



28 May 2020

BLIS DELIVERS SUSTAINED PROFITABLE GROWTH

FY20 Highlights:

- EBITDA \$2.1m, up 130%
- Revenue \$10.6m, up 29%
- Strong sales growth on the Amazon US online platform
- Launch of UltraBLIS™
- Regulatory approvals received in Canada and US
- Production capacity increased to meet COVID-19 driven demand

Blis Technologies Limited (NZX:BLT) (Blis, Company) has today reported its results for the 12 months to 31 March 2020. In line with the market guidance provided on 9 April, the Company has delivered revenue of \$10.6 million, 29% growth on FY19 and EBITDA of \$2.1m, an increase of 130% on last year. Following the maiden net profit in FY19, Blis has delivered 320% growth in net profit to \$1.6 million.

“We have made pleasing progress building on the momentum of recent years to once again deliver on our financial objective of sustained profitable growth.” said Blis Chair, Tony Offen.

“During FY20 we further built strong foundations for future growth, we have continued to build the BLIS® Probiotics brand, strengthened our R&D pipeline while enhancing our IP position, delivered greater supply capacity and alternate sourcing, and overall our financial resilience has continued to build”.

Regional performance

Revenue (NZ\$m)	FY20	FY19	Change %
Asia Pacific	3.7	4.0	-8
Europe/ Middle East	4.0	3.0	+33
North America	3.0	1.2	+142

“We have further strengthened our revenue base establishing new customers and markets for both our BLIS branded ingredients and our BLIS® finished products”. said CEO Brian Watson

“Our on-line sales presence and the distribution network we have built up over the last few years has meant we have been well placed to respond to anticipated changes in consumer purchasing behaviours driven by the COVID-19 pandemic”.

Asia Pacific

Overall revenue for this region declined by 8%, however the previous year comparison is skewed by the one-off pipeline fill to support the Australia launch in FY19. In FY20 Australia sales were in line

with expectation at approximately half of the volume recorded in FY19. Following the launch, iNova has provided an excellent platform to ensure ongoing success in this important growth market.

Excluding Australia, the revenue for the rest of the region grew by 31%. New Zealand revenues grew by 39% in FY20 to \$1.7m. The BLIS® portfolio continues to perform well in New Zealand pharmacies with ThroatGuard Pro maintaining its position as the number one selling throat lozenge in pharmacy. Japan also continued to experience solid growth.

Europe/ Middle East

It has been a satisfying year for this region, based on steady growth in existing markets as well as newer markets showing strong sales. The 33% increase in revenue from this important market continues to deliver a solid return. Our distribution partner in Europe and the Middle East, Bluestone Pharma (BSP), continues to successfully implement a strategy focused on launching consistent value propositions to health professionals ensuring a broad acceptance and recognition within the medical community.

North America

Branded ingredient sales to North America have performed well. Our distribution partner, Stratum Nutrition, has continued to expand the customer base through new customer launches and the utilisation of a range of sales channels including retail, direct selling and on-line.

In FY20 sales through the Amazon platform have grown almost five-fold. In particular, the ThroatHealth™ and Teeth&Gums™ products have sold well. We are continuing to optimise our operations on this platform, refining our knowledge of how to maximise future growth opportunities.

BLIS® branded finished goods and ingredient revenue

Revenue (NZ\$m)	FY20	FY19	Change %
BLIS branded finished products	3.1	3.1	0
BLIS branded ingredients	7.3	5.0	+46

Revenue for our BLIS® branded finished products segment was \$3.1m. Although year on year growth was flat, the heavy loading of the pipeline fill to support the Australia launch in FY19 has masked the growth achieved in New Zealand and Amazon US sales. Overall, the underlying strength seen across the markets selling our BLIS® branded products has been encouraging.

At the same time, we were able to continue the growth in our BLIS® ingredient revenue which increased by 46% to \$7.3m, up from \$5.0m a year ago. Of note is the growth achieved in ingredient sales to North America, Japan and Europe.

Regulatory approvals

Regulatory approvals achieved during 2020 included BLIS M18™ being granted a US Food and Drug Administration “Letter of No Objection” in April 2019. BLIS M18™ was approved by Health Canada with specific and substantial claims and the BLIS K12™ dossier was extended to include younger children and improved claims.

Research and development

New product research and development (R&D) is an important aspect of Blis' operations. We have continued to invest in the R&D programme to deliver a robust new product pipeline. Integral to this has been the creation of two new Science Manager roles, one each for research and for development. The development role was filled internally and a PhD qualified scientist has been secured to support our research endeavours.

In February we launched UltraBLIS, a next generation probiotic supplement targeted at those wanting to optimise their microbiome and strengthen overall immunity.

Our novel probiotic strain BLIS Q24™ for skin applications has moved into late stage development. A finished product prototype is ready for market research and testing. Having already completed safety evaluations, we have now validated viability in a novel product format for topical application. We believe this product offer will be an attractive addition to the BLIS® portfolio and provide growth opportunities within the booming cosmetic category where probiotic offers are an emerging subcategory.

Outlook

The COVID-19 environment represents an increase in both risk and opportunity for the company. Our current view is, whilst managing the risk, we have a real opportunity to strengthen the company building an even stronger brand and accelerating our market presence based on consumer interest in solutions to maintain health and wellbeing. Utilising our on-line sales presence and capability built up over the last few years, Blis is well placed to respond to anticipated changes to consumer purchasing behaviours towards this channel.

There remains significant international growth potential for our products. We will continue to pursue the Company's profitable growth objective through developing our relationships with partners capable of driving international scale for the business. Key new growth opportunities for the company in FY21 include Canada, China cross border e-commerce and Daigou markets. We will also prioritise growth opportunities with our existing distribution partners and our on-line channels. Our overall objective of delivering sustained profitable growth remains.

A further update will be provided at the Annual Meeting.

Ends

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About Blis Technologies Ltd

Delivering proven health benefits through evidence-based, advanced probiotics

Blis is an NZX-listed manufacturer of advanced probiotic strains that go beyond the gut. Combining innovation with evidence-based research and the highest quality production controls enables the delivery of probiotic solutions for specific health targets including throat health, halitosis (bad breath), immune support and teeth and gum health. BLIS® products are sold throughout New Zealand, Australia, Asia, Europe and North America. Products can be bought online at www.blis.co.nz and by searching for Blis probiotics at www.amazon.com.

More information about Blis Technologies Ltd can be found at www.blis.co.nz.

About UltraBLIS™

UltraBLIS™ is a next generation probiotic supplement targeted at those wanting to optimise their microbiome and strengthen overall immunity. BLIS K12™ has strong evidence in the oral microbiome, and it has been combined in a lozenge format with *Bifidobacterium lactis* HN019 (HOWARU®), and *Lactobacillus acidophilus* La-14: 2 strains from Dupont® that have strong evidence bases in immunity. More information about UltraBLIS™ can be found at www.blis.co.nz/pages/ultrablis