



NZX RELEASE

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Blis Technologies Limited- Update of the company performance.

The Company is currently preparing its preliminary announcement and half year report for the six months ending 30 September 2017 (unaudited) (HY18). These will be available by 23 November 2017.

These results will show a reduction in trading revenue for HY18 of 46% compared with the same period last year (HY18 \$2.069 m compared with HY17 \$3.836 m). In HY17, the Company experienced sales that related to a significant stock build by our Japan and USA distributors to support new launch activity. This has impacted on sales in HY18 as these distributors have purchased less stock as they have rundown their stock levels.

As a consequence of the drop in revenue and increase in marketing and business development expenditure, there is an EBITDA deficit of \$953,000 and a Net Deficit before Tax of \$1.246 m for HY18 which will be shown in the half year report.

While the performance in HY18 is below expectations, the Board anticipates a recovery in the second half of the financial year ending 31 March 2018. Contributors to this recovery include a move into the peak sales period for our products over the northern hemisphere winter, new customer launches in several markets and a return to normal ordering patterns following a correction in stock holding within the supply chain.

The Company has invested in revising the finished product portfolio and upgrading its marketing collateral, including the Company's on-line presence. This puts the Company in a stronger position to progress plans for finished product launches into key new markets, including expanding its on-line sales efforts internationally.

As a result of this information and known orders in October and November the Board expects the Company's revenue for the year ended 31 March 2018 to be similar to that of FY2017, with a small positive EBITDA and a net deficit.

For further information please contact Brian Watson, CEO: 027 7059133

A handwritten signature in black ink, appearing to read 'BW', with a long horizontal flourish extending to the right.

Brian Watson
Chief Executive