

Some Change To Guidance After Discoloured Product Discovery

10:45am, 4 Nov 2015 | GENERAL
4 November 2015

Some Change To Guidance After Discoloured Product Discovery

As a precautionary measure, Blis Technologies Limited halted trading on the NZX Monday morning after speckled discolouration in samples of a blister-packed lozenge product was discovered in Europe. Blis Technologies is implementing a process to replace the affected product.

This particular formulation was contract manufactured by Blis specifically for one European customer. A quality control investigation has now revealed that under extreme humidity some speckling of product is possible. Investigations of retention samples held by the company in New Zealand show the product remains safe although cosmetically unacceptable.

Europe experienced a particularly hot and humid summer this year and the Blis Technologies Research and Development team is now working with the company's European distributor to improve the methods of transporting and storage from the point of leaving New Zealand to getting to the end consumer. Improvements are being implemented in production, quality control and logistics. As a short term solution to meet ongoing demand some lozenges will be manufactured in Europe.

The underlying science behind Blis products is unquestioned and backed by clinical trials.

The problem does not affect product developed for other markets such as the US, Japan, and China. Products sold in New Zealand such as ThroatGuard, FreshBreath, and TravelGuard have a different formulation and are not impacted. Plans for expansion of product sales in Japan and Australia scheduled for later this year remain on track.

While some additional costs are expected in terms of replacement of product, the board is not revising its revenue guidance, but is making an as yet undetermined provision of up to \$350,000 against the half year results.

On October 14, based on prospective half year results, forward orders, planned customer product releases and the prevailing exchange rate, Blis Technologies revised its revenue guidance for the full year for revenue to increase by over 100% to in excess of \$5.3m.

BLIS Technologies Limited

Peter Fennessy
Chairman

Blis Technologies Limited.

10 Birch Street, Dunedin 9016. New Zealand. info@blis.co.nz www.blis.co.nz