



**28 August 2024**  
**BLIS Technologies Limited**  
**Annual Shareholder Meeting 2024**

## **Chair's Address**

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### **Slide 1 - Introduction**

Good morning, and welcome everyone to the BLIS Technologies Limited Annual Shareholder Meeting for 2024. My name is Geoff Plunket, and I am Chair of the Board for BLIS Technologies.

On behalf of my fellow directors, our new Chief Executive, Scott Johnson and all the BLIS team it is my pleasure to welcome you all here today in person and to those of you attending online. Welcome

### **Slide 2 – Voting and asking questions**

Today we are providing both an in person and online attendance option for shareholders. It is pleasing once again to have so many shareholders join us online today, and to see so many of you in person.

When it comes to voting: For our shareholders in attendance here you may vote as usual on the voting card provided to you at the registration desk when you arrived. For shareholders online, you will be able to cast your vote online by pressing the “Get a voting card” button and validating yourself using your shareholder or proxy number. Please note that only shareholders, proxy holders or shareholder company representatives may vote.

Please refer to our virtual meeting online portal guide or contact the team at MUFG Corporate Markets on 0800 200 220 if you require any assistance.

Shareholders online will also be able to ask questions by clicking the “ask a Question” button. I encourage shareholders who have questions to send their questions through as soon as possible.

I am pleased to say that the meeting has been properly called and there is a quorum present.

We will be using slides during the meeting. For those of you online you will be able to see these and follow along. They have also been posted to the NZX and are available on the BLIS website.

A quick Health & Safety note - for those of you here with us, in the unlikely event of an emergency the building needs to be evacuated, please evacuate via the emergency exit doorways indicated. Follow the signs to the main staircase and out to the front entrance by the nearest assembly point.

### **Slide 3 - Agenda**

The agenda for this morning will include an overview from myself of the company's performance for the year to 31 March 2024. Scott Johnson, our CEO, will then provide you with a deeper review of the results, and on progress against our strategic plan.

There will then be an opportunity for shareholders to ask questions. We will first take questions from those in attendance here today and then any questions posted online that have not already been covered by responses to previous answers.

Following this we will then move to the formal business of the meeting. At that point I will outline the process for the discussion and voting on the three resolutions set out in the agenda.

At the meeting's conclusion, for those of you here with us we would be delighted if you would join the directors and the BLIS team for light refreshments and further discussions.

### **Slide 4 – Introductions**

Before reviewing the company's performance, I would first like to introduce our new CEO and the Board. Their profiles are available on the BLIS Technologies website and are also included within the annual report.

Scott Johnson – Appointed in January 2024, Scott is an experienced CEO with over 35 years of experience in consumer and health and wellness sectors both internationally and within Australasia with businesses such as IBM, Frucor-Suntory and the GO-Healthy Group.

Myself, Geoff Plunket – joined the Board in May 2018, held the role of chair since July 2021. CEO of Port Otago from 2004 to 2017, currently an independent director on Port of Auckland.

Aimee McCammon – was appointed to the Board in October 2021, CEO of Pic's Peanut Butter based in Nelson, with a background in advertising, marketing and governance.

Dr Alison Stewart. Alison joined the board in September 2018. Alison brings to the board substantial experience as a research and innovation leader. Alison is currently CEO of the Foundation for Arable Research.

Dr Barry Richardson. Barry joined the board in 2018. Barry has a science background and brings both BLIS specific and international biotechnology and nutritional dairy industry experience to the board.

Anita Johansen – CEO of Probi AB, joined the Board in January this year. Anita has a background in pharmaceuticals and has held leadership positions in various global consumer healthcare companies and is a board member of both the International Association of Probiotics (IPA) and IPA Europe.

### **Slide 5 - Results**

It is pleasing to report that after two years of operating losses that BLIS Technologies has returned to profitability. Profit for the year of \$0.6m was achieved on revenue of \$11.5m, which was 12.6% higher than the previous year.

Revenue growth was achieved in our Business to Business (B2B) segment, with an 18% increase in ingredient sales and royalty income. Revenue in the Business to Consumer (B2C) area was affected

by cost of living pressures on our customers and as a result revenue grew modestly at 1.6% on the previous year.

The revenue growth combined with a tight control over costs resulted in an improved trading performance. The Profit for the year of \$0.6m compares with a Loss of \$1.4m in the previous financial year.

This year's result reflects early success from the Company's tighter strategic focus.

BLIS continues to be in a strong financial position with bank balances and short term deposits of \$8.3m.

## **Strategy**

The Board and BLIS Leadership Team remain committed to the current strategy of B2B revenue growth from ingredient sales and royalty income as the pathway to delivering sustained profitability.

We have updated the 3 year strategic plan for the business. This plan has a commercial focus structured on working closely with key customers to enhance our value proposition, developing joint business plans to capitalise on the opportunities in their respective markets. We will continue to explore new opportunities in other markets where we can present a competitive offering.

R&D activities have been refocused on ensuring BLIS has appropriate regulatory approval in key markets to support the ongoing commercialisation of BLIS' two hero probiotic ingredients, BLIS K12™ and BLIS M18™.

## **Dividend payment**

BLIS continues to enjoy financial stability with current cash balances of \$8.3m.

With the return to profitability attention does turn to the ability of the Company to pay a dividend. To consider making a distribution to shareholders, the board will need to see an established record of sustainable profitability while holding sufficient cash reserves. At this stage the Company will not be paying a dividend. The Board will keep this under review and will consider a dividend payment at the appropriate time.

## **CEO Address**

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### **Slide 6 – CEO Address (Handover to Scott)**

Thank you, Geoff,

On behalf of the Leadership Team, I would like to welcome the shareholders in the room here in Dunedin and those online thank you for your interest and support of the company as it is integral to our journey.

### **Slide 7 - BLIS Leadership Team**

It is my pleasure to introduce the BLIS Leadership team, who collectively represent all functions of the business. If relevant they will be available to respond to questions later.

Team, Please raise your hand, so people can see who you are.

Ash Childs – People and Culture Manager

Melissa Drysdale – Head of Quality

Jen Walker – CRO

Richard Wingham – CFO

Dr John Hale - CTO

### **Slide 8 – Probiotic Supplements Market Overview**

To start the presentation today, I would like to share an overview of our total addressable market and its projected growth over the next 7 years. The key point is with a projected compound annual growth rate (CAGR) of 13.49%, there continue to be favourable tailwinds in the space we play in, now and into the future. In addition, the 2 biggest markets in the probiotic space are the USA and China and they are both markets BLIS is focused on.

### **Slide 9 + 10 – Summary FY24 results**

In FY24, the company revenue was \$11.5m, which was 12.6% growth on the prior year. Pleasingly the EBITDA was \$800k, which has been delivered after 2 years of losses. It is important to note that the strategy reset has delivered a return to profitability.

### **Slide 10 - Summary FY24 results (channel split)**

In terms of how this result was delivered for BLIS, there are some key metrics to share with you all. Firstly, the B2B channel revenue grew 18.2% and the B2C channel grew a modest 1.6%. The B2B channel growth was underpinned by strategic partnerships with key customers such as Probi and BSP. As a result, royalty revenue grew 3.7X on last year.

Looking at the sub-channels with B2C, there were some very encouraging results with Amazon growing year on year 21.8% on the back of the X (Twitter) post that highlighted a study that suggested consumption of BLIS K12™ may help alleviate Covid-19 symptoms. NZ Pharmacy also grew 16.4% due to a successfully executed dental campaign, focussed promotional effectiveness and working closely with our business partner on improving in-field sales execution. Revenue from BLIS' e-commerce also increased by 16.5% through successful management of all aspects of the marketing mix.

### **Slide 11 – FY24 Strategic Summary**

Over the last 2 years, the BLIS strategy has been all about focus to deliver sustainable profitability. As a leadership team we have continued to refine that focus and ensure it is relevant to the market and the customers within them. This has led to an even tighter focus on our core product offerings of BLIS K12™ and BLIS M18™ with the premise that we need to earn the right to introduce additional

new products on the base platform that our core delivers by working with our key business partners in markets that have been assessed as attractive based on key criteria. Based on those strategic choices, the next stage has been all about executional excellence through joint business planning with customers such as Probi, BSP and Wilsons to name 3. Part of that process has been aligning on key measures to assess our progress to delivering the results required for sustainable profitability. To ensure, we seamlessly build on that base platform of growth and look to the future, emerging countries such as India and Brazil are being invested in by the team spearheaded by our global key account managers. It is important to note, given the tighter focus above, that we remain committed to supporting existing customers in areas such as skincare.

### **Slide 12 – BLIS Strategy House**

The image projected on the screen is the BLIS Strategic Framework. It is important to note that throughout the process of the strategic plan refresh and its refinement, which has been all about focussing on the right things first to deliver sustainable profitability, our Purpose, Vision, and Values which were crafted based on input from everyone in the BLIS team have remained as a cornerstone. For example, our 'why' or purpose is still about 'developing breakthrough probiotic solutions for the health and wellbeing of global customers' through our vision of being a globally recognised partner and leader in probiotic innovation. The way we do things within BLIS has been all about living and breathing our values, which you can see as the base platform of this BLIS Strategic Framework. Eg Our Mana, Customer First, make it Happen and One Team.

As part of our ESG commitment, this financial year we started pursuing B Corp Certification. Unlike other certifications, B Corp Certification evaluates our entire social and environmental impact, aligning well with our company values.

### **Slide 13 – Q1 Update and Outlook**

Earlier this month we released our Q1 unaudited results, which saw revenue growth of 23% quarter vs quarter a year ago and an EBITDA result of \$458k.

Revenue for the 3 months to 30 June 2024 was \$3.4M, an increase of \$640k compared with the same period LY.

Key drivers were:

- B2B Ingredient revenue up 23%
- Amazon revenue up 65%
- E-Commerce revenue up 80%.

The first quarter results continue a positive theme from LFY and provide a solid platform the remainder of the FY, as we look to deliver on the objective of sustainable profitability.

The outlook for the rest of the year is for double digit growth to continue for topline revenue whilst delivering an EBITDA result similar to LY, but with approximately \$500k of China regulatory costs contained within the FY25 P&L. This investment is key for our long-term growth in one of focus markets.

A market update on our progress will be provided with the half-interim report.

#### **Slide 14 - In summary**

We feel positive and excited about the future and ensuring BLIS delivers the potential that it has. We will continue to maintain a laser like focus on our core value proposition which is built around the proven performance of BLIS K12™ and BLIS M18™. Scaling up those winning value propositions by taking them to selected countries in conjunction with our business partners through aligned joint business plans, which have key performance measures built into them is how we are collectively executing with excellence to deliver the results required for all stakeholders. Based on that focused strategy delivering sustained profitability, we will deliver targeted NPD, which will deliver additional value on that base platform. None of this is possible without a committed team to execute the strategic plan and to that end, the Leadership Team will continue to nurture our talent through established development plans, so we maintain our great place to work culture.

With that, I will hand over to Geoff who will facilitate the questions section of the meeting.

Thank you.