



HALF YEAR REPORT

FOR THE SIX MONTHS TO 30 SEPTEMBER 2022



**PROBIOTIC PIONEERS
FOR A HEALTHIER YOU**



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HY23 SUMMARY

\$4.3m

REVENUE
+10%

\$4.6m

**UNDERLYING
REVENUE***
+17%

+23%

**INGREDIENT
REVENUE**

Strong rebound
European sales
Weak USA sales
combined with
start of Probi sales

+3%

**FINISHED
PRODUCT
REVENUE**

Canadian stock
return costs
Daigou growth
NZ growth

+19%

**UNDERLYING
FINISHED
PRODUCT
REVENUE***

\$1.2m

**EBITDA
LOSS**

\$0.8m

**UNDERLYING
EBITDA LOSS***

SHOWCASING OUR INNOVATION GLOBALLY

- VitaFoods Europe and Asia
- Skin Microbiome conference
- Positive skincare engagement from established industry brands

PROBI STRATEGIC PARTNERSHIP

- First royalty revenue from licensing agreement
- APAC customer event: BLIS® strains promoted
- Commercial supply commencing

R&D PROGRESS

- Patent filings progressed
 - » Oral composition (PCT stage)
 - » Topical composition (PCT stage)
 - » Anti-virus (National phase)
- Strengthening BLIS K12™ evidence base: Upper respiratory health

* Refer to Note 2 of the Financial Statements.

HALF YEAR REPORT

CHAIR & CHIEF EXECUTIVE'S REPORT

STRATEGY RESET WITH A FOCUS ON RETURNING TO SUSTAINABLE PROFITABILITY

The main focus in the first half of the FY23 financial year has been to implement the strategy reset announced in July 2022 and to grow revenue to return to a profitable trading position.

As stated in our strategy reset, we are prioritising growth of our ingredient business through Business to Business (B2B) revenue opportunities and by working with partners. The relationship Blis established in July 2021 with Probi represents a blueprint for the new strategy. The licensing of BLIS K12™ and BLIS M18™ ingredient technology allows us to leverage our partner's global customer base and market presence.

The strategy reset includes a narrower focus related to Business to Consumer (B2C) opportunities. We have prioritised our BLIS

PROBIOTICS® sales into NZ retail and NZ daigou, on our own Blis website and on the Amazon platform in North America, which are markets and channels where we have established a solid presence and have the opportunity to deliver profitable growth.

FINANCIAL OVERVIEW

Revenue for the six months to 30 September 2022 was up by 10% to \$4.3m, including a stock buy back associated with the withdrawal from the Canadian market. Excluding this one-time revenue adjustment, underlying revenue growth was 17%.

Strong revenue growth was achieved in the European market with revenue returning to pre-covid levels. Our sales performance in the key US market was again disappointing with a further decline in revenue.

Royalty income from Probi began accruing at the end of the reporting period as they commenced the first supply of product manufactured by themselves under license to their existing customer base.

An unaudited loss of \$1.7m was recorded in the six months to 30 September 2022 (FY22 loss of \$1.8m).

The result includes a number of one-off costs associated with the strategy reset. Full provision has been made in this reporting period for the estimated costs of withdrawing from Canadian retail market, the decision to discontinue direct selling of our skincare product, Unconditional Skincare (USC) and the costs of restructuring internal operations. The one-off costs amount to \$0.6m.

EBITDA loss for the interim period was \$1.2m. After deducting the one-off costs the underlying EBITDA loss is \$0.8m, an improvement on the loss of \$1.5m reported in the previous half year.

The Company's cash position improved during the period by \$0.2m to \$8.8m. Operating cash flow was \$0.4m surplus despite the trading loss for the period due to the reduction in account receivable balances at the end of the period.

REGIONAL REVENUE PERFORMANCE

As in other years we have seen continued fluctuations between

quarters as larger customers order patterns change and impact the overall quarter or even half year results. This pattern is expected to continue.

Europe Middle East Revenue growth of 65% to \$2.1m

We have seen a significant recovery in our European sales, growing 65% compared with the same period last year. Our distribution partner BlueStone Pharma has reported a recovery in most markets they service, as the pandemic restrictions eased allowing representatives to once again visit health professionals and foot traffic returning to pharmacies.

North America Revenue decline of 57% to \$0.6m

North America has been particularly disappointing, declining by 57% compared with the same period last year. This result is attributable to weak market conditions, uncertainty in the current inflationary environment and overstocking by existing customers effecting overall

ingredient ordering patterns. Our distributor has been particularly impacted by the delayed ordering patterns of several large customers.

Additionally, Probi are transitioning their customers from ingredient supplied through our current distributor to their own manufactured product under our Licensing and Supply Agreement. North America is a key sales region for Probi and they will actively target new business with their own production from the next quarter. For Blis this represents a transition of ingredient revenue to royalty revenue.

Our Amazon North America sales have continued to grow delivering a 20% revenue increase over HY22.

At the time of our strategic reset our intention was to look for a distributor to take over our direct retail position in the Canadian market. Following market review and discussion with interested parties we have decided the best path forward in this market is to focus on Amazon Canada selling. In

CHAIR & CHIEF EXECUTIVE'S REPORT CONTINUED

line with our B2B focus we will also leverage existing and new brand relationships to broaden our retail exposure.

Asia Pacific

Revenue growth of 33% to \$1.6m

Asia Pacific revenue increased 33% on the same period last year, attributable to strong NZ sales growth across pharmacy retail and NZ based daigou customers. There has been a focus on growing daigou sales following the closure of our Tmall store and are pleased with the revenue growth we are generating from this alternative CBEC approach. We have also experienced 29% growth in sales from our BLIS webstore, albeit from a smaller base.

Japan ingredient sales grew 9%, aided by the strengthening of the US dollar.

PROBI LICENSING AND DISTRIBUTION AGREEMENT

Revenue during this reporting period includes our first royalty revenue from our Probi strategic partnership where we have licensed selling of BLIS K12™ and BLIS M18™. While the revenue is low we remain very positive regarding the growth potential as Probi expand their marketing activities.

In September 2022, Blis senior management visited Probi's head office in Lund, Sweden, to personally meet their wider management team and visit their research facilities. Tom Rönnlund, the Probi CEO, had visited NZ in the previous month, attending a board meeting in person and meeting with Blis staff across the various operational areas. These visits have further reinforced the positive collaboration between the companies. During October Blis attended a successful Probi Asia Pacific event in Singapore, interacting with a range of Probi customers from across the region and presenting BLIS K12™ and M18™ to a highly engaged audience.

From the end of October 2022 we ceased the sale of the USC brand as part of us transitioning to a B2B model and partnering with established skincare players globally. We were particularly excited to attend a Skin Microbiome event in Boston which was well attended by multinational and established regional skincare companies as well as other skin microbiome innovation companies. This event validated the breakthrough technology we have developed for skincare, and how we lead the world in developing a

live topical probiotic for cosmetic skincare use. From this event we have several promising leads with established players within the skincare category.

RESEARCH AND DEVELOPMENT

Our strategic review reinforced the importance of our R&D investment and highlighted this as a core strength. Our R&D investment has been refocused on assets that fit with our overall B2B prioritisation.

We have recently seen an exciting mix of clinical trials with BLIS K12™ published highlighting the potential role it may have in reducing the frequency and length of a range of respiratory illness caused by both viruses and bacteria. While further research is required in this area, this data has highlighted the broader role BLIS K12™ can play in preventing upper respiratory illness across both children and adults.^{1,2,3}

In line with this we have made good progress developing our probiotic toothpaste proposition including positive clinical evaluation – colonisation and acceptability (sensory evaluation).

In line with our breakthrough probiotic innovation, we continue to progress several new patents

through the process towards granting of full patent rights. New pending patents in progress include:

- Oral composition patent – at PCT stage
- Topical Composition patent – at PCT stage
- Progression of anti-virus patent to National Phase review

STAFF

We take this opportunity to thank all staff for their contribution and commitment as we reposition the business to achieve a sustainable and profitable market position. The easing of travel restrictions has enabled staff to reconnect with customers and to present Blis products at trade shows and to present at conferences. This has provided an encouraging number of leads which we will be exploring over the second half of the financial year.

OUTLOOK


There remains market uncertainty based on the economic conditions in many markets, this will be closely monitored, particularly in the US.

We are encouraged by the early B2B leads we have established; however, we recognise that sales cycles can be long within the industry so the full benefit of this revised focus will take time to flow through.

Our narrower B2B mix with a focus on profitable growth has removed much of the pressure for investment to open new markets, providing a more sustainable position for the company.

These changes are part of the board and management's focus on a return to profitability, which we remain confident of in the new financial year once one-off and transition costs are washed through.

We will continue to update shareholders as we continue to implement the new strategy.



Geoff Plunket
Chair

10 November 2022



Brian Watson
Chief Executive Officer

10 November 2022

1. Di Pierro, F., & Colombo, M. (2021). The administration of *S. salivarius* K12 to children may reduce the rate of SARS-CoV-2 infection. *Minerva Medica*, 112(4). <https://doi.org/10.23736/s0026-4806.21.07487-5>

2. Wang, Q., Lin, X., Xiang, X., Liu, W., Fang, Y., Chen, H., Tang, F., Guo, H., Chen, D., Hu, X., Wu, Q., Zhu, B., & Xia, J. (2021). Oropharyngeal Probiotic ENT-K12 Prevents Respiratory Tract Infections Among Frontline Medical Staff Fighting Against COVID-19: A Pilot Study. *Frontiers in Bioengineering and Biotechnology*, 9. <https://doi.org/10.3389/fbioe.2021.646184>

3. Guo, H., Xiang, X., Lin, X., Wang, Q., Qin, S., Lu, X., Xu, J., Fang, Y., Liu, Y., Cui, J., & Li, Z. (2022). Oropharyngeal Probiotic ENT-K12 as an Effective Dietary Intervention for Children With Recurrent Respiratory Tract Infections During Cold Season. *Frontiers in Nutrition*, 9. <https://doi.org/10.3389/fnut.2022.900448>



FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
REVENUES				
Revenue	3.1	4,290	3,893	8,965
Other income	3.2	74	341	488
Total revenue and other income		4,364	4,234	9,453
EXPENSES				
Distribution expenses		140	88	263
Marketing expenses		772	1,932	3,436
Occupancy expenses		47	33	70
Employee benefits		2,072	1,864	3,594
Raw materials and consumables		848	680	1,925
Operating expenses		2,159	1,407	2,827
Finance expenses		15	28	45
Total Expenses		6,053	6,032	12,160
SURPLUS / (DEFICIT) BEFORE TAX		(1,689)	(1,798)	(2,707)
Income tax expense		-	-	-
SURPLUS / (DEFICIT) FOR THE PERIOD		(1,689)	(1,798)	(2,707)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		(1,689)	(1,798)	(2,707)
Earnings / (deficit) per share:				
Basic (cents per ordinary share)		(0.13)	(0.14)	(0.22)
Diluted (cents per ordinary share)		(0.13)	(0.14)	(0.22)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	(UNAUDITED)			
	SHARE CAPITAL \$'000	RETAINED EARNINGS/ (DEFICIT) \$'000	SHARE BASED PAYMENTS EQUITY RESERVES \$'000	TOTAL ATTRIBUTABLE TO GROUP \$'000
OPENING EQUITY – 1 APRIL 2022	46,649	(34,537)	37	12,149
Surplus / (deficit) for the year	-	(1,689)	-	(1,689)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,689)	-	(1,689)
Employee performance rights plan reserve	-	-	17	17
	-	-	17	17
CLOSING EQUITY – 30 SEPTEMBER 2022	46,649	(36,226)	54	10,477
OPENING EQUITY – 1 APRIL 2021	37,469	(31,830)	23	5,662
Surplus / (deficit) for the year	-	(1,798)	-	(1,798)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,798)	-	(1,798)
Share capital issued	9,188	-	-	9,188
Capital raising costs paid	(55)	-	-	(55)
Employee performance rights plan reserve	-	-	20	20
	9,133	-	20	9,153
CLOSING EQUITY – 30 SEPTEMBER 2021	46,602	(33,628)	43	13,017

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	NOTES	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
ASSETS				
Current Assets				
Cash and short term deposits		8,754	9,590	8,519
Trade and other receivables		509	1,176	1,751
Prepayments		177	169	298
Inventory		763	1,251	782
NZX Bond		75	75	75
Foreign exchange contracts		-	5	26
TOTAL CURRENT ASSETS		10,278	12,266	11,451
Non Current Assets				
Property, plant and equipment		516	490	540
Finite life intangible assets	4	1,052	1,649	1,455
Right-of-use-assets		590	601	695
TOTAL NON CURRENT ASSETS		2,158	2,740	2,690
TOTAL ASSETS		12,436	15,006	14,141

Continued overleaf / >>

CONSOLIDATED BALANCE SHEET CONTINUED

AS AT 30 SEPTEMBER 2022

	NOTES	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
LIABILITIES				
Less Current Liabilities				
Trade and other payables		1,249	1,307	1,238
Current borrowings		10	47	35
Lease liabilities		205	200	205
Foreign exchange contracts		82	-	-
TOTAL CURRENT LIABILITIES		1,546	1,554	1,478
Non Current Liabilities				
Non current borrowings		-	13	-
Lease liabilities		413	422	514
TOTAL NON CURRENT LIABILITIES		413	435	514
TOTAL LIABILITIES		1,959	1,989	1,992
NET ASSETS		10,477	13,017	12,149
OWNERS EQUITY				
Share capital	5	46,649	46,602	46,649
Retained earnings / (deficits)		(36,226)	(33,628)	(34,537)
Share based payment equity reserves		54	43	37
TOTAL EQUITY		10,477	13,017	12,149



Geoff Plunket
Chair



Barry Richardson
Director

These financial statements have been authorised for issue 10 November 2022.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	NOTES	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash was provided from / (applied to):</i>				
Receipts from customers		5,566	4,622	9,141
Interest received		51	17	53
Payments to suppliers and employees		(5,251)	(6,024)	(11,454)
Finance costs		(15)	(27)	(45)
Net cash inflow / (outflow) from operating activities	6	351	(1,412)	(2,305)
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was provided from / (applied to):</i>				
Capitalise intangible assets		(1)	(64)	(49)
Purchase of property, plant and equipment		(40)	(88)	(213)
Net cash inflow / (outflow) from investing activities		(41)	(152)	(262)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash was provided from / (applied to):</i>				
Repayment of borrowings		(25)	(24)	(48)
Repayment of lease liabilities		(101)	(99)	(198)
Proceeds from share capital issued		-	9,188	9,188
Capital raising costs paid		-	(55)	(54)
Receipt of share option		-	-	33
Net Cash inflow / (outflow) from financing activities		(126)	9,010	8,921
Net Increase / (Decrease) in cash held		184	7,446	6,354
Add cash and short-term deposits at start of period		8,519	2,187	2,187
Foreign exchange differences		51	(43)	(22)
Balance at end of period		8,754	9,590	8,519
COMPRISED OF:				
Cash and short-term deposits		8,754	9,590	8,519
		8,754	9,590	8,519

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO 30 SEPTEMBER 2022

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 and technologies based on proprietary strains of probiotic bacteria for sale and licensing 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 2022.

The unaudited consolidated condensed interim financial statements were authorised for issue by the Board of Directors on 10 November 2022.

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 2022.

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 are not readily apparent from other sources. 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 2022.

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 2022.

2. SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE CURRENT PERIOD

The following significant transactions and events affected the financial performance and financial position of the Group for the six-month period ended 30 September 2022:

Refocus strategy on core business

During the year, the Group underwent a strategy shift narrowing the focus of the Group to Business to Business (B2B) revenue opportunities and establishing partnerships with proven industry operators to commercialise its proprietary technology. As a result of this strategic refocus, the decision was made to cease business to consumer activity related to the Unconditional Skincare Co. brand and the sale of BLIS PROBIOTICS® through Canadian wholesaler, PurityLife.

Included in the HY23 result are adjustments related to the strategy refocus which impact on revenue and expenses as noted in the following table. Our HY23 highlights and commentary make reference to the underlying revenue and EBITDA results.

Underlying Revenue and EBITDA are Non-GAAP measures that have been used in the commentary of the HY23 performance to provide users of the financial information with a clearer picture of the underlying trading performance at HY23. This is consistent with internal reporting to management. The reconciliation below shows the adjustments made from Reported surplus / (deficit) for the period as reported in the Statement of Comprehensive Income to the Underlying EBITDA.

Reconciliation of Reported Surplus / (Deficit) to Underlying EBITDA for the period:

	NOTES	HY23	HY22
Reported surplus / (deficit) for the period		(1,689)	(1,798)
Stock buy back adjustment ¹	3.1	274	-
Restructuring costs ²		30	-
Provision for inventory write-off ³		45	-
Impairment of intangible assets ⁴	4	277	-
Total adjustments		626	-
Underlying Surplus / (deficit) for the period		(1,063)	(1,798)
Depreciation and amortisation		295	296
Net interest (revenue)/ expense		(59)	11
Underlying EBITDA		(827)	(1,491)

1. Stock buy back adjustment upon wind up of the Canadian Wholesaler relationship.

2. Employment costs related to the strategic reset.

3. Provision for the net realisable value of inventory held in Canada.

4. Full impairment of Unconditional Skincare Co. intangible assets related to website, trademarks and capitalised development, as product sales under this brand cease at 31 October 2022.

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

3. REVENUE AND OTHER INCOME

3.1 REVENUE

	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
Revenue consists of the following items			
<i>Point in time recognition:</i>			
Sale of goods – domestic sales			
Finished goods	1,098	568	1,596
Ingredients	26	26	84
Sale of goods – export sales			
Finished goods	731	909	1,341
Ingredients	2,701	2,222	5,776
<i>Over time recognition:</i>			
Right to access	8	168	168
Underlying revenue	4,564	3,893	8,965
Sale of goods – export sales			
Finished goods – stock buy back adjustment	(274)	-	-
Revenue	4,290	3,893	8,965

3.2 OTHER INCOME

	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
Grant income	-	324	435
Interest income	74	17	53
	74	341	488

4. FINITE LIFE INTANGIBLE ASSETS

	TRADEMARKS \$'000	PATENTS \$'000	CAPITALISED DEVELOPMENT \$'000	IT, WEBSITE DEVELOPMENT AND SOFTWARE \$'000	TOTAL \$'000
30 SEPTEMBER 2022 (Unaudited)					
Gross Carrying Amount					
Balance at 1 April 2022	212	1,191	4,169	400	5,972
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 30 September 2022	212	1,191	4,169	400	5,972
Accumulated amortisation and impairment					
Balance at 1 April 2021	47	960	3,252	258	4,517
Amortisation expense	23	31	62	10	126
Impairment expense	29	-	158	90	277
Balance at 30 September 2022	99	991	3,472	358	4,920
Net book value at 30 September 2022	113	200	697	42	1,052
30 SEPTEMBER 2021 (Unaudited)					
Gross Carrying Amount					
Balance at 1 April 2021	206	1,164	4,169	400	5,939
Additions	5	2	58	-	65
Disposals	-	-	-	-	-
Balance at 30 September 2021	211	1,166	4,227	400	6,004
Accumulated amortisation and impairment					
Balance at 1 April 2021	26	900	3,115	187	4,228
Amortisation expense	10	31	59	27	127
Balance at 30 September 2021	36	931	3,174	214	4,355
Net book value at 30 September 2021	175	235	1,053	186	1,649

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

4. FINITE LIFE INTANGIBLE ASSETS CONTINUED

	TRADEMARKS \$'000	PATENTS \$'000	CAPITALISED DEVELOPMENT \$'000	IT, WEBSITE DEVELOPMENT AND SOFTWARE \$'000	TOTAL \$'000
31 MARCH 2022 (Audited)					
Gross Carrying Amount					
Balance at 1 April 2021	206	1,164	4,169	400	5,939
Additions	6	43	-	-	49
Disposals	-	(16)	-	-	(16)
Balance at 31 March 2022	212	1,191	4,169	400	5,972
Accumulated amortisation and impairment					
Balance at 1 April 2021	26	900	3,115	187	4,228
Amortisation expense	21	60	137	71	289
Balance at 31 March 2022	47	960	3,252	258	4,517
Net book value at 31 March 2022	165	231	917	142	1,455

5. SHARE CAPITAL

	30 SEP 2022 (UNAUDITED)		30 SEP 2021 (UNAUDITED)		31 MAR 2022 (AUDITED)	
	NO. OF SHARES	\$'000	NO. OF SHARES	\$'000	NO. OF SHARES	\$'000
Balance at the beginning of the period (fully paid)	1,273,801,599	46,649	1,107,653,565	37,469	1,107,653,565	37,469
Share capital issued	-	-	166,148,034	9,188	166,148,034	9,188
Capital raising costs paid	-	-	-	(55)	-	(54)
Shares pursuant to CEO share plan	-	-	-	-	-	46
Balance at the end of the period	1,273,801,599	46,649	1,273,801,599	46,602	1,273,801,599	46,649

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

	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
NET SURPLUS / (DEFICIT) FOR THE PERIOD	(1,689)	(1,798)	(2,707)
Adjustments for non-cash items:			
Amortisation	127	126	289
Depreciation property, plant and equipment	64	69	144
Depreciation right of use assets	105	100	205
Foreign exchange loss / (gain)	(51)	21	(105)
ECL provision	-	-	-
PSR expense	17	20	27
Loss / (gain) on fair value of foreign exchange contracts	108	(5)	84
Loss on disposal of intangible assets	277	-	16
	(1,042)	(1,467)	(2,047)
Movement in working capital			
Trade and other receivables	1,242	404	(179)
Prepayments	121	139	10
Inventories	19	(247)	222
Trade and other payables	11	(241)	(311)
	1,393	55	(258)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	351	(1,412)	(2,305)

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

7. CAPITAL COMMITMENTS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no capital commitments or material contingent assets or contingent liabilities as at 30 September 2022 (30 September 2021: \$Nil).

8. INVESTMENT IN SUBSIDIARY

SUBSIDIARY	30 SEP 2022	PERCENTAGE HELD 30 SEP 2021	31 MAR 2022	BALANCE DATE	PRINCIPAL ACTIVITY
Blis Functional Foods Limited	100%	100%	100%	31 March	Non-trading

9. SEGMENTAL REPORTING

9.1 Operating Segments

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

9.2 Revenue from major products and services

The Group's revenues from its major products and services were as follows:

	SIX MONTHS 30 SEP 2022 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 2021 (UNAUDITED) \$'000	12 MONTHS 31 MAR 2022 (AUDITED) \$'000
BLIS® products	4,290	3,893	8,965
Non-core business	74	341	488
Total revenue and other income	4,364	4,234	9,453

Non-core revenues include interest received and grant revenue.

9. SEGMENTAL REPORTING CONTINUED

9.3 Information about geographical areas

	REVENUE FROM EXTERNAL CUSTOMERS			NON CURRENT ASSETS		
	SIX MONTHS 30 SEP 22 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 21 (UNAUDITED) \$'000	12 MONTHS 31 MAR 22 (AUDITED) \$'000	SIX MONTHS 30 SEP 22 (UNAUDITED) \$'000	SIX MONTHS 30 SEP 21 (UNAUDITED) \$'000	12 MONTHS 31 MAR 22 (AUDITED) \$'000
New Zealand	1,022	601	1,539	2,158	2,740	2,690
Asia Pacific (excl. NZ)	591	615	1,426	-	-	-
EMEA	2,063	1,252	2,857	-	-	-
North America	614	1,425	3,143	-	-	-
Total revenue	4,290	3,893	8,965	2,158	2,740	2,690
Grant revenue	-	324	435	-	-	-
Interest revenue	74	17	53	-	-	-
Total revenue and other income	4,364	4,234	9,453	2,158	2,740	2,690

Revenues for the six months to 30 September 2022 include \$2,009k, \$354k, and \$225k, which arose from sales to the Group's three largest customers.

Revenues for the six months to 30 September 2021 include \$1,252k, \$540k, and \$451k, which arose from sales to the Group's three largest customers.

Revenues for the year ended 31 March 2022 include \$2,822k, \$1,775k and \$909k which arose from sales to the Group's three largest customers.

Web sales are allocated to the region where the end consumer is based.

10. SUBSEQUENT EVENTS

There were no subsequent events post 30 September 2022 (2021: Nil).

COMPANY DIRECTORY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

COMPANY NUMBER

1042367

ISSUED CAPITAL

1,273,801,599 Ordinary Shares

REGISTERED OFFICE

Blis Technologies Limited

Ground Floor, 442 Moray Place, Dunedin Central
Dunedin 9016

SHAREHOLDERS

Listed on the NZX main board

SHARE REGISTRAR

Link Market Services Limited

Deloitte Centre, 80 Queen Street
Auckland

DIRECTORS

G Plunket
A Balfour
A McCammon
Dr B Richardson
T Rönnlund
Dr A Stewart

CHIEF EXECUTIVE

B Watson

AUDITORS

Deloitte Limited

PO Box 1245
Dunedin

BANKERS

Bank of New Zealand

Dunedin

SOLICITORS

Anderson Lloyd

Private bag 1959
Dunedin 9054

Downie Stewart Lawyers

PO Box 1345
Dunedin 9054

Goldsmith Law

PO Box 40
Dunedin 9054

WEBSITE

www.blis.co.nz

FACEBOOK

www.facebook.com/BLISTechnologiesLtd

INSTAGRAM

www.instagram.com/blisprobiotics





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