

NZX APPENDIX 1 RELEASE

BLIS TECHNOLOGIES LIMITED

For the six months ended 30 September 2017

The information below relates to the preliminary announcement required under Listing Rule 10.3.1 and Appendix 1 of the NZX Main Board Listing Rules:

2.1 Details of the reporting period and previous reporting period

Reporting Period	6 months to 30 September 2017
Previous Reporting Period	6 months to 30 September 2016

2.2 Information prescribed by NZX

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the six months ended 30 September 2017

	Amount (\$000s)	Percentage change
Revenue from ordinary activities	2,072	46% decrease
Profit (loss) from ordinary activities after tax attributable to security holder	(1,246)	[391]% decrease
Net profit (loss) attributable to security holders	(1,246)	[391]% decrease

Interim/Final Dividend: The Company does not propose to pay dividends to its shareholders.

2.3 The following information:

(a) A Statement of Financial Performance

Refer to the Financial Statements for the six months ended 30 September 2017.

(b) A Statement of Financial Position

Refer to the Financial Statements for the six months ended 30 September 2017.

(c) A Statement of Cash Flows

Refer to the Financial Statements for the six months ended 30 September 2017.

(d) Details of dividends or distributions

The Company does not propose to pay dividends to shareholders.

(e) Details of any dividend or distribution reinvestment plans in operation

The Company has no dividend reinvestment plan.

(f) Net tangible assets per security

Refer to Note 3 of the Notes to the Financial Statements for the six months ended 30 September 2017.

(g) Details of entities over which control has been gained or lost during the period

Nil

(h) Details of associates and joint venture entities

Nil

3.1 Basis of preparation

The financial statements for the six months to 30 September 2017 have been prepared in accordance with 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)

3.2 Accounting policies

Refer to the Statement of Accounting policies in Note 1 of the Notes to the Financial Statements for the six months ended 30 September 2017.

3.3 Changes in accounting policies

There has been no material changes in the accounting policies applied in prepared of the Financial Statements for the six months ended 30 September 2017.

3.4 Audit report

The interim Financial Statements for the six months ended 30 September 2016 have not been audited.

3.5 Additional information

Going Concern

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

The Group has recorded a net deficit of \$1,246k for HY18 (HY17: surplus \$428k) for HY18.

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 financial statements are approved.

Specifically, the Group held cash reserves of \$526k as at 30 September 2017 which is considered sufficient to meet its working capital requirements. The Company is investing in a new tablet press and has finance in place to fund this. It is also upgrading the plant to a fully accredited "Good Manufacturing Practice" (GMP) status, regulatory approvals and new product launches as part of the Company's growth strategy. Depending on progress, the Company may consider options to support its growth and may seek additional capital by way of a placement and/or share plan.

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 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

MAJOR CHANGES OR TRENDS IN THE COMPANY'S BUSINESS

Refer to the commentary in the Operations Report.

UNREALISED GAINS RESULTINGS FROM REVALUATIONS

There are no unrealised gains resulting from the revaluation of assets of the Company or its subsidiaries, or any unrealised net changes in values or development margins of investment assets included as separate items after profit before extraordinary items.