

Annual Shareholder Meeting
Friday, 11am 26th July 2019
Edgar Centre, Dunedin.

Slide 1: Chair – ASM welcome

Good morning, ladies and gentlemen.

I am Tony Offen, and I am the Chair of Blis Technologies Limited.

On behalf of my fellow directors, our chief executive, Mr Brian Watson and all the Blis team, welcome to The Edgar Centre for our 2019 annual shareholder meeting.

On arriving today, you will have been greeted by staff of Link Market Services, our share registrar, who are available to support you with the formal aspects of the meeting.

Also here today are Heidi Rautjoki, the Audit Partner from Deloitte, our company's auditor and Anne McLeod, Partner Anderson Lloyd our company's solicitor.

I can advise that the Notice of Meeting has been duly given to shareholders and we have a quorum. I am pleased to declare the annual shareholder meeting of Blis Technologies Limited open.

As you know, health and safety is a priority for Blis and in the unlikely event of an emergency during the meeting we want to ensure everyone's safety. If the building needs to be evacuated for any reason, a long alarm will sound as a Siren with voiced directions to evacuate at your nearest exit. Please follow the instructions of the Edgar Centre staff, and they will point you to the nearest exit. Our assembly area is directly opposite the main entrance doors on to the centre, staff will direct you to this area once you exit the building.

Toilets are located on this floor landing and on the ground floor half way along the main sports centre as well as in the arena, and please note that the Edgar Centre is a non-smoking venue.

And while I am on the topic of health and safety, I would like to briefly take this opportunity to thank the team for their outstanding efforts recently when they identified and swiftly dealt with a potential chemical incident. You may have heard that on the 12th of July a staff member identified an issue with a small quantity of a substance used infrequently within our research facilities.

I am very pleased to report that the action taken by staff, demonstrated the robust procedures we have in place and we were extremely pleased with both the exemplary actions taken and the outcome achieved.

And I would note that it was very pleasing to have these views echoed by Fire & Emergency New Zealand as they confirmed that the risk mitigation steps in place and actions taken by staff were entirely appropriate.

Slide 2: Chair - Agenda

The agenda for this morning will include an overview from me of the company's performance for the year to 31 March 2019. Brian Watson, our CEO, will then provide you with a deeper review of the results, progress against our objectives and what shareholders should expect to see in the remainder of the current financial year.

There will then be an opportunity for shareholders to ask questions.

Following this we will 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, you are invited to join directors and the Blis team for light refreshments and further discussions.

Slide 3: Chair – Chairperson's address

Slide 4: Chair - Board

Before reviewing the company's performance, I would first like to introduce your Board. Their profiles are available online on the governance page of the company's website and are also included within the annual report. You will have received the Annual Report for the year ended 31 March 2019, either by post or electronically, depending on your choice, and there are additional hard copies available in the room here today if you would like one.

Graeme Boyd joined the board in 2014 and is deputy chair. Graeme sits on the remuneration committee and has also served on the audit & risk committee. Graeme understands brand value and brings strong experience in international marketing, growth strategies and executive leadership. Graeme was CEO of Comvita in 1998 leading the company from being small and privately-owned to a publicly-listed company marketing natural health products internationally.

Geoff Plunket joined the board early in 2018 and is chair of the audit & risk committee. Geoff brings a strong commercial focus and experience in leading a large organisation with expertise in logistics, supply chain, human resource, health & safety and risk management. Geoff had a long career with Port Otago Limited, including as CFO culminating in his appointment as CEO from 2004 until his retirement in 2017.

Veronica Aris joined the board in 2014 and is chair of the remuneration committee. Veronica has over 20 years' in senior marketing and sales roles that span the innovation, primary care consumables, pharmaceuticals, natural health care, consumer and safety product markets. Veronica, who was up for re-election by rotation today, announced recently that she will be stepping down at the end of this meeting. I would like to take the opportunity now to thank Veronica for her contribution over her five years of service, and on behalf of us all, to wish her all the best for the future.

Dr Barry Richardson joined the board in 2018 and sits on audit and risk committee. Barry has a science background and brings both Blis specific and international biotechnology and nutritional dairy industry experience to the board. Barry was formerly CEO of Blis between 2007 – 2016 leading the company's transition from predominately research based to being commercially focused.

Dr Alison Stewart was invited to join the board in September 2018 following a professional search process for specific capabilities. Alison brings to the board

substantial experience as an innovation and research leader who has a clear understanding of the drivers for successful international commercialisation of biotechnology lead research. Alison is currently CEO of the Foundation for Arable Research and is standing for election today. The board recommends Alison's election and unanimously supports her election as a director today. We will have the opportunity to hear from Alison a little later.

And in terms of myself, I have been a director and shareholder since 2009 and chair since August 2017. I am currently on the audit and risk and remuneration committees. Previously I have served as deputy chair and also for a short time as an executive director for the company. Being eligible, I am also offering myself for re-election today, so more on that later as well.

You will note, that with Veronica retiring, the number of directors reduces to five (5) and the board is not seeking to fill this vacancy. The board has determined that based on the company's current size and stage of development that an optimal number of directors is five, with the current director mix of skills and experience being appropriate for governing Blis. Where required, we look to strengthen our oversight of issues using expert advice.

That said, each year as part of the board's annual review process the director capability mix is assessed for alignment with the company's future development and international growth plan requirements. When the board's succession planning anticipates an upcoming vacancy to be filled or that further director capability is required, professional search services are used to assist the board in identifying suitable candidates for nomination, as was the case with the latest appointment of Dr Alison Stewart.

Slide 5: Chair – Disclaimer

Slide 6: Chair – Results Overview

It is my pleasure to present you with an overview of the company's performance.

Performance Overview.

2019 was a milestone year for Blis. We reported a maiden net profit, our products saw a significant increase in consumer demand and our people and our growth pipeline are now well positioned to build on this momentum.

Our revenues grew strongly across all of our territories, rising by 59% for the year to reach \$8.4m. This latest revenue achievement has seen us deliver compound average growth in revenue of 45% over the past five years which we are very pleased with.

This strong growth in revenue contributed to the company's first net profit of \$0.4m and making 2019 a turning point for Blis in keeping with our goal of delivering sustainable profitable growth.

Importantly for the company, the share of revenues from our Blis Probiotic branded product range grew to 38% of overall sales, compared to 19% last year.

This is important because growing the Blis probiotics brand is a core strategic positioning priority for us. Through increasing sales of BLIS PROBIOTICS™ branded products we are building and strengthening a direct relationship with our customers. While the revenue we generate from our ingredient products continues to underpin our business, growing the Blis branded portion of our sales will underwrite the realisation of the strong long-term value inherent in the company. Our customers and consumers are increasingly identifying directly with Blis as the trusted source of quality products, thereby future-proofing our business.

Slide 7: Chair – Strategic Priorities

We continue to make good progress against our four strategic priorities; Positioning (as just highlighted), Supply Chain, Pipeline and People and Performance.

These priorities focus us on developing core expertise and knowledge internally as we continue to innovate in order to optimise our Intellectual Property. We recognise that a company does not outperform its people so building a high-performance culture is core to ensuring we maintain the right internal capabilities and relationships to support our growth goals.

There is no question that this year's achievements - including the Company's maiden profit - underpin a turning point for Blis. The result is evidence of the increased resilience of the business due to broader revenue mix, increasing

revenue from BLIS® branded products, stronger regulatory positions, an improved working capital base and development of robust internal capabilities.

We also recognise that long term, sustainable business success requires an understanding of the interconnectedness of all parts of our business and the impact we have on all our stakeholders, including our community and the environment. We have started the continuous journey of evolving our sustainable environmental, social and governance practices and look forward to reporting to you in the future beyond the traditional financial measures.

There remains significant international growth potential for our products and we will continue to re-invest for the future by growing markets, our pipeline and importantly the Blis brand. We believe with our existing resourcing we can continue to meet attractive revenue growth rates profitably by working with our existing distributors and markets, and by actively targeting new relationships with key partners with the right capabilities and resources we will benefit further from the increased reach they would bring to our business.

Brian will cover the achievements and progress across these areas in his address as well as the first quarter results for this year and the outlook for 2020.

On behalf of the board, management and all of the Blis team I would like to thank you our shareholders for your continued support and ongoing interest in the company.

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

Slide 9: CEO – Leadership team

Thank you Tony.

On behalf of management team I would like to welcome the shareholders here today and introduce the Blis leadership team. Detailed profiles of the team are available online on the company's governance page and have been included within the annual report.

Richard Wingham is our Chief Financial Officer (CFO)

Richard has been with Blis for 18 months and he has quickly had a significant impact on our reporting and analytics as well as contributing to broad leadership within the company.

Dr John Hale is our Chief Technology Officer (CTO)

John has been with Blis since 2011 having studied under John Tagg then gained experience offshore. John leads our R & D and scientific services group progressing our development pipeline of new products.

Our Chief Marketing Officer (CMO) is Julie Curphey

Julie has headed up Marketing for Blis for the last 2 ½ years leading our drive to grow the Blis branded portfolio, with our new market launches onto Amazon USA and the more recent expanded launch in Australia.

As for myself, I'm proud to have been your Chief Executive since early 2016 and I have been focused on ensuring the fundamentals right so we are positioned for the growth opportunities in our future.

Slide 10: CEO – Financial summary

As Tony highlighted FY19 saw the company achieve a maiden net profit on the back of strong revenue growth.

Total revenue grew 59% over the previous year driven by growth across all territories.

The benefits of increased scale combined with a continuing tight focus on costs saw the company's operating earnings before interest expense, tax, depreciation and amortisation (EBITDA) rising to \$0.9m compared to a loss of \$0.4m in the previous financial year.

Net profit for the year was \$0.4m in line with our upgraded guidance provided April 2019.

Other financial highlights included an increase in working capital to \$2.3 m up from \$1.5m in FY18, a 50% increase.

Slide 11: CEO – Strategic priorities

The company has made good progress across our strategic priorities of Positioning, Supply chain, Pipeline and People and performance.

As Tony mentioned, under the Positioning priority we are targeting consistency of value proposition and development of the BLIS PROBIOTICS™ brand as a means of future proofing the business and developing a closer relationship with customers and consumers.

Key progress in this area included the launch of the BLIS K12 range into the large Australian Pharmacy channel and the launch of the BLIS range on the Amazon US platform. Along with these new launches we have continued to grow our NZ market with the BLIS branded range.

Our focus on Supply chain is to ensure the right quality, capacity and IP protection throughout our entire supply chain – from ingredient supply through to the finished product with our customer.

Key progress has included establishing a new contract manufacturer relationship with GMP Pharmaceuticals to support the regulatory requirements and capacity needs of the Australian launch.

We have also progressed our partnership with an offshore fermentation expert for supply of the raw ingredient which will provide increasing capacity to meet the growing demand for our products.

These initiatives are critical to achieving the scale needed to continue to grow the business and capture the opportunities we are seeing.

Our ongoing focus on Pipeline is about optimising value from our Intellectual Property, this activity ranges from early R & D activity to format innovation and market preparation.

To help underwrite the ongoing investment in R & D we have secured a Callaghan Innovation growth grant providing a 20% rebate on qualifying R & D investment until March 2021.

Through our own initiatives and with our partners we have continued to improve market access with K12 approvals in Russia, Belgium and M18 approvals in Australia and Full GRAS approval in the US.

As Tony mentioned, our focus on People and Performance is ongoing and we recognise this is at the core of our business. We are continuing to build a high-performance culture, ensuring we have the right internal capability and processes to support our growth goals.

To facilitate this we have established a values framework which has galvanised the team. We've also added internal capability by hiring a E-commerce specialist to further develop our on-line presence.

Slide 12: CEO – Regional performance

Looking at trading revenue in more detail we saw good growth across all regions.

In our home market, NZ, revenues grew impressively by 60% to reach \$1.2m. Our New Zealand retail presence has continued to strengthen through our relationship with Radiant Health which was launched in March 2018. BLIS® branded products are stocked on the shelves across the network of over 900 pharmacies with high levels of support provided by our distribution partner, including promotional activity that has extended our reach to medical professionals.

The rest of Asia Pacific revenue grew significantly, by 237% to reach \$2.9m, driven by the extended launch into the Australian market as well ingredient sales growth in Japan.

The sales growth evident in our Asian market was also very pleasing. In particular, strong sales growth into Japan has reinforced the potential of that market with new opportunities now under development.

Our strategy for the China market has seen us broadening our focus from establishing a China domestic presence, which continues to be challenging, to also

building a sales channel based on “cross border e-Commerce” (CBEC) and Daigou sales which will be more actively targeted this financial year.

Europe/ Middle East/ Africa saw revenue growth of 5% to \$3.0m in FY19.

Steady year on year growth in this important market continues to deliver a solid return. Our distribution partner in Europe and the Middle East, Bluestone Pharma 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.

During the 2019 financial year our partner achieved new approvals for Russia and Belgium and launched BLIS K12™ products to health care professionals in these markets along with launches with new customers in Denmark, the Netherlands and the UAE.

North American revenues grew by 45% to \$1.2m in FY19 as we benefited from the USA launch of BLIS® branded products on the Amazon platform which has delivered steady growth since the launch in June 2018.

Our partner Stratum Nutrition has continued to expand the customer base through new customer launches and across a range of channels including retail, direct selling and on-line.

Following the recent GRAS “No objection” status of BLIS M18™ (achieved by BLIS K12™ in 2016) we now have the potential to open new opportunities with larger consumer food and supplement companies in the US and we are currently exploring the options.

Slide 13: CEO – BLIS branded finished products

In line with our strategic priority we have seen significant growth in our Blis branded finished product revenue.

The proportion of Product revenue generated by BLIS Branded finished goods has grown from 19% in FY18 to 38% in FY19 and in dollar terms, from \$1m to \$3m . This has been a strategic priority to ensure increased brand awareness, getting closer to consumers to generate brand loyalty, ensuring consistency in the value proposition and ensuring we get a higher proportion of the value chain.

Slide 14: CEO – Australia launch

The launch of the Company's expanded product range into the Australian pharmacy network took place from 1st of April this year.

Our products hit the Australian shelves with strong support from our exclusive distribution partner in this market. iNova Pharmaceuticals has exceptional reach into the Australian Pharmacy channel and a proven track record of establishing category leading brands in consumer health care.

The launch included BLIS® branded products from the BLIS K12™ based range: ThroatGuard™, ImmuneDefence™, HoneyBlis™, DailyDefence Junior™, TravelProtect™ as well as a Diffiam® co-branded offer Diffiam 1st Signs Defence™ into the Australian pharmacy network. iNova has supported the launch through a comprehensive consumer and trade marketing programme that coincided with the build-up towards the busy winter season.

There has been widespread acceptance of the BLIS K12™ range by all key Pharmacy Banner groups in Australia and the more recent approval of BLIS M18™ as an ingredient for "listed complementary medicines" in April 2019 will open the way for launch planning of our BLIS M18™ dental product range into Australia with iNova Pharmaceuticals.

Although it is still early days in the launch we are pleased with the presence of the product range within the key pharmacy chains, in particular Chemist Warehouse which is the dominant chain within the Australian pharmacy network.

Our relationship with iNova includes reviewing other market opportunities across Asia Pacific and Africa. An early evaluation priority is how we coordinate activity in building Blis Branded product sales into the attractive China Cross Border e-commerce channel from both NZ and Australia.

Slide 15: CEO – Pipeline investment

During this financial year and beyond we will continue our investment in our pipeline ensuring we have a steady stream of innovation to support revenue growth and strengthen our IP maintaining a strong market position.

This investment includes development of new probiotics strains with our development of a skin targeted strain already progressing well – and I'll expand on this a little later.

We will back this up with format innovation ensuring we meet customer and consumer needs with. Notable developments include a proposition combining Oral and Gut targeted probiotic strains which we believe will help us meet broader consumer needs. We also have a focus on delivering innovation to meet dental professionals needs within a clinic environment.

Longer term R & D is focused on the market potential represented by pet health and functional foods which today are not seen as core markets but represent exciting potential.

This endeavour will generate new IP positions including patents, trademarks and trade secrets which are core to our ongoing value proposition.

Slide 16: CEO – Skin target

Skin represents an attractive target for our R & D pipeline.

There is a rapidly emerging market for probiotic technology targeting both cosmetic and therapeutic opportunities. Global retail sales within the broad skin care market are estimated to be \$180 billion per year by 2024.

Blis innovation is focused on developing and commercialising BLIS Q24 a unique patented strain of a species that naturally lives on the skin. BLIS Q24 has advanced activity that represents exciting potential as both a cosmetic and therapeutic solution.

Slide 17: CEO – Leadership team

Blis has made the strategic decision to focus on health targets where we believe we can establish a leadership position.

Probiotic dietary supplements represent an attractive category that has continued to grow rapidly highlighting the broad appeal and acceptance of probiotics globally.

With our specific health targets we compete within attractive categories including Ear Nose and Throat health and Oral care.

Our pipeline focus will allow us to target functional foods, pet health and skin care in the future.

Slide 18: CEO – Outlook

We are pleased to share the 2020 financial year quarter one unaudited results. Total revenue was \$2.8m up 63% on same quarter last year. With a EBITDA surplus of \$519 k. This has been a positive start to the year which supports maintaining our full year guidance of sustained profitable growth in FY20 and an EBITDA similar to FY19.

Importantly this profitable start to the year gives us the confidence to invest in new markets and our pipeline.

Slide 19: CEO – Outlook continued

There remains significant international growth potential for our products and we will continue to pursue the Company's profitable growth objective through developing our relations with partners capable of resourcing international scale for the business.

Key growth opportunities for the company in FY20 include:

Canada where we will target a distribution partnership to launch within the Pharmacy channel.

China cross border e-commerce and Daigou markets.

Market expansion with iNova Pharmaceuticals.

Expansion of on-line sales.

To facilitate this growth we will be working with our existing distribution partners as well as targeting new relationships with partners with the right capability and resources to support our goals.

Thank you.

Slide 20: 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 2019, and the presentations you have heard from Brian and myself.

I now invite questions from the floor and ask you to use the microphones offered.

Please indicate by raising your hand if you have a question and I will ask for a microphone to be passed to you when there is an opportunity for you to speak.

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

Thank you, ladies and gentlemen. 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.

Director Election Resolutions

As the first resolution relates to my standing for re-election, Graeme Boyd, Deputy Chair will put this director resolution to the meeting.

Graeme approaches the stand.

Ordinary Resolution 1 proposes:

That Tony Offen, who is eligible for election, be elected as a director of the company. Tony has been nominated in accordance with the NZX Listing Rules and the Company's constitution.

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

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

I now invite Tony 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 Tony Offen, 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.

Tony returns to the Chair the meeting

Ordinary Resolution 2 proposes:

That Alison Stewart, who is eligible for election, be elected as a director of the company. Alison has been nominated 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 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 2.

Ordinary Resolution 3 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 3.

Special Resolution 4 proposes:

That the constitution of the Company be amended in the form and manner described in the Explanatory Notes, with effect from the close of the meeting.

Is there any discussion on this resolution?

There appears to be no further discussion.

I now put to the vote the special resolution: That the constitution of the Company be amended in the form and manner described in the Explanatory Notes, with effect from the close of the meeting.

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