit Risk

Credit risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating. Credit risk is in relation to receivables held as at year end.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There were no guarantees given at the balance date.

The credit exposure in respect of trade and other receivables is detailed in note 12.

Credit risk related to balances with banks and other financial institutions is managed by management in accordance with the approved Board policy.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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The table below reflects an undiscounted contractual maturity analysis for financial instruments.

Cash flows realised from financial assets reflect management's expectation as to the timing of financial instruments realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

		Less Than 6 Months		6 to 12 Months		1 Year to 5 years		Over 5 Years		Total Contractual Cash Flow	
	Notes	2022 $	2021 $	2022 $	2021 $	2022 $	2020 $	2022 $	2021 $	2022 $	2021 $
Financial assets – Cash Flows Realisable											
Cash and cash equivalents	11	2,750,579	5,918,945	-	-	-	-	-	-	2,750,579	5,918,945
Trade and other receivables	12	1,125,003	1,109,605	-	-	-	-	-	-	1,125,003	1,109,605
Total		**3,875,582**	**7,028,550**	**-**	**-**	**-**	**-**	**-**	**-**	**3,875,582**	**7,028,550**
Financial Liabilities Due for Payment											
Trade and other payables	16	389,260	409,009	-	-	-	-	-	-	389,260	409,009
Total		389,260	409,009	-	-	-	-	-	-	389,260	409,009
Net inflow on Financial Instruments		**3,486,322**	**6,619,541**	**-**	**-**	**-**	**-**	**-**	**-**	**3,486,322**	**6,619,541**

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(c) Market Risk

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Borrowings are negotiated at fixed rates to assist in managing the risk and that in determining the interest rates, reference is made to bank lending or borrowing rates at the time the loan is entered into.

ii. Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year Ended 30 June 2022		
+1% in interest rates	27,506	27,506
-1% in interest rates	(27,506)	(27,506)
Year Ended 30 June 2021		
+1% in interest rates	59,189	59,189
-1% in interest rates	(59,189)	(59,189)

The above sensitivities calculation assumption is based on cash and cash equivalent and financial assets reported at balance date.

Note 4 Significant Accounting judgements, Estimates and Assumptions

The preparation of the financial statements requires the Directors to evaluate and make estimates, judgements and assumptions incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Estimates and underlying assumptions are reviewed on an ongoing basis and for the Financial Year 2022 this review has also considered any relevant implications of the global COVID-19 pandemic. The impact of revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Further information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes to the financial statement.

Deferred revenue

The prior year Settlement Agreement with Labcon involved Labcon providing Bluechiip with a cash payment of USD850,000 ($1,123,002) and the return of Bluechiip delta tags and products previously sold to Labcon. Bluechiip will provide a credit of USD1.35m to Labcon for future sales up to 5 years. The cash payment was received has been recorded as deferred revenue. Significant judgement has been applied in determining the period over which the deferred revenue is expected to be recognised in the Statement of Profit or Loss and Other Comprehensive Income. Based on a reasonable estimation of future events being the expected timing of the sale of goods, Bluechiip expect to recognise the revenue over a period of greater than 12 months, but not greater than 5 years, from the date of receipt.

During the financial year, the Group received the return of Bluechiip delta tags and products previously sold to, and paid for by, Labcon as part of the Settlement Agreement and measured the non-cash consideration at fair value at the date the Group obtains control over the stock. The fair value of the returned stock was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Provision for expected credit losses

Management uses judgement and assumptions when assessing the recoverability of the receivables in determining

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the expected credit losses of receivables.

Inventory

Management has to exercise significant judgement in estimating the net realisable value of inventory which includes estimating future sales quantities and selling prices. These estimates are based on the sales contracts in place by the Company and given the application of the technology is able to withstand obsolescence. Management assess the classification of inventory in the balance sheet based on forward sales growth and expectation to realise the inventory.

R&D Tax Incentive and Expense

Where the Group expects to receive the Australian Government's R&D Tax Incentive, the management accounts for the amount refundable on an accrual basis. In determining the amount of the R&D Tax Incentive at year end, there is an estimation process to determine what expenditure will qualify for the incentive. External advice and consulting is sought to provide assurance that basis of estimates are reasonable.

Management has to exercise significant judgement in determining if prototype chips are products feasible for sale. In the event that the prototype chips are considered not feasible and not ready for sale, the expenditure is treated as research expense in the statement of profit or loss and no costs are capitalised. The judgement also includes monitoring the yield results of prototype chips which involves continuous R&D satisfying the targeted criteria and yield as well as reliably measuring the expenditure attributable to the R&D of chips.

Note 5 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker or CODM) in assessing performance and in determining the allocation of resources. The CODM only reviews consolidated financial information and as such, it has been determined that there is only one segment at the present time. Consistent with Financial Year 2021, the Group's operations predominantly relate to provision of products and services to OEM customers primarily in the healthcare and life science industries based in the North America. The market segment remains the main operating segment with sales of products, income from engineering services and licence to North America contributed during the financial year that amounted to $774,125 which represents 83.49% of the Group's total sales revenue (2021: $388; 0.75%). The contributions has been attributable the reopening of international borders and resumption of activities and operations after lockdowns arising from the COVID-19 global pandemic across North America were lifted up.

Note 6 Revenue from Operating Activities

	2022 $	2021 $
Gross Revenue From Sale of product, Engineering service and Licence income		
Sale of product – point in time	431,496	51,133
Engineering service income – point in time	341,179	-
Licence income – over time	154,570	-
Revenue From Operating Activities	**927,245**	**51,133**

Note 7 Other Income

	2022 $	2021 $
Other Revenue		
Interest income	10,222	39,443
R&D tax incentive	793,307	1,225,684
Government Support Programs - Australia Government Entrepreneur's Program–Growth Grant (2021: JobKeeper Payments and Cashflow Boost for Employers Program)	19,961	500,250
Total Other Income	**823,490**	**1,765,377**

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Note 8 Expenses

	2022 $	2021 $
(a) Depreciation		
Depreciation of property, plant and equipment	8,556	14,900
	8,556	**14,900**
(b) Other Expenses		
Conference and seminar	18,490	1,517
Contract staff	-	105,736
Insurance	68,751	54,317
Packaging and delivery	92,591	74,624
Quality management system	15,480	16,244
Telecommunications	7,583	12,085
Computer expenses	83,442	44,177
Other miscellaneous expenses	55,603	32,576
Total Other Expenses	**341,940**	**341,276**

Note 9 Income Tax Expense

No taxation has been provided in view of the losses incurred for the year (2021: Nil). Tax losses for the Financial Year 2022 are $1.338,079 (2021: $1,224,619). The amount of carry forward tax losses available for offset against future taxable income is $16,242,514 (2021: $15,596,965). The deferred tax asset of $2,727,319 (2021: $3,074,339) associated with carried forward tax losses as well as deferred tax assets arising from temporary differences of $371,581 (2021: $45,082) have not been recorded on the basis that its recovery is not probable at this time. There are no deferred tax liabilities arising from temporary differences on assets.

The prima facie tax on the loss from ordinary activities is reconciled to the Statement of Profit or Loss and Other Comprehensive Income as follows:

	2022 $	2021 $
Prima facie tax on loss from ordinary activities before income tax at 25.0% (2021: 26.0%) *		
Consolidated entity	(764,793)	(839,129)
	(764,793)	**(839,129)**
Add/(Deduct): Tax Effect of		
Non-deductible expenses	47,475	105,207
Research and development tax effect	279,756	332,802
Deferred tax assets arising not brought to account as at balance sheet date because realisation is not considered probable	442,552	420,620
Assessable income – Government Entrepreneurs' Programme Growth Grant (2021: (Government COVID-19 Programs - Cashflow Boost) and Victoria Business Support Grants)	(4,990)	(19,500)
Income Tax Credit Attributable to the Consolidated Entity	-	-

* The income tax rate represents the base rate entity company tax rate of 25.0% for Financial Year 2022 (2021:26.0%).

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Note 10 Earnings Per Share

	2022 $	2021 $
Earnings/(loss) used to calculate basic and dilutive EPS	**(3,059,170)**	**(3,227,419)**
For Basic and Diluted EPS		
Weighted average number of ordinary shares outstanding during the year – No. used in calculating basic EPS	598,181,860	594,420,917

As the Group incurred a loss during the year, the impact of performance rights were anti-dilutive and as such, basic and diluted EPS are the same amount.

Note 11 Cash and Cash Equivalents and Term Deposit

	2022 $	2021 $
Current Assets – Cash and Cash Equivalents		
Cash at bank	2,750,579	3,918,945
Term deposit[a]	-	2,000,000
Total	**2,750,579**	**5,918,945**

[a] relates to a term deposit placed with a bank and designated as cash equivalent as it was expected to be accessed within short term period.

Note 12 Current Assets – Trade and Other Receivables

	2022 $	2021 $
Current Assets – Trade and Other Receivables		
Trade receivables	324,069	3,105
Other debtors[a]	934	6,500
R&D tax incentive receivable	800,000	1,100,000
	1,125,003	**1,109,605**
The ageing analysis of trade receivables is[b]		
0-30 days	232,593	-
31-60 days	66,305	-
61-90 days (past due not impaired)	-	-
91+ days (past due not impaired)	25,171	3,105
Total Trade and Other Receivables	**324,069**	**3,105**

[a] Included in other debtors is interest income receivable of $Nil (2021: $6,500) from a short-term deposit placed with a bank.

[b] Debts over 90 days are also individually assessed for impairment. The expected credit loss model under AASB 9 requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting period. As at the date of this report, the Group reviewed and assessed the recoverability of trade receivables. In determining the expected credit losses, the Group found these immaterial.

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Note 13 Other Current Assets

	2022 $	2021 $
Prepayment[a]	88,196	192,220
	88,196	**192,220**

[a] Included in prepayment is an amount of $24,522 (2021: $151,602) made to a chips supplier pursuant to a development and supply agreement for production of chips. The prepayment is to be used to part pay future invoices from the supplier.

Note 14 Inventory

	2022 $	2021 $
Raw Materials		
Current	156,054	171,271
Non-Current	2,113,929	1,314,416
Less: Provision for obsolete stocks	(185,367)	(166,264)
Total	**2,084,616**	**1,319,423**
Finished goods		
Current	639,870	223,145
Non-Current	297,540	69,267
Less: Provision of net realisable value	(61,591)	(61,591)
Total	**875,819**	**230,821**
Total Inventory	**2,960,435**	**1,550,244**
Current	**795,924**	**394,416**
Non-Current	**2,164,511**	**1,155,828**

Note 15 Non-current Assets - Property, Plant and Equipment

	2022 $	2021 $
Technical equipment and tools at cost	257,024	257,024
Accumulated depreciation and impairment	(227,049)	(219,767)
Total technical equipment and tools	**29,975**	**37,257**
Furniture, fixtures and fittings at cost	18,876	18,876
Accumulated depreciation	(15,528)	(15,064)
Total Furniture, Fixtures and Fittings	**3,348**	**3,812**
Computer and office equipment at cost	127,142	127,142
Accumulated depreciation	(123,068)	(122,258)
Total Computer and Office Equipment	**4,074**	**4,884**
Total Property, Plant and Equipment	**37,397**	**45,953**

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(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Technical Equipment and Tools $	Furniture, Fixtures and Fittings $	Computer and Office Equipment $	Total $
Balance at 30 June 2022				
Balance at the beginning of year	37,257	3,812	4,884	45,953
Additions	-	-	-	-
Impairments	-	-	-	-
Depreciation	(7,282)	(464)	(810)	(8,556)
Carrying Amount at End 30 June 2022	**29,975**	**3,348**	**4,074**	**37,397**

Consolidated	Technical Equipment and Tools $	Furniture, Fixtures and Fittings $	Computer and Office Equipment $	Total $
Balance at 30 June 2021				
Balance at the beginning of year	48,067	4,356	8,430	60,853
Additions	-	-	-	-
Impairments	-	-	-	-
Depreciation	(10,810)	(544)	(3,546)	(14,900)
Carrying Amount at End 30 June 2021	**37,257**	**3,812**	**4,884**	**45,953**

Note 16 Current Liabilities – Trade and Other Payables

	2022 $	2021 $
Trade payables[a]	156,682	289,652
Sundry payables and accrued expenses	232,578	119,357
Total Current Liabilities	**389,260**	**409,009**

[a] The trade payables as at 30 June 2022 includes directors' fee owing of $9,167 (2021: $9,167).

Note 17 Deferred Revenue

	2022 $	2021 $
Current	1,887,622	-
Non Current	-	1,123.002
	1,887,622	**1,123,002**

Deferred revenue includes (i) USD850,000 ($1,123,002) cash payment received as part settlement received from Labcon North America (Labcon) pursuant to the Settlement Agreement entered into between Bluechiip and Labcon and (ii) deferred settlement revenue from the full return of Bluechiip delta tags and products previously sold to and paid for by Labcon. The initial cost for the returned inventory after adjustments was USD783,099 ($1.12 million). Labcon and Bluechiip have entered a new supply agreement for the new Bluechiip enabled consumables, readers, and software. Bluechiip will provide a credit of up to USD1.35 million ($1.80 million) on sales under this new supply arrangement.

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Note 18 Employee Benefits

	2022 $	2021 $
Current Employee Benefits		
Annual Leave provision	**175,254**	**107,254**
Non Current Employee Benefits		
Long Service Leave provision	**147,090**	**125,090**
Total Provisions	**322,344**	**232,344**

Refer to Note 2(o) for the relevant accounting policy applied in the measurement of this provision.

Note 19 Issued Capital

	2022 $	2021 $
(a) Shares Value		
Ordinary Shares		
At the beginning of the reporting year	42,562,517	42,417,745
Issue of ordinary shares	18,305	150,272
Less: Capitalised share issue costs	(1,568)	(5,500)
	42,579,254	**42,562,517**

Details	No. of shares	Total ($)
Ordinary shares issued during the financial year pursuant to exercise of the following:		
Tranche 2 Performance Rights 2017 to eligible employees	198,000	4,360
Tranche 3 Performance Rights 2017 to eligible employees	340,000	7,662
Tranche 2 Performance Rights 2018 by eligible employees	78,021	2,857
Tranche 3 Performance Rights 2018 to eligible employees	67,273	3,426
Total issued during the year	**683,294**	**18,305**

	2022 No.	2021 No.
(b) Number of Shares		
Ordinary Shares		
At the beginning of the reporting year	597,880,502	593,047,647
Shares issued during the year: Issue of ordinary shares pursuant to exercise of Performance Rights.	683,294	4,832,855
Total Issued and Fully Paid Ordinary Shares	**598,563,796**	**597,880,502**

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands. At 30 June 2022, there were no options outstanding (2021: Nil).

As at end of financial year, there were 14,833,476 outstanding Performance Rights and 147,778 Performance Rights vested but remain unexercised.

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During the financial year, 4,500,000 (2021: Nil) new performance rights were granted to Andrew McLellan and 9,000,000 (2021: Nil) new performance rights were issued to employees under the Performance Rights Plan 2021, as part of the Variable Compensation – LTI which entitle both Andrew McLellan and the employees to acquire one fully paid share in the Company for a nil exercise price (Performance Rights). Further details of the performance rights and the terms are set out in the Variable Compensation – Long-term Incentive section of the remuneration report.

(c) Capital Management

Management controls the capital of the Group in order to ensure that the Company can fund its operations and continue as a going concern. The Group's debt and capital includes share capital and financial liabilities, supported by financial assets. There is no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management.

Note 20 Cash Flow Statement Reconciliation

Reconciliation of Net Loss after Tax to Net Cash Flows used in operating activities

	2022 $	2021 $
Net loss	(3,059,171)	(3,227,419)
Non-cash Flows in Loss		
Depreciation	8,556	14,900
Share-based payment expense	370,511	123,166
Provision for stock obsolescence	19,103	166,264
Changes in Assets and Liabilities		
(Increase)/decrease in trade and other receivables	(15,398)	448,639
(Increase)/decrease in other assets	104,024	469,689
(Increase)/decrease in inventory	(1,429,294)	(1,069,818)
(Decrease)/increase in trade and other payables	(19,592)	(123,755)
(Decrease)/Increase in deferred revenue	764,620	1,123,002
(Decrease)/increase in employee benefits	90,000	70,437
	(3,166,641)	**(2,004,895)**

Note 21 Related Party Disclosures

(a) Key Management Personnel (KMP)

Details relating to KMP, including remuneration paid, shares issued and performance rights issued, are included in Note 22 and the Remuneration Report.

(b) Transactions with Related Parties

Other than shares and performance rights issued to Directors and KMP of the Company disclosed in the Remuneration Report, there were no other transactions with related parties during the year.

Note 22 Key Management Personnel

Compensation for key management personnel

The total remuneration provided and /or paid to key management personnel of the Group during the year are as follows (refer to table in Remuneration Report for further detail):

	2022 $	2021 $
Short-term employee benefits#	528,009	454,482
Post-employment benefits	27,204	25,164
Long-term employee benefits	5,834	5,685
Share-based payments	160,570	73,182
	721,617	**558,513**

The short-term employee benefits paid include Non-Executive Directors fees paid amounting to $150,000 (2021: $150,000).

Note 23 Share-based Payment Plans

Fair Value of Performance Rights and Expenses Arising From Share-based Payment Transactions

The performance rights expense under the Performance Rights Plans In the table below have been determined based on the fair values of the performance rights granted to CEO and officers calculated at grant date using a hybrid trinomial option pricing model with a relative TSR hurdle. The hybrid trinomial option pricing model with TSR hurdle uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations.

	2022 $	2021 $
Performance Rights Plan Expense During the Year		
Performance Rights Plan 2017	-	2,902
Performance Rights Plan 2018	8,299	46,746
Performance Rights Plan 2019	47,485	73,518
Performance Rights Plan 2021	314,727	-
	370,511	**123,166**

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2022

During the financial year, 4,500,000 (2021: Nil) new performance rights were granted to Andrew McLellan and 9,000,000 (2021: Nil) new performance rights were issued to employees under the Performance Rights Plan 2021, as part of the Variable Compensation – LTI which entitle both Andrew McLellan and the employees to acquire one fully paid share in the Company for a nil exercise price (Performance Rights). Further details of the performance rights and the terms are set out in the Variable Compensation – Long-term Incentive section of the remuneration report.

Number and Recipient of Performance Rights	Grant Date	Vesting / Expiry date	Fair Value Per Performance Right	Exercise Price	Price of Shares on Grant Date	Risk Free interest Rate	Estimated Volatility
4,500,000 to Andrew McLellan comprising							
Tranche 1 -1,500,000	25 Nov 2021	30 Aug 2022/ 31 Dec 2024	$0.0509	Nil	$0.059	0.15%	95%
Tranche 2 -1,500,000	25 Nov 2021	30 Aug 2021/ 31 Dec 2025	$0.0502	Nil	$0.059	0.55%	95%
Tranche 3 -1,500,000	25 Nov 2021	30 Aug 2022/ 31 Dec 2026	$0.0541	Nil	$0.059	0.96%	95%
4,890,370 to employees comprising							
Tranche 1 -733,555	28 Oct 2021	30 Aug 2022/ 31 Dec 2024	$0.0372	Nil	$0.044	0.26%	95%
Tranche 2 -1,222,593	28 Oct 2021	30 Aug 2021/ 31 Dec 2025	$0.0373	Nil	$0.044	0.60%	95%
Tranche 3 -2,934,222	28 Oct 2021	30 Aug 2022/ 31 Dec 2026	$0.0388	Nil	$0.044	0.97%	95%

Other than the Performance Rights granted to the CEO, Andrew McLellan and employees as set out above, no options were issued to Directors, employees or other KMP during this financial year.

2021

During the financial year ended 30 June 2021, no new performance rights were granted to the CEO, Andrew McLellan and employees of the Company.

No options were issued to Directors or other KMP during the financial year ended 30 June 2021.

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Note 24 Contingencies

As detailed in the prior year's financial statement, Labcon and Bluechiip have entered into a new Supply Agreement for new Bluechiip Enabled consumables, readers and software that is to be drawn down from a credit of up to USD1.35 million ($1.80 million) provided by Bluechiip. The credit has no cash equivalent and expires within 5 years of the first delivery of Bluechiip products to Labcon. During the financial year USD53k ($77k) of the credit has been utilised with the sales of products to Labcon.

The Company has no other contingent liabilities as at 30 June 2022 (2021: Nil).

Note 25 Events After the Balance Sheet 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.

Note 26 Auditor's Remuneration

	2022 $	2021 $
The Auditor of Bluechiip Limited is Deloitte Touche Tohmatsu		
Audit or review of the financial report	115,000	70,000
Tax Services		
Compliance	8,400	8,000
Fringe Benefits Tax	2,500	2,000
Audit Services and Tax Services	**125,900**	**80,000**

Note 27 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Parent Entity			
Bluechiip Limited	Australia		
Subsidiaries of Parent Entity			
Bluechiip, Inc.	United States	100%	100%
Bluechiip Holdings, Inc.	United States	100%	100%

* Percentage of voting power is in proportion to ownership.

During the financial year, Bluechiip Limited made sales of products to Bluechiip, Inc. amounted to USD79,076 (2021: Nil) which Bluechiip, Inc. subsequently sold the entire products to customers in the US.

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Note 28 Parent Entity Information

	2022 $	2021 $
Information Relating to Bluechiip Limited		
Current assets	4,746,951	7,615,186
Total Assets	**6,948,858**	**8,816,967**
Current liabilities	2,452,136	516,263
Total Liabilities	**2,599,226**	**1,764,355**
Issued capital	42,579,254	42,562,517
Reserves	5,386,203	5,033,997
Accumulated losses	(43,615,824)	(40,543,902)
Total Shareholder's Equity	**4,349,632**	**7,052,612**
Loss of the Parent Entity	**(3,071,922)**	**(3,227,419)**
Total Comprehensive Loss of the Parent Entity	**(3,071,922)**	**(3,227,419)**

Directors' Declaration

In accordance with a resolution of the Directors of Bluechiip Limited, I state that:

1. In the opinion of the Directors:
   a The financial statements and notes of Bluechiip Limited for the financial year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:
      i. Giving a true and fair view of its financial position as at 30 June 2022 and performance for the period ended on that date
      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
   b The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a)
   c There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable as disclosed in Note 2
2. This declaration has been made after receiving declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Board.

Iain Kirkwood
Chairman

25 August 2022

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Independent Auditor's Report

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Independent Auditor's Report to the Members of Bluechiip Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bluechiip Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $3,059,171 and negative cash flows from operations totaling $3,166,641 for the year ended 30 June 2022. As stated in Note 2, these events or conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the scope of our audit responded to the Key Audit Matter
Inventory valuation Inventories are held at the lower of cost and net realisable value. The determination of the net realisable value of inventory on hand is a matter of judgement, which includes the assessment of slow-moving or obsolete inventory. It also requires consideration around future forecasted sales of finished goods and/or future use of raw material components currently held by the Group, and the additional costs the Group will incur to sell the goods. The Group also took receipt of stock returned from Labcon under the Settlement Agreement entered into on 22 June 2021. The stock was recorded at fair value on receipt.	Our audit procedures included, but were not limited to: • Understanding the relevant controls that exist in relation to inventory valuation; • Evaluating management's assessment of future sales projections; • Evaluating inventory items, on a sample basis, to recent sales values and established price list with future customers to determine the net realisable value; • Inquiry with management to understand if there have been any changes in the use or sales patterns; • Assessing and challenging the adequacy of management's inventory net realisable provision; • Compared the provision held in the prior year against current year's actual write offs; • Making enquiries of management, including those outside the finance function, with regard to usage of inventory on hand at year end; • Evaluating the fair value of stock recorded as part of the Labcon Settlement Agreement; and • Evaluating the adequacy of the disclosures included in Note 2, 4 and 14 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 34 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Bluechiip Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Jane Fisher
Partner
Chartered Accountants
Melbourne, 25 August 2022

Additional ASX Information

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Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 17 August 2022.

a. Distribution of equity securities

(i) Ordinary shares

598,563,796 (18 August 2021: 597,880,502) fully paid ordinary shares are held by 1,630 (18 August 2021: 1,681) individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Unlisted options

Nil (August 2021: Nil) options held by individual option holders.

The number of shareholders, by size of holding, in each class are:

Investor Range	Shareholders	Number of Fully Paid Ordinary Shares	% of Issued Share Capital
1 - 1,000	88	7,397	0.00%
1,001 - 5,000	42	147,213	0.02%
5,001 - 10,000	173	1,428,454	0.24%
10,001 - 100,000	758	33,086,400	5.53%
100,001 and over	569	563,894,332	94.21%
	1,630	**598,563,796**	**100.00%**
Holding less than a marketable parcel	**356**	**2,198,926**	**0.37%**

b. Substantial shareholders

	Number of Fully Paid Ordinary Shares	% of Issued Share Capital
Ono Funds Management Ltd ‹atf Savillo Capital Emerging Company›	75,000,000	12.54%
Jencay Capital Pty Limited	31,591,370	5.28%

Additional ASX Information

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c. Twenty largest holders of quoted equity securities

	Fully Paid Number	% of Issued Share Capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	76,065,184	12.71%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	31,327,271	5.23%
MUTUAL TRUST PTY LTD	18,381,336	3.07%
DR STEPHEN FREDERICK WOODFORD	18,200,000	3.04%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	15,818,124	2.64%
MR IAIN MACGREGOR CRAWFORD KIRKWOOD	15,774,949	2.64%
BRADAN INVESTMENTS PTY LIMITED <MCGUIRK FAMILY A/C>	13,860,527	2.32%
EDWARD ST CONSULTING PTY LTD <KIRKWOOD FAMILY S/FUND A/C>	8,320,037	1.39%
TALENTO HOLDINGS PTY LTD	6,666,667	1.11%
ALLTOGETHER PTY LTD <ALLTOGETHER SUPER FUND A/C>	6,001,322	1.00%
ANSATA INVESTMENTS PTY LTD <ANSATA INVESTMENT A/C>	5,674,087	0.95%
BELLADONNA HOLDINGS PTY LTD <BELLADONNA SUPER FUND A/C>	5,460,601	0.91%
MR MICHAEL BERNARD OHANESSIAN	4,983,400	0.83%
BRAMSCORP PTY LTD <GILBERT FAMILY S/FUND A/C>	4,783,102	0.80%
SPURGIN SHARES PTY LTD	4,500,000	0.75%
ZALPERE PTY LTD <R & D ZMOOD SUPER FUND A/C>	4,348,648	0.73%
MR MICHAEL OHANESSIAN & MRS CANDACE OHANESSIAN <M & C OHANESSIAN S/F A/C>	4,264,335	0.71%
SULAMERICA INVESTMENTS PTY LTD <THE ROOSTER INVESTMENT A/C>	3,932,391	0.66%
EDWARD ST CONSULTING PTY LTD <KIRKWOOD FAMILY A/C>	3,752,746	0.63%
ROSHI RED PTY LTD <ROSHI RED SUPER FUND A/C>	3,670,988	0.61%
	255,785,715	42.73%

Corporate Information

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Directors

Mr Iain Kirkwood
Non-Executive Chairman

Mr Andrew McLellan
Managing Director and CEO

Mr Michael Ohanessian
Non-Executive Director

Mr Andrew Cox
Non-Executive Director

Company Secretary

Mr Lee Mitchell (resigned on 10 Jan 2022)
Ms Chelsea Sheridan (appointed on 10 Jan 2022)

Registered Office

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Bluechiip Limited shares are listed on the Australian Stock Exchange (ASX: BCT).

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National Australia Bank Limited
Melbourne VIC 3000

Auditors

Deloitte Touche Tohmatsu
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Website

bluechiip.com

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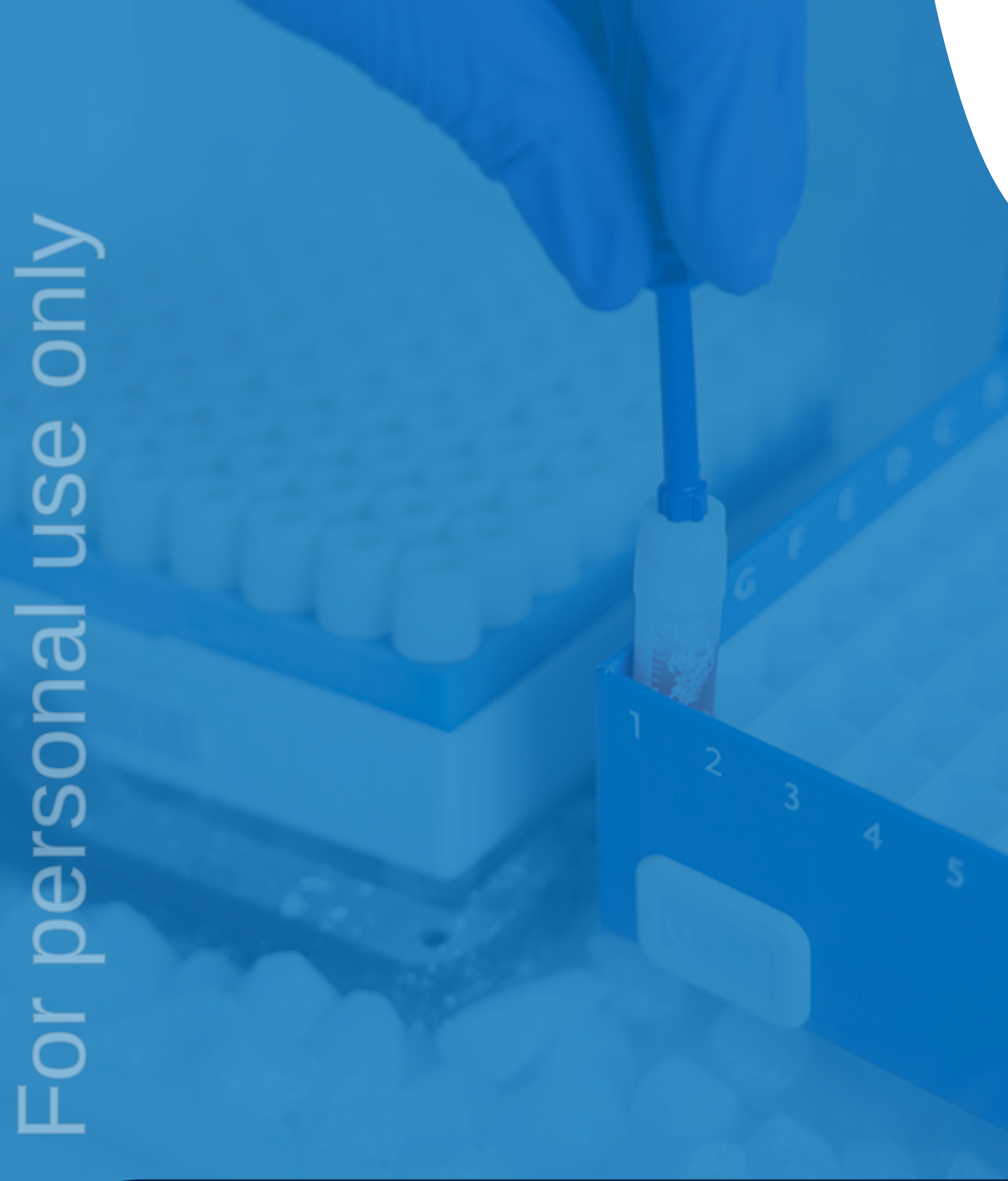

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