Blis Technologies Limited Annual Shareholders Meeting, Friday, 11am Thursday 21st July 2022 Art Gallery, Dunedin.

Slide 1: Chair - ASM welcome

Good morning, and welcome everyone to the Blis Technologies Limited Annual Shareholder Meeting for 2022. My name is Geoff Plunket, and I am Chair of the Board for Blis Technologies.

On behalf of my fellow directors, our Chief Executive, Brian Watson and all the Blis team it is my pleasure to welcome you all here today in person and to those of you attending online.

Slide 2: Chair – Voting and Asking Questions

As is normal practice in the post covid environment we are provided both an in person and online attendance option for shareholders. It is pleasing once again to have so many shareholders join us online today.

When it comes to voting: For our shareholders in attendance here you may vote as usual on the voting card provided to you at the registration desk when you arrived. For shareholders online, you will be able to cast your vote online by pressing the "Get a voting card" button and validating yourself using your shareholder or proxy number. Please note that only shareholders, proxy holders or shareholder company representatives may vote.

Please refer to our virtual meeting online portal guide or contact the team at Link on 0800 200 220 if you require any assistance.

Shareholders online will also be able to ask questions by clicking the "ask a Question" button. I encourage shareholders who have questions to send their questions through as soon as possible.

I am pleased to say that the meeting has been properly called and there is a quorum present.

We will be using some slides during the meeting. For those of you online you will be able to see these and follow along. They have also been posted to the NZX and are available on the Blis website.

Safety - for those of you here with us, in the unlikely event of an emergency the building needs to be evacuated, please evacuate via the emergency exit doorways indicated. Follow the signs to the main staircase and out to the front entrance by the nearest assembly point.

Slide 3: Chair - Agenda

The agenda for this morning will include an overview from myself of the company's performance for the year to 31 March 2022 and on the strategy update which was released recently. Brian Watson, our CEO, will then provide you with a deeper review of the results, and on progress against our purpose.

There will then be an opportunity for shareholders to ask questions. We will first take questions from those in attendance here today and then any questions posted online that have not already been covered by responses to previous answers.

Following this we will then move to the formal business of the meeting. At that point I will outline the process for the discussion and voting on the resolutions set out in the agenda.

And of course, at the meeting's conclusion, for those of you here with us you are invited to join directors and the Blis team for light refreshments and further discussions.

Slide 4: Chair - Board Introductions

Before reviewing the company's performance, I would first like to introduce your Board. Their profiles are available on the Blis Technologies website and are also included within the annual report.

Dr Alison Stewart. Alison joined the board in September 2018. Alison brings to the board substantial experience as a research and innovation leader. Alison is currently CEO of the Foundation for Arable Research.

Tony Balfour. Tony joined the board in April 2020. Tony brings to the board strong governance experience following a successful executive career as an international marketing and brand management leader. Tony holds several current directorships.

Tony Offen. Tony joined the Board in 2009. Tony is from a finance and business investment background. Tony is retiring the Board at the conclusion of the annual meeting.

Tom Rönnlund, **Tom** is CEO of Probi and joined the Board following the share placement to Probi in 2021. Tom has over 20 years of international healthcare and biopharmaceutical industry business development experience. Tom brings to the board a detailed knowledge of global probiotic markets.

Dr Barry Richardson. Barry joined the board in 2018. Barry has a science background and brings both Blis specific and international biotechnology and nutritional dairy industry experience to the board.

Aimee McCammon. Aimee joined the Board in October 2021. Aimee has a marketing background and is currently CEO for Augusto Group, an entertainment, advertising and technology company.

Slide 5: Chair - Disclaimer

As we now move to an overview of the results, including some forward-looking comments, it is important to highlight the disclaimer included in the presentation which is now displayed.

Slide 6: Chair - Results Overview

While the 2022 financial year was challenging, and the financial results were disappointing some important milestones were achieved during the year. The strategic partnership with Probi being a particularly significant milestone, more on that later.

Revenue was down by 16% to \$9.0m, which resulted in an EBITDA loss of \$2.1m. Ingredient sales in the first half of the financial year were lower in the United States, a key market for us and our new market initiatives, skincare and the Canada launches have required upfront investment.

In the second half of the 2022 financial year ingredient sales in the United States returned to more normal levels. This has continued through the first quarter of the new financial year.

I will discuss our skincare product in my detail later in the presentation. Brian will also cover the 2022 financial results in more detail in his presentation.

Blis team

I would like to take this opportunity to acknowledge and thank all of the Blis team for their commitment and contribution over the past year. It was a challenging year for staff adjusting to the changing covid environment, requiring flexible ways of working and connecting with customers.

Slide 7: Chair – Strategy refresh

Strategy refresh

Following the disappointing performance in FY22 we have undertaken a review of the company's strategy and business model. The resulting strategy refresh was released to the market on Thursday 14 July.

Blis has a proud science heritage and a proven track record in delivering innovative probiotic solutions for the global market.

The strategy refresh will see a renewed focus on a Business to Business (B2B) opportunities with global partners. Our strategic review has led us to a view that a more tightly focused strategy will deliver better scale and a return to profitability.

A narrow operational focus on B2B by establishing partnerships with proven industry participants will see Blis move away from direct selling to consumers, other than in NZ and on the US Amazon platform where Blis has an established market presence. This decision will result in Blis re-aligning activities in the Canadian market and discontinuing its skincare brand Unconditional Skincare Co.

In the Canadian market our intention is to identify a partner who can take over our retail business and the market presence we have established to date.

Probi licensing and distribution agreement

To be successful the Board recognizes that we need to work with partners who can represent our Blis products and innovation in key offshore markets. Our strategic partnership announced in July 2021 with Probi represents a key part of this strategy and is a blueprint for our new strategy.

Probi is well represented across our key global markets, and it has a wider customer reach than Blis can achieve by itself.

During FY22 Probi have concentrated in establishing production of BLIS K12™ and BLIS M18™ at their Redmond facility in the United States. We

expect revenue from this relationship to start in the current financial year, FY23. While we expect revenue form this new partnership to be under \$0.5m in the current year we expect significant growth in future years.

Skincare

We are excited by the opportunities for our skincare product. It is a unique offering in the skincare market in that it is the only product in the market providing improved skincare benefits from a live probiotic that naturally occurs on the skin. Feedback from customers and product reviews have been excellent.

We launched our new skincare product in NZ under the brand Unconditional Skincare Co. in April 2021 as an online direct to customer offer. With covid restrictions in place at the time of the launch, several planned influencer events and industry tradeshows did not proceed. However, we have been able to use as a market to validate that we have an attractive product offer and understand how best to position the breakthrough innovation to consumers and influencers.

As part of strategy refresh, we have decided to shift our attention to a scale global opportunity and pursue partnerships to establish the innovation focus on global opportunities. In line with this we phase out active marketing of the skincare product under its own brand.

Maintaining the live probiotic in a topical skincare formulation is the key technical challenge, which we have managed to overcome. Marketing the skincare product under our own brand has given us valuable insights into the market opportunity, which will be advantageous as we seek licensing partnerships.

Research and development

Our research and development is world class and leading edge. We have commercialised three strains, BLIS K12, BLIS M18 and BLIS Q24, which is a great achievement for a small R&D team. Along with this we have developed innovative product formats that unlock the market opportunity for these ingredients.

Continued investment in our own R&D projects and in collaboration with partners is central to the future success of the company.

Outlook

Blis has an exciting future. The outlook is positive. Our refreshed strategy of focusing on our core business with enhanced B2B relationships will improve speed to scale, drive revenue growth and see a return to profitability.

FY23 will however be a year of transition for the business.

Brian will provide further information on our Q1 result and our outlook for the rest of the financial year.

Thank You.

I will now pass over the Brian for his address, after which there will be an opportunity to ask questions before we then move to the formal part of the meeting. Brian, over to you.

Slide 8 - CEO Address

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Thank you Geoff.

On behalf of the management team I would like to welcome the shareholders in the room here in Dunedin and those online and thank you for your interest and support of the company.

Slide 9 – The Blis leadership team

It is my pleasure to introduce the Blis leadership team. Detailed profiles of the team are available on our company website and have been included within the annual report.

Rather than introduce the full team I would like to introduce our newest team member Jennifer Walker who joined us in February. Jennifer has extensive international marketing experience within the consumer and wellness sectors in both start ups and larger corporations.

Slide 10 – Probiotic supplements market

To kick off the presentation today I would like to share an overview of our addressable market and recent dynamics within the Global Probiotic supplements market.

Notwithstanding challenging market conditions in some of the markets namely the US and Europe, the probiotic supplements category remains the largest subcategory of the dietary supplements market with a Global retail revenue of US\$7 B, and it is forecast to grow at a CAGR of 3.7% between 2021 and 2026.

Of this global market North America represents 34% of global sales but declined at -1% in 2021.

Europe represents 25% of the global market, 2021 was flat compared with prior year.

Asia Pacific market represents 36% of the global market and grew by 22% in 2021.

Overall, the Probiotic market remains extremely attractive but with greater competition it is important that we focus on our strength of probiotic innovation and ensure we have the right business model to deliver scale.

Slide 11 – FY22 summary: Financial results

Through the year we continued our investment in new revenue streams related to our finished product portfolio. While this delivered growth it did not offset a disappointing result for our ingredient business that has declined in the face of uncertain market conditions particularly in the USA and Europe.

Company revenue in FY22 was \$9.0m, a decline on the prior year of 16%. With an EBITDA loss of \$2.1m and a net deficit of \$2.7m.

Slide 12 – Revenue split and regional breakdown

The key contributor to this disappointing result was the decline in Ingredient revenue, down 29% on FY21.

The branded finished product revenue grew by 41% growth compared with the previous year, with both eCommerce sales (+47%) and retail sales (+27%) contributing to this growth.

Regional performance

Asia Pacific

Sales in the APAC region grew by 21% compared with the prior year. This growth was driven by solid performance of our branded finished goods sales, which grew by 26% and growth of our ingredients business in the region driven primarily by sales in Japan.

Europe

Europe sales revenue, largely made up by ingredient sales declined by 8% in FY22 compared with the prior year. The Covid-19 pandemic continued to create uncertainty in this region and has impacted the business model of a number of our established customers who have typically relied heavily on face-to-face selling to health professionals.

North America

Overall, this region saw a decline in revenue compared with the prior year of - 38%.

Amazon growth and the Canada market coming on stream delivered 71% growth in finished product sales in the region. However, this did not offset the drop in our ingredient sales in the region that had been particularly strong in FY21. The major contributor to the ingredient revenue decline was delayed ordering by two key new customers in the US market.

Slide 13 – FY22 operational achievements

While the 2022 financial year was challenging and the financial results disappointing, we achieved important partner and pipeline milestones through the year.

The formation of a long-term strategic partnership with Probi was a key highlight, this relationship will deliver significant future growth opportunities for Blis. I will speak more about this in a later slide.

Although we have navigated the Covid-19 pandemic well and maintained momentum across several initiatives, our international market development has been impacted by not being able to travel and engage with our partners and customers in these new markets.

In FY22 we invested in opening new market opportunities, launching the BLIS PROBIOTICS™ range into the Canada market and the launch of our innovative skincare product under the Unconditional Skincare Co brand online within NZ.

During the year we also finalized the supply of a dairy free version of BLIS K12™ and early this financial year we have also launched a Dairy free version of BLIS M18™. These new ingredient options complement our existing supply of these strains, mitigating single source risk for fermentation supply, but to also meeting an emerging demand for allergen free ingredients in some markets.

R&D activity remains a priority, and we have made solid progress across several pipeline initiatives and in strengthening our evidence base and IP status.

Our new product development priorities have included late-stage development work on a probiotic toothpaste formulation and additional skincare products based on BLIS Q24™.

Slide 14 – Probi strategic partnership

A key highlight for the year was the formation of a long-term strategic partnership with Probi, a global probiotic specialist company based in Sweden.

The relationship with Probi includes an in-depth partnership through a licensing and manufacturing agreement allowing us to increase our global market exposure by leveraging the Probi network of customers.

Since the formation of the partnership, we have worked intensively on the transfer of our technology for the production of BLIS K12[™] and BLIS M18[™] which will underpin Probi's selling activity moving forward.

During the final quarter of the year, Probi reached a major step in the technological transfer of the Blis strains, with the successful completion of a first commercial scale batch of BLIS K12[™] and in the first quarter of this year they have also moved forward the BLIS M18[™] development programme.

Probi now expects to see additional new business from our Blis strains, produced at their own facility, from the second half of this financial year (FY23).

Additionally, we have started collaboration on R&D initiatives to combine existing technology from each company to fast track new product solutions for consumers.

Slide 15 - Probi CEO video

We will now share a short video from Tom Rönnlund the Probi CEO where he talks about the strategic partnership we have formed.

Slide 16 – Strategic review

The board and leadership team have taken the time to review our strategy and business model following the disappointing performance in FY22. The focus of this review has been our path to sustainable profitability and realising the potential of our pipeline.

While we remain committed to our company purpose "Developing breakthrough probiotic solutions for the health and wellbeing of global consumers." we recognise that there is an opportunity to focus our business on what we do well and look to establish partnerships to commercialise our breakthrough technology.

This represents a shift to a greater focus on Business to Business (B2B) selling and partnerships and a move away from investing ourselves to open new market opportunities.

Through a B2B focus we are looking to leverage other companies' strengths in offshore markets and focus our business on delivering attractive assets that they can take to market.

Along with this we will rationalise our investment in Business to Consumer (B2C) activity, focusing on profitable channels and markets where we have proven success and revising our approach where short term profitability is challenged.

Over the last few years, we have established sustainable positions for our BLIS PROBIOTICS brand across ecommerce (BLIS.co.nz and Amazon USA) to complement our retail sales in NZ. This activity will be maintained however other B2C activity related to the Unconditional skincare Co brand and our BLIS PROBIOTICS retail focus in Canada will be transitioned in line with our partnership focus.

To date our skincare activity has focused on establishing a brand and direct to consumer selling in the NZ market, however the market is limited when compared to the opportunities that exists by taking a more global approach. Therefore, in line with the strategy shift we will look to establish partnerships to take the unique product offer to market, with a focus on global opportunities.

In Canada we will target identifying a partner to take over the market position we have established within retail for the BLIS PROBIOTICS range.

Slide 17 – Focus our strength

In line with our purpose, we have a track record of developing breakthrough probiotic solutions.

Along with bringing to market innovative and unique probiotic strains, we have developed a deep knowledge on how to overcome formulation challenges and deliver finished product formats that unlock new opportunities.

This capability will underpin our B2B strategy.

Initially, we will remain focused on specific health targets where we have developed capability and in line with the attractive pipeline we have in place. Over time we will continue to look for white space where we can deliver value.

Slide 18 – Business model changes

This slide summarises the previous strategy and business model and key elements of our refreshed model.

Our B2B focus on international markets will see us looking to leverage other companies' strengths in the B2C market while we focus Blis' business on growing and delivering a portfolio of ingredients and finished product formats that those companies can take to market.

Our focus on 3 key health and wellbeing targets remains unchanged, we have developed important capability in these areas that can be leveraged with a B2B focus.

Over the last few years, profitable positions have been established for the BLIS PROBIOTICS™ brand across ecommerce channels (BLIS.co.nz and Amazon USA) to complement the New Zealand retail sales base. These profitable markets will be maintained.

Our review identified Blis' research and development programme as a core strength. We have pipeline opportunities that will keep Blis at the front of probiotic innovation and represents significant commercial opportunity to partners.

Slide 19 – Strategy Summary

Focus on core business and our strengths with a B2B selling focus, leveraging partners strengths in global markets

A significant level of the current business and the capability we have built up will remain with a focus on profitable elements.

However, we will stop investing ourselves in opening new B2C market opportunities.

These strategic changes require a review of resourcing and capability to be undertaken. Subject to consultation a small reduction in staffing levels is expected.

We are confident that the changes to our strategy and business model will put us on track for a return to profitability.

Slide 20 – Q1 Performance and outlook

I'm pleased to share the Q1 result.

Revenue in the first quarter (to 30 June 2022) is up by 29% over the same quarter last year to \$2.3m. EBITDA for the quarter was a loss of \$0.3m, which is a significant improvement on the EBITDA loss of \$1.2m in the previous year.

Looking forward for the rest of FY23, we are encouraged by overall growth prospects across the global market for probiotics driven primarily by Asia Pacific and Europe. The US remains a large an attractive market but is expected to contract in coming years.

Our business has seen a recovery in ingredient sales in all markets in the first quarter this year, however in line with the global market dynamics we remain cautious in respect to the US market.

We are confident that our refreshed strategy and business model will drive scale, revenue growth and see a return to profitability.

A market update on our progress will be provided with the half year interim report.

Slide 21 – Summary

As a business we will refocus on our core strength, delivering probiotic innovation.

To commercialise this innovation our business model will shift to a focus on Business to business selling and partnerships.

The Probi partnership represents a good example of this model and it remains an important part of our future growth plans.

In line with this focus, we will develop transition plans for unprofitable channels, aligning them with our B2B model.

Through this shift in strategy and the business model we see a clear path back to profitability and the opportunity to work with partners to drive scale.

With that I will hand over to Geoff who will facilitate the questions section of the meeting.

Thankyou.

Slide 22 – Questions

Thank you, Brian.

We now have an opportunity to take questions on the company's financial statements and reports for the year ended 31 March 2022, and the presentations you have heard from Brian and myself.

Before asking your question, could you state your name and if you are a shareholder, proxy holder or shareholder representative.

Thank you. I now move to the formal part of the meeting, the resolutions. If you do not have a pen or a voting paper and would like one, please raise your hand and Link Market Services will help you.

Tony Offen retiring from the Board

Tony Offen retires from the board at the conclusion of today's annual meeting.

On behalf of the Board, I would like to thank Tony for us outstanding contribution the past 13 years. Tony joined the board in 2009 and during that time he has served as Chair, Deputy Chair and Chair of the Audit and Risk Committee. Tony's finance and business investment background combined with his in-depth understanding of the company's business and company's journey has been invaluable.

Director Election Resolutions

Ordinary Resolution 1 proposes:

That Alison Stewart, who is eligible for election, be elected as a director of the company. Alison is retiring by rotation is offering herself for re-election in accordance with the NZX Listing Rules and the Company's constitution.

The Board has determined Alison is standing as an independent, non-executive director.

The Board recommends Alison to you as a director of Blis Technologies Limited and unanimously supports her re-election.

I now invite Alison to address the meeting.

Is there any discussion on this resolution?

There appears to be no further discussion.

I now put to the vote the ordinary resolution: That Alison Stewart, who is eligible for election, be elected as a director of the company.

Please take a moment to mark your proxy voting form in relation to Resolution 1.

Ordinary Resolution 2 proposes:

That Tom Rönnlund, who is eligible for election, be elected as a director of the company. Barry retiring by rotation is offering himself for re-election in accordance with the NZX Listing Rules and the Company's constitution.

The Board has determined that Tom is not an Independent Director due to his role as CEO of Probi, which is a substantial product holder of Blis Technologies Limited.

The Board recommends Tom to you as a director of Blis Technologies Limited and unanimously supports his re-election.

Tom has recorded a short video to address the meeting.

Is there any discussion on this resolution?

There appears to be no further discussion.

I now put to the vote the ordinary resolution: That Tom Rönnlund, who is eligible for election, be elected as a director of the company.

Please take a moment to mark your proxy voting form in relation to Resolution 2.

Ordinary Resolution 3 proposes:

That Aimee McCammon, who is eligible for election, be elected as a director of the company. Aimee is retiring by rotation is offering herself for re-election in accordance with the NZX Listing Rules and the Company's constitution.

The Board has determined Aimee is standing as an independent, non-executive director.

The Board recommends Aimee to you as a director of Blis Technologies Limited and unanimously supports her re-election.

I now invite Aimee to address the meeting.

Is there any discussion on this resolution?

There appears to be no further discussion.

I now put to the vote the ordinary resolution: That Aimee McCammon, who is eligible for election, be elected as a director of the company.

Please take a moment to mark your proxy voting form in relation to Resolution 3.

Ordinary Resolution 4 proposes:

That the Directors be authorized to fix the remuneration of the auditors for the ensuing year.

Is there any discussion on this resolution?

There appears to be no further discussion.

I now put to the vote the ordinary resolution: That the Directors be authorized to fix the remuneration of the auditors for the ensuing year.

Please take a moment to mark your proxy voting form in relation to Resolution 4.

Other Business

That brings us to any other business.

Is there any other business a shareholder wishes raise?

Close

That brings us to the end of the meeting, as mentioned earlier, you are all invited to join us for further discussion and questions over some light refreshments.

Thank you all, I now declare the meeting closed.