2018 Annual Report

Bluechiip Limited ACN 104 795 922

Productivity, sample quality and integrity

Contents

2017-18 Highlights

World-first, highly differentiated technology, with protected IP

$200M+ growing target market, with very large adjacent markets

Dramatically increasing partner pipeline, 29 readers sold up from 14 in FY17

Sale of products $434k, up from $140k in FY17 representing a 209% increase

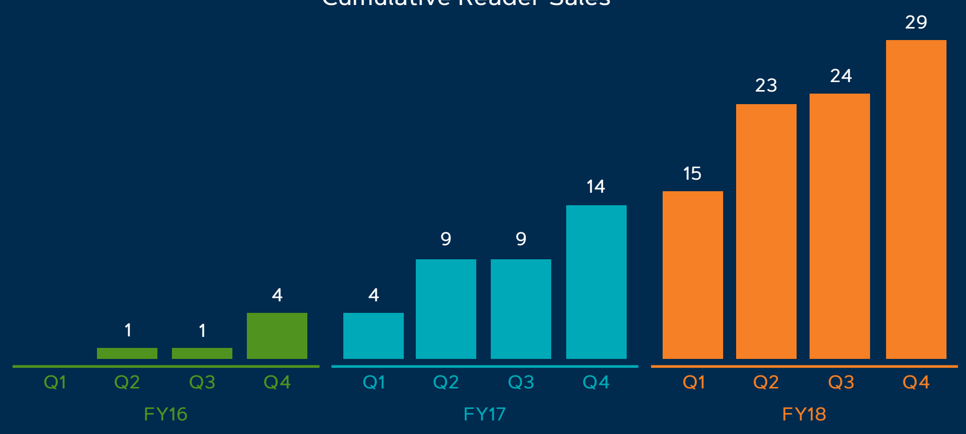
Well advanced product development

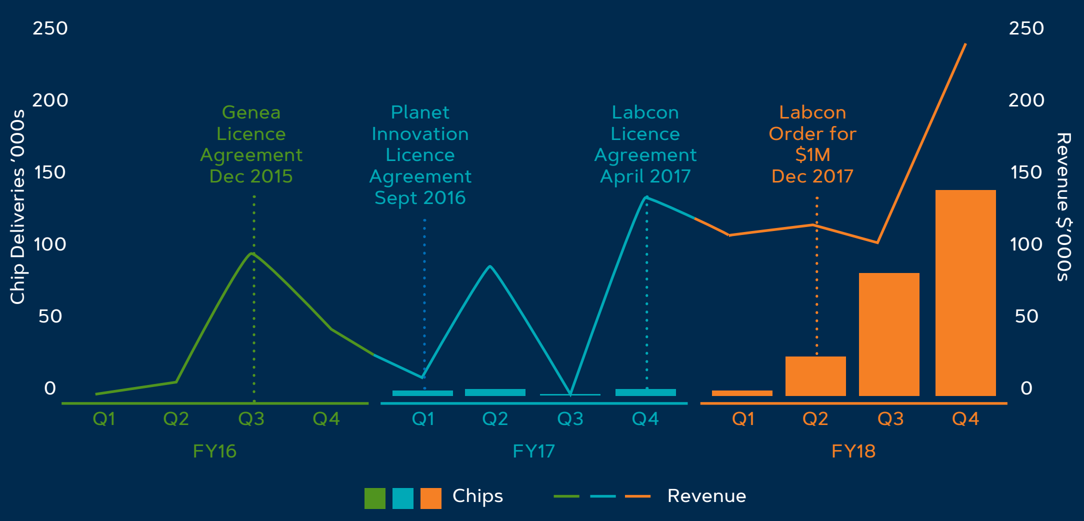
Partner opportunity conversion with three executed licence and supply agreements and Bluechiip Enabled products in manufacture

Growing partner supply, over 250k chips delivered in 2H FY18. Initial repeat revenues with sales up 136% year on year

Initial $1M order received in Dec 17

Post year end updated Labcon agreement over $US11.6m ($A15.9m) FY19, 20 and 21



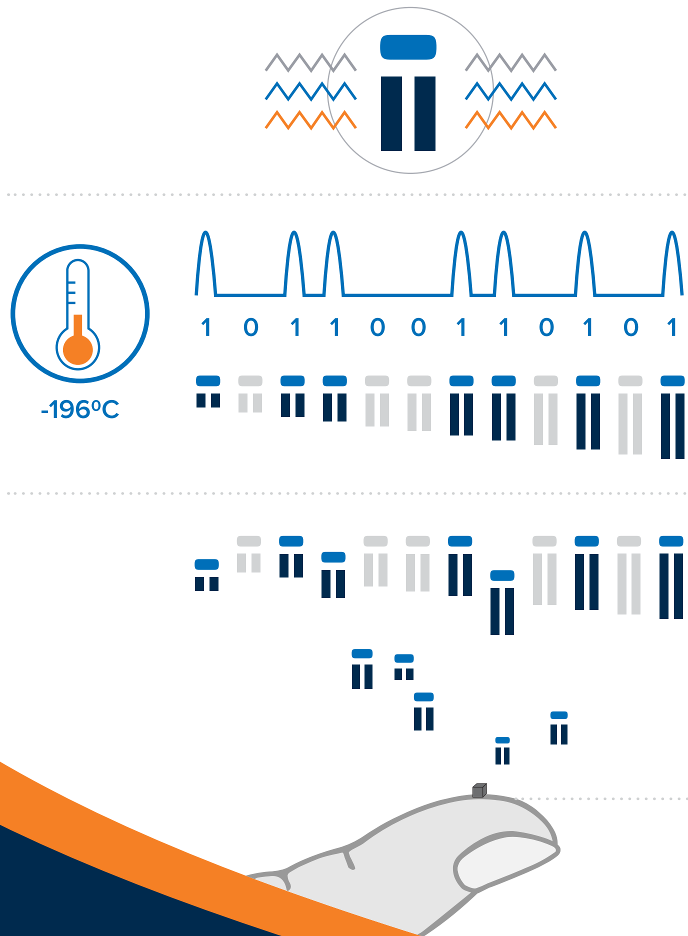


Bluechiip Overview

Bluechiip's technology wirelessly tracks the identification and temperature of valuable samples such as tissue, blood, serum and plasma which are stored in vials and bags in harsh environments like liquid nitrogen. Bluechiip's technology improves productivity, reduces human error and ensures sample integrity in industries such as the US$2B bio-preservation market. Bluechiip's miniature chips – smaller than the size of a matchhead – are attached to storage bags and vials, and information from these chips is read by a mechanical reader. Current sample-tracking technology – largely barcodes, radio-frequency identification (RFID) technology and written labels – is simply not keeping up with the increasing value of biosamples. Bluechiip's chips are currently being built into a range of vials by a US company, Labcon North America, one of the world's biggest consumables manufacturers. Bluechiip is in discussion with several other manufacturers to incorporate its technology into their products. Bluechiip's strong IP portfolio across ten patent families, including 25 granted patents.

Bluechiip Technology

The chip, a Micro Electro Mechanical System (MEMS), measuring 1mm x 1mm x 1mm, is a purely mechanical device with no powered electronics. Unlike other labelling technology – such as labels, barcodes and radio-frequency identification (RFID) technology – Bluechiip's chips perform in extreme environments like liquid nitrogen, operating reliably at -196°C. They are also resistant to gamma sterilisation, they are extremely difficult to clone or corrupt, and provide the temperature of samples when read.



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 are directly related to the temperature

Billions of ID Combinations

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

Bluechiip Strategy

Bluechiip is now in the commercialization phase, having secured three OEM Agreements with companies in Australia and the USA. The company is manufacturing and shipping chips, and producing growing revenue. Bluechiip's experienced team is working with potential customers to increase take up of the company's products and services. The company is initially targeting companies with high-value samples – where the cost of failure is high – such as IVF, regenerative medicine, cryo-transport and pharmaceuticals.

Primary Target Markets

Bluechiip's initial target is the US$2b bio-preservation and cryo-preservation market, which processes more than 300 million samples per year of tissue, blood, serum, plasma, etc for industries such as pharmaceuticals, IVF, research and clinical trials.

Our Product

Bluechiip's product range consists of a wireless tracking/measuring chip, a reader, and associated software.

- Bluechiip works with OEM partners to embed Bluechiip core technology into our partners' consumables.
- The reader: There are several types of Bluechiip reader – benchtop, handheld and multi-point. Readers enable instant tracking of each sample's data, including provenance, history and temperature.
- The software: Bluechiip's easy-to-use software database has wireless connectivity, and keeps chain-of-custody records for each sample in one location.

Competitive Advantages

Few technologies work in extreme environments and no other technology provides integrated wireless temperature-reading and tracking. Traditional tracking technologies such as barcode and labels are not suited for many high-value industries because labels and barcodes cannot be read through frost and removing frost to take readings can damage samples. RFID technologies typically do not work in very low temperatures or survive sterilization procedures. Conventional temperature-sensing technologies are limited because they sense the environmental temperature, not the temperature of the specific samples, and they require wiring and electronics which do not work in harsh environments.

Senses temperature and reads ID through frost

Overcomes issues with illegible handwriting

Frost time wasted and uncontrolled temperature

Bluechiip Enabled Features

	Cryo Operational	On-Board Sensor	Non-Visual ID	Anti Counterfeit	Sterilisation Proof
Bluechiip	✓	✓	✓	✓	✓
Labels	✓	✗	✗	✗	✓
Barcodes	✓	✗	✗	✗	✓
RFID	✗	✗	✓	✗	✗

Bluechiip Enabled Benefits

Improved productivity

Increased Sample Quality

Reduced Human Error

Chairman's Letter

Building scale as sales orders increase

Dear Shareholder,

The directors are very pleased to present the 2018 Annual Report to you after a significant and pivotal year that lays the platform for building scale as sales orders increase.

During the year, Bluechiip met one of its key objectives being the commercialisation of its unique wireless tracking technology in biobanking. In December 2017 we received our largest single order to date, worth $1 million, from Labcon North America. This deal was surpassed nine months later, in September 2018, with a pivotal, $15.9 million deal over three years.

The company's revenue increased from $237k in FY17 to over $561k in FY18, sales of readers increased from 10 in FY17 to 15 and we delivered over 250,000 chips. There is now a pipeline of 29 readers in the USA, Europe and China and we are experiencing an increasing interest in our unique technology and its potential in the bio preservation market.

Against this background and on the back of the second Labcon order, in September 2018 we successfully raised $5.5 million in fresh capital in a share placement that was oversubscribed. This capital provides a solid platform for Bluechiip to fund its commercialisation plans and growth.

The Board announced a Share Purchase Plan on 10 September which provides the opportunity for all eligible shareholders to apply to purchase up to $15,000 worth of new fully paid shares at the same share price as that paid by sophisticated investors in the placement.

Andrew McLellan has led and driven the Bluechiip team to achieve these results. They are extremely motivated and creative and they thoroughly deserve our acclamation for an outstanding performance.

The directors take this opportunity to thank all our shareholders for their patience and continuing support and we welcome all new shareholders to our register. Bluechiip has a very bright and exciting future and your Board is very confident you will be rewarded with your investment.

Iain Kirkwood
Chairman

Managing Director's Report

The year 2017-18 saw Bluechiip Limited make exciting progress on several fronts, including supplying hundreds of thousands of tracking chips to one of our key OEM partners, San Francisco-based Labcon North America. This growing momentum was seen in our fourth quarter sales revenue of $232,384 and sales receipts of $185,862, delivering both the highest quarterly sales revenue and sales receipts since our listing on the ASX. The full-year sales revenue of $561,544 and sales receipts of $511,650 represent increases of 136% and 95% respectively on the previous year.

We are confident of continuing this momentum into the coming year – signing more contracts and delivering more chips and hardware to customers worldwide. This will lead to significant revenue growth. Our aim remains unchanged – to have our unique, patented, wireless sample-tracking technology for harsh environments delivered across multiple market platforms, including the US$2b (A$2.6b) bio-preservation market and large adjacent markets.

Bluechiip continues to evolve. Importantly, 2017-18 saw our production ramp up, as our tracking chips were incorporated into vials manufactured by Labcon North America, one of our key OEM partners.

The year 2017-18 saw Bluechiip record significant revenue growth from repeated licence, service and product contracts.

Notably, the sales of our chips in the past year rose significantly quarter by quarter, from 2,000 chips in the first quarter, to 20,000+ in the second, 80,000+ in the third and close to 140,000 in the last quarter.

Bluechiip continues to make steady progress. The Bluechiip of today has a highly-differentiated, expanding core technology that is protected by more than 25 granted patents, with 6 more patents pending.

We are expecting greater revenue growth in the coming year as Labcon North America ramps up its Bluechiip-enabled product range. We expect further revenue from licences, service and products as our OEM partners launch Bluechiip-enabled products into global markets.

Importantly, we have sold several developer/trial kits, allowing partners to trial our products in different products and markets, and create prototypes. Bluechiip has now sold 29 developer/trial kits to key global institutions, including the Chinese Centre for Disease, Control and Prevention (CCDC), an agency of the Chinese Ministry of Health based in Beijing, and SIAD, a European biobank solution provider for the life sciences sector. We have identified more than 50 major opportunities in our partner pipeline.

During the year Bluechiip took delivery of Multi-Vial Readers, co-developed by Planet Innovation. The Multi-Vial Reader, which can read a box of 100 Bluechiip-enabled samples at a time, joins the Matchbox Reader and Hand-Held Readers in our range. For a biobank with hundreds of thousands of samples in storage, the ability to get information from 100 vials at a time leads to significant time and safety efficiencies. Facilities that buy Multi-Vial Readers are likely to buy significant volumes of consumables.

Demand is being driven by an increase in marketing activity and an increase in market presence, especially in North America. We anticipate accelerating engagement with partners in North America, Europe and Asia, with conversion into more OEM partnerships

We have executed several supplier agreements and demonstrated our products in the marketplace. Several partners have signed full Original Equipment Manufacturing (OEM) licence and supply agreements. Bluechiip continues to target an immediate addressable market of US$250 million (A$320 million) from its three key licence and supply agreements with:

Genea Biomedx IVF tracking market (US$20M), with upcoming ongoing licence revenue received and product development with eventual launch through global pharmaceuticals distribution partner.

Planet Innovation Cryogenic cold chain logistics (US$30M) and adjacent market opportunities.

Labcon North America Ltd Licence and Supply Agreement with San Francisco-based life science consumable supplier, which produces more than 1.4 billion consumables annually. Labcon has launched Coldpoint™ Bluechiip-enabled range for the global market, including Cryovials, Boxes, Readers and Software.

Managing Director's Report

During the past year Bluechiip made the following key announcements:

5 July 2017 The company raises $3.425 million from rights issue and placement.

19 October 2017 The company scales up production to meet increasing demand, as customers tool up for production.

5 December 2017 San Francisco-based Labcon North America places orders for Bluechiip chips, readers, software and services valued at over A$1 million.

19 February 2018 Labcon North America, Bluechiip's OEM partner, announces it is manufacturing a range of cryogenic vials incorporating Bluechiip's tracking technology.

19 February 2018 Labcon's Bluechiip-enabled cryogenic vial range displayed at the Society of Laboratory Automation Systems (SLAS) show in San Diego, alongside Cryogenic boxes, a Bluechiip Multivial Reader, Cold Top, Matchbox reader and Bluechiip's stream software.

25 June 2018 Bluechiip announces that it has manufactured and shipped more than 250,000 chips to Labcon North America during the year. By year-end the company expects to be manufacturing and shipping 100,000+ chips a month.

We were heartened by the response to our rights issue and placement. This capital has enabled the company to convert its unique and differentiated technology into platforms and long-term partnerships. We both welcome a new group of investors and appreciate the ongoing support of our long-term shareholders.

I am confident that FY2018-19 will see a continuation of Bluechiip's momentum especially with the revised Labcon Supply Agreement valued at $US11.6m ($A15.9m) over the coming three financial years announced in August 2018.

Bluechiip is well positioned to deliver substantial growth over the coming year into several markets, building on our key assets: a highly differentiated, expanding, protected IP portfolio; a large growing target market; dramatically increasing partner pipeline with well-advanced product development; partner opportunity conversion; and repeat revenues. I am confident licence, service and product sales will grow significantly in 2018- 19.

I congratulate the Bluechiip team on the significant progress it has made over the past year and thank the company's board for its guidance and continued support.

Andrew McLellan
Managing Director

Partner Pipeline

Engagement (Non-Disclosure Agreement) **(> 50)**	Over 50 partner opportunities up from 2 in 2015
Sale of Developer/Trial Kit, Evaluation Agreement **(>29)**	29 Reader sales accelerating
Development and Supply Agreement **(3)**	Genea Biomedx - FY16 Supply and Development Agreement Planet Innovation – FY17 Supply agreement and investment Labcon North America FY17 Supply and Licence Agreement
Demonstration in Market **(2)**	Genea Biomedx Demonstrated ESHRE July 2016/17 Labcon Coldpoint Bluechiip Enabled vials
Commercial Product "Bluechiip Enabled" **(1)**	Labcon North America ColdPoint® Bluechiip Enabled vials in manufacture Jan '18

The Bluechiip patent portfolio currently has 10 patent families with 25 granted patents and 6 patent applications pending. Recently the Family 9 provisional patent has progressed to PCT application, and a new patent in Family 10 has had a provisional application submitted.

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			
Sample Storage and Monitoring System	US 9,140,487	USA	21 January 2032
Sample Storage and Monitoring System	EP 2509412		Europe (7 December 2010)
Family 6: Temperature Sensing and Heating Device			
Temperature Sensing and Heating Device	AU 2011357590	Australia	22 December 2031
Temperature Sensing and Heating Device	US 20140008355	USA	24 April 2034
Temperature Sensing and Heating Device	EP 2668820		Europe (22 December 2011)
Family 7: Storage Cassette and Rack System for Biospecimens			
Storage Cassette and Rack System For Biospecimens	US 20160175837		USA (30 May 2014)
Family 8: Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport			
Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport	PCT/AU2017/050683		PCT application (1 July 2017)
Family 9: 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	PCT/AU2017/050933		PCT application (31 August 2017)
Family 10: Wearable Tag Reader for Temperature-Controlled Environments			
Wearable Tag Reader for Temperature-Controlled Environments	AU 2018900314		AU Provisional (1 February 2018)

Directors Report

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 was appointed as Executive Chairman on 28 January 2014 and reverted to the role of Non-Executive Chairman on 1 July 2014. 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 following other ASX listed companies:

- Simonds Group Limited (Appointed 20 September 2017)
- Novita Healthcare Limited (formerly Avexa Limited) (Appointed 9 August 2010, Resigned 30 October 2017)
- Vysarn Limited (formerly MHM Metals Limited) (Appointed 13 February 2013, Resigned 23 March 2015)
- Vision Eye Institute Limited (VEI) (VEI was removed from the official list of ASX on 15 December 2015) (Appointed 15 November 2004)

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 is currently the CEO of Praemium Limited. 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. More recently he has served as Chief Executive of Genetic Technologies Limited and has been involved in investment management and corporate advice with Lion Capital prior to joining Praemium Limited, a company listed on the ASX as its CEO on 9 August 2011.

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 Rezex Pty Ltd and Xperior 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.

Blair Healy – Non-Executive Director

Qualifications: B Eng (Elec) (Hons), Royal Military College, aic

Appointed to the Board on 23 August 2017, Blair has spent the past 17 years establishing, growing and selling technology companies, both publicly and privately. After graduating from the Royal Military College, Duntroon, Blair served in the Australian Army for 8 years in various technical and command positions. He was then a systems engineering consultant in several large defence and public transport projects. He later joined Futjitsu Telecommunications as their R&D Manager and moved on to Canada's Nortel Networks as their Director Business Development & Operations Asia Pacific in Singapore. He then joined KUSP Limited as their CEO until its sale to Senetas Corporation Limited and as CEO of Innovonics Limited, which was sold to privately US owned company Integrian Pty Ltd. Between 2008 and 2013 he was founder and Managing Director of private company Cogent Energy, Australia's first low carbon distributed co-generation energy company, which was acquired by Origin Energy, and then Managing Director of Maxx Engineering Pty Ltd, a private mechanical engineering services company which was subsequently sold to ThyssenKrupp in 2015.

Company Secretary

Lee Mitchell

Qualifications: BA, LLM (Melb)

Lee is a director at Nicholson Ryan, a boutique law firm based in Melbourne, Victoria. He is a qualified solicitor practising principally in corporate and commercial law advising on corporate and securities regulation, equity capital raisings, formulation and implementation of mergers and acquisitions, corporate governance and company secretarial matters.

He joined Bluechiip Limited as Company Secretary in September 2010.

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 and performance rights of Bluechiip Limited were:

	Number of Ordinary Shares	Number of Performance Rights Over Ordinary Shares
Iain Kirkwood	27,097,732	-
Andrew McLellan	4,274,999	*5,750,000
Michael Ohanessian	8,672,595	-
Andrew Cox	-	-
Blair Healy	17,857,143	-

* 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 (2017: 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

Operating Results

The consolidated loss of the Group for the financial year after providing for income tax amounted to $2,492,491 (2017: loss of $2,018,633).

Results of Operations

The Company recognised net revenue totalling $561,544 (2017: $237,773) during the financial year from licence income received and the sale of products.

Other income increased from $779,990 to $1,023,152 mainly due to the R&D tax incentive income receivable during the year in line with the increased R&D activities.

These have been negated by the increased in operating expenses incurred of $3,753,550 (2017: $2,969,195) to arrive at a loss before income tax which has increased to $2,492,491 (2017: $2,018,633) as a result of amongst others, the following:

- increased external research and development (R&D) expenses - $875,146 (2017: $585,001) as a result of the increased R&D activities during the year;
- increased business development expenses - $236,719 (2017: $176,274) as a result of increased marketing and business development activities, i.e. trade shows carried out in the USA and European Union;
- higher share based payment expenses - $124,137 (2017: $86,748) from the additional performance rights issued to employees during the year; and
- higher employee benefits expenses - $1,439,055 (2017: $1,173,209) a result of annual salary increment and bonus payment to selected employees for performance achievements.

Capital Structure

On 10 September 2018, the Company announced the successful placement of approximately 93 million new ordinary shares in Bluechiip to sophisticated and professional investors at an issue price of $0.059 per new ordinary share in Bluechiip for total proceeds of $5.5 million. The Placement was successfully completed on 14 September 2018 with the entire proceed of $5.5 million (less costs) fully received and 93,220,339 new ordinary shares issued at $0.059 per ordinary share. As at the date of this report, subsequent to the completion of the Placement, the Company has 490,253,716 fully paid ordinary shares on issue.

Significant Change in the State of Affairs

Other than as detailed in this financial report, there has been no significant change in the state of affairs of the Company.

Events After Balance Date

On 29 August 2018, the Company announced that it had entered into a development and supply agreement with Labcon North America (Labcon) for a three (3) year term to supply chips, readers, software and engineering services worth USD11.9m ($15.9m). The agreement provides for Bluechiip to meet the orders from Labcon effective 24 August 2018 in the following manner:

a. supply of chips, readers, software and engineering services worth USD4.2m ($5.8m) over a two (2) year period;
b. supply of products and services with a minimum order of USD7.4m ($10.1m) in the third year following the two (2) year period; and

c. extend a further two (2) years of development and supply contract to a fourth and fifth year with minimum orders to be determined.

On 10 September 2018, the Company announced the successful placement of approximately 93 million new ordinary shares in Bluechiip to sophisticated and professional investors at an issue price of $0.059 per new ordinary share in Bluechiip raising $5.5 million before costs (Placement). In conjunction with the Placement, the Company announced a Share Purchase Plan (2018 SPP) for all its existing shareholders at the same price of $0.059 per new share.

Subsequently, on 14 September 2018, the Company announced the completion of the Placement with $5.5 million net proceeds fully received. As at the date of this report, the 2018 SPP remains open for application until its expected closing date on 28 September 2018.

Except for the above, there were no other matters or circumstances that have arisen since the end of the financial year which 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 year ahead will focus on supporting our existing Original Equipment Manufacturers (OEM) partners with delivery to existing and new orders for chips, readers, software and engineering support services while also pursuing existing and new pipeline opportunities to translate into sales. Bluechiip will continue with its strategy of working with OEM partners to integrate Bluechiip technology in OEM products. This will be complemented by the progression of the Bluechiip Multi-Vial Reader and Hand Held Reader into manufacture and product registrations across the globe to address the need for temperature tracking devices and solutions for the high volume biobanking sector. This is expected to lead to the demand for our technology and products.

The Company will continue to pursue sales, marketing and business development activities, including collaborative research and development activities with OEM players while also working with end users through distribution channels.

The Company will continue to work through its business development team in the USA on the expansion of its OEM pipeline in the USA, Europe and APAC markets and to convert OEM partner opportunities.

The Company expects to continue research and development of solutions to meet OEM partners' requirements as well as continued expansion on underlying core intellectual property including on our overtemperature chip technology.

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.

Options

Unissued Shares

As at the date of this report, there were no unexercised options (2017: Nil) over ordinary shares or shares issued on the exercise of options or rights.

As at the date of this report, there were 12,162,000 (2017: 8,500,000) unexercised performance rights (zero exercise price options) over ordinary shares. Further details of the performance rights and the 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. However, it is intended that the Company will indemnify the Directors and Company Secretary against any liability incurred while discharging their duties and obligations – subject to Part 20.2 of 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 against any liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The total amount of Directors & Officers Liability insurance contract premiums paid was $33,750 (2016: $19,983).

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	9	9	1	1	2	2
A McLellan	9	9	-	-	-	-
M Ohanessian	9	9	1	1	2	2
Andrew Cox – Appointed 26 July 2017	9	9	1	1	2	2
Blair Healy – Appointed 23 August 2017	9	9	1	1	2	2

Committee Membership

As at the date of this report, the Company had an 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) – Appointed 28 July 2017	Blair Healy (Chairman) - Appointed 25 August 2017
Iain Kirkwood (former Chairman) – Resigned as Chairman 28 July 2017	Michael Ohanessian – Resigned as Chairman 25 August 2017
Michael Ohanessian	Iain Kirkwood
Blair Healy - Appointed 25 August 2017	Andrew Cox - Appointed 28 July 2017

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest one dollar under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

Auditor Independence Declaration

The Directors received the declaration set out on the following page 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 27 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.

Auditor Independence Declaration

Deloitte.

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21 September 2018

Board of Directors
Bluechiip Limited
1 Dalmore Drive
SCORESBY VIC 3179

Dear Board Members

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 statements of Bluechiip Limited for the financial year ended 30 June 2018, 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 sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Anneke Du Toit
Partner
Chartered Accountants

Remuneration Report

Compensation of Executives

This report outlines the compensation arrangements in place for Directors and senior executives of the Company being the Key Management Personnel (KMP) of the Company – being those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director and includes all the executives in the Company. For the purposes of this report, the term "executive" includes the interim CEO/CSO and senior executives but does not include the non-executive Directors or the secretary of the Company.

All sections contained herein have been subject to audit as required by section 308(3C) of the Corporations Act. 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 Appointed 26 July 2017
Blair Healy	Non-Executive Director Appointed 23 August 2017

Remuneration and Nomination Committee

The 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 two 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 at **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 NEDs 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. 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, but does from time to time engage remuneration consultants where considered necessary.

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 organisation 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 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 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 25% of the CEO's base remuneration package. Financial performance targets include net sales target and net profit before tax and 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.

A summary of the measures and weightings are set out below.

An amount of $124,137 (2017: $86,748) has been recognised in the 2018 financial year 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 $290,000 including superannuation;
- Short-term Incentive of cash bonus being up to 30% of Andrew McLellan's annual base salary, payable on the achievement of agreed 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.

All other KMP are or were employed under contracts with the following common terms and conditions:

- combination of twelve (12) months fixed terms and/or no fixed term and no termination payment prescribed;
- terminable by either party on the giving of one (1) month notice in writing; and
- the Company may terminate any contract for cause (as defined).

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 performance measures, The Company's Performance Rights Plan in issue are as follow:

2018

3,000,000 performance rights (zero exercise price options) were issued to the CEO on 1 July 2017 (Performance Rights Plan 2017) on the terms specified below. No other performance rights or options were issued to Directors or KMP in the financial year ended 30 June 2018.

Performance Rights Plan 2017

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 financial year, a total of 3,000,000 performance rights were granted to Andrew McLellan and 4,000,000 performance rights were granted to employees of the Company. The performance rights have been issued in three tranches.

	Tranche 1	Tranche 2	Tranche 3
Grant Date	1 July 2017	1 July 2017	1 July 2017
No. of performance rights granted to CEO	1,000,000	1,000,000	1.000,000
No. of performance rights granted to employees	1,333,333	1,333,333	1,333,333
Vesting Date	30 August 2018	30 August 2019	30 August 2020
Performance Period	1 July 2017 – 30 June 2018	1 July 2018 – 30 June 2019	1 July 2019 – 30 June 2020
Expiry Date	30 June 2020	31 December 2021	31 December 2022

2017

3,000,000 performance rights (zero exercise price options) were issued to the CEO on 1 July 2016 (Performance Rights Plan 2016). No other performance rights or options were issued to Directors or KMP in the financial year ended 30 June 2017.

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 2017 and 30 June 2016 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 are held by persons in the following compensation tables were exercised during the 2018 and 2017 financial years other than 1,375,000 performance rights held by Andrew were vested and exercised during the financial year (2017: Nil).

In the following tables, 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 (2017: Nil).

Other Transactions and Balances With KMP

During the financial year, Iain Kirkwood fully subscribed to his commitment of 8,928,571 ordinary shares for a total subscription price of $250,000 as part of the placement of shortfall shares in conjunction with the Rights Issue completed in July 2017. The placement to Iain Kirkwood was subject to shareholders approval, which was obtained at the 2017 AGM.

Remuneration of Key Management Personnel

2018

	Short-term Benefits			Post-Employment	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits## $	Bonuses/ Incentives $	Superannuation Contributions $	Long Service Leave $	Shares $	Options Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Prformance Based %
Directors										
Non-executive										
Iain Kirkwood#	70,000	-	-	-	-	-	-	-	70,000	-
Michael Ohanessian#	40,000	-	-	-	-	-	-	-	40,000	-
Andrew Coxi	36,530	-	-	3,470	-	-	-	-	40,000	-
Blair Healyii	33,486	-	-	3,181	-	-	-	-	36,667	-
Executive										
Andrew McLellan*	253,660	##17,470	**62,785	24,834	9,747	-	***56,357	-	424,853	28.0%
Total Director and Key Management Personnel Compensation	**433,676**	**17,470**	**62,785**	**31,485**	**9,747**	**-**	**56,357**	**-**	**611,520**	**19.5%**

i Appointed 26 July 2017.

ii Appointed 23 Augusty 2017.

\# Included in the salary and fees are Director's fee owing as at 30 June 2018 to Iain Kirkwood and Michael Ohanessian of $6,417 and $3,333 respectively.

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

** During the year, the Company made a bonus payment of $62,785 fully paid in cash to the CEO, Andrew McLellan.

*** 7,500,000 performance rights (zero exercise price) were granted since 2015 to Andrew McLellan as part of his long-term incentive. An amount of $56,357 has been recognised in 2018 by way of share-based payment expense in respect of the performance rights.

Remuneration of Key Management Personnel

2017

	Short-term Benefits			Post-Employment:	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits## $	Bonuses/ Incentives $	Superannuation Contributions $	Long Service Leave $	Shares $	Options Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Performance Based %
Directors										
Non-executive										
Iain Kirkwood#	70,000	-	-	-	-	-	-	-	70,000	-
Michael Ohanessian#	40,000	-	-	-	-	-	-	-	40,000	-
Andrew Cox i	-	-	-	-	-	-	-	-	-	-
Blair Healy ii	-									
Executive										
Andrew McLellan*	235,145	##15,996	**31,393	30,106	4,084	**34,375	52,480	-	403,579	29.3%
Total Director and Key Management Personnel Compensation	**345,145**	**15,996**	**31,393**	**30,106**	**4,084**	**34,375**	**52,480**	**-**	**513,579**	**23.0%**

i Appointed 26 July 2017.

ii Appointed 23 August 2017.

Included in the salary and fees are Director's fee owing as at 30 June 2017 to Iain Kirkwood and Michael Ohanessian of $1,167 and $6,666 respectively.

This relates to monthly novated lease payment made on behalf of Andrew McLellan.

* 4,500,000 performance rights (zero exercise price options) were granted to Andrew McLellan as part of his Long-term Incentive. An amount of $52,480 has been recognised in 2017 by way of share based payment expense in respect of the performance rights.

** During the financial year ended 30 June 2017, the Company issued to the CEO, Andrew McLellan $34,375 in shares at an issue price of $0.022 per share being part of 2016 performance bonus of $65,768. The shares issued in lieu of bonus were approved by shareholders at the Company's 2016 AGM.

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 2018 and 2017 financial years other than 1,375,000 performance rights held by Andrew McLellan that vested and were exercised during the financial year (2017: Nil).

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 1 July 2017	Granted as Remuneration	Purchased During the Year	On Exercise of Performance Rights	Net Change Other	Balance at 30 June 2018
I Kirkwood	19,887,732	-	7,210,000	-	-	27,097,732
A McLellan	2,173,166	-	726,833	1,375,000	-	4,274,999
M Ohanessian	6,504,446	-	2,168,149	-	-	8,672,595
A Cox[i]	-	-	-	-	-	-
B Healy[ii]	-	-	17,857,143	-	-	17,857,143
Total	**28,565,344**	**-**	**27,962,125**	**1,375,000**	**-**	**57,902,469**

i Appointed 26 July 2017.

ii Appointed 23 August 2017.

Additional disclosures relating to options and shares

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

							Vested at 30 June 2018		
	Balance at 1 July 2017	Granted as Remuneration	Net Change Other	Performance Rights Exercised	Performance Rights Expired	Balance at 30 June 2018	Vesting Date	Exercisable	Non Exercisable
I Kirkwood	-	-	-	-	-	-	-	-	-
A McLellan	4,125,000	3,000,000	-	(1,375,000)	-	5,750,000	-	-	-
Performance Rights Plan 2015									
Tranche 1	375,000	-	-	(375,000)	-	-	27 Jan 17	-	-
Tranche 2	750,000	-	-	-	-	750,000	27 Jan 18	-	-
Performance Rights Plan 2016									
Tranche 1	1,000,000	-	-	(1,000,000)	-	-	30 Aug 17	-	-
Tranche 2	1,000,000	-	-	-	-	1,000,000	30 Aug 18	-	-
Tranche 3	1,000,000	-	-	-	-	1,000,000	30 Aug 19	-	-
Performance Rights Plan 2017									
Tranche 1	-	1,000,000	-	-	-	1,000,000	30 Aug 18	-	-
Tranche 2	-	1,000,000	-	-	-	1,000,000	30 Aug 19	-	-
Tranche 3	-	1,000,000	-	-	-	1,000,000	30 Aug 20	-	-
M Ohanessian	-	-	-	-	-	-	-	-	-
A Cox[i]	-	-	-	-	-	-	-	-	-
B Healy[ii]	-	-	-	-	-	-	-	-	-
Total	**4,125,000**	**3,000,000**	**-**	**(1,375,000)**	**-**	**(5,750,000)**	**-**	**-**	**-**

(i) Appointed 26 July 2017.
(ii) Appointed 23 August 2017.

Additional disclosures relating to options and shares (continued)

The number of performance rights over ordinary shares in Bluechiip Limited held by each KMP during the financial year 2017 is as follows:

							Vested at 30 June 2017		
	Balance at 1 July 2016	Granted as Remuneration	Net Change Other	Performance Rights Exercised	Performance Rights Expired*	Balance at 30 June 2017	Vesting Date	Exercisable	Non Exercisable
I Kirkwood	-	-	-	-	-	-	-	-	-
A McLellan	1,500,000	3,000,000	-	-	375,000	4,125,000	-	-	-
Performance Rights Plan 2015									
Tranche 1	750,000	-	-	-	375,000	375,000	27 Jan 17	-	-
Tranche 2	750,000	-	-	-	-	750,000	27 Jan 18	-	-
Performance Rights Plan 2016									
Tranche 1	-	1,000,000	-	-	-	1.000,000	30 Aug 17	-	-
Tranche 2	-	1,000,000	-	-	-	1,000,000	30 Aug 18	-	-
Tranche 3	-	1,000,000	-	-	-	1,000,000	30 Aug 19	-	-
M Ohanessian	-	-	-	-	-	-	-	-	-
A Cox[i]	-	-	-	-	-	-	-	-	-
B Healy[ii]	-	-	-	-	-	-	-	-	-
Total	**1,500,000**	**3,000,000**	**-**	**-**	**375,000**	**4,125,000**	**-**	**-**	**-**

(i) Appointed 26 July 2017.

(ii) Appointed 23 August 2017.

* 375,000 of the Tranche 1 Performance Rights were to be vested on 27 January 2017 based on the TSR of Bluechiip shares over the Performance Period with regard to a starting value of $0.08 per share as at 27 January 2015. The Performance Rights were not vested as it did not meet the achievement of Performance Targets. Accounting expense has not been adjusted during the financial year as it is a market condition.

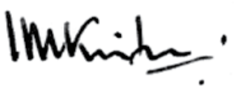
Consequences of the Company's Performance on Shareholder Wealth

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 2014 $	30 June 2015 $	30 June 2016 $	30 June 2017 $	30 June 2018 $
Measures					
Closing share price at 30 June	0.04	0.05	0.022	0.028	0.054
Basic Earnings Per Share (cents)	(2.3)	(1.3)	(0.9)	(0.7)	(0.6)
Dividends	None	None	None	None	None
Loss before income tax	**2,555,961**	**1,911,688**	**1,676,983**	**2,018,633**	**2,492,491**

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

21 September 2018

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 2017/2018 Corporate Governance Statement is dated as at 21 September 2018 and reflects the corporate governance practices in place throughout the reporting period. The Corporate Governance Statement was approved by the Board on 21 September 2018 and can be viewed at
www.bluechiip.com/investor/corporate-governance-policies.

Consolidated Statement of Financial Position

	Note	2018 $	2017 $
Current Assets			
Cash and cash equivalents	11	1,172,047	972,767
Trade and other receivables	12	1,115,669	803,171
Other current assets	13	147,583	141,023
Inventory	14	446,349	361,700
Total Current Assets		**2,881,648**	**2,278,661**
Non-Current Assets			
Term Deposit	11	27,195	26,540
Property, plant and equipment	15	124,224	78,550
Total Non-Current Assets		**151,419**	**105,090**
Total Assets		**3,033,067**	**2,383,751**
Current Liabilities			
Trade and other payables	16	643,845	1,066,835
Interest-bearing loans and borrowings	17	600,000	619,469
Employee benefits	18	79,896	59,626
Total Current Liabilities		**1,323,741**	**1,745,930**
Non-Current Liabilities			
Employee benefits	18	79,609	40,681
Total Non-Current Liabilities		**79,609**	**40,681**
Total Liabilities		**1,403,350**	**1,786,611**
Net Assets		**1,629,717**	**597,140**
Equity			
Issued capital	19	26,316,085	22,856,944
Reserves		4,871,034	4,805,107
Accumulated losses		(29,557,402)	(27,064,911)
Total Equity		**1,629,717**	**597,140**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2018 $	2017 $
Revenue from operating activities	6	561,544	237,773
Cost of sales		(323,636)	(67,201)
Other income	7	1,023,152	779,990
Employee benefits expense		(1,439,055)	(1,173,209)
Superannuation		(115,869)	(97,520)
Share based payment expense	23	(124,137)	(86,748)
Business development		(236,719)	(176,274)
Depreciation costs	8 (b)	(19,185)	(19,358)
Research and Development		(875,146)	(585,001)
Patent costs		(78,568)	(88,375)
Consultancy fees		(31,314)	(37,091)
Travel and accommodation		(76,914)	(63,520)
Occupancy costs		(65,945)	(62,253)
Legal and professional fees		(273,152)	(229,408)
Finance costs	8 (a)	(59,393)	(66,666)
Other expenses	8 (c)	(358,154)	(283,772)
Loss Before Income Tax		**(2,492,491)**	**(2,018,633)**
Income tax	9	-	-
Net Loss After Income Tax		**(2,492,491)**	**(2,018,633)**
Other comprehensive income			-
Total Comprehensive Loss for The Year		**(2,492,491)**	**(2,018,633)**
Earnings Per Share			
Basic losses per share (cents)	10	(0.64)	(0.73)
Diluted losses per share (cents)	10	(0.64)	(0.73)

Consolidated Statement of Changes in Equity

	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2017		22,856,944	4,805,107	(27,064,911)	597,140
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	3,434,488	(58,210)	-	3,376,278
Transaction costs on share issue	19(a)	(33,557)	-	-	(33,557)
Share-based payment expense		58,210	124,137	-	182,347
		3,459,141	**65,927**	**-**	**3,525,068**
Comprehensive income					
Loss for the year		-	-	(2,492,491)	(2,492,491)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to members of the entity		**-**	**-**	**(2,492,491)**	**(2,492,491)**
At 30 June 2018		**26,316,085**	**4,871,034**	**(29,557,402)**	**1,629,717**

	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2016		21,373,748	4,718,359	(25,046,278)	1,045,829
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	1,555,552	-	-	1,555,552
Transaction costs on share issue	19(a)	(72,356)	-	-	(72,356)
Share-based payment expense		-	86,748	-	86,748
		1,483,196	**86,748**	**-**	**1,569,944**
Comprehensive income					
Loss for the year		-	-	(2,018,633)	(2,018,633)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to members of the entity		**-**	**-**	**(2,018,633)**	**(2,018,633)**
At 30 June 2017		**22,856,944**	**4,805,107**	**(27,064,911)**	**597,140**

Consolidated Statement of Cash Flows

	Note	2018 $	2017 $
Cash Flows From Operating Activities			
Receipts from customers		511,650	262,190
Payments to suppliers and employees		(3,730,947)	(2,572,949)
Interest received		22,648	5,313
Interest paid		(54,740)	(51,342)
R&D tax concession received		775,504	674,677
Net Cash Flows Used in Operating Activities	20	**(2,475,885)**	**(1,682,111)**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(45,428)	(4,214)
Net cash flows used in investing activities		**(45,428)**	**(4,214)**
Cash Flow from Financing Activities			
Proceeds from issue of ordinary shares		2,788,019	1,488,296
Proceeds from share subscription		-	646,919
Transaction costs on share issue		(57,963)	(35,317)
Transaction costs on borrowings		(9,463)	(2,200)
Placement of term deposit as security for credit facility	11	-	(26,540)
Proceeds from borrowings		600,000	600,000
Repayment of borrowings		(600,000)	(500,000)
Net cash flows from financing activities		**2,720,593**	**2,171,158**
Net increase/ (decrease) in cash held		199,280	484,833
Cash and cash equivalents at beginning of financial year		972,767	487,934
Cash and Cash Equivalents at End of Financial Year	11	**1,172,047**	**972,767**

Notes to the Consolidated Financial Statements

Note 1 Corporate Information

The consolidated financial report of Bluechiip Limited for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 20 September 2018.

Bluechiip Limited (the Parent) is a company limited by shares 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 Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements 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.

Going Concern

The financial report has been prepared on a going concern basis which takes account of the Group's assets and liabilities and assumes continuity of normal activities and the Directors' assessment included:

- sales revenue anticipated to be generated over the next twelve months;
- grants from the Australian state and federal governments, and from overseas sources which the Group continues to actively pursue;
- receipts from the Federal R&D tax incentive programme on the basis that the Group continues to qualify for these receipts;
- up-front license fees, milestone payments, co-development or collaboration funding from third party joint ventures may be generated within the next twelve months; and
- the completion of capital raised via a private placement in September 2018.

(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').

(b) New Accounting Standards and Interpretations

i. **Changes in accounting policy and disclosures.**

The accounting policies adopted are consistent with those of the previous financial year, except as follows:

The Group has adopted the following amended Australian Accounting Standards and AASB interpretations as at 1 July 2017. The adoption of these standards did not have a material impact on the annual consolidated financial statements of the Group.

- AASB 1057 Application of Australian Accounting Standards and AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

ii. **Accounting Standards and Interpretations issued but not yet effective.**

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 9 Financial Instruments	1 January 2018
AASB 15 Revenue from Contracts with Customers, 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15, 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018
AASB 16 Leases	1 January 2019
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions 1 January 2018	1 January 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

AASB 2016-5

The Directors have considered the effects of the changes and note that they impact is not considered to significantly affect the financial statements of Bluechiip. This is because there are no modifications to existing share based payments arrangements that would otherwise be impacted by these amendments as at the date of this report.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2013 to include the new requirements or general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

IFRS 9 is expected to change the value of the impairment losses recognised on accounts receivable from an incurred to expected loss model. The Company will assess the impairment loss on accounts receivable at the time revenue is recognised. While this may likely result in an increase in the provision for doubtful debts but given the nature of the accounts receivable, the expected loss model is not expected to materially change the impairment allowance for doubtful debts.

IFRS 15 Revenue from Contracts With Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Apart from providing more disclosures on the Group's revenue transactions, the directors do not anticipate that the application of AASB 15 will have a significant impact on the financial position and/or financial performance of the Group, particularly as given the key future revenue stream will be through sale of goods.

The Group has also yet to fully commercialise its products and generate significant trading losses. The Directors will re-assess this as the Group starts generating material revenue streams.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The Group has a lease rental related to its office with remaining 5 months to expiry and an option to renew for another 12 months. At the date of this report, management is in the process of quantifying the expected impact.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Bluechiip Limited and its subsidiaries (the Group) (as outlined in Note 28) as at and for the year ended 30 June 2018.

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 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.

(d) 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

IIn 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.

(e) 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 with maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(f) Trade and Other Receivables (Ref Notes 12 and 13)

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset has been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Collectability of trade and other receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Amounts paid to manufacturer as advances are recorded as Other Current Assets on the Statement of Financial Position.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(g) 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.

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

i. **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.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year. Leased assets are depreciated on a reducing balance basis over the shorter of their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Operating lease payments are recognised as an operating expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in profit or loss. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(j) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate 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.

(k) 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 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.

(l) Financial Liability (Ref Notes 16 and 17)

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. 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 through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid between 30 days and 60 days of 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 the reporting date.

(m) 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.

(n) 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. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. **Long-term benefits**

   The liability for long service leave and certain annual leave benefits are 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.

(o) 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 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).

(p) 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.

(q) Revenue recognition (Ref Note 6)

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Sales Revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of services and products to purchasers external to the Group.

Sales of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- stage of completion of labour hours (time) incurred to date as a percentage of total labour hours (total time) that has elapsed during the reporting period;
- revenue from time and material contracts is recognised at the contractual rates as labour hours; and
- direct expenses are incurred.

License income

License income is recognised depending on the substance of the underlying agreement. Depending on the terms of agreement, licence income is either recognised immediately if the substance is a sale or over the life of the agreement to the extent there are service conditions attached.

ii. Interest Revenue

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).

(r) 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 2017.

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.

(s) 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 offset is brought to account only when the amount receivable has been quantified, based on eligible development spend and supported by appropriate claim documentation.

(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 from 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) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value. After initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method, or cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant year and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. Loan and receivables relate largely to a R&D tax incentive and a term deposit.

Held to maturity

Term deposits with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale financial assets are included in non-current assets.

(v) Comparative Figures

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

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 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	11	1,172,047	972,767
Term deposit	11	27,195	26,540
Trade and other receivables	12	1,115,669	803,171
Total Financial Assets		**2,314,911**	**1,802,478**
Financial Liabilities			
Trade and other payables	16	643,845	1,066,835
Interest-bearing liabilities	17	600,000	619,469
Total Financial Liabilities		**1,243,845**	**1,686,304**

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.

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.

Trade and other receivables that are neither past due or impaired are of high credit quality. Aggregates of such amounts are as detailed at 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.

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

Cash flows realised from financial assets reflect management's expectation as to the timing of 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	**2018 $**	**2017 $**	**2018 $**	**2017 $**	**2018 $**	**2017 $**	**2018 $**	**2017 $**	**2018 $**	**2017 $**
Financial assets – Cash Flows Realisable											
Cash and cash equivalents	11	1,172,047	972,767	-	-	-	-	-	-	1,172,047	972,767
Term deposit	11	-	-	-	-	27,195	26,540	-	-	27,195	26,540
Trade and other receivables	12	1,115,669	803,171	-	-	-	-	-	-	1,115,669	803,171
Total		**2,287,716**	**1.775,938**	**-**	**-**	**27,195**	**26,540**	**-**	**-**	**2,314,911**	**1,802,478**
Financial Liabilities Due for Payment											
Trade and other payables	16	636,195	1,066,835	-	-	-	-	-	-	636,195	1,066,835
Interest-bearing liabilities	17	600,000	619,469	-	-	-	-	-	-	600,000	619,469
Total		1,236,195	1,686,304	-	-	-	-	-	-	1.236,195	1,686,304
Net inflow/(Outflow) on Financial Instruments		**1,051,521**	**89,634**	**-**	**-**	**27,195**	**26,540**	**-**	**-**	**1,078,716**	**116,174**

(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 (see Note 17) 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 2018		
+1% in interest rates	11,992	-
-1% in interest rates	(11,992)	-
Year Ended 30 June 2017		
+1% in interest rates	9,993	-
-1% in interest rates	(9,993)	-

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

Note 4 Significant Accounting judgements, Estimates and Assumptions

The preparation of the financial statements requires the Directors to evaluate estimates and judgments 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. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

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 current contracts in place by the Company and given the application of the technology is deemed reasonable. Management assess the classification of inventory based on forward sales growth and expect to realise the inventory in the next twelve months.

Income from R&D Tax Incentive

In computing the income from R&D tax incentive receivable, the Company has used some judgment to decide on the basis of deriving at the eligible and qualifying R&D expenditure.

Note 5 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and 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. Furthermore, the Group's business activities are not organised on the basis of differences in related products and services or differences in geographical areas of operations. Given the Group's stage of development, the Directors consider this to be appropriate.

Note 6 Revenue from Operating Activities

	2018 $	2017 $
Gross Revenue From Sale of Product and Licence income		
Sale of product	433,795	140,439
Licence income	153,007	116,755
	586,802	**257,194**
Less Trade discount	(25,258)	(19,421)
Revenue From Operating Activities	**561,544**	**237,773**

Note 7 Other Income

	2018 $	2017 $
Other Revenue		
Interest income	22,648	5,313
R&D tax incentive/concession	1,000,504	774,677
Total Other Income	**1,023,152**	**779,990**

Note 8 Expenses

	2018 $	2017 $
a) Finance Costs		
Interest expense	50,030	52,666
Debt establishment fee (refer Note 17 for further detail)	9,363	12,000
Quarterly service fee for R&D Advance Facility	-	2,000
Total Finance Costs	**59.393**	**66,666**
(b) Depreciation		
Depreciation of property, plant and equipment	19,185	19,358
	19,185	**19,358**
(c) Other Expenses		
Share registry, administration and secretarial	68,383	66,902
Insurance	44,402	37,974
Advertising and Branding	110,979	80,380
Conference and seminar	2,754	-
Telecommunications	17,362	17,356
Membership and subscriptions	8,100	3,729
Others	106,174	77,431
Total Other Expenses	**358,154**	**283,772**

Note 9 Income Tax Expense

No taxation has been provided in view of the losses incurred for the year (2017: Nil). Tax losses for the 2018 financial year are $998,568 (2017:$976,685). The amount available of carried forward tax losses for offset against future taxable income is $12,361,121 (2017:$11,367,180). The deferred tax asset of $3,684,761 (2017: $3,410,155) associated with carried forward tax losses as well as deferred tax assets arising from temporary differences of $147,874 (2017:$135,872) 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 income tax credit shown in the Statement of Profit or Loss and Other Comprehensive Income as follows:

	2018 $	2017 $
Prima facie tax on loss from ordinary activities before income tax at 27.5% (2017: 30%)		
Consolidated entity	(685,435)	(605,590)
	(685,435)	**(605,590)**
Add/(Deduct): Tax Effect of		
Non-deductible expenses	19,709	19,960
Research and development tax effect	371,890	302,989
Deferred tax assets arising not brought to account as at balance sheet date because realisation is not considered probable	293,836	282,641
Income Tax Credit Attributable to the Consolidated Entity	**-**	**-**

Note 10 Earnings Per Share

	2018 $	2017 $
Earnings/(loss) used to calculate basic and dilutive EPS	(2,492,491)	(2,018,633)
For Basic and Diluted EPS Tax Effect of		
Weighted average number of ordinary shares outstanding during the year – No. used in calculating basic EPS	386,632,392	276,627,524

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

	2018 $	2017 $
Current Assets – Cash and Cash Equivalents		
Cash at bank[a]	**1,172,047**	**972,767**
Non-current Assets		
Term Deposit[b]	**27,195**	**26,540**

a Cash at bank at end of previous financial year includes application money held in trust which relates to subscription money from the Rights Issue and Placement launched in June 2017 pending completion and new ordinary shares in the Company to be issued. Please refer to Note 16 for further details.

b Term Deposit with a bank held as security for a credit card facility.

Note 12 Current Assets – Trade and Other Receivables

	2018 $	2017 $
Current Assets – Cash and Cash Equivalents		
Trade receivables	115,669	28,171
R&D tax off-set receivable	1,000,000	775,000
	1,115,669	**803,171**
The ageing analysis of trade receivables is [a]		
0-30 days	114,882	23,853
31-60 days	–	589
61-90 days (past due not impaired)	–	–
91+ days (past due not impaired)	787	3,729
Total Trade and Other Receivables	**115,669**	**28,171**

* Debts over 90 days are individually assessed for impairment. As at the date of this report, the Group deems these individually recoverable.

Notes to the Consolidated Financial Statements

Note 13 Other Current Assets

	2018 $	2017 $
Prepayment	30,933	24,373
Deposit[a]	116,650	116,650
	147,583	**141,023**

a The deposit represents the balance of a supplier payment for the purchase of raw materials to manufacture the Company's Matchbox™ readers.

Note 14 Inventory

	2018 $	2017 $
Raw materials	286,218	235,278
Finished goods	221,722	188,013
Provision of net realisable value - Finished Goods	(61,591)	(61,591)
Total Inventory	**446,349**	**361,700**

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

	2018 $	2017 $
Technical equipment and tools at cost	290,574	235,060
Accumulated depreciation	(184,001)	(170,658)
Total technical equipment and tools	**106,573**	**64,402**
Furniture, fixtures and fittings at cost	18,876	18,876
Accumulated depreciation	(13,104)	(12,090)
Total Furniture, Fixtures and Fittings	**5,772**	**6,786**
Computer and office equipment at cost	119,064	109,719
Accumulated depreciation	(107,185)	(102,357)
Total Computer and Office Equipment	**11,879**	**7,362**
Total Property, Plant and Equipment	**124,224**	**78,550**

(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 2018				
Balance at the beginning of year	64,402	6,786	7,362	78,550
Additions	55,514	-	9,345	64,859
Depreciation	**(13,343)**	**(1,014)**	**(4,828)**	**(19,185)**
Carrying Amount at End 30 June 2018	**106,573**	**5,772**	**11,879**	**124,224**

Consolidated	Technical Equipment and Tools $	Furniture, Fixtures and Fittings $	Computer and Office Equipment $	Total $
Balance at 30 June 2017				
Balance at the beginning of year	72,493	7,087	8,569	88,149
Additions	6,000	720	3,039	9,759
Depreciation	**(14,091)**	**(1,021)**	**(4,246)**	**(19,358)**
Carrying Amount at End 30 June 2017	**64,402**	**6,786**	**7,362**	**78,550**

Note 16 Current Liabilities – Trade and Other Payables

	2018 $	2017 $
Trade payables (a)	546,832	368,131
Sundry payables and accrued expenses	62,222	51,785
Unearned income (b)	34,791	-
Application money held in trust (c)	-	646,919
Total Current Liabilities	**643,845**	**1,066,835**

a The trade payables as at 30 June 2018 includes directors' fee owing of $9,750 (2017: $7,833).

b The unearned income relates to money received from customers for licence income to be recognised in the following month and delivery of products not fulfilled at end of financial year.

c The application money held in trust relates to subscription money received from shareholders and investors for the Rights Issue and Placement launched in June 2017 which were subsequently completed with new ordinary shares in the Company issued.

Note 17 Interest-bearing Loans and Borrowings

	2018 $	2017 $
Current		
R&D Tax Prepayment Loan[a]	600,000	600,000
Directors and Officers premium funding	-	19,469
Total Interest-bearing Liabilities	**600,000**	**619,469**

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

a Relates to a R&D Advance Facility from R&D Capital Partners Pty Ltd (R&D Capital) secured by R&D tax incentive 2017/2018 to be received. In prior financial year, similar facility was obtained with R&D Capital of $600,000 (2016/2017 Advance). The 2016/2017 Advance was secured and fully settled during the current financial year by the R&D tax incentive 2016/2017. An establishment fee of $7,500 was incurred for the R&D Advance Facility during the financial year (2017: Nil). An interest rate of 15% (2017:15%) per annum is calculated and payable monthly on the drawn down amount of the R&D Advance Facility.

Note 18 Employee Benefits

	2018 $	2017 $
Current Employee Benefits		
Annual Leave provision	79,896	59,626
Non Current Employee Benefits		
Long Service Leave provision	79,609	40,681
Total Provisions	**159,505**	**100,307**

Refer to Note 2(n) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

Note 19 Issued Capital

	2018 $	2017 $
397,033,377 (2017: 271,810,092) Ordinary shares	27,902,682	24,409,984
Less: Capitalised share issue costs	(1,586,597)	(1,553,040)
	26,316,085	**22,856,944**
A Ordinary Shares		
At the beginning of the reporting year	22,856,944	21,373,748
Issue of ordinary shares	3,492,698	1,555,552
Less: Capitalised share issue costs	(33,557)	(72,356)
	26,316,085	**22,856,944**

Shares issued during the year were in relation to the following:

-25,693,407 shares issued ($719,415) pursuant to 2017 Rights Issue entitlement

-88,018,307 shares ($2,464,513) issued pursuant to shortfall shares placed with professional and sophisticated investors pursuant to 2017 Shortfall Placement

-20,000 shares ($560) issued as commission in connection with the 2017 Rights Issue.

-8,928,571 shares ($250,000) issued to a non executive director as part of the shortfall shares subscribed in the 2017 Rights Issue pursuant to shareholders approval at the 2017 AGM

-1,375,000 shares issued to CEO, Andrew McLellan pursuant to exercise of CS Rights Tranche 1 Performance Rights 2015 and Tranche 1 Performance Rights 2016.

-1,188,000 shares issued to eligible employees upon exercise of the Tranche 1 Performance Rights 2016.

	2018 No.	2017 No.
B Ordinary Shares		
At the beginning of the reporting year	271,810,092	201,377,647
Shares issued during the year: Issue of ordinary shares	125,223,285	70,432,445
Total Issued and Fully Paid Ordinary Shares	**397,033,377**	**271,810,092**

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 2018, there were no options outstanding (2017: Nil).
A total 3,000,000 (2017:3,000,000) and 4,000,000 (2017:4,000,000) performance rights were granted in July 2017 to Andrew McLellan and employees respectively 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

	2018 $	2017 $
Net loss	(2,492,491)	(2,018,633)
Non-cash Flows in Loss		
Depreciation	19,185	19,358
Share based payment expense	124,137	86,748
Shares issue in lieu of cash bonus payment to employees	-	49,900
Shares issue in lieu of payment to supplier	-	12,106
Changes in Assets and Liabilities		
(Increase)/decrease in trade and other receivables	(312,498)	(77,407)
(Increase)/decrease in other assets	(6,561)	32,530
(Increase)/decrease in inventory	(84,649)	20,211
(Decrease)/increase in trade, other payables and deferred revenue	217,794	166,315
(Decrease)/increase in employee benefits	59,198	26,761
	(2,475,885)	**(1,682,111)**

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):

	2018 $	2017 $
Short-term employee benefits[#]	513,931	392,534
Post-employment benefits	31,485	30,106
Long-term employee benefits	9,747	4,084
Share-based payments	56,357	86,855
	611,520	**513,579**

The short-term employee benefits paid include Non-Executive Directors fees paid amounting to $190,000 (2017: $110,000)

Note 23 Share-based Payment Plans

Expenses Arising From Share-based Payment Transactions

The performance rights expense under the Performance Rights Plan 2017 has been determined based on the fair values of the performance rights granted to Directors 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.

	2018 $	2017 $
Performance Rights Plan Expense During the Year		
Performance Rights Plan 2015	5,795	18,370
Performance Rights Plan 2016	40,555	68,378
Performance Rights Plan 2017	77,787	-
	124,137	**86,748**

Fair Value of Performance Rights

The fair value of the performance rights granted to the CEO in the table below has been calculated at grant date using the hybrid trinomial option pricing model with TSR hurdle. The model 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.

2018

During the financial year, the following performance rights were granted to the CEO, Andrew McLellan and employees of the Company:

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
3,000,000 to Andrew McLellan comprising							
Tranche 1 -1,000,000	1 July 2017	30 Aug 2018/ 30 Jun 2020	$0.0186	Nil	$0.028	1.53%	90%
Tranche 2 -1,000,000	1 July 2017	30 Aug 2019/ 31 Dec 2021	$0.0207	Nil	$0.028	1.66%	90%
Tranche 3 -1,000,000	1 July 2017	30 Aug 2020/ 31 Dec 2022	$0.0245	Nil	$0.028	1.86%	90%
4,000,000 to employees comprising							
Tranche 1 -1,333,333	1 July 2017	30 Aug 2018/ 30 Jun 2020	$0.0189	Nil	$0.028	1.57%	90%
Tranche 2 -1,333,333	1 July 2017	30 Aug 2019/ 31 Dec 2021	$0.0218	Nil	$0.028	1.73%	90%
Tranche 3 -1,333,333	1 July 2017	30 Aug 2020/ 31 Dec 2022	$0.0230	Nil	$0.028	1.94%	90%

Other than the Performance Rights granted to the CEO, Andrew McLellan and employees as set out above, no options were issued to Directors or other KMP during the financial year ended 30 June 2018.

2017

During the financial year ended 30 June 2017, the following performance rights were granted to the CEO, Andrew McLellan and employees of the Company:

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
3,000,000 to Andrew McLellan comprising							
Tranche 1 -1,000,000	1 July 2016	30 Aug 2017/ 31 Dec 2017	$0.0168	Nil	$0.022	1.49%	100%
Tranche 2 -1,000,000	1 July 2016	30 Aug 2018/ 31 Dec 2018	$0.0168	Nil	$0.022	1.46%	100%
Tranche 3 -1,000,000	1 July 2016	30 Aug 2019/ 31 Dec 2019	$0.0168	Nil	$0.022	1.51%	100%
4,000,000 to employees comprising							
Tranche 1 -1,333,333	1 July 2016	30 Aug 2017/ 31 Dec 2017	$0.0168	Nil	$0.022	1.49%	100%
Tranche 2 -1,333,333	1 July 2016	30 Aug 2018/ 31 Dec 2018	$0.01 86	Nil	$0.022	1.46%	100%
Tranche 3 -1,333,333	1 July 2016	30 Aug 2019/ 31 Dec 2019	$0.0201	Nil	$0.022	1.51%	100%

Other than the Performance Rights granted to the CEO, Andrew McLellan and employees as set out above, no options were issued to Directors or other KMP during the financial year ended 30 June 2017.

Note 24 Commitments

	2018 $	2017 $
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for:		
Payable - minimum lease payments: not later than 12 months	36,050	35,000
	36,050	**35,000**

The above lease commitments are in respect of office premises rental.

(b) Contractual Commitments

Subsequent to 30 June 2018, the Company has purchase orders made in 2014 with a foreign supplier which remains unfulfilled with purchase cost totalling $260,348 (USD192,423) (2016: $249,926 or USD192,243) for the development and production of chips.

Note 25 Contingencies

The Company has no contingent liabilities or contingent assets as at 30 June 2018 (2017:Nil).

Note 26 Events After the Balance Sheet Date

On 29 August 2018, the Company announced that it had entered into a development and supply agreement with Labcon North America (Labcon) for a three (3) year term to supply chips, readers, software and engineering services worth USD11.9m ($15.9m). The agreement provides for Bluechiip to meet the orders from Labcon effective 24 August 2018 in the following manner:

a. supply of chips, readers, software and engineering services worth USD4.2m ($5.8m) over a two (2) year period;
b. supply of products and services with a minimum order of USD7.4m ($10.1m) in the third year following the two (2) year period; and
c. extend a further two (2) years of development and supply contracts to a fourth and fifth year with minimum orders to be determined.

On 10 September 2018, the Company announced the successful placement of approximately 93 million new ordinary shares in Bluechiip to sophisticated and professional investors at an issue price of $0.059 per new ordinary share in Bluechiip raising $5.5 million before costs (Placement). In conjunction with the Placement, the Company announced a Share Purchase Plan (2018 SPP) for all its existing shareholders at the same price of $0.059 per new share.

Subsequently, on 14 September 2018, the Company announced the completion of the Placement with $5.5 million net proceeds fully received. As at the date of this report, the 2018 SPP remains open for application until its expected closing date on 28 September 2018.

Except for the above, there were no other matters or circumstances that have arisen since the end of the financial year which 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 27 Auditor's Remuneration

	2018 $	2017 $
The Auditor of Bluechiip Limited is Deloitte Touche Tohmatsu		
Audit or review of the financial report	60,000	60,000
Other audit review services	2,500	2,500
Tax compliance services	6,650	8,750
	69,150	**71,250**

Note 28 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
Parent Entity			
Bluechiip Limited	Australia		
Subsidiaries of Parent Entity			
Bluechiip, Inc.[a]	United States	100%	100%
Bluechiip Holdings, Inc. [a]	United States	100%	100%

* Percentage of voting power is in proportion to ownership

a These companies (which are dormant) are in the process of dissolution as the Directors opine that the subsidiaries are not required at this moment.

Note 29 Parent Entity Information

	2018 $	2017 $
Information Relating to Bluechiip Limited		
Current assets	2,881,648	2,278,661
Total Assets	**3,033,067**	**2,383,751**
Current liabilities	1,323,741	1,745,930
Total Liabilities	**1,403,350**	**1,786,611**
Issued capital	26,316,085	22,856,944
Reserves	4,871,034	4,805,107
Accumulated losses	(29,557,402)	(27,064,911)
Total shareholder's equity	**1,629,717**	**597,140**
Loss of the Parent Entity	**(2,492,491)**	**(2,018,633)**
Total Comprehensive Loss of the Parent Entity	**(2,492,491)**	**(2,018,633)**

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 2018 are in accordance with the Corporations Act 2001, including:
     - i. Giving a true and fair view of its financial position as at 30 June 2018 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 2018.

On behalf of the Board.

Iain Kirkwood
Chairman

21 September 2018

Independent Auditors Report

Deloitte Touche Tohmatsu
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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 2018, 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 the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(ii) 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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.

Deloitte.

Key Audit Matters

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Net realisable value of inventory The Group is in the process of commercialising its products. Inventory held by the Group is sold sporadically during the process of exploring and negotiating new commercial partnerships. Management has to exercise significant judgement in estimating the net realisable value of inventory which includes estimating future sales quantities and selling prices.	Our procedures included, but were not limited to: • Obtaining an understanding of management's process for recording and managing inventory, including the process to forecast future inventory sales projections as well as identify and monitor inventory selling below cost price; • Inquiring of management to understand if there have been any changes in the use or sales patterns of current inventory items including understanding and challenging the basis of management's forecasted future sales quantities and selling prices based on existing and prospective partnership discussions; • Selecting inventory items on a sample basis, and viewing recent sales, including subsequent to 30 June 2018, to determine whether the sales value of these items exceeded their carrying value; • Assessing the adequacy of management's inventory net realisable provision based on inventory items currently being sold below cost price; and • Assessing the appropriateness of the disclosures in Note 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 2018, 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.

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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.

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 Company'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.

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Auditor's Responsibilities for the Audit of the Financial Report (continued)

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, related safeguards.

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 18 to 27 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bluechiip Limited, for the year ended 30 June 2018, 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

Anneke Du Toit
Partner
Chartered Accountants
Melbourne, 21 September 2018

Additional ASX Information

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 September 2018.

a. Distribution of equity securities

(i) Ordinary shares

490,253,716 (17 August 2017: 385,541,806) fully paid ordinary shares are held by 914 (17 August 2017: 723) individual shareholders.

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

(ii) Unlisted options

Nil (August 2017: 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	44	5,653	0.00%
1,001 - 5,000	24	75,503	0.01%
5,001 - 10,000	118	974,117	0.20%
10,001 - 100,000	396	18,574,013	3.79%
100,001 and over	332	470,624,430	96.00%
	914	**490,253,716**	**100.00%**
Holding less than a marketable parcel	**94**	**250,262**	**0.05%**

b. Substantial shareholders

	Fully Paid Number	Fully Paid Percentage
Bellwether Super Pty Ltd	32,500,000	6.63
Edward St Consulting Pty Ltd; Iain Kirkwood	27,097,732	5.53
Pulitano Family Superannuation Pty Ltd and; 3rd Pulitano Pty Ltd	26,589,899	5.22
	85,587,631	**17.38**

c. Twenty largest holders of quoted equity securities

	Fully Paid Number	Fully Paid Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,484,160	5.81%
J P MORGAN NOMINEES AUSTRALIA LIMITED	25,707,627	5.24%
EQUITAS NOMINEES PTY LIMITED <PB-600686 A/C>	22,500,000	4.59%
NATIONAL NOMINEES LIMITED	20,134,081	4.11%
MR WILLIAM BLAIR HEALY & MRS MARY HEALY <HEALY FAMILY SUPER FUND A/C>	17,857,143	3.64%
DR STEPHEN FREDERICK WOODFORD	17,435,703	3.56%
PULITANO FAMILY SUPERANNUATION PTY LTD <PULITANO FAMILY SF A/C>	17,157,433	3.50%
BNP PARIBAS NOMS PTY LTD <DRP>	16,949,153	3.46%
MR IAIN MACGREGOR CRAWFORD KIRKWOOD	15,024,949	3.06%
PLANET INNOVATION PTY LTD	13,636,363	2.78%
ROSHI BLUE PTY LTD <ROSHI BLUE SUPER FUND A/C>	12,000,000	2.45%
BELL WETHER SUPER P/L <THE CRAIG SUPER FUND A/C>	10,000,000	2.04%
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	8,450,044	1.72%
EDWARD ST CONSULTING PTY LTD <KIRKWOOD FAMILY S/FUND A/C>	8,320,037	1.70%
SULAMERICA INVESTMENTS PTY LTD <THE ROOSTER INVESTMENT A/C>	8,296,008	1.69%
PULITANO FAMILY SUPERANNUATION PTY LTD <PULITANO FAMILY S/F A/C>	7,511,765	1.53%
ALLTOGETHER PTY LTD <ALLTOGETHER SUPER FUND A/C>	6,001,322	1.22%
JUST GREENERY PTY LTD <GREEN FAMILY SUPER FUND A/C>	5,601,695	1.14%
DR STEPHEN FREDERICK WOODFORD & DR PATRICIA ALISON WOODFORD <BELLADONNA SUPER FUND A/C>	5,206,364	1.06%
JASPER SUPERANNUATION PTY LTD <THE JASPER SUPER FUND A/C>	5,000,000	1.02%
	271,273,847	**55.33%**

Corporate Information

Corporate Information

Directors

Mr Iain Kirkwood	Non-Executive Chairman
Mr Andrew McLellan	CEO/Managing Director
Mr Michael Ohanessian	Non-Executive Director
Mr Andrew Cox	Non-Executive Director Appointed on 26 July 2017
Mr Blair Healy	Non-Executive Director Appointed on 23 August 2017

Company Secretary

Mr Lee Mitchell

Registered Office

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Scoresby VIC 3179

Phone +613 9763 9763

Principal Place of Business

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Caribbean Business Park
Scoresby VIC 3179

Phone +613 9763 9763

Share Registry

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Phone +612 9698 5414 (international)
Fax +612 9279 0664

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

Bankers

National Australia Bank Limited
Melbourne VIC 3000

Auditors

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne, VIC 3001

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