



27 May 2021

FY21 Financial Results

Blis Technologies Limited (NZX:BLT) (Blis, the Company) has today reported its results for the 12 months to 31 March 2021. Blis has delivered revenue of \$10.6 million and EBITDA of \$1.0 million. Revenue is in line with market guidance provided earlier in the year, while EBITDA is at the lower end of the guidance range.

Key highlights for FY21 are:

- Revenue of \$10.6m
- EBITDA of \$1.0m
- Net Profit of \$0.6m
- Ingredients revenue up 12%
- Finished product sales through e-commerce up 22%
- Pharmacy retail sales down 38%
- New market developments
 - Canada launch
 - CBEC Tmall flagship store launch
- New probiotic strain and new product range launch
 - Commercial release of BLIS Q24™
 - Launch of the Unconditional Skincare Co., a skincare brand based on live probiotics, the first product being a hydration serum
- Regulatory approvals
 - Health Canada approval of finished product range
 - BLIS K12™ and BLIS M18™ approval in India

“The FY21 financial year has been one of significant challenge to Blis. Changes in market conditions and consumer behaviours provided us with a new lens to view strategy delivery. Alongside the need to be extremely flexible under a fast changing environment, we have made significant investment in future growth drivers” said Blis Chairman, Tony Offen.

“The development of new markets, the launch of our first skincare offering, and further investment in our future product pipeline are the foundations for delivery of growth for the company in the medium term” added Blis CEO, Brian Watson.

“These are all areas that represent several years of work so it’s really pleasing to see the developments progress to the point where they become revenue drivers rather than in-house projects. All of these developments occurred in the 4th quarter of the financial year so have had little effect on revenue for FY21. There has however been considerable upfront investment added to our cost base. We estimate the cost without matching revenue to be around \$0.9m” commented Mr Watson.

Regional sales performance

Revenue (NZ\$m)	FY21	FY20	Change %
Asia Pacific	2.4	3.7	-34
Europe/ Middle East	3.1	4.0	-22
North America	5.1	3.0	+71

Over the past 12 months our existing pharmacy retail sales channels have been significantly impacted by the covid pandemic driven reduction in foot traffic through retail stores. As consumers have quickly adapted to buying online, their changed purchasing patterns have prompted us to accelerate our digital and e-commerce investment and focus.

Markets such as NZ, Australia and Europe with a strong retail presence have seen a reduction in sales revenue. In the USA where we are heavily focused on the e-commerce channel through our customer base and our own finished products on Amazon, sales have performed particularly well, delivering a 71% increase in revenue.

Outlook

The delivery of meaningful longer-term growth will require ongoing investment upfront. In the current year, while a return to revenue growth is expected, there will be increases in costs as part of the strategic evolution to a D2C, e-commerce, R&D business. Internal capability-building is expected to result in neutral earnings growth until the benefits of the new strategy are fully realised.

It is our expectation that, in the longer term, finished products will comprise the majority of Blis' sales revenue. Investment in innovation and science will continue, building on our pioneering research heritage, in order to realise the full potential of probiotics in improving human health and wellbeing. The assessment of new and emerging market opportunities will be actively pursued. Collaboration agreements with aligned industry partners will be actively sought in order to capitalise on the international reach these opportunities can deliver.

Ends

For further information, please contact:

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About Blis Technologies Ltd

Delivering proven health benefits through evidence-based, advanced probiotics

Blis Technologies is an NZX-listed manufacturer of advanced probiotic strains that go beyond the gut. Combining innovation with evidence-based research and the highest quality production controls enables the delivery of probiotic solutions for specific health targets including throat health, halitosis (bad breath), immune support, teeth and gum health and skin health. BLIS® products are sold throughout New Zealand and in Australia, Asia, Europe and the USA. More information about Blis Technologies Ltd can be found at www.blis.co.nz.

Website: www.unconditionalskin.com

Instagram: @unconditionalskin #BLISQ24 #USC

Facebook: @unconditionalskin