



Half Year Report

FOR THE SIX MONTHS TO 30 SEPTEMBER 2019

BLIS TECHNOLOGIES LIMITED

“The first six months of the year has delivered a number of satisfying achievements and sees Blis (Company) performing well. Of note is the strong revenue growth being achieved across all our trading regions and the sustained profit following our maiden profit in the previous financial year ended 31 March 2019 (FY19).”

Operations Report

Dear shareholder

The first six months of the year has delivered a number of satisfying achievements and sees Blis (**Company**) performing well. Of note is the strong revenue growth being achieved across all our trading regions and the sustained profit following our maiden profit in the previous financial year ended 31 March 2019 (**FY19**).

Strong revenue growth being achieved across all our trading regions

The company reports an increase in trading revenue for the six months ended 30 September 2019 (**HY20**) by 77% (\$2.3m) compared to the same six month period ended 30 September 2018 (**HY19**) (refer note 7.3). In HY20 all regions saw growth compared with HY19.

HY20 Earnings before interest, tax, depreciation and amortisation (**EBITDA**) surplus of \$1.0m and a Net Profit of \$0.8m on trading revenue of \$5.2m for HY20. This represents an EBITDA improvement of \$1.3m from the \$0.5m deficit recorded in HY19.

Key Highlights for HY20 include:

- Trading revenue for the period was \$5.2m an increase of 77% compared to the same period last year
- EBITDA profit for the period was \$1.0m
- Australian product launch achieved strong retail support
- BLIS branded finished products on Amazon USA platform delivered solid revenue growth
- Regulatory approvals:
 - BLIS M18™ FDA Generally Accepted as Safe (**GRAS**) “No Objection” approval
 - BLIS M18™ Health Canada approval with strong claims
- Successful senior management recruitment programme
- Pipeline progress:
 - Novel delivery formats for our probiotic strains
 - Formulation and assessment of a topical skin format for BLIS Q24™
 - Continued evaluation of Blis’ microbial library for new product opportunities

Key Challenges for HY20 include:

- Balancing pipeline investment and accelerated growth opportunities whilst maintaining the profitable growth objective.

Operations Report *(continued)*

Regional performance

During the half year all regions saw sales growth compared with HY19.

Asia Pacific (incl. New Zealand) sales grew by 50% to \$1.8m. The period included the first autumn and winter of the distribution relationship with iNova Pharmaceuticals (Australia) Pty Limited (**iNova**) in Australia. Order fulfilment spanned both the end of the prior financial year and the first half of the current financial year. iNova's pharmacy ranging capability, education of pharmacy staff and building of consumer brand awareness has provided an excellent platform for ongoing success in this important growth market. New Zealand sales have performed well compared with the same period last year, delivering robust growth. The Japanese market has also had consistent ordering from the established customer base.

Sales in Europe increased by 84% to \$2.4m compared to the prior period. This growth reflects the underlying strength of a number of existing markets in the region and building sales in several new markets. We have seen earlier ordering patterns by some key customers leading into the European winter than was experienced last financial year.

Consistent growth in BLIS branded finished products on the Amazon platform

North American sales increased by 126% to \$1.0m during the period. This growth reflects both solid ingredient orders as well as consistent growth in BLIS branded finished products on the Amazon platform.

Growth initiatives and R&D

Our eCommerce focus has continued to deliver results. Through targeted investment we have seen strong growth in the Amazon US channel. Our own eCommerce platform has been upgraded to a Shopify platform including an order subscription service for customers.

We continue to invest in developing our future pipeline unlocking market access, enhancing the evidence base for our products and driving R & D output. Our New Product Development process has delivered on some important milestones including progress being made on BLIS Q24™ and deeper screening of our microbial strain library being undertaken. Four new clinical trials were published further strengthening the evidence base of our products.

The company's continuing growth has led to the decision to strengthen the management team with the recruitment of Frank Spiewack as our Commercial Director, Dr Elliott Dunn as Science Manager – Research and Leo Wolff to the role of eCommerce lead.

We have engaged a panel of external experts in the dental field and held our first focused advisory meeting seeking feedback on our scientific and commercialisation focus in the dental health area. This process has validated the strength of product offer and the opportunities for growth.

It was particularly pleasing to receive validation of our marketing activity with the brand campaign winning the Health and Beauty sector award at TVNZ marketing awards. The campaign was designed to lift awareness and understanding of the novel ThroatGuard PRO proposition and resulted in the brand establishing itself as the number 1 product in the Throat Lozenge Category in New Zealand pharmacies.

Operations Report (continued)

Regulatory approvals

In the first half of the year two key regulatory milestones were achieved for BLIS M18™. In the US the FDA issued a GRAS “No Objection” notice and Health Canada approved BLIS M18™ with strong claims based on our efficacy dossier.

Financial performance

Trading revenue for the period increased by 77% or \$2.3m to \$5.2m compared to the same period last year.

EBITDA was \$1.0m, an increase of \$1.3m compared with the prior period. Net Profit was \$0.8m, an improvement of \$1.3m from the \$0.5m deficit recorded for the corresponding prior period.

Trading revenue
for the period
increased by 77%

Total expenses of \$4.5m were up 29% on the prior period. The increase is principally due to an investment in the R & D pipeline together with market development initiatives including investment to grow our BLIS branded product opportunities in New Zealand retail market and across eCommerce channels in particular on Amazon in the USA. This will provide Blis a higher share of profit margins and enable sales direct to the buyer.

As at 30 September 2019, the Company held a net working capital position of \$3.1m. The net cashflows from operating activities are a \$1.8m inflow resulting in cash balances at 30 September 2019 of \$1.9m.

THE FOUR PUBLISHED CLINICAL TRIALS ARE:

1. Pilot study to explore the prophylactic efficacy of oral probiotic *Streptococcus salivarius* K12 in preventing recurrent pharyngo-tonsillar episodes in pediatric patients.
Marini G, Sitzia E, Panatta ML, De Vincentiis GC.
Int J Gen Med. 2019 Jun 5;12:213-217. doi: 10.2147/IJGM.S168209. eCollection 2019.
2. Effects of *Streptococcus salivarius* K12 with nystatin on oral candidiasis-RCT.
Hu L, Mao Q, Zhou P, Lv X, Hua H, Yan Z.
Oral Dis. 2019 Sep;25(6):1573-1580. doi: 10.1111/odi.13142. Epub 2019 Jul 26.
3. A single-centre investigator-blinded randomised parallel group clinical trial to investigate the effect of probiotic strains *Streptococcus salivarius* M18 and *Lactobacillus acidophilus* on gingival health of paediatric patients undergoing treatment with fixed orthodontic appliances: study protocol.
Kaklamanos EG, Nassar R, Kalfas S, Al Halabi M, Kowash M, Hannawi H, Hussein I, Salami A, Hassan A, Senok AC.
BMJ Open. 2019 Sep 8;9(9):e030638. doi: 10.1136/bmjopen-2019-030638.
4. Oral probiotics reduce halitosis in patients wearing orthodontic braces: a randomized, triple-blind, placebo-controlled trial.
Benic GZ, Farella M, Morgan XC, Viswam J, Heng NC, Cannon RD, Mei L.
J Breath Res. 2019 May 31;13(3):036010. doi: 10.1088/1752-7163/ab1c81.

Outlook

The first six months of the 2020 financial year has seen good growth in revenue across all regions compared with the same period last year.

There is a deliberate weighting of investment into new markets in the second half of the financial year with a focus on developing a China cross-border eCommerce sales channel and planning for a launch of the BLIS range into the Canadian market. The prudent management required to balance the pipeline investment and accelerated growth opportunities whilst maintaining the profitable growth objective will continue in the second half of the year.

Based on the continued strong growth expected from the ongoing investment in market expansion and pipeline development we reaffirm our previous FY20 guidance of sustained profitable growth and an EBITDA similar with FY19.



Tony Offen

Chair



Brian Watson

Chief Executive

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2019*

	Notes	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
REVENUES				
Revenue	2	5,284	3,019	8,400
Interest received		8	3	6
		5,292	3,022	8,406
LESS				
Distribution expenses		81	44	120
Marketing expenses		643	248	787
Occupancy expenses		32	70	164
Employee benefits		1,230	1,022	2,074
Raw materials and consumables		1,223	675	2,305
Operating expenses		1,310	1,453	2,553
Finance expenses		14	10	22
		4,533	3,522	8,025
SURPLUS / (DEFICIT) BEFORE TAX		759	(500)	381
Income tax expense		-	-	-
SURPLUS / (DEFICIT) FOR THE PERIOD		759	(500)	381
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME / (DEFICIT) FOR THE PERIOD		759	(500)	381
Surplus/ (deficit) for the for the period is attributable to:				
Equity holders of the parent		759	(500)	381
		759	(500)	381
Comprehensive income for the year is attributable to:				
Equity holders of the parent		759	(500)	381
		759	(500)	381
Earnings / (deficit) per Share:				
Basic (cents per ordinary share)		0.07	(0.05)	0.03
Diluted (cents per ordinary share)		0.07	(0.05)	0.03
Net tangible assets per Share:				
Basic (cents per share)		0.33	0.16	0.26
Diluted (cents per share)		0.33	0.16	0.26

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 September 2019*

Notes	Share Capital \$'000	Retained earnings/ (deficit) \$'000	Share option Equity reserve \$'000	Total attributable to Group \$'000
OPENING EQUITY – 1 APRIL 2019	37,380	(33,996)	37	3,421
Surplus / (deficit) for the year	-	759	-	759
Other comprehensive income / (expense)	-	-	-	-
Total comprehensive Income	-	759	-	759
Equity contributions and distributions	-	-	-	-
Share option equity reserve	-	-	-	-
CLOSING EQUITY – 30 SEPTEMBER 2019 (unaudited)	37,380	(33,237)	37	4,180
OPENING EQUITY – 1 APRIL 2018	37,338	(34,377)	46	3,007
Surplus / (deficit) for the year	-	(500)	-	(500)
Other comprehensive income / (expense)	-	-	-	-
Total comprehensive Income	-	(500)	-	(500)
Equity contributions and distributions	-	-	-	-
Share option equity reserve	-	-	-	-
CLOSING EQUITY – 30 SEPTEMBER 2018 (unaudited)	37,338	(34,877)	46	2,507

CONSOLIDATED BALANCE SHEET

As at 30 September 2019

Notes	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
CURRENT ASSETS			
Cash and short term deposits	1,908	767	924
Trade and other receivables	1,580	674	2,372
Prepayments	140	54	220
Inventory	492	368	371
NZX bond	75	75	75
Foreign exchange contracts	-	-	4
	4,195	1,938	3,966
LESS CURRENT LIABILITIES			
Trade and other payables	947	632	929
Contract liability	-	-	22
Current borrowings	44	52	700
Lease liabilities	91	-	-
Foreign exchange contracts	36	48	-
	1,118	732	1,651
WORKING CAPITAL	3,077	1,206	2,315
NON CURRENT ASSETS			
Property, plant and equipment	638	745	669
Right-of-use assets	339	-	-
Finite life intangible assets	482	706	566
	1,459	1,451	1,235
NON CURRENT LIABILITIES			
Non current borrowings	108	150	129
Lease liabilities	248	-	-
	356	150	129
NET ASSETS	4,180	2,507	3,421
OWNERS EQUITY			
Share capital	37,380	37,338	37,380
Share option equity reserve	37	46	37
Retained earnings / (deficits)	(33,237)	(34,877)	(33,996)
TOTAL EQUITY	4,180	2,507	3,421



Tony Offen
Chairman



Graeme Boyd
Director

These financial statements have been authorised for issue 19th November 2019

CONSOLIDATED STATEMENT OF CASHFLOWS

For the six months ended 30 September 2019

Notes	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from / (applied to):			
Receipts from customers	6,076	3,069	6,771
Interest received	8	3	6
Payments to suppliers and employees	(4,227)	(3,228)	(7,338)
Finance costs	(14)	(10)	(22)
Net cash inflow / (outflow) from operating activities	1,843	(166)	(583)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from / (applied to):			
Capitalise intangible costs	(61)	(17)	(55)
Purchase of property, plant and equipment	(55)	(48)	(75)
Net cash inflow / (outflow) from investing activities	(116)	(65)	(130)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from / (applied to):			
Drawdown of borrowings	-	-	579
Repayment of borrowings	(677)	(19)	(40)
Repayment of lease liabilities	(39)	-	-
Repayment of share option	-	-	33
Net Cash inflow / (outflow) from financing activities	(716)	(19)	572
Net Increase / (Decrease) in cash held	1,011	(250)	(141)
Add cash and short-term deposits at start of period	924	1,059	1,059
Foreign exchange differences	(27)	(42)	6
Balance at end of period	1,908	767	924
COMPRISED OF:			
Cash and short-term deposits	1,908	767	924
	1,908	767	924

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. BASIS OF REPORTING

Reporting entity

The unaudited consolidated condensed interim financial statements presented are those of Blis Technologies Limited (the “Company”) and its subsidiary Blis Functional Foods Limited (the “Group”).

The Group’s principal activity is developing healthcare products based on strains of bacteria that produce bacteriocin activity for sale in New Zealand and overseas.

Statutory base

The Company is a profit-oriented entity, domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an FMC reporting entity under the Financial Markets Conduct Act 2013. The financial statements have been prepared in line with the requirements of these Acts and the Financial Reporting Act 2013.

Basis of Preparation

The unaudited consolidated condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with the New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”), as appropriate for interim financial statements (“NZ IAS 34”). The interim financial statements should be read in conjunction with the Group annual report for the year ended 31 March 2019.

This is the first set of the Group’s financial statements where NZ IFRS 16 Leases (“NZ IFRS 16”) has been applied. Changes from the application of NZ IFRS 16 are described in Significant accounting policies.

The unaudited consolidated condensed interim financial statements were authorised for issue by the Board of Directors on 19th November 2019.

Basis of Measurement

The unaudited consolidated condensed interim financial statements have been prepared on the historical cost basis, except for the derivative financial instruments that are measured at fair value at the end of each reporting period. Historical cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The same accounting policies and critical judgements, estimates and assumptions are applied in these unaudited consolidated condensed interim financial statements as were applied in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2019 except for the first time adoption of NZ IFRS 16.

The unaudited consolidated condensed interim financial statements are presented in thousands of New Zealand dollars. The New Zealand dollar is the Group’s functional currency.

The unaudited consolidated condensed interim financial statements do not include all the information required for full financial statements.

Critical Judgements, Estimates and Assumptions

In the application of NZ IFRS, the Directors are required to make judgements, estimates and assumptions about carrying values of asset and liabilities that

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 September 2019

are not readily apparent from other sources. Apart from the judgements used in the first time adoption of NZ IFRS 16 (Refer Significant accounting policies), the judgements estimates and assumptions used in the preparation of these unaudited consolidated condensed interim financial statements are consistent with those used in the Group's consolidated financial statements for the year ended 31 March 2019.

Significant Accounting Policies

Except as described below, the accounting policies in the unaudited consolidated condensed interim financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 31 March 2019.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2020.

New or amended standards adopted by the Group:

The following standard is mandatory for the Group's current accounting period:

- NZ IFRS 16 Leases

NZ IFRS 16 Leases

Impact of application

NZ IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard removes the distinction between operating and finance leases as previously required under NZ IAS 17 Leases ("NZ IAS 17") and introduces a single model for lessees which recognises all leases, except for short-term leases of 12 months or less and leases of low value assets, on the balance sheet through a right-of-use ("ROU") asset and a liability for the obligation to make lease payments.

The Group reviewed leases where the Group is the lessee and the leases primarily relate to leases for

properties and office equipment.

The Group adopted NZ IFRS 16 using the modified retrospective approach with the ROU asset being equal to the lease liability as at commencement date for all existing leases at 1 April 2019.

The Group has made use of the practical expedient available on transition to NZ IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with NZ IAS 17 will continue to be applied to those leases entered or modified before 1 April 2019. Comparative numbers have not been restated.

Impact on Lessee Accounting

Former operating leases

NZ IFRS 16 changes how the Group accounts for leases previously classified as operating leases under NZ IAS 17, which were off-balance-sheet.

Applying NZ IFRS 16, for all leases (except as noted below), the Group:

- Recognises ROU assets and lease liabilities in the consolidated balance sheet, initially measured at the present value of future lease payments;
- Recognises depreciation of the ROU assets and interest on lease liabilities in the consolidated statement of profit or loss; and
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the Consolidated statement of profit or loss

Lease incentives are recognised as part of the measurement of the ROU assets and lease liabilities whereas under NZ IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under NZ IFRS 16, ROU assets are tested for

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2019

impairment in accordance with NZ IAS 36 Impairment of Assets. This replaces the previous requirements to recognise a provision for onerous lease contracts.

For short-term leases and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by NZ IFRS 16. This expense is presented within occupancy costs in the consolidated statement of comprehensive income.

Financial Impact of adopting NZ IFRS 16

The Group has applied the following practical expedients when applying NZ IFRS 16 to leases previously classified as operating leases under NZ IAS 17:

- The use of a single discount rate to a portfolio of leases with similar characteristics
- Not recognising ROU assets and liabilities for leases with less than 12 months of lease term; and

- Not recognising ROU assets and liabilities if the underlying leased asset is considered a low value asset. The Group has opted to recognise a lease expense on a straight-line basis as permitted by NZ IFRS 16. This expense is presented within occupancy costs in the consolidated statement of profit or loss

Key judgement areas in applying the new standards are:

- The use of discount rates; and
- The assessment of whether options to extend or terminate a lease will be exercised.

The discount rates used are the Group's incremental borrowing rates ("IBR"). The Group's IBR is the expected borrowing rate obtained from financial institutions as if the Group had purchased the leased asset, with the term of the borrowing similar to the lease term. The IBR rate applied to each leased asset class are:

	IBR %
Properties	6.00%
Office equipment	6.00%

The adoption of NZ IFRS 16 had the following impact on the Group's unaudited consolidated statement of comprehensive income, balance sheet and cash flows.

	6 Mths 30 Sep 19 (Unaudited)
Occupancy costs	(46)
Other expenses	39
Finance expenses	7
Impact on net surplus/ (deficit) for the year	-
Right-of-use asset	338
Lease liabilities	(338)
Impact on net assets	-
Net cashflow Inflow / (outflow) from operating activities	39
Net cashflow Inflow / (outflow) from financing activities	(39)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2019

Going Concern

The financial statements have been prepared based on an assumption of going concern.

The Group has recorded a net surplus of \$759k for HY20 (HY19: deficit \$500k).

The Directors believe the going concern assumption is valid, reaching such a conclusion after having regard to the circumstances which they consider reasonably likely to affect the Group during the period of one year from the date the unaudited consolidated condensed interim financial statements are approved.

Specifically, the Group held cash reserves and working capital of \$1,908k and \$3,077k respectively as at 30 September 2019 which is considered sufficient to meet its liquidity and working capital requirements.

Based on management budgets and plans, the Group will be able to meet financial obligations for at least 12 months from the date of approval of the unaudited consolidated condensed interim financial statements.

The Directors believe that there is no material uncertainty in respect of the Group's ability to continue

as a going concern for the period assessed above due to the level of its current cash holdings and ability to generate operating cash flows. Nevertheless, in the event it fails to achieve planned profitability, the Group may not be able to continue as a going concern.

If the Group were unable to continue as a going concern, and pay debts as, and when, they become due and payable, adjustments to the carrying value of assets would have to be made to reflect the situation. In such circumstances, assets may need to be realised and liabilities extinguished, other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. This situation would likely impact, in particular, on the carrying value of plant and equipment and intangible assets

The unaudited consolidated condensed interim financial statements do not include any adjustments relating to the classification and recoverability of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

2. REVENUE

Revenue consists of the following items:

Point in time recognition:

Sale of goods – domestic sales

Finished goods

Ingredients

Sale of goods – export sales

Finished goods

Ingredients

Grant revenue

Other revenue

Over time recognition:

Right to access

	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
Revenue consists of the following items:			
<i>Point in time recognition:</i>			
Sale of goods – domestic sales			
Finished goods	676	645	1,187
Ingredients	23	-	39
Sale of goods – export sales			
Finished goods	863	97	1,934
Ingredients	3,545	2,190	4,953
Grant revenue	58	62	115
Other revenue	21	25	46
<i>Over time recognition:</i>			
Right to access	98	-	126
	5,284	3,019	8,400

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2019

3. RECONCILIATION OF NET SURPLUS / (DEFICIT) WITH CASHFLOWS FROM OPERATING ACTIVITIES

	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
NET SURPLUS / (DEFICIT) FOR THE PERIOD	759	(500)	381
Adjustments for non-cash items:			
Amortisation of capitalised product development costs	48	74	149
Amortisation of patents	71	57	136
Amortisation of trademarks	4	-	3
Amortisation of website development	22	23	45
Depreciation	125	88	192
Foreign exchange loss / (gain)	27	42	(5)
Loss / (gain) on fair value of foreign exchange contracts	-	-	(4)
Movement in working capital			
Trade and other receivables	795	20	(1,682)
Prepayments	80	35	(132)
Inventories	(121)	(25)	(28)
Trade payable and contract liability	33	20	362
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	1,843	(166)	(583)

4. SHARE CAPITAL

	30 Sep 19 (Unaudited)		30 Sep 18 (Unaudited)		31 Mar 19 (Audited)	
	No. of shares	\$,000	No. of shares	\$,000	No. of shares	\$,000
Balance at the beginning of the period (fully paid)	1,107,653,565	37,380	1,107,653,565	37,338	1,107,653,565	37,338
Shares issued pursuant to CEO Share plan	-	-	-	-	-	42
Balance at the end of the period	1,107,653,565	37,380	1,107,653,565	37,338	1,107,653,565	37,380

5. CAPITAL COMMITMENTS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no capital commitments or material contingent assets or contingent liabilities as at 30 September 2019 (30 September 2018: \$Nil).

6. INVESTMENT IN SUBSIDIARY

Subsidiary	Percentage Held			Balance Date	Principal Activity
	30 Sep 19	30 Sep 18	31 Mar 19		
Blis Functional Foods Limited	100%	100%	100%	31 March	Non-trading

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2019

7. SEGMENTAL REPORTING

7.1 Operating Segments

The Group is internally reported as a single operating segment to the chief operating decision-maker.

7.2 Revenue from major products and services

	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
The Group's revenues from its major products and services were as follows:			
BLIS products	5,186	2,948	8,285
Non-core business	106	74	121
Total Revenue	5,292	3,022	8,406

Non-core revenues include interest received, grant revenue and contract manufacturing revenue of non BLIS branded products

7.3 Information about geographical areas

The Group operates in 3 principal geographical areas; Asia Pacific, Europe Middle East & Africa and North America.

The Group's revenues from external customers and information about its assets by geographical location (of the customer) are detailed below:

	Revenue from external Customers			Non current Assets		
	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000	6 Mths 30 Sep 19 (Unaudited) \$'000	6 Mths 30 Sep 18 (Unaudited) \$'000	12 Mths 31 Mar 19 (Audited) \$'000
New Zealand	729	645	1,226	1,459	1,451	1,235
Asia Pacific (excl. NZ)	1,061	548	2,866	-	-	-
Europe, Middle East & Africa	2,446	1,325	2,971	-	-	-
North America	991	439	1,222	-	-	-
Total Trading Revenue	5,227	2,957	8,285	1,459	1,451	1,235
Interest received	8	3	6	-	-	-
Grant revenue	57	62	115	-	-	-
Total Revenue	5,292	3,022	8,406	1,459	1,451	1,235

Revenues for the six months to 30 September 2019 include \$2,414k, \$700k, and \$597k, which arose from sales to the Group's three largest customers.

Revenues for the six months to 30 September 2018 include \$1,302k, \$462k, and \$417k, which arose from sales to the Group's three largest customers.

Revenues for the year ended 31 March 2019 include \$2,945k, \$1,652k and \$991k which arose from sales to the Group's three largest customers.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the six months ended 30 September 2019

8.SUBSEQUENT EVENTS

There were no subsequent events post 30 September 2019.



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