



# ANNUAL REPORT 2023

FOR THE YEAR ENDED 31 MARCH 2023





In July 2022 we confirmed a shift in our strategy, aimed at focusing on our strengths and returning to a sustained profitable trading position. Our strengths centre around scientific discovery and probiotic innovation. Sustained profitability will be driven by growth of Business to Business (B2B) revenues through partnerships with established market players rather than investment to build new consumer brands and markets.

**BRIAN WATSON, CEO**

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# FY23 SUMMARY

**\$10.2m**

## TRADING REVENUE

**+14%**  
on prior year

**\$0.6m**

## EBITDA LOSS

2HY23  
positive EBITDA

**\$1.4m**

## NET DEFICIT

**+11%**

## B2B REVENUE

**+21%**

## B2C REVENUE

### STRATEGY RESET

- Restructured and reset people resource and roles into B2B and B2C sales channel teams
- Narrowed B2C priorities and good transition progress for deprioritised markets
- 2HY23 positive EBITDA

### PROBI STRATEGIC PARTNERSHIP

- Probi supply of licensed BLIS K12™ and BLIS M18™
- First royalty payments

### R&D PROGRESS

- Completion of 2 new R&D collaboration projects with Probi
- 12 new publications on our probiotic strains
- Patent filings: new filing for probiotic enhancements for BLIS K12™ and BLIS M18™

## FULL YEAR REPORT

# CHAIR'S REPORT

### DEAR SHAREHOLDER

Blis Technologies Limited's (Blis) financial performance continues to improve. We have seen a rebound in revenue from Europe, the first revenue from our strategic partnership with Probi AB and early signs of an improved performance following the strategy reset which was announced in July 2022.

Key financial targets are trending in the right direction, with revenue up by 14% to \$10.2m. The strategy refresh resulted in a renewed focus on Business to Business (B2B) opportunities and the decision to discontinue both the Direct-to-Consumer business in Canada and marketing of Blis' skincare brand Unconditional Skincare Co. Excluding revenue from Canada and sales of Unconditional Skincare Co., revenue grew by 20% on the prior year.

Blis achieved revenue growth across all revenue categories; ingredient sales, royalty revenue and Business to Consumer (B2C)

sales. This revenue growth and reduced new brand development/ market investment resulted in an improvement in the EBITDA position. The EBITDA deficit for the FY23 year was \$0.6m, which compares with a \$2.1m deficit in the previous year.

In the FY23 Half Year Report we noted that costs associated with the strategy reset (excl. intangibles) were \$0.3m. This amount included our best estimate of the cost of withdrawing from the Canadian market. The actual costs of closing our Canada business have been lower than expected, with retailers

achieving a higher than expected sell through. The costs of the strategy refresh have accordingly reduced to \$0.1m.

Blis has enjoyed an improved trading result in the second half of the financial year, with positive cash earnings. A positive EBITDA of \$0.6m was achieved in the second half of the year. This provides a platform which we can build on for the coming year.

The final result for FY23 is a loss of \$1.4m, which compares to a loss of \$2.7m in the prior year.

Blis remains in a strong financial position with cash and cash equivalents and short term deposits of \$8.3m.

I would like to acknowledge and thank all of our staff for their commitment and contribution over the past year. The easing of COVID restrictions and the opening of borders has enabled our team to re-connect with customers and partners and to participate in key industry events.

## STRATEGY RESET

Our strategy reset in July 2022 focused the company on prioritising revenue growth through B2B sales opportunities. These B2B revenue opportunities are characterised by the sale of BLIS probiotic ingredients, the licensing of formulation and ingredient technologies, and the provision of private label offerings.

By doing this, Blis remains focused on its strength of delivering probiotic innovation and is actively seeking the right partners to scale these technologies in market. This focused B2B approach has moved Blis away from direct selling to customers other than in the NZ market and on the Amazon platform where Blis has established market positions. Blis will continue its R&D investment to enhance its capabilities and to support a robust pipeline of new probiotic technologies.

To be successful, in global markets, the Board recognises that we need to work with partners who have a strong market presence. The relationship Blis established in July 2021 with Probi represents a blueprint for this strategy and this complements our long standing ingredient distributor relationships in Europe with Bluestone Pharma and in Japan with Tradepia Corporation.

As part of the strategy refresh and current US market conditions we have decided to consolidate our US sales activity with Probi. As a result, our longstanding relationship with Stratum Nutrition will come to an end in August 2023.

Blis also has interest for the licensing of its skincare ingredient BLIS Q24™. There are early signs of a commercial market for our innovative skincare product. We will continue to keep shareholders updated as commercial negotiations advance.

## DIRECTORS

Tom Rönnlund resigned from the Board in December 2022 after stepping down as Chief Executive of Probi AB. Tom was replaced on the Board by Dr Jörn Andreas.

Jörn is the President Scent & Care and Member of Executive Board of Symrise AG, and is a Director of Probi AB. Jörn has extensive experience from the ingredients

industry globally, specifically across the probiotic, fragrance and cosmetic markets and he brings a global perspective of key markets to the Board.

Tony Balfour has been a director since April 2020 and retires by rotation at the 2023 Annual Shareholders Meeting. Tony has decided not to seek re-election and he will retire from the Board at the conclusion of the annual shareholder meeting.

## OUTLOOK

Good progress has been made on our key objective of returning the company to a profitable trading position. The coming year will see a continued focus on both growing revenue and enhancing research and development capabilities.



**Geoff Plunket**  
Chair

## FULL YEAR REPORT

# CHIEF EXECUTIVE'S REPORT



### STRATEGY RESET

In July 2022 we confirmed a shift in our strategy, aimed at focusing on our strengths and returning to a sustained profitable trading position. Our strengths centre around scientific discovery and probiotic innovation. Sustained profitability will be driven by growth of Business to Business (B2B) revenues through partnerships with established market players rather than investment to build new consumer brands and markets.

Our B2B revenue focus includes growing our existing BLIS probiotic ingredient sales, further developing our finished product capabilities to support private label opportunities, and generating royalty revenue from licensing our technology and innovation. While we have increased focus on our B2B opportunities, we have rationalised our Business to Consumer (B2C) market priorities. Our B2C market focus is now on

profitable growth of established sales channels rather than heavy investment to open new markets and build new consumer brands, a key factor supporting a quicker return to profitability.

Underpinning our strengths in scientific discovery and probiotic innovation, we reconfirmed our commitment to ongoing research and development (R&D) investment. This investment will support a platform of B2B opportunities into the future.

### PROGRESS WITH THE STRATEGY RESET

The key enablers for our strategy reset have been implemented. We now work to build on these through FY24 and to complete our managed withdrawal from B2C online selling in Canada by October 2023.



What we have achieved since the strategy reset in July 2022:

- 2HY23 positive EBITDA and profit;
- Restructured and reset people resource and roles into B2B and B2C sales channel teams;
- Transition out of Unconditional Skincare Co. (USC) and retail sales in Canada;
- Reset innovation pipeline to support prioritisation of B2B revenue opportunities;
- Probi
  - » The first BLIS K12™ and BLIS M18™ royalty revenues received
  - » Transition plan of all North America selling activity
  - » R&D projects completed – both research and new product development;
- Growth of prioritised B2C markets.

The table below summarises revenue in line with previous years reporting. Following the strategy reset we restructured our sales and marketing teams into B2B (ingredients, private label sales and royalties) and B2C (BLIS branded finished product sales) sales channel teams, and this categorisation will be used in future reporting to reflect our strategic intent.

Revenue \$'000	FY23		FY22	
<b>Ingredient</b>	6,437	63%	5,860	65%
<b>Finished Product</b>	3,514	34%	2,937	33%
<b>Royalties</b>	284	3%	168	2%
<b>Total</b>	<b>10,235</b>	<b>100%</b>	<b>8,965</b>	<b>100%</b>
<b>Business to Business - B2B</b>	6,769	66%	6,076	68%
<b>Business to Customer - B2C</b>	3,466	34%	2,889	32%
<b>Total</b>	<b>10,235</b>	<b>100%</b>	<b>8,965</b>	<b>100%</b>

## PERFORMANCE

Overall company trading revenue in FY23 was \$10.2m, being 14% growth on the prior year, with an EBITDA loss of \$0.6m and a net deficit of \$1.4m. In the second half of FY23, we delivered a positive EBITDA of \$0.6m and a net profit of \$0.3m.

Total expenses for FY23 decreased by \$0.3m to \$11.9m compared to the prior year. This includes the cost of sales associated with the \$1.0m of additional revenue, but also includes one off strategic reset costs of \$0.3m for impairment of intangibles for Unconditional Skincare Co. brand assets, \$0.1m for restructure and Canada stock impairment, and the costs incurred in market for Canada retail and USC activity prior to the strategy reset.

A positive operating cash flow for FY23 of \$0.1m was in contrast to a \$2.3m deficit in the prior year. Total cash and cash equivalents decreased by \$4.3m as a term deposit of \$4.0m was reclassified as a "Short term deposit". Total cash and short term deposits of \$8.3m provide a sound base to support the future activities of the company.

Total Revenue \$'000	FY23	FY22	GROWTH %
<b>Business to Business – B2B</b>	6,769	6,076	11%
<b>Business to Customer – B2C</b>	3,466	2,889	21%
<b>Total</b>	<b>10,235</b>	<b>8,965</b>	<b>14%</b>

### B2B sales channel performance

Revenue from B2B sales grew by 11% on the prior year. This growth was supported by a 10% growth in ingredient sales and the establishment of royalty revenue from the Probi relationship. The Probi partnership has moved to the next phase with the commencement of royalty payments by Probi on sales of licensed BLIS K12™ and BLIS M18™. These royalties will complement our own direct and distributor-based ingredient sales.

## CHIEF EXECUTIVE'S REPORT CONTINUED

The standout performer in FY23 for ingredients was Europe with sales returning to volumes seen prior to the COVID pandemic. Japan and Rest of World (ROW) sales have tracked similar to FY22, while the US declined on the prior year. (See further commentary on these dynamics within the regional performance section).

In line with our B2B focus we have engaged with established brands in the cosmetic skincare market with our innovative live probiotic serum technology. We are encouraged by the response and interest which has validated our view of a commercial market for this product. In the new financial year we anticipate advancing negotiations and will keep shareholders updated.

### B2C sales channel performance

Past focus on opening new markets for our branded finished goods required significant upfront investment. Our shift in focus to a narrow mix of markets where we have already established a presence has contributed to the return to profitability in the second half of FY23.

B2C sales revenue grew by 21% over the prior year. Stand out performance included Amazon US sales that grew at 50% and growth in our Daigou sales of 600% compared to the prior year.

In line with this narrowed B2C focus we have been transitioning out of Canada Pharmacy retail selling activity and have stopped new investment in this market. We will instead focus on B2B opportunities in Canada and have late-stage opportunities progressing through regulatory requirements for the market. The actual costs of closing our Canada business have ended FY23 lower than expected, with retailers achieving better sell through of stock in market.

As part of the strategy reset, we also made the decision to withdraw our skincare brand Unconditional Skincare Co. from the local market and focus on utilising this technology to open up B2B opportunities. By targeting established brands we see an attractive revenue stream related to both ingredient sales and royalty payments

for our innovative probiotic serum formulation. This has had an immediate impact on our bottom line as we no longer have the significant investment requirements to establish a new brand in this highly competitive cosmetic skincare market.

## REGIONAL PERFORMANCE

### Asia Pacific (APAC)

Revenue \$'000	FY23	FY22
B2B	1,234	1,247
B2C	2,131	1,718
<b>Total Revenue</b>	<b>3,365</b>	<b>2,965</b>

APAC revenue grew 14% on the prior year. B2B revenue is primarily made up of ingredient sales in Japan which were flat compared with the prior year. The Japanese yen devalued significantly against the US dollar placing significant pressure on customer margins.

The NZ market saw growth on the prior year revenue of 33%. Contributors to this growth included NZ retail sales as well as a strong lift in Daigou sales. At the start of FY23 we focused on supporting a small mix of Daigou opportunities, selling into both Chinese and Vietnamese consumers. We have been pleased with the growth this focus is delivering and will continue to support a select group of trusted key accounts.

Retail and online sales in NZ (excluding Daigou sales) grew at 3% over the prior year. Pleasingly we saw 6% growth in retail sales and foresee ongoing growth locally as we activate key account selling across the Pharmacy banner groups and improve our in-store presence across the Blis range.

Looking forward, we are encouraged by the prospects for our finished products in the region with a retail recovery, good webstore performance and Daigou opportunities targeting Chinese consumers. We also continue to actively target new ingredient opportunities in China, Japan, India and Southeast Asia, tapping into the strong interest in probiotics within our region.

### Europe, Middle East, Africa (EMEA)

Revenue \$'000	FY23	FY22
<b>B2B</b>	4,567	2,857
<b>B2C</b>	27	-
<b>Total Revenue</b>	<b>4,594</b>	<b>2,857</b>

The region grew by 61% from ingredient sales through our long-standing distribution partner Bluestone Pharma (BSP) returning to pre-COVID sales levels. Through FY23 the easing of previous COVID related restrictions allowed BSP and their customer base to return to normal promotional activity including face to face selling to health professionals. This growth includes a mix of both new customer relationships and new markets.

### North America

Revenue \$'000	FY23	FY22
<b>B2B</b>	968	1,972
<b>B2C</b>	1,308	1,171
<b>Total Revenue</b>	<b>2,276</b>	<b>3,143</b>

Regional revenue declined by 28% driven from our ingredient business. In the face of challenging market conditions and an uncertain economic climate many existing customers continue to reduce stock levels and order on a just in time basis. Total B2B revenue also declined as a result of the change in business model for the region, with all Probi sales now received as royalty revenue rather than as an ingredient sale with the corresponding cost of goods and supply chain costs. Overall B2B sales declined by 66% in this region.

Following a review of the North American (USA and Canada) probiotic ingredient market, a decision has been made to consolidate our representation in this important market.

Since July 2021 when Blis entered into a strategic partnership and licensing agreement with Probi AB, Blis has been represented by both Stratum Nutrition and Probi AB for ingredient sales in North America.

To address the challenges currently experienced in this market and to reduce the potential for customer confusion in market, the revised model will be to work with Probi AB servicing existing ingredient customers and securing new business.

In contrast to B2B revenue decline, we have seen growth in B2C business in the region with Amazon US sales growing by 50%. Through FY23 we have implemented new service provider relationships to optimise our Amazon presence and ensure the right mix of promotional activity to secure efficient growth.

The exit plan for Canada retail is well progressed. Retailers have largely sold through stock held in their supply chains. Sell down of Canada finished products held within the Blis supply chain will continue through Amazon Canada. We have been pleased on how this exit plan has progressed, with the overall impact on both revenue and provisions for stock returns reducing significantly on original forecasts. Total B2C performance for the region year on year has been negatively impacted by the decision to exit Canada retail.

## RESEARCH AND DEVELOPMENT

We have a track record of delivering probiotic innovation and our strategy reset has reconfirmed an ongoing commitment to investing in R&D. Current R&D activity is focused on the commercialisation of existing technologies to supporting commercial opportunity aligned with our B2B priorities.

New product development includes enhancing our skincare offer, a live probiotic serum. To support commercialisation of this technology we are evaluating alternative packaging materials, enhancing our formulation and increasing our evidence base. The skincare category remains an attractive opportunity and our serum offer represents the first of a number of identified technologies for a broader skincare portfolio.

## CHIEF EXECUTIVE'S REPORT CONTINUED

Following the strategy reset, our commercialisation plans for skincare is solely through the B2B sales channel. Targeted revenue sources will include the sale of BLIS Q24™ ingredient, licensing of formulation technology and provision of private label offerings.

Other priorities include our probiotic toothpaste. Current development is focused on final refinements to the formulation. We are targeting to have an established proof of concept completed in FY24 that we can present to potential B2B customers.

Our R&D collaboration with Probi includes completion of two key projects. An initial collaboration project has combined probiotic technology from both companies to validate an exciting new product format for future commercialisation. A research project has also been completed with a Swedish academic unit that has characterised exciting activity of our BLIS M18™ strain. These are early examples of scientific collaboration that we will continue to build on as part of our strategic partnership.

Our R&D activities are complemented with a pipeline of new intellectual property (IP). Patent activity in process includes:

- New use patent for BLIS K12™ against respiratory viral infections progressed to National Phase Entry examination process.
- New oral composition (BLIS M18™) and new topical composition (BLIS Q24™) patents completed PCT phase.
- New patent filing on probiotic enhancers for BLIS K12™ and BLIS M18™ progressed to PCT phase.

A strength of our probiotic strains has always been the quality of the scientific and clinical evidence to support

their potential health benefits. Twelve new publications relating to our strains were published in FY23. To further strengthen our evidence base Blis continues to support a number of internal and external clinical trials.

As part of enhancing our profile for probiotic development and raising the profile of our probiotic strains and finished product formats we have been actively presenting at international congress and trade shows as well as collaborating with international researchers globally. Locally, the company has supported several interns through Callaghan Innovations Research Experience program as well as engaging with students from the University of Otago.

## OUTLOOK

We see the opportunity to grow our B2B revenue through Probi royalties, our own ingredient sales directly and sales through our long-established distribution partners. Along with this we will target finalising new skincare opportunities in the new financial year.

In the B2C channel our ongoing focus on established markets will see improvements in contributions from our branded finished product business.

R&D is focused on finalising new assets for our B2B selling with skincare and toothpaste being priorities.

The good progress we have made in the 2nd half of FY23 with revenue growth and a return to profitability sets us up for a positive year in FY24.



**Brian Watson**  
**Chief Executive Officer**



# ESG UPDATE

At Blis Technologies, we strive to harness the power of the microbiome for the health of global consumers. Our products are used by individuals worldwide to enhance their lives and wellbeing.

We take great pride in our commitment to advancing probiotic research for the betterment of human health. As we work towards becoming a leading innovator in this field, we remain dedicated to ensuring that our business practices align with solid Environmental, Social and Governance (ESG) priorities.

We have an active ESG committee made up of functional representatives that are passionate about sustainability goals and how we deliver ongoing improvement.

Our ESG focus areas are linked to the UN's Sustainable Development Goals, and they feed into our business objectives and values. We have identified priorities that demonstrate our commitment to environmental, social, and governance initiatives.



## Advance Health & Wellbeing

- Accessible products for health
- Focus on product quality and integrity
- Staff wellbeing

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



## Contribution to Society

- Economic contribution
- Support of charities and sponsorship
- Staff policies: living wage, development, diversity

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



## Climate Action

- Understanding of footprint
- Areas of greatest relevance - supply chain, packaging
- Leading behaviour change

13 CLIMATE ACTION



## Innovation and Research

- Research-backed health solutions
- Research and academic support
- Innovative product export earnings

4 QUALITY EDUCATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## KEY INITIATIVES

### Advance health and wellbeing:

- We maintain a focus on quality and continuous improvement across our product range and services to ensure that we contribute to the health and wellbeing of our customers.
- We prioritise the health, safety, and the wellbeing of our employees, providing ongoing access to a range of resources and programs. These include a staff and family counselling program, a Financial Health Check program, a Flexible Work Policy, yearly health checks, wellbeing initiatives, and flu vaccinations.
- As part of our commitment to promoting good health, we provide free BLIS PROBIOTICS™ product seconds to our staff, enabling them to enjoy the benefits of our products and maintain optimal health.

### Be a valuable contributor to society:

- We recognise and value our contribution to the local economy, including the employment opportunities we provide, our relationships with suppliers, and our export revenues.
- We are committed to fostering a positive and inclusive workplace culture, with policies and practices that prioritise staff wellbeing and development. This includes paying the living wage, offering paid internship opportunities to local Dunedin graduates to introduce them to a commercial environment and supporting key projects within the BLIS science team.
- We support elite athletes by providing discounted supplies of BLIS PROBIOTICS™ to High Performance Sport NZ.
- In addition, we are committed to giving back to the community through our community support initiatives, which include supporting our local Hospice and Food Bank.

### Reduce our environmental impact:

- In FY21 we proudly became the first New Zealand-based laboratory to achieve the highest level of certification in the international My Green Lab certification process. In FY23, we were recertified with My Green Lab, and we remain committed to operating our sites in line with the best practices identified from the process, maintaining the highest level of certification.
- At our production site we are committed to waste reduction, with key performance indicators focused on reducing waste and promoting a "Right First Time" culture.
- We use recycled or reusable shipping packaging and compostable bags for customer orders, minimising waste and reducing our environmental impact.
- We utilise offshore warehousing to minimise freight requirements, reducing our carbon footprint and supporting sustainable transportation practices.

### Contribute to an innovation economy:

- We remain committed to pioneering research in science and health, and delivering evidence-based solutions that lead the industry.
- As a provider of high-value, innovative products, we contribute to New Zealand's future export earnings.
- We actively support academic research and promote collaboration with multiple academic units in New Zealand and around the world.
- We actively engage in keynote speaking opportunities at prominent global conferences, sharing insights and advancing industry knowledge.

# MY GREEN LAB

Our Dunedin Laboratory is the first laboratory in New Zealand to receive “Green” Status in the My Green Lab (MGL) Certification Program, the highest level of certification.



**My Green Lab** is a non-profit organisation that offers sustainability certification for laboratories across the globe. Comprised of a community of scientists and laboratory professionals, they actively work to reduce the environmental impact of laboratory operations.

My Green Lab is recognised by the United Nations and partners with the UN’s Climate Change High-Level Champions team. The Laboratory Certification program has been identified as a Breakthrough Outcome for the UN-backed “Race to Zero” campaign, which aims to halve global emissions by 2030 and a net-zero world by 2050.

The MGL certification program is considered the gold standard for laboratory sustainability best practices worldwide. Currently there are over 1300 labs in 39 countries worldwide that are in various stages of the certification process with MGL, with the numbers continuing to grow.



# GLOBAL CONNECTIONS

We took our technology to the world with some key industry events throughout the year. Highlights include showcasing our Live Probiotic Serum as a keynote speaker at the Skin Microbiome conference in Boston in September, and winning Product Idol at Supply Side West in November.



Chief Technology Officer John Hale presents the latest research on BLIS K12™'s impact against viral upper respiratory illness at Supply Side West in Las Vegas, NV.



Presenting our live probiotic serum technology at the Microbiome Movement: Skin Health & Dermatology Conference in Boston, USA, where Blis Technologies was an Industry Partner.



Chief Revenue Officer Jennifer Walker and Global Ingredients Account Manager Tim Howlett at the Vitafoods Asia Tradeshaw in Thailand.



At Supply Side West in Las Vegas, NV, where Chief Technology Officer John Hale won "Ingredient Idol" for his presentation on BLIS K12™.



# BOARD OF DIRECTORS



## **GEOFFREY (GEOFF) PLUNKET**

**Chair, Independent non-executive director**

**Member of Audit and Risk Committee and People and Performance Committee**

Geoff is a Dunedin based Professional Director and has been a director of Blis Technologies Limited since May 2018, taking over the role of Chair in July 2021. He has also previously held the role of Deputy Chair and Chair of the Audit and Risk Committee.

Geoff worked for Coopers & Lybrand (now PWC) and KPMG, in Dunedin and Birmingham, UK through the 1980's before joining Port Otago Limited in 1988 as Chief Financial Officer. Geoff spent the following 29 years with the Port Otago Group, before retiring in 2017. Geoff worked across the business in a variety of roles, culminating in appointment as CEO in 2004, a position he held until retirement. Geoff is also an independent Director on the Ports of Auckland.

Geoff is a Fellow of Chartered Accountants Australia and New Zealand, and a Member of the Institute of Directors.



## **ANTONY (TONY) BALFOUR**

**Deputy Chair, Independent non-executive director**

**Member of People and Performance Committee**

Tony was appointed to the Board in April 2020. He brings to the board strong governance experience following a successful executive career as an international marketing and brand management leader building consumer goods businesses globally.

Tony has a diverse background of international experience in driving FMCG through retail channels and e-commerce from the leadership roles he held for Nike Inc, Icebreaker, Seek.com and Monster Worldwide. He holds directorships with The Warehouse Group Limited, Les Mills International Limited, RealNZ Limited, Pioneer Energy and Bluelab Limited.

Tony has previously been a director of Silver Fern Farms Co-operative (and subsidiaries), Mt Difficulty Wines, Boosted.co.nz and Methven Limited.



## **AMELIA (AIMEE) MCCAMMON**

**Independent non-executive director**

**Member of Audit and Risk Committee**

Aimee is Wellington based and was appointed to the Board in October 2021. Aimee is CEO of Pic's Peanut Butter. She is an experienced strategist and brand builder with deep knowledge of consumer marketing. Her brand experience spans an array of New Zealand's power brands including Whittaker's, Toyota, Lotto, Tourism NZ and 42 Below.

Aimee was previously CEO of entertainment, advertising and technology company Augusto Group. Her career has spanned roles as General Manager of Peter Jackson's Park Road Post Production, senior management at Assignment Group and Trade Me, and many years with the Saatchi & Saatchi network in Wellington, Auckland and New York.

Aimee has a Bachelor of Commerce from Auckland University, and has completed leadership training at the Omnicom University in Shanghai.

# BOARD OF DIRECTORS



## **DR BARRY RICHARDSON**

**Independent non-executive director**

**Chair of Audit and Risk Committee**

Barry is Dunedin based and joined the Board in July 2018.

He joined the NZ Dairy Board in 1985 after a period in research and development and also undertook business development roles in two joint venture companies. In 1991 he joined Tatura Co-op Dairy Co. Ltd to develop a milk biologics business and was also General Manager, International and Strategic Development. Barry later became CEO of Westland Milk Products Ltd when the company chose to independently market its own dairy products with the deregulation of the dairy industry at the end of 2001.

He joined Blis Technologies Ltd in 2006 and after a short period was appointed CEO until 2016. Barry is currently a director of CertusBio Ltd.

Barry has a M.Sc. (Hons) in Biochemistry and PhD from Massey University. He is a past Fellow of the NZ Institute of Management and a Fellow of the NZ Institute of Food Science and Technology. In 2003 he received the prestigious JC Andrews award for distinction in Food Science and Technology.



## **DR JÖRN ANDREAS**

**Non-executive director**

Jörn was appointed to the Board in January 2023.

Jörn is the President Scent & Care and Member of the Executive Board of Symrise AG, a leading supplier of the fragrance cosmetic industry. Jörn leads the Scent & Care division from Holzminden, Germany, with the goal of expanding Symrise's position in cosmetic ingredients through targeted investments in innovation and extending the product portfolio strategically.

He is a Board member of Probi AB, a world leading Swedish listed biotechnology company and substantial product holder of Blis Technologies.

Prior to joining Symrise AG, Jörn worked with The Boston Consulting Group and Bayer AG. He received a PhD in Economic Sciences from Karlsruhe Institute of Technology, Germany.



## **DR ALISON STEWART**

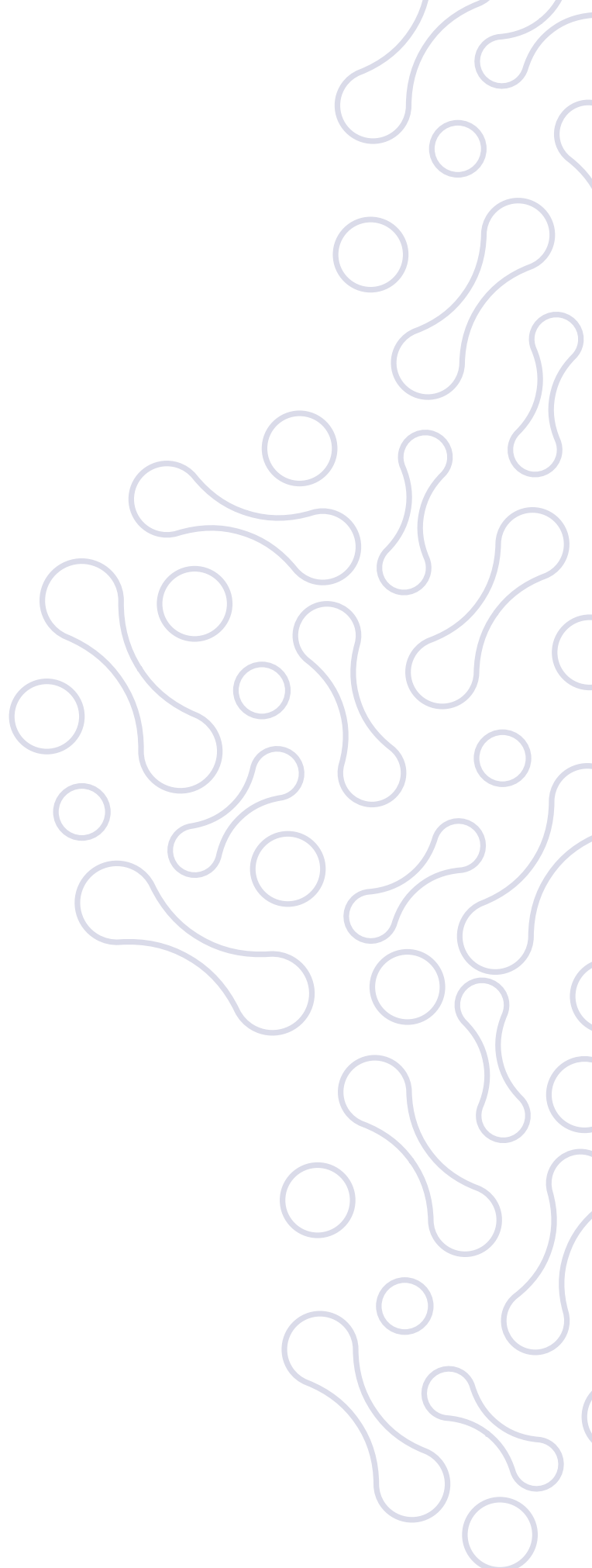
**Independent non-executive director**

**Chair of People and Performance Committee**

Alison is Christchurch based and was appointed to the Board in September 2018.

Alison brings to the board governance and commercial research and development experience within the international biotechnology industry. Alison has held key executive leadership roles in New Zealand and US corporates and understands the drivers for successful commercialisation of research. Alison is an experienced research and innovation leader with expertise in microbe-based product development, patents, IP protection, new product pipeline and development of strategic partnerships with large international corporations.

Alison is a Distinguished Emeritus Professor from Lincoln University, New Zealand and was elected a Companion of the NZ Order of Merit in 2011 for her contributions to biology.



# EXECUTIVE TEAM



## **BRIAN WATSON**

**Chief Executive Officer (CEO)**

**BCom (Marketing), BPhEd**

Brian was appointed CEO of Blis Technologies in February 2016.

He joined Blis following senior management roles with Fonterra and within the pharmaceutical industry in New Zealand and overseas. Brian's career has focused on general management, marketing and sales across healthcare, nutraceutical and nutrition industries. Brian has a track record of successfully launching global brands into new markets and leading change within organisations.



## **RICHARD WINGHAM**

**Chief Financial Officer (CFO)**

**CA, BCom (Accounting)**

Richard was appointed to the role of CFO for Blis Technologies in November 2017. Richard is a Chartered Accountant with over 25 years experience, including various senior finance roles across the dairy FMCG, construction and health sectors. His skills cross over manufacturing, project management, information technology and strategic planning.



## **DR JOHN HALE**

**Chief Technology Officer (CTO)**

**PhD**

John completed his PhD studying bacteriocins (BLIS) under the supervision of Professor John Tagg at the Department of Microbiology, University of Otago.

He carried out post-doctoral research at the University of British Columbia (Vancouver, Canada) and Monash University School of Pharmacy (Melbourne, Australia) investigating the modes of action of antimicrobial peptides. Dr Hale joined Blis Technologies in 2011 and leads the Scientific Services team.



## **JENNIFER WALKER**

**Chief Revenue Officer (CRO)**

**BA, MBA**

Jennifer joined Blis Technologies in February 2022 having extensive global marketing experience within consumer and wellness sectors in both start-ups and larger corporates.

Jennifer has a strong experience base across eCommerce, brand and retail marketing, having worked for international brands such as Puma and corporates focused on the health and wellness sector.

# STATEMENT OF CORPORATE GOVERNANCE

The Board and Management of Blis Technologies Limited (Blis, the Company) are committed to ensuring that the Company maintains corporate governance structures which ensure that the Company operates efficiently and effectively and maintains the highest ethical standards.

This statement of Corporate Governance provides a summary of the Company's governance processes and practices.

The Company's Corporate Governance policies are based on the principles set out in the NZX Corporate Governance Code (NZX Code). This statement is structured to follow the recommendations of the NZX Code.

The Board's view is that Blis complies with the corporate governance principles and recommendations set out in the NZX Code. The Board believes its governance structures are appropriate and meet the Company's strategic objectives.

The Company also complies with the corporate governance requirements of the NZX Listing Rules. The Board regularly reviews and assesses Blis' governance structures and processes to ensure that they are consistent with best practice.

This Corporate Governance Statement has been prepared in accordance with the NZX Code that was published on 17 June 2022.

Blis' key corporate governance documents referred to in this statement, including charters and policies, can be found at [www.blis.co.nz/investor-centre/charters-policies](http://www.blis.co.nz/investor-centre/charters-policies) (Investor Centre). The Board operates under a set of guidelines set out in its Directors' Operations Manual to assist Directors and Management in carrying out their duties and responsibilities. The Directors' Operations Manual covers such matters as:

- Corporate governance matters;
- Role of the Board and composition of the Board;
- Director responsibilities;
- Appointment of, responsibilities of and remuneration of a Chief Executive Officer;
- Confidentiality and the safeguarding of company information;
- Compliance with laws and regulations;
- Shareholder participation; and
- Code of conduct.

This Corporate Governance Statement was approved by the Board on 24 May 2023.

**PRINCIPLE 1 – Code of Ethical Behaviour**  
**“Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.”**

## **Code of Ethics**

As part of the Board's commitment to the highest standard of conduct, the Company has adopted a Code of Ethics (Code).

Every new Director and employee is provided with a copy of the Code. The Code is also available at the Investor Centre.

The procedure for advising the Company of a suspected breach is set out in the Code of Ethics. Blis also has a Protected Disclosures (Whistle-Blower) Policy that sets out the process that serves to protect employees who raise allegations of serious wrongdoing by the Company.

#### **Conflicts of interest**

The Code of Ethics sets out the procedure to be followed where Directors or employees are faced with a conflict of interest. At all times, a Director must be able to act in the interests of the organisation as a whole and in accordance with all relevant laws and regulations including the NZX Listing Rules. The personal interests of the Director or employee (as applicable) and their family must not be allowed to prevail over those of the Company and its shareholders generally.

#### **Protected Disclosure (Whistle-Blowers) Policy**

The Protected Disclosure (Whistle-Blower) policy provides information and guidelines to protect employees from retaliatory action where they have raised allegations of serious wrongdoing or reportable conduct they honestly believe has been carried out by any Director, employee, consultant, contractor or third party.

Blis is a small company and the main way to make a report is through the Chair of the Audit and Risk Committee.

No breaches of the Code of Ethics were identified during FY23 and no matters were raised under the Protected Disclosures (Whistle-blower) Policy.

The Code of Ethics is subject to annual review by the Board.

#### **Share trading by the Company Directors and Employees**

The Board has implemented formal procedures to handle trading in the Company's equity securities by Directors, employees, and advisers of the Company. These are set out in Blis' Securities Trading Policy which is available at the Investor Centre. Before any trading can occur by those persons approval is required to be obtained from the Chair of the Board, CEO or CFO. The policy provides that shares may not be traded at any time by any individual holding material information. The fundamental rule in the policy is that insider trading is prohibited at all times.

The requirements of the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

#### **PRINCIPLE 2 – Board Composition & Performance**

**“To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.”**

#### **Responsibilities of the Board**

The role of the Board is to act in the best interests of the Company and to promote the interests of the Company and its stakeholders. Directors are elected by the shareholders to govern the Company. The Board is the overall and final body of responsibility for all decision making within the Company.

The Directors have a diverse range of expertise and experience and are committed to using this to benefit the Company. The Board is responsible to shareholders for charting the direction of the Company by participating in the setting of objectives, strategy, and key policy areas. The Board is then responsible for monitoring Management's running of the business to ensure implementation is in accordance with the agreed framework. The Board delegates the conduct of the day-to-day affairs of the Company to the CEO within this framework.

The Board operates under a Directors' Operations Manual which sets out the roles and responsibilities of the Board, and other matters as summarised on Page 23.

The primary responsibilities of the Board include:

- Ensuring that the Company's purpose and goals are clearly established, and with appropriate strategies;
- Establishing policies for strengthening the performance of the Company including ensuring that Management is pro-actively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- Monitoring the performance of Management, including the review and monitoring of compliance with delegated authorities, and of regulatory compliance;



- Monitoring strategic, financial, social and environmental performance;
- Appointing the CEO, setting the terms of the CEO's employment contract, including position description, reviewing succession planning and where necessary, terminating the CEO's employment with the Company;
- Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- Ensuring that information of sufficient content, quality and timeliness, as the Board considers necessary to enable it to discharge its duties, is provided by Management;
- Ensuring that the Company adheres to high standards of ethical and corporate behaviour;
- Ensuring that the Company has appropriate management processes for defining risks and analysing options to minimise, mitigate and manage risks;
- Ensuring an appropriate capital structure such that it supports the business strategy; and
- Ensuring that the Company communicates with its shareholders and stakeholders in a timely manner.

The Board uses committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

The Board has a statutory obligation to reserve responsibility for certain matters. It deals directly with issues relating to the Company's mission, appointments to the Board, strategy, business and financial plans.

The Directors appoint a Chair and Deputy Chair from amongst the non-executive members. The Board supports the separation of the role of Chair and CEO. The Chair's role is to provide leadership and to manage the Board effectively. The Chair has responsibility for:

- ensuring the integrity and effectiveness of the governance process of the Board;
- representing the Board to the shareholders;
- maintaining regular dialogue with the CEO over all operational matters; and
- for overseeing the annual work programme

The Chief Executive Officer is not a Director.

The Board regularly meet without the CEO being present and has a practice of holding Director-only meetings either prior to or following each Board meeting.

The Board receives reports from Management and has access to all of the information necessary for it to effectively discharge its duties.

#### **Director nomination and appointment**

The Board as a whole is involved with recommending candidates to act as Directors to shareholders. When considering candidates for nomination, the Board will consider, amongst other things, the individual's experience, qualifications and skills in comparison to the experience, qualifications and skills of other Directors, whether that individual is "independent" and whether that individual would be able to work effectively with other Directors. A thorough check of the candidate and their background is undertaken and shareholders are provided with all material information that is relevant to the decision on whether to elect or re-elect a Director.

The Board has the ability to appoint an individual to fill a casual vacancy on the Board until the Company's next Annual Shareholder Meeting.

The procedures for the appointment and removal of Directors are governed by the Company's constitution and the NZX Listing Rules.

The Board has determined that based on the Company's current size and stage of development that an optimal number of directors is five. The number may increase to six from time to time to allow for director succession. Each year as part of the board's annual review process the capability mix is assessed to evolve in line with Company's future development and international growth plan requirements.

The Board has determined that to operate effectively and to meet its responsibilities it requires competencies in disciplines including executive leadership and strategy, governance, biotechnology IP development and protection, international sales and marketing, international supply chain and quality control, risk and compliance, finance and capital markets.

The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing the Company. The Board looks to strengthen its oversight of issues in all disciplines, as required, via expert advice.

As at 31 March 2023, five of the six Directors on the Board are independent. Director independence is considered on a case-by-case basis (in accordance with the NZX Listing Rules) and is monitored on an ongoing basis.

#### Letter of appointment

All new directors enter into a written agreement with the Company setting out the terms of their appointment. A copy of the appointment letter is available at the Investor Centre ([www.blis.co.nz/investor-centre](http://www.blis.co.nz/investor-centre))

#### Board of Directors

Director profiles are shown at pages 19 - 21 of this report. The profiles include information on the year of appointment, skills, experience and background of each Director.

As at 31 March 2023 the Board comprises six directors. Five are independent Directors and all are non-executive members. Geoff Plunket is the Chair of Blis and is an independent Director. Tony Balfour is Deputy Chair. Barry Richardson is the Chair of the Audit and Risk Committee. Alison Stewart is the Chair of the People and Performance Committee. Aimee McCammon and Jörn Andreas are also Directors.

The roles of Board Chair, Audit and Risk Committee Chair and CEO are not held by the same person.

The Board determines annually on a case-by-case basis who, in its view, are Independent Directors. The

Board will consider all relevant circumstances when determining independence. Under the NZX Listing Rules, a Director is "Independent" when they are not an employee of the Company and do not have a 'Disqualifying Relationship' (as defined in the NZX Listing Rules).

The Company does not require Directors to hold shares in the Company but actively encourages them to do so. Directors' share interests are disclosed at pages 36 - 37.

The Board does not have a tenure policy however it recognises that a regular refreshment programme leads to the introduction of new perspectives, skills, attributes and experience. Directors retire by rotation in accordance with the NZX Listing Rules but are eligible for re-election on retirement by rotation.

#### Director period of appointment

	0-3 YEARS	3-9 YEARS	9 + YEARS
Number of Directors	3	3	-

#### Interest Register

The Board maintains an interest register for the Company. Any Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest.

A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate.

Entries made in the interest register of the Company for the year ended 31 March 2023 are included in the Director Disclosures section on pages 36 - 37.

#### Diversity

Blis Technologies is committed to achieving a diverse workforce and inclusive workplace practices in order to harness the business benefits of diversity, further social justice and comply with legislation. A Diversity and Inclusion Policy has been adopted by the Board and is available at the Investor Centre.

Responsibility for workplace diversity and the setting of measurable objectives is held by the Board.

The gender composition of Blis' directors, senior managers and workforce was as follows:

POSITION	31 MARCH 2023		31 MARCH 2022	
	FEMALE	MALE	FEMALE	MALE
Director	2 (33%)	4 (67%)	2 (29%)	5 (71%)
Executives*	1 (25%)	3 (75%)	1 (20%)	4 (80%)
Employees**	16 (46%)	19 (54%)	15 (43%)	20 (57%)

\*CEO and leadership team

\*\*Includes Executives

### Director Training

The Board ensures that there is appropriate training available to all Directors to enable them to remain current on how best to discharge their responsibilities and keep up to date on changes and trends in areas relevant to their work. Directors are regularly provided with industry information and receive copies of appropriate Company documents to enable them to perform their role.

The Board also ensures that new Directors are appropriately introduced to management and the business.

### Board Performance Evaluation

The Board regularly assesses its effectiveness in carrying out its functions and responsibilities. The Chair of the Board leads the review which considers the performance of the Board as a whole, and of each of the Board Committees, against their respective charters.

The Chair, on behalf of the Board, is responsible for assessing the performance and contribution of individual Directors. The assessment is undertaken regularly.

### PRINCIPLE 3 - Board Committees

**“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.”**

#### Board Committees

The Board has two formally constituted committees – the Audit and Risk Committee and the People and Performance Committee. Committee membership is reviewed annually.

Each Committee has a written charter that is approved by the Board and sets out its mandate. The charters are reviewed annually with any proposed changes recommended to the Board for approval.

Each Committee has an agreed annual work programme that sets out matters to be addressed over the following twelve month period. The Committees each review their performance on an annual basis against the Committee charter and work programme and report their findings to the Board.

#### Attendance at meetings

The table below sets out Director attendance at Board and Committee meetings during the year ended 31 March 2023.

	BOARD	AUDIT & RISK COMMITTEE
G Plunket	10	10
A Balfour	7	-
A McCammon	11	6
Dr B Richardson	11	10
Dr J Andreas*	2	-
Dr A Stewart	11	-

\*Dr J Andreas appointed 1 January 2023

#### Audit & Risk Committee

The Board has overall responsibility for the Company's system of internal financial control, risk management, for liaising with the Company's external auditors, and for ensuring the integrity of the Company's financial reporting. The Board constantly monitors the operational and financial aspects of the Company's activities and has established procedures and policies that are designed to provide effective internal financial control. Annual budgets and business plans are prepared and agreed by the Board. Monthly management accounts are prepared by Management and reviewed by the Board throughout the year to monitor performance against budget.

The Board has established an Audit and Risk Committee to assist the Board in discharging its responsibilities relative to financial reporting, related regulatory conformance and liaising with the external auditors. The terms of reference for the Audit and Risk Committee are set out in its charter which is available in the Investor Centre.

The Audit and Risk Committee is appointed by the Board and must comprise three Directors, the majority of whom are to be independent. The Chair of Audit and Risk Committee must be an Independent Director and not the Chair of the Board. The current members of the Audit and Risk Committee are Barry Richardson (Chair), Geoff Plunket and Aimee McCammon. All members are independent directors.

The Board considers the recommendations of the Audit and Risk Committee and advice of external auditors and other external advisors on the operational and financial risks that the Company faces. The Board ensures that recommendations made by the Audit and Risk Committee, external auditors and other external advisers are investigated and, where considered necessary, action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

Given the size of the Company, an internal audit function is not considered necessary.

The Audit and Risk Committee met on 10 occasions during FY23. The agenda items for each meeting generally relate to capital structure, financial governance, external financial reporting, external audit, internal control review, risk management, compliance, and insurance.

### **Meeting Attendance**

The CEO and CFO will normally be invited to attend meetings.

### **People and Performance Committee**

The Board has established a People and Performance Committee which has responsibility for, amongst other things, setting the remuneration policy for the CEO, CFO, Chief Technology Officer, Chief Revenue Officer (the Executive), and recommending and monitoring the level and structure of remuneration for senior management.

The terms of reference for this committee are set out in its charter which is available in the Investor Centre ([www.blis.co.nz/investor-centre/charters-policies](http://www.blis.co.nz/investor-centre/charters-policies)).

The People and Performance Committee is appointed by the Board and must comprise three Directors, the majority of whom are to be independent. The Chair of the Board may serve on the committee. Members of the People and Performance Committee are Alison Stewart (Chair), Tony Balfour and Geoff Plunket. All committee members are independent Directors.

Management only attends People and Performance Committee meetings by invitation, as and when appropriate and necessary.

The Board ensures that the recommendations made by the People and Performance Committee are considered and acted on accordingly.

### **Nomination Committee**

Given the size and composition of the Board, the Directors believe that there are no significant benefits in delegating matters in relation to Board nominations and all appointments are managed by the whole Board.

### **Disclosure Committee**

The Board has established a Disclosure Committee to oversee the Company's compliance with its continuous disclosure requirements under New Zealand law and the NZX Listing Rules.

The Disclosure Committee comprises the Board Chair, Chair of the Audit and Risk Committee, Chief Executive Officer and Chief Financial Officer.

### **Committees**

The Board has no Committees other than an Audit and Risk Committee, People and Performance Committee and Disclosure Committee.

### **Takeover Protocols**

The Board has adopted a set of protocols to be followed in the event of a takeover offer being made.

In the event of a takeover offer, a committee of Independent Directors would be formed and would have

responsibility for managing the takeover in accordance with the Board protocols and applicable laws, including the New Zealand Takeovers Code.

#### **PRINCIPLE 4 – Reporting and Disclosure**

**“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosure.”**

##### **Shareholder Communications and Market Disclosure**

The Board is committed to keeping the financial products markets informed of material information relating to the Company and its shares and promoting investor confidence by ensuring that trading of its equity securities takes place in an efficient, well-informed market at all times.

The Company has in place both a Market Disclosure Policy and a Communications Policy designed to ensure this occurs. The policies include procedures intended to ensure that:

- the Company complies with its continuous disclosure obligations; and
- timely, accurate and complete information is provided to all shareholders and other market participants.

The policies also outline mandatory requirements and responsibilities in relation to the identification, reporting, review and disclosure of material information relevant to the Company.

Accountability for compliance with disclosure obligations is the responsibility of the CEO and CFO. The CFO has been designated as the Disclosure Officer and has overall management responsibility for ensuring all material information is lodged with NZX.

All non-promotional information intended to be made public, whether or not it is believed to be material information, must be reviewed by the Disclosure Committee (comprising the Chair, Chair of the Audit and Risk Committee, CEO and CFO) prior to release. The Disclosure Committee also refers certain decisions to the Board.

Directors consider at each Board meeting (and otherwise as and when needed) whether there is any material information which should be disclosed to the market.

##### **Governance Policies and Charters**

Key corporate governance documents, including charters and policies, can be found at the Investor Centre: [www.blis.co.nz/investor-centre/charters-policies](http://www.blis.co.nz/investor-centre/charters-policies).

##### **Financial and Non-Financial Reporting**

Blis is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on its present and future prospects.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews the Company's full and half-year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, NZX and legal requirements, and the results of the external audit. All matters required to be addressed and for which the Audit and Risk Committee has responsibility were addressed during FY23.

Blis has published its full and half-year financial statements that were prepared in accordance with relevant financial standards. The full year financial statements are set out on pages 40 - 75. The CEO and CFO have confirmed in writing to the Board that the Company's external financial reports present a true and fair view in all material aspects. These representations are given on the basis that a sound system of internal controls and risk management is operating effectively in all material respects in relation to financial reporting.

In addition to releasing the full and half-year results Blis provides an update on financial and non-financial performance for the first and third quarters. Revenue and EBITDA for the quarter and year to date, general commentary on market conditions and an update on guidance is given.

The Board does not believe that the Company has any material exposure to economic, environmental or social sustainability risks that are not appropriately managed. The material risks which may impact the Company's ability to achieve its strategic objectives and secure its future financial prospects, are managed through the strategic planning process.

Work continues on suitable sustainability-reporting framework. The project involves preparing a series of financial and non-financial targets for reporting on regularly. An overview of the Company's sustainability programme is set out at pages 14 - 15.

## PRINCIPLE 5 - Remuneration

**"The remuneration of directors and executives should be transparent, fair and reasonable."**

### Remuneration Report

The People and Performance Committee is responsible for making recommendations to the Board on remuneration policies and packages for Directors as well as the Executives.

The Company's remuneration philosophy is aimed at attracting, retaining and motivating employees of the highest quality at all levels of the organisation. It is based on practical, guiding principles and a framework that provides consistency, fairness and transparency while having regard to the risk appetite of the Company and alignment to its long-term strategic goals.

All remuneration packages are reviewed annually in the context of individual and Company performance, market movements and expert advice.

### Non-executive Directors

The structure of non-executive Director remuneration is separate and distinct from the remuneration of the CEO and other executives.

The Board seeks to set aggregate remuneration for non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

No remuneration is payable to Directors unless it is approved by the Company's shareholders, or permitted under the NZX Listing Rules in the event of an increase in the total number of Directors.

The NZX Listing Rules specify that shareholders can approve a per Director remuneration amount or an aggregate Directors' fee pool. The Board has adopted

a remuneration pool approach, as referred to in NZX Guidance Note - Governance. Shareholders approved an aggregate remuneration pool for non-executive Directors of \$309,000 per annum in August 2020.

Within the fee pool available, the Board reviews its fees annually to ensure the Company's non-executive Directors are fairly remunerated for their services, recognising the level of skill and experience required to fulfil the role, and to enable the Company to attract and retain talented non-executive Directors. The process involves benchmarking against a group of peer companies.

In addition, the Board reviews the People and Performance Committee structure and appropriate level of resourcing required to make an on-going contribution to long term value creation. Non-executive Directors have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes.

Each non-executive Director receives a fee for services as a Director of the Company and an additional fee is also paid to the Chair, and members of the Board Committees to recognise the additional time commitment required for that role. All Directors are entitled to be reimbursed for reasonable costs associated with carrying out their duties.

For the period 1 April 2022 to 31 March 2023 the allocation of the fee pool was as follows:

	BOARD	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE
Chair	\$85,000	\$10,000	\$7,000
Deputy Chair	\$55,000	N/A	N/A
Member	\$45,000	\$7,000	\$3,000

Non-executive Directors are encouraged to be shareholders, but are not required to hold shares in the Company.

Fees payable to the non-executive Directors of the Company for the period 1 April 2022 to 31 March 2023 were as follows:

	BOARD	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	TOTAL
G Plunket	85,000	-	-	\$85,000
A Balfour	55,000	-	3,000	\$58,000
Dr J Andreas*	11,250	-	-	\$11,250
A McCammon	45,000	4,667	-	\$49,667
A Offen**	15,000	3,333	-	\$18,333
Dr B Richardson	45,000	9,000	-	\$54,000
T Rönnlund***	33,750	-	-	\$33,750
Dr A Stewart	45,000	-	7,000	\$52,000

\*Dr J Andreas appointed January 2023

\*\*A Offen resigned July 2022

\*\*\*T Rönnlund resigned December 2022

### Remuneration of the CEO and Employees

The Company is committed to providing a remuneration framework that promotes a high-performance culture and aligns rewards to the creation of sustainable value for shareholders. The underlying principle is to reward employees for Company and business unit performance against targets set by reference to appropriate benchmarks and key performance indicators and to:

- Align their interests with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Total remuneration is made up of fixed remuneration, a short term incentive (STI) and a long term incentive (LTI).

Fixed remuneration includes all benefits, allowances and deductions.

The STI and LTI performance incentives are “at-risk” and are directly linked to both the performance of the Company and to each individual’s performance while promoting the Company’s long-term success.

The total remuneration earned by the Executive is set out in note 5 to the financial statements.

#### (i) Fixed annual remuneration

Remuneration levels are reviewed annually to ensure that they are appropriate for the responsibility, qualifications and experience of the Executives and are competitive with the market.

The Executives receive their fixed annual remuneration in cash and a limited range of prescribed fringe benefits such as superannuation, motor vehicle and health insurance. The total employment cost of any remuneration package, including fringe benefit tax, is taken into account in determining an employee’s fixed annual remuneration.

For the financial year ended 31 March 2023, the CEO received \$338,863 (2022: \$324,158) in fixed annual remuneration.

#### (ii) Variable remuneration – STI Scheme

The objective of the STI Scheme is to link the achievement of the annual financial and operational targets with the remuneration received by the Executives charged with meeting those targets. The total potential remuneration under the STI Scheme is set with a maximum of 30% for the CEO and 20% for other Executives of fixed annual remuneration so as to provide sufficient incentive to the Executive to achieve the targets such that the cost of the Company is flexible and in line with the trading outcome for the year.

Actual STI Scheme payments granted to the CEO and each nominated Executive depend on the extent to which specific targets, set at the beginning of each year, are met. The targets may include a weighted combination of Company, Departmental, Financial and Non-Financial.

In determining the amount to be allocated the Board considers the performance against the targets.

For the financial year ended 31 March 2023 there were four nominated executives in the STI scheme (31 March 2022: four).

STI Scheme payments relating to the financial year ended 31 March 2023 are delivered as a taxable cash bonus and are payable on completion of the annual audited financial statements. The total accrual for FY23 for all nominated executives in the STI Scheme is \$250,000 (FY22: \$nil). The actual amount paid for FY23 was \$nil (FY22: \$132,200).

In addition to the STI Scheme, the Board reserves the ability to pay ad hoc bonus payments to any employee, again directly related with the trading outcome.

### (iii) Variable remuneration – LTI Scheme

The objective of the LTI Scheme is to align the executive with shareholder interests over the longer term, and provide a longer term employee retention benefit.

The Company did not grant performance share rights (PSRs) to the executive in the 2023 financial year. The previous PSR issue occurred on 10 September 2021.

Details of the performance criteria are detailed in note 5 to the financial statements.

### CEO remuneration

SALARY	TAXABLE BENEFITS*	SUB-TOTAL	STI	LTI**	TOTAL
<b>FY23</b>					
328,993	9,870	338,863	-	-	338,863
<b>FY22</b>					
324,158	11,181	335,339	48,000	12,404	395,743

\*Includes the value of benefits including health care, superannuation, vehicle and low interest loan.

\*\*LTI includes PSRs awarded to the CEO during the financial year. In the 2023 financial year no PSRs were granted (FY22: 1,023,000). PSRs granted in FY22 will vest, if the performance criteria are met, in the 2024 financial year. details of the plans and valuation methodology are set out in Note 5 to the financial statements.

Total remuneration paid is fixed remuneration and any STI Scheme payment physically received during the year.

Performance based payments are paid in the following year.

The CEO's STI scheme payment for FY23 comprises several financial and non-financial performance measures. Overall, the STI is set at 30% of fixed remuneration. A breakdown of the STI components follows:

PERFORMANCE MEASURES	PERCENT ACHIEVED
50% based on financial revenue and profitability targets FY22	Not achieved
50% based on non-financial targets FY22	Not achieved

### Employee remuneration

The number of employees of the Company (including former employees) who received remuneration and other benefits in excess of \$100,000 in the period 1 April 2022 to 31 March 2023 are shown below:

	REMUNERATION BANDING FY23	NUMBER OF EMPLOYEES FY22
100,001 – 110,000	3	3
110,001 – 120,000	2	1
120,001 – 130,000	2	1
130,001 – 140,000	-	3
140,001 – 150,000	1	-
170,000 – 180,000	1	-
180,001 – 190,000	-	1
200,001 – 210,000	1	1
220,001 – 230,000	1	-
240,001 – 250,000	-	1
330,001 – 340,000	1	-
380,001 – 390,000	-	1

### PRINCIPLE 6 – Risk Management

**“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”**

#### Risk Management Framework

Blis operates in an environment that contains operational and strategic risks. Risks are actively managed to ensure Blis operates a safe workplace and is able to sustain the achievement of its business objectives while at the same time accepting an appropriate level of commercial risk that is consistent with desired profitability.

The Board is responsible for ensuring that key business and financial risks are identified, and that appropriate controls and procedures are in place to effectively manage those risks.



The Audit and Risk Committee has overall responsibility for ensuring that Company's risk management framework is appropriate and that risks are identified, considered and managed. Risk management is a standing item on the agenda for Audit and Risk Committee meetings, with detailed reports provided by management.

A Risk Management Policy provides guidance on the Board's approach to risk management. The objectives of the Risk Management Policy are:

- To allow Blis to pursue opportunities that involve risk in an informed manner, so as to meet the expectations of stakeholders;
- To enable full and due consideration to be given to the balance of risk and reward in pursuing the achievement of Blis' business objectives;
- To apply risk management practices to enhance strategic, tactical and operational decision making; and
- To ensure that Blis operates in a sustainable manner. The policy is available at the Investor Centre.

### **Insurance**

In managing the Company's business risks, the Board approves and monitors policy and procedures in areas such as treasury management, financial performance, taxation and delegated authorities. Blis has insurance policies in place covering most areas where risk to its assets and business can be insured at a reasonable cost.

### **Product Quality and Safety**

Ensuring the safety and quality of our products is a key priority. We establish processes that effectively manage risk and drive continuous improvement in product quality throughout the product production cycle.

We have introduced proactive quality control mechanisms within our manufacturing operations. Through the use of data collection and statistical analysis, we are improving the control of our manufacturing processes, with the aim of being able to intervene and correct a process prior to

product quality being compromised. This approach is providing further assurance that our customers receive high quality products that are safe and effective.

### **Health, Safety and Wellbeing**

Overall responsibility for health and safety, specifically for setting of high-level strategy and policy, resides with the Board which is committed to continuous improvement and progressively higher standards of work health and safety for the benefit of all employees and others who work in, use or visit the Company's workplace.

The principles of the health and safety framework are to:

- Understand and comply with all applicable health and safety legislation and regulations;
- Establish objectives and management systems consistent with health and safety best practice; and
- Ensure all officers and workers engage in creating a positive workplace culture to support health, safety and wellbeing.

The Executive are responsible for implementation of the health and safety framework and will:

- Determine and implement business and action plans to give effect to Board strategy;
- Acquire and maintain good understating of health, safety and wellbeing matters;
- Be responsible and accountable for health and safety compliance;
- Promote and role-model high workplace health, safety and wellbeing standards; and
- Ensure business objectives are complementary to health, safety and wellbeing objectives.

Management reports to the Board include the following lead and lag indicators - H&S Committee minutes, monthly hazard assessment, incidents & accidents (including near miss incidents), good news stories, achievements and training activities.

No lost time injuries, injuries resulting in workers being unable to perform normal duties at next shift, have occurred over the last five years.

## Material business risks mitigation

After completing the risk management processes outlined on the previous page, the following key business and financial risks have been identified.

AREA	PRINCIPAL RISK	STRATEGIES TO MITIGATE
<b>Product quality and customer safety</b>	Customer harm caused as a result of using Blis products	Our production facility operates under a Food Control Plan which requires high standards and procedures to ensure quality and safety from our production. We work with our suppliers and contract manufacturers to ensure high standards are adhered to. Our company values also include a focus on high quality standards across our business.
<b>Market access</b>	Loss of regulatory approval to market and sell Blis products in certain countries	Blis has robust regulatory affairs processes for obtaining and maintaining product licenses, as well as a quality management system that ensures compliance with applicable regulatory requirements.
<b>Health and safety</b>	Work related injuries	Practices and processes are reviewed annually by an accredited Workplace Health and Safety independent expert.  Health, safety and wellbeing metrics reported regularly to the Board.
<b>Intellectual Property</b>	Third parties assert IP rights against us	A comprehensive patent portfolio across our products is held and maintained. These are complemented by trademarks, trade secrets and specialist know how. Market searches undertaken in product development phase of product design. Competitor patent filings are actively monitored.
<b>Business continuity</b>	Loss of continuity and quality of supply	We actively monitor the quality of raw materials, end products, production processes and systems. Business impact analysis is used to identify, understand and quantify the impact of a material disruption to a key facility, location, supplier or business process.  Technology and know-how for future production of both BLIS K12™ and BLIS M18™ is transferred to an offshore fermentation supplier which ensures production can be continued in the event of a failure at our New Zealand based supplier.
<b>Cyber security and data protection</b>	Cyber security attack results in disruption to operations and data breach.	Independent review of control mechanisms is undertaken.
<b>Competitor activity</b>	Increasing demand for probiotics may see greater pricing competition from established and new competitors. Competition may also come from other products with similar health benefits.	The Company's market position is based on a reputation for quality and scientific support for our unique strains. Innovation and development complement this market position.

## PRINCIPLE 7 - Auditors

**“The board should ensure the quality and independence of the external audit process.”**

### External Auditor

Oversight of the Company's external audit arrangements to safeguard the integrity of financial reporting is the responsibility of the Audit and Risk Committee.

Blis maintains an Auditor Independence Policy to ensure that audit independence is maintained, both in fact and appearance. The quality of the audit opinion is considered to be paramount. Accordingly, any compromises to auditor objectivity and independence that are considered to exist require appropriate safeguards to eliminate or reduce the risk of compromise to an acceptable level.

Blis has adopted the following requirements in relation to auditor independence:

- the Blis auditor is required to comply with relevant independence requirements promulgated by the Financial Markets Authority and other governing bodies;
- the Audit and Risk Committee must approve the appointment of the auditor to provide any non-audit services to the Company or its subsidiaries;
- the auditor is required to report to the Audit and Risk Committee annually on matters pertaining to their independence; and
- the external auditor attends the Company's annual meeting each year to answer questions from shareholders in relation to the audit.

#### **Internal audit**

The Company does not have a formal internal audit function, however it does have internal processes and controls that are considered to be appropriate for the size and complexity of the organisation. The Audit and Risk Committee carefully considers the auditor's management report which lists its key findings and recommendations about significant matters arising from the audit.

### **PRINCIPLE 8 – Shareholder Relations**

**“The board should respect the rights of shareholders and foster relationships with shareholders that encourage them to engage with the issuer.”**

#### **Shareholder Rights and Relations**

The Company is committed to regularly communicating with shareholders and other stakeholders in a timely, accurate and clear manner with respect to both procedural matters and major issues affecting the Company.

To achieve this, the Company communicates through a range of forums and publications. Annual reports, NZX releases, governance policies and charters, and a variety of corporate information is available at the Investor Centre.

Each shareholder is entitled to receive a hard copy of each annual report on request.

Documents relating to annual shareholder meetings are available at the Investor Centre.

Annual shareholder meetings to date have been held at a venue in Dunedin, reflecting the head office location for the Company, as well as being live streamed to shareholders joining online.

The speeches and slides are lodged with NZX at the commencement of the meeting. Shareholders may raise matters for discussion at the annual shareholder meeting either in person or by emailing the Company with a question to be asked.

#### **Electronic Communications**

Shareholders have the option of receiving their communications electronically. Contact details for the Company's head office are available on the Blis website.

#### **Major Decisions**

The Directors' commitment to timely and balanced disclosure is set out in its Continuous Disclosure Policy and Communications Policy. The commitments include advising shareholders on any major decisions. Where voting on a matter is required, the Board encourages investors to attend the meeting or to send in a proxy vote. Online voting is made available for annual shareholder meetings.

#### **Equity Issues**

In the event of a capital raising, the Board will carefully consider and, where practical, will favour an offer of shares to existing shareholders on a pro-rata basis and on no less favourable terms before offering shares to other investors.

#### **Dividend Policy**

Under the current strategy of full reinvestment into growth and pipeline development, no dividend has been declared.

#### **Notice of Meeting**

The Notice of Meeting will be lodged with NZX at least 20 working days prior to the annual shareholder meeting and will be available in the Investor Centre.

# DIRECTORS' INTERESTS

## DIRECTORS' SHAREHOLDINGS

The following table sets out, for the purposes of the disclosures required under Listing Rule 3.7.1 (d) of the NZX Listing Rules, the relevant interests of Directors and associated persons of the Directors in equity securities of the Company as at 31 March 2023:

NAME OF DIRECTOR	NUMBER OF EQUITY SECURITIES IN WHICH A RELEVANT INTEREST IS HELD BY A DIRECTOR	
<b>G Plunket</b>	Ordinary	800,000 (a)
<b>A Balfour</b>	-	-
<b>A McCammon</b>	-	-
<b>Dr B Richardson</b>	Ordinary	17,903,625 (b)
<b>Dr A Stewart</b>	Ordinary	350,000 (c)
<b>Dr J Andreas</b>	-	-

Note that particular shareholdings can appear under more than one director.

- (a) The number of equity securities in which Mr G Plunket holds a relevant interest includes 800,000 ordinary shares held by Mr Plunket personally.
- (b) The number of equity securities in which Dr B Richardson holds a relevant interest includes 17,903,625 ordinary shares held by Dr B Richardson and Mrs JV Richardson
- (c) The number of equity securities in which Dr A Stewart holds a relevant interest includes 350,000 ordinary shares held by Custodial Services Limited

## DIRECTOR'S SHARE DEALINGS

No Directors (or associated entities in which the Directors have relevant interests) acquired or disposed of equity securities in the Group during the year ended 31 March 2023 as entered in the interests register of the Company.

## DISCLOSURES OF INTEREST BY DIRECTORS

NAME OF DIRECTOR	ORGANISATION	ACTIVE INTERESTS
<b>G Plunket</b>	Orokonui Foundation Trust	Trustee
	Orokonui Ecosanctuary Limited	Director
	Otago Natural History Trust	Trustee
	Ports of Auckland Limited	Director
<b>A Balfour</b>	Bottom Right-Hand Corner Limited	Director/Shareholder
	Les Mills International Limited	Director/Shareholder
	Little Stream Water Company Limited	Director/Shareholder
	Pioneer Energy Limited	Director
	The Warehouse Group Limited	Director/Shareholder
	Wakatipu High School	Trustee
	Wayfare Group Limited (and its wholly owned subsidiaries)	Director
<b>A McCammon</b>	Pic's Peanut Butter	Chief Executive/Shareholder
	Scarborough Wright Trustee Limited	Director
<b>Dr B Richardson</b>	CertusBio Limited	Director/Shareholder
	Zircon Services Limited	Director/Shareholder
<b>Dr A Stewart</b>	Arable Food Industry Council	Executive committee member
	Foundation for Arable Research	Chief Executive
	GIA Brown Marmorated Stink Bug Council	Council Member
	GIA Plant Biosecurity Council	Governance Group Member
	MBIE Tissue Culture Partnership	Chair Governance Group
	MPI A Lighter Touch SFFF	Governance Group Member
	Seed & Grain Readiness & Response	Chair Governance Group
	Seed Industry Research Centre	Advisory Board member
<b>Dr J Andreas</b>	Vegetable Research & Innovation	Governance Group Member
	Symrise AG	President Scent & Care and Member of Executive Board
	Probi AB	Director

## USE OF COMPANY INFORMATION

There were no notices from Directors regarding the use of Company information.

## INDEMNITIES AND INSURANCE

Pursuant to s162 of the Companies Act 1993 and the Company's Constitution, the Company has entered into deeds of access, insurance and indemnity, with the directors of the Company to indemnify them to the maximum extent permitted by law, against all liabilities which they may incur in the performance of their duties as directors of any company within the Group. Insurance cover extends to directors and officers for the expenses of defending legal proceedings and the cost of damages incurred. Specifically excluded are proven criminal liability and fines and penalties other than those pecuniary penalties which are legally insurable. In accordance with commercial practice, the insurance contract prohibits further disclosure of the terms of the policy. All Directors who voted in favour of authorising the insurance certified that in their opinion, the cost of the insurance is fair to the Company.

## DONATIONS

There were no donations made by the Company during the year ended 31 March 2023 (2022: Nil).

# DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Blis Technologies Limited are pleased to present to shareholders the financial statements for the Group for the year ended 31 March 2023.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly presents the financial position of the Group as at 31 March 2023 and the results of its operations and cash flows for the year ended on that date.

The Directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Financial Statements are signed on behalf of the Board by:



**Geoff Plunket**  
**Chair**  
**24 May 2023**



**Barry Richardson**  
**Director**  
**24 May 2023**

# 5 YEAR TREND

	2023 (\$'000)	2022 (\$'000)	2021 (\$'000)	2020 (\$'000)	2019 (\$'000)
Revenue	10,235	8,965	10,613	10,642	8,239
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	(617)	(2,061)	975	2,119	922
Depreciation and amortisation	570	654	406	513	525
Net interest (revenue)/ expense	(173)	(8)	5	4	16
Net profit after tax (NPAT)	(1,350)	(2,707)	564	1,602	381
Net debt	-	35	83	128	829
Shareholder's Equity	10,836	12,149	5,662	5,056	3,421
Total assets	12,809	14,141	7,806	7,058	5,201
Current assets	10,864	11,451	5,146	5,746	3,966
Current liabilities	1,583	1,478	1,812	1,642	1,651
Working capital	9,281	9,973	3,334	4,104	2,315
Net tangible assets (NTA) <sup>1</sup>	9,361	9,999	3,473	4,311	2,856
Cash generated from operations	106	(2,305)	589	3,197	(583)
Number of shares on issue ('000)	1,273,802	1,273,802	1,107,654	1,107,654	1,107,654
Earnings per share (EPS) – basic (cents)	(0.11)	(0.22)	0.05	0.14	0.03
Share price at 31 March	0.03	0.04	0.06	0.06	0.02
NTA per share (cents)	0.73	0.78	0.31	0.39	0.26
Cash conversion ratio <sup>2</sup>	(17.1%)	111.8%	60.3%	150.9%	(63.2%)
Return on shareholders' equity <sup>3</sup>	(12.5%)	(22.3%)	10.0%	31.7%	11.1%
Return on assets <sup>4</sup>	(13.1%)	(24.7%)	7.7%	26.2%	8.7%
Gearing ratio <sup>5</sup>	(0.0%)	0.3%	1.4%	2.5%	19.5%
EBIT to revenue ratio	(14.9%)	(30.3%)	5.4%	15.1%	4.8%
Current assets to current liabilities (times)	6.9	7.7	2.8	3.5	2.4
<b>% CHANGE ON PRIOR YEAR</b>					
Revenue	14.2%	(15.5%)	(30.0%)	29.2%	55.9%
EBITDA	70.1%	(311.4%)	(54.0%)	129.8%	315.9%
NPAT	50.1%	(580.0%)	(64.8%)	320.5%	136.6%
EPS	51.8%	(540.2%)	(64.8%)	320.5%	136.6%

1. Calculated as Net Assets less right of use assets and finite life intangible assets.

2. Calculated as cash generated from operations divided by EBITDA.

3. Calculated as net profit after tax divided by closing shareholders' equity.

4. Calculated as EBIT divided by average total assets (average based on past 3 years).

5. Gearing ratio is calculated as net debt divided by the sum of net debt and shareholders' equity.



**FINANCIAL  
STATEMENTS  
2023**



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	NOTES	2023 \$'000	2022 \$'000
<b>REVENUES</b>			
Revenue	2 (a)	10,235	8,965
Other income	2 (b)	255	488
<b>Total Revenue and Other Income</b>		<b>10,490</b>	<b>9,453</b>
<b>EXPENSES</b>			
Distribution expenses		236	263
Marketing expenses		1,329	3,436
Occupancy expenses		117	70
Employee benefits		4,099	3,594
Raw materials and consumables		2,188	1,925
Operating expenses		3,836	2,827
Finance expenses		35	45
<b>Total Expenses</b>	2 (c)	<b>11,840</b>	<b>12,160</b>
<b>SURPLUS / (DEFICIT) BEFORE TAX</b>		<b>(1,350)</b>	<b>(2,707)</b>
Income tax expense	3	-	-
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>(1,350)</b>	<b>(2,707)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1,350)</b>	<b>(2,707)</b>
<b>Earnings / (deficit) per Share:</b>			
Basic (cents per ordinary share)	15	(0.11)	(0.22)
Diluted (cents per ordinary share)	15	(0.11)	(0.22)

The above consolidated statements should be read in conjunction with the accompanying notes on pages 46 to 75.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	NOTES	SHARE CAPITAL \$'000	RETAINED EARNINGS/ (DEFICIT) \$'000	SHARE BASED PAYMENT EQUITY RESERVE \$'000	TOTAL ATTRIBUTABLE TO GROUP \$'000
<b>OPENING EQUITY – 1 APRIL 2021</b>		<b>37,469</b>	<b>(31,830)</b>	<b>23</b>	<b>5,662</b>
Surplus / (deficit) for the year		-	(2,707)	-	(2,707)
Other comprehensive income		-	-	-	-
<b>Total comprehensive Income</b>		-	<b>(2,707)</b>	-	<b>(2,707)</b>
Equity contributions and distributions					
Share capital issued		9,188	-	-	9,188
Capital raising costs paid	15	(54)	-	-	(54)
CEO share option equity reserves	15,16	46	-	(13)	33
Employee performance rights plan reserve	16	-	-	27	27
		9,180	-	14	9,194
<b>CLOSING EQUITY – 31 MARCH 2022</b>		<b>46,649</b>	<b>(34,537)</b>	<b>37</b>	<b>12,149</b>
<b>OPENING EQUITY – 1 APRIL 2022</b>		<b>46,649</b>	<b>(34,537)</b>	<b>37</b>	<b>12,149</b>
Surplus / (deficit) for the year		-	(1,350)	-	(1,350)
Other comprehensive income		-	-	-	-
<b>Total comprehensive Income</b>		-	<b>(1,350)</b>	-	<b>(1,350)</b>
Equity contributions and distributions					
Employee performance rights plan reserve	16	-	-	37	37
		-	-	37	37
<b>CLOSING EQUITY – 31 MARCH 2023</b>		<b>46,649</b>	<b>(35,887)</b>	<b>74</b>	<b>10,836</b>

The above consolidated statements should be read in conjunction with the accompanying notes on pages 46 to 75.

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	NOTES	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	4,272	8,519
Short term deposits	6	4,000	-
Trade and other receivables	7	1,444	1,751
Prepayments		339	298
Inventory	8	734	782
NZX Bond	6	75	75
Foreign exchange contracts	22 (e)	-	26
<b>TOTAL CURRENT ASSETS</b>		<b>10,864</b>	<b>11,451</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	470	540
Finite life intangible assets	10	889	1,455
Right-of-use assets	11	586	695
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,945</b>	<b>2,690</b>
<b>TOTAL ASSETS</b>		<b>12,809</b>	<b>14,141</b>

Continued overleaf / >>

The above consolidated statements should be read in conjunction with the accompanying notes on pages 46 to 75.

# CONSOLIDATED BALANCE SHEET CONTINUED

AS AT 31 MARCH 2023

	NOTES	2023 \$'000	2022 \$'000
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	1,353	1,238
Current borrowings	13	-	35
Lease liabilities	11	229	205
Foreign exchange contracts	22 (e)	1	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,583</b>	<b>1,478</b>
<b>Non Current Liabilities</b>			
Lease liabilities	11	390	514
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>390</b>	<b>514</b>
<b>TOTAL LIABILITIES</b>		<b>1,973</b>	<b>1,992</b>
<b>NET ASSETS</b>		<b>10,836</b>	<b>12,149</b>
<b>OWNERS EQUITY</b>			
Share capital	15	46,649	46,649
Retained earnings / (deficits)		(35,887)	(34,537)
Share based payment equity reserves	16	74	37
<b>TOTAL EQUITY</b>		<b>10,836</b>	<b>12,149</b>



**Geoff Plunket**  
Chair



**Barry Richardson**  
Director

These financial statements have been authorised for issue on 24 May 2023.

The above consolidated statements should be read in conjunction with the accompanying notes on pages 46 to 75.

# CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	NOTES	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Cash was provided from / (applied to):</i>			
Receipts from customers		10,603	9,141
Interest received		217	53
Payments to suppliers and employees		(10,680)	(11,454)
Finance costs		(34)	(45)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>21</b>	<b>106</b>	<b>(2,305)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Cash was provided from / (applied to):</i>			
Purchase of Short term deposits		(4,000)	-
Purchase of intangible assets		(47)	(49)
Purchase of property, plant and equipment		(50)	(213)
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(4,097)</b>	<b>(262)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Cash was provided from / (applied to):</i>			
Repayment of borrowings		(37)	(48)
Repayment of lease liabilities		(238)	(198)
Proceeds from share capital issued		-	9,188
Capital raising costs paid		-	(54)
Receipt of share option		-	33
<b>Net cash inflow / (outflow) from financing activities</b>		<b>(275)</b>	<b>8,921</b>
<b>Net Increase / (Decrease) in cash held</b>		<b>(4,266)</b>	<b>6,354</b>
Add cash and cash equivalents at start of period		8,519	2,187
Foreign exchange differences		19	(22)
<b>Balance at end of period</b>		<b>4,272</b>	<b>8,519</b>
<b>COMPRISED OF:</b>			
Cash and cash equivalents		4,272	8,519
		<b>4,272</b>	<b>8,519</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

## 1. BASIS OF REPORTING

### Reporting entity

The consolidated 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 based on strains of bacteria that produce bacteriocin activity for sale 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 financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS").

The Financial Statements were authorised for issue by the Board of Directors on 24th May 2023.

### Basis of Measurement

The 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 as explained in the relevant accounting policies.

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.

Unless otherwise stated the accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended 31 March 2023 and 31 March 2022.

The financial statements are presented in thousands of New Zealand dollars. The New Zealand dollar is the Group's functional currency.

### Significant Judgements, Estimates and Assumptions

In the application of NZ IFRS, the Directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Directors in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year include:

- Assessing the point at which a project has moved from the research phase to the development phase and which costs may be capitalised as internally generated intangible assets. Refer to note 10 for further information.
- The Group determines whether finite life intangibles are impaired at least on an annual basis, or more frequently when there are indicators of impairment. Determining the recoverable amounts of intangible assets requires judgement in relation to the effects of uncertain future events at balance date. Assumptions are required with respect to future cash flows and discount rates used. Refer note 10 for sensitivities and assumptions used.
- The determination of separate performance obligations for the recognition of revenue. Refer to note 2 for further information
- Tax Losses - The recognition of a deferred tax asset arising from prior year tax losses and temporary differences is dependent on generating future taxable profits.

No deferred tax asset has been recognised as at 31 March 2023 but this position will be reviewed in future periods as the Company demonstrates a consistent track record of profitable Group results. The Group's ability to utilise tax losses is explained in note 3.

### **Significant Accounting Policies**

The principal accounting policies applied in the preparation and presentation of the financial statements are set out below or in the notes with the item to which they relate, where policies are specific to certain transactions or balances.

These policies have been consistently applied unless otherwise stated.

### **Basis of Consolidation**

The Group financial statements incorporate the financial statements of the Company and all entities controlled by the Company (its subsidiaries) that comprise the Group, being Blis Technologies Limited (the parent entity) and its subsidiary Blis Functional Foods Limited. Control is obtained when the Company has power over the investee, is exposed to or has rights to variable returns from its investment, and has the ability to use its power to affect returns. Consistent accounting policies are employed in the preparation and presentation of the group financial statements.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

### **Foreign Exchange**

In the course of normal trading activities, the Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Transactions in currencies other than the New Zealand dollar are recognised at the rate of exchange prevailing on the dates of the transactions. Trade and other receivables, trade and other payables, the Canadian Dollar (CAD) denominated bank account, the Euro denominated bank account and the United States Dollar (USD) denominated bank account balances are translated at the exchange rates prevailing at the end of each reporting period as sourced from the Reserve Bank of New Zealand. Exchange differences are recognised in the statement of comprehensive income in the period in which they occur.

### **Goods and Services Tax (GST)**

All items in the balance sheet are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the statement of comprehensive income are stated exclusive of GST.

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

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### **New and revised NZ IFRS Standards and Interpretations issued but not yet adopted**

All mandatory new and revised standards and interpretations have been adopted in the current year. None had a material impact on these financial statements

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective. The Group expects to adopt these when they become mandatory. None are expected to materially impact the Group's financial statements.

## **2. SURPLUS / (DEFICIT) FROM OPERATIONS**

### **Policy**

Revenue is recognised from the following major sources:

- Sale of goods;
- Right to access;
- License Fee and Royalties and
- Grants.

Revenue is measured at the fair value of the consideration the Group expects to be entitled to in accordance with customer contracts and excludes amounts collected on behalf of third parties.

### *Sale of Goods*

The Group sells ingredients and finished goods to manufacturer and wholesale customers. In addition to product sales, the Group provides sales training and support to its customers. The Group has determined that the sales training and support is not a distinct performance obligation.

In addition to selling products to customers, the Group also arranges delivery of the products to its customers. Where control of the product passes to the customer on departure, the delivery services represent a separate performance obligation. The Group is an agent in the performance of the delivery service and the allocated revenue is recognised net of costs.

Revenue from the sale of goods is recognised when the Group has transferred control of the goods to the customer, which is typically at the point goods are dispatched. For some customers, the customer does not obtain control until the goods have been delivered to their premises. For these customers, revenue is recognised at the date the goods are delivered. One of the Group's major customers has entered into a consignment arrangement. Sales to this customer are not recognised until the sale is made to the end customer.

### *Rebates*

The Group provides rebates to certain customers based on the quantity of products purchased during the period. Rebates are offset against revenue. To estimate the variable consideration for the expected rebates, the Group applies the expected value method. The Group recognises a refund liability for the expected rebates.

### *Right to access*

Right to access agreements with customers provide exclusive rights to the customer for specified products throughout the contract period.

Revenue from right to access agreements is recognised over time, on a straight-line basis over the contract term, as this depicts the period of exclusive supply to the customer.

A material right is recognised as a separate performance obligation where the customer has the right to extend the access period at a discounted price. In such instances, the Group recognises revenue when the rights are exercised or expired. The material right is estimated



based on the likelihood of the customer exercising the option.

#### *License fee and royalties*

Licensing fee and royalty revenue is recognised as the underlying sales and usage occurs and the performance obligation to the license fee and royalty has been satisfied.

#### *Contract liabilities*

Revenue is recognised when all associated obligations have been met. Where consideration has been received but the associated obligations have not been met, for instance goods have not yet been provided, it will be recognised as a contract liability on the balance sheet.

#### *Grant Income*

Grant income is recognised when the Group has met all of the requirements established by the grant. Grant income that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future required costs are recognised as revenue of the period in which it becomes receivable.

#### *Interest Income*

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### **(a) Revenue**

Revenue consists of the following items:

#### *Point in time recognition:*

##### Sale of goods – domestic sales

Finished goods	1,989	1,596
Ingredients	62	84

##### Sale of goods – export sales

Finished goods	1,525	1,341
Ingredients	6,375	5,776

##### License fee and royalties

284	-
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#### *Over time recognition:*

##### Right to access

-	168
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<b>10,235</b>	<b>8,965</b>
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### **(b) Other Income**

##### Grant income

37	435
----	-----

##### Other income

11	-
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##### Interest income

207	53
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<b>255</b>	<b>488</b>
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## NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (c) Expenses

	2023 \$'000	2022 \$'000
<i>This includes the following specific expenses:</i>		
Amortisation of finite life intangible assets (note 10)	228	289
Depreciation of property, plant and equipment (note 9)	120	144
Depreciation of right of use assets (note 11)	221	205
Director's fees	362	352
Employee benefits	3,955	3,468
Employee performance rights	37	27
(Gain) / loss on fair value of derivatives	(19)	84
Loss on disposal of intangibles (note 10)	51	16
Impairment of intangibles (note 10)	334	-
Operating lease payment	2	1
Other operating expenses	2,200	1,546
Post-employment benefits	107	99
Provision for inventory write-off	43	277
Research and development expense	337	191
FX (gain) / loss	52	40

## 3. INCOME TAXES

### Policy

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax rates that have been enacted or substantively enacted at reporting date.

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**(a) Income tax recognised in profit or loss**

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	2023 \$'000	2022 \$'000
Net surplus before tax	(1,350)	(2,707)
Income tax expense calculated at 28%	(378)	(758)
Non-deductible items	41	101
Temporary differences excluding tax losses not recognised	38	57
Tax losses (recognised)/not recognised	299	600
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**(b) Income tax recognised directly in equity**

There was no current or deferred tax charged/ (credited) directly to equity during the period.

**(c) Deferred tax balances**

The Group has an unrecognised deferred tax asset of \$5,280,091 (2022: \$4,954,677). The unrecognised deferred tax asset arises in relation to temporary differences of \$393,489 (2022: \$365,522) and gross tax losses of \$17,452,150 (2022: \$16,389,840) with a tax effect of \$4,886,602 (2022: \$4,589,155). The tax losses may be able to be carried forward and offset against future taxable income (subject to meeting the requirements of the Income Tax Act 2007) and accounting recognition requirements.

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

### 4. REMUNERATION OF AUDITORS

	2023 \$'000	2022 \$'000
Audit of the financial statements	110	100
Other Assurance	2	2
	<b>112</b>	<b>102</b>

The auditor of Blis Technologies Limited is Deloitte Limited.

### 5. KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 \$'000	2022 \$'000
Short term employee benefits	1,212	1,160
Long term employee benefits	31	34
Share based payments	37	27
	<b>1,280</b>	<b>1,221</b>

#### Equity settled share based payments

The fair value (at grant date) of performance share rights plan (PSRs) granted to the CEO and certain other senior management, is recognised in profit or loss within the Consolidated Statement of Comprehensive Income over the vesting period with a corresponding increase in the share based payment reserve. The estimate of the number of PSRs for which non market based conditions are expected to be satisfied is revised at each reporting date, with any cumulative catch-up adjustment recognised in profit or loss. When any PSRs are exercised, the amount in the share based equity payment reserve relating to those instruments is transferred to share capital as consideration of one option per share. When any PSRs are cancelled, the amount in the share based payment reserve relating to those PSRs is also transferred to retained earnings.

#### Employee share based compensation

From 21 December 2020, the Company grants PSRs to certain members of its senior leadership and senior management teams under the 2020 and 2021 Performance Share Rights Plan. There were no Employee share based schemes prior to December 2020.

##### *i) Performance share rights plan*

Under the 2020 and 2021 Performance Share Rights Plan, one share right gives the employee the potential to exercise a share right for an ordinary share in the Company. Performance share rights will only become exercisable if the Company meets certain market-based and performance based requirements set by the board in respect of its share price and net profit, and the continuous employment of the relevant holder.

The plan is a three year scheme, with the potential rights to fully vest on the third anniversary of the grant date (Vesting Date) if the following criteria are met:

- 50% of the Performance rights shall vest on the Vesting Date subject to the average market price of the shares of the Company from the Grant Date to the Vesting Date increase by 15% per annum.
- 50% of the Performance rights shall vest on the Vesting Date subject to the Company achieving 15% compound annual growth rate (CAGR) for net profit from 31 March of the most recent balance date at grant date to the Vesting Date; and
- The holder of the Performance Rights is continuously employed by the Company during the period from the Grant Date to the Vesting Date.

#### Measurement

The fair value of the PSRs was determined using the Black Scholes option pricing model to value the 50% performance rights which vest on achieving 15% CAGR for net profit being non market conditions and a Monte Carlo simulation valuation methodology for the 50% performance rights with market based vesting conditions.

The compensation of the key management personnel of the entity, is set out below:

Movements in the number of PSRs outstanding and their exercise prices are as follows:

	2023	2022
<i>Number of options outstanding</i>		
As at beginning of the year	4,847,000	2,674,000
Granted during the year	-	3,270,000
Exercised during the year	-	-
Lapsed during the year	-	1,097,000
<b>As at end of the year</b>	<b>4,847,000</b>	<b>4,847,000</b>
Exercisable at year end	-	-
Number of employees	4	4
Weighted average exercise price	\$0.08	\$0.08
Weighted average remaining contractual life (months)	14	26
Fair value of rights granted during the year	-	104,640
Fair value of rights granted during the year (\$ per share)	-	0.03

The options outstanding at 31 March 2023 had an exercise price in the range of \$0.07 - \$0.08 (2022: \$0.07-\$0.08).

No options lapsed during the year. The weighted average exercise price for options lapsed during the year in 2022 was \$0.08.

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

### Key inputs and assumptions used in fair value of PSRs granted during the year

	2023	2022
Share price at grant date	-	\$0.07
Contractual life (years)	-	4
Exercise price	-	\$0.07
Dividend yield	-	0%
Expected volatility (i)	-	70-75%
Risk free rate	-	1.28%

(i) The expected share price volatility is derived by analysing the historical volatility over the most recent historical period corresponding to the term of the PSR.

## 6. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

### Policy

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and short-term deposits are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### Short term Deposits

Short term deposits includes investments with Bank of New Zealand, with periods ranging up to 365 days.

#### NZX Bond

A short term deposit is held at Bank of New Zealand as security for a bond issued to the NZX. These funds do not represent operating cash reserves.

	2023 \$'000	2022 \$'000
Cash and cash equivalents	4,272	8,519
Short-term deposits	4,000	-
	<b>8,272</b>	<b>8,519</b>
NZX bond	75	75

## 7. TRADE AND OTHER RECEIVABLES

### Policy

#### Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance.

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

	2023 \$'000	2022 \$'000
Trade receivables	1,448	1,689
Allowance for expected credit losses (note 22 g)	-	(2)
GST receivable	(4)	64
	<b>1,444</b>	<b>1,751</b>

Trade receivables and other receivables are non-interest bearing and receipt is normally on 30 to 60 day terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

## 8. INVENTORY

### Policy

Inventories are stated at the lower of cost and net realisable value. Cost is determined using average cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

	2023 \$'000	2022 \$'000
Raw materials	540	589
Finished goods	241	470
Provision for write-off	(47)	(277)
	<b>734</b>	<b>782</b>

During the year \$43,866 (2022: \$276,507) was recognised as an expense in respect of write-downs to inventory to net realisable value.

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

### 9. PROPERTY, PLANT AND EQUIPMENT

#### Policy

All items of Property, Plant and Equipment are stated at cost less accumulated depreciation, and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of a purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The following estimates of useful lives are used in the calculation of depreciation:

Leasehold improvements 3 – 10 years

Furniture and fittings 3 – 15 years

Plant and equipment 2 – 18 years

2023										
	COST 1 APRIL 2022 \$'000	ADDITIONS/ TRANSFERS \$'000	DISPOSALS \$'000	COST 31 MARCH 2023 \$'000	ACCUMULATED DEPRECIATION 1 APRIL 2022 \$'000	DEPRECIATION EXPENSE \$'000	ACCUMULATED DEPRECIATION REVERSED ON DISPOSAL \$'000	TRANSFER \$'000	ACCUMULATED DEPRECIATION 31 MARCH 2023 \$'000	BOOK VALUE 31 MARCH 2023 \$'000
Leasehold improvements	364	2	-	366	(325)	(4)	-	-	(329)	37
Furniture and fittings	178	3	-	181	(119)	(18)	-	-	(137)	44
Plant and equipment	1,683	45	-	1,728	(1,241)	(98)	-	-	(1,339)	389
	<b>2,225</b>	<b>50</b>	<b>-</b>	<b>2,275</b>	<b>(1,685)</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>(1,805)</b>	<b>470</b>

2022										
	COST 1 APRIL 2021 \$'000	ADDITIONS/ TRANSFERS \$'000	DISPOSALS \$'000	COST 31 MARCH 2022 \$'000	ACCUMULATED DEPRECIATION 1 APRIL 2021 \$'000	DEPRECIATION EXPENSE \$'000	ACCUMULATED DEPRECIATION REVERSED ON DISPOSAL \$'000	TRANSFER \$'000	ACCUMULATED DEPRECIATION 31 MARCH 2022 \$'000	BOOK VALUE 31 MARCH 2022 \$'000
Leasehold improvements	364	-	-	364	(320)	(5)	-	-	(325)	39
Furniture and fittings	130	48	-	178	(107)	(12)	-	-	(119)	59
Plant and equipment	1,518	165	-	1,683	(1,114)	(127)	-	-	(1,241)	442
	<b>2,012</b>	<b>213</b>	<b>-</b>	<b>2,225</b>	<b>(1,541)</b>	<b>(144)</b>	<b>-</b>	<b>-</b>	<b>(1,685)</b>	<b>540</b>



## 10. FINITE LIFE INTANGIBLE ASSETS

### Policy

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### *Intellectual Property*

The cost of intellectual property is written off until such time as it becomes clear that future economic benefits attributable to that expenditure will flow to the Group and there is sufficient evidence to support the probability of the expenditure generating sufficient future economic benefits.

Intellectual property including patents, trademarks and licenses are considered finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of the intangible asset being 10 to 20 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

#### *Website*

Following the initial investment, which is recorded at cost and amortised over 3 years, the cost of further website development is expensed as incurred.

#### *Internally generated Intangible Assets – Capitalised Product Development Expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. The useful life of internally generated intangible assets is 8 years.

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

### *Impairment of Assets*

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

	TRADEMARKS	PATENTS	CAPITALISED DEVELOPMENT	IT, WEBSITE DEVELOPMENT AND SOFTWARE	TOTAL
2023	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross Carrying Amount</b>					
Balance at 1 April 2022	212	1,191	4,169	400	5,972
Additions	12	35	-	-	47
Disposals	-	-	(66)	-	(66)
Balance at 31 March 2023	224	1,226	4,103	400	5,953
<b>Accumulated amortisation and impairment</b>					
Balance at 1 April 2022	47	960	3,252	258	4,517
Amortisation expense	19	62	116	31	228
Impairment expense	29	-	215	90	334
Disposals	-	-	(15)	-	(15)
Balance	95	1,022	3,568	379	5,065
<b>Net Book Value at 31 March 2023</b>	<b>129</b>	<b>204</b>	<b>535</b>	<b>21</b>	<b>889</b>

2022	TRADEMARKS \$'000	PATENTS \$'000	CAPITALISED DEVELOPMENT \$'000	IT, WEBSITE DEVELOPMENT AND SOFTWARE \$'000	TOTAL \$'000
Gross Carrying Amount					
Balance at 1 April 2021	206	1,164	4,169	400	5,939
Additions - acquired	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	47	960	3,252	258	4,517
<b>Net Book Value at 31 March 2022</b>	<b>165</b>	<b>231</b>	<b>917</b>	<b>142</b>	<b>1,455</b>

Trademarks are amortised over their estimate useful lives, which is on average 10 years.

Patents are amortised over their estimated useful lives, which is on average 20 years.

The amortisation period for development costs incurred on the Group's K12, M18 and Q24 product development is 8 years.

The amortisation period for the development costs incurred on the Group's IT, website and software development is 3 years.

\$334,000 impairment losses have been recorded in the current year (2022: Nil). The \$334,000 impairment loss relates to capitalised product development expenditure and IT, website development and software expenditure attributable to product lines which have been discontinued during the year where it was assessed that the carrying value exceeded their recoverable amount.

Capitalised product development expenditure relates to costs incurred in relation to the development of ingredient, intermediate and food products containing BLIS, and the associated regulatory approval processes.

#### *Impairment test for Intangible Assets*

For the purposes of preparing these accounts, the Board reviewed the intangible assets and have determined that there is no further impairment of any intangible assets.

The Group is considered to be one cash-generating unit.

The calculation of the recoverable amount has been determined based on a value-in-use calculation that uses cash flow projections based on the financial forecasts prepared by management covering a five-year period.

The recoverable amount calculations are most sensitive to assumptions regarding sales growth rate.

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

Annual sales growth rates have increased from previous assessments reflecting forecast growth in existing and emerging markets.

Key assumptions used in the value-in-use calculation are:

- Annual sales growth rate of between 11% - 38% (2022: 12-30%)
- Contribution margins of 67% - 70% (2022: 70% – 83%)
- Pre-tax discount rate of 18.39% (2022: 18.36% pre tax)
- Terminal growth rate of 2% (2022: 2%)

The calculation supports the carrying amount of intangible assets.

- Reducing sales growth by 20% overall would not result in an impairment loss.

If sales growth and/or contribution margins fall short of projections, the recoverable amount of the capitalised product development and patent expenditure may be less than the carrying value.

### 11. LEASES

#### Policy

##### *The Group as a lessee*

The Group leases certain property, plant and equipment. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets where the Group recognises the lease payments as an other operating expense on a straight-line basis over the term of the lease.

##### *Lease Liabilities*

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are presented as a separate line in the balance sheet and are subsequently measured by increasing the carrying amount to reflect interest on the lease (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Lease payments changing due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

#### *Right of Use (ROU) assets*

ROU assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Wherever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37. The costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as similar owned assets within property, plant and equipment. Depreciation starts at the commencement date of the lease.

ROU assets are presented as a separate line in the balance sheet.

The Group applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property, plant and equipment.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other operating expenses in the statement of comprehensive income.

#### **Right-of-use assets**

<b>2023</b>	<b>PROPERTIES \$'000</b>	<b>OFFICE EQUIPMENT \$'000</b>	<b>TOTAL '000</b>
As at 1 April 2022	664	31	695
Additions	112	-	112
Terminations	-	-	-
Depreciation expense	(211)	(10)	(221)
Depreciation write back on terminations	-	-	-
<b>Net Book Value as at 31 March 2023</b>	<b>565</b>	<b>21</b>	<b>586</b>

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

2022	PROPERTIES \$'000	OFFICE EQUIPMENT \$'000	TOTAL '000
As at 1 April 2021	437	41	478
Additions	422	-	422
Terminations	-	-	-
Depreciation expense	(195)	(10)	(205)
Depreciation write back on terminations	-	-	-
<b>Net Book Value as at 31 March 2022</b>	<b>664</b>	<b>31</b>	<b>695</b>

### Lease Liabilities – Maturity Analysis

	2023 \$'000	2022 \$'000
Less than one year	229	205
Between one and five years	294	427
More than five years	96	87
	<b>619</b>	<b>719</b>
Current	229	205
Non-Current	390	514
<b>Total</b>	<b>619</b>	<b>719</b>

The Group leases various properties and office equipment under non-cancellable leases expiring within one to nine years. The leases have varying terms and have no option to purchase in respect to the leased equipment in the financial year ended 31 March 2023.

	2023	2022
<i>Amounts Recognised in consolidated statement of comprehensive income:</i>		
Depreciation of right-of-use assets	221	205
Interest expense on lease liabilities	43	36
Expense relating to short-term leases	2	1
Expense relating to low value assets	-	-

The total cash outflow for leases in 2023 was \$257,028 (2022: \$235,254).

The incremental borrowing rate applied on properties was 6% (2022: 6%) and office equipment 6% (2022: 6%).

The below table details changes in the group's lease liabilities from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's statement of cash flows from financing activities.

	OPENING BALANCE AT 1 APRIL 2022 \$'000	NON-CASH CHANGES <sup>1</sup> \$'000	RECOGNISED ON ACQUISITION \$'000	NON-FINANCING CASH FLOWS \$'000	FINANCING CASH FLOWS \$'000	CLOSING BALANCE AT 31 MARCH 2023 \$'000
<b>2023</b>						
Lease liabilities	719	118	-	-	(218)	619
	<b>719</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>(218)</b>	<b>619</b>
	OPENING BALANCE AT 1 APRIL 2021 \$'000	NON-CASH CHANGES <sup>1</sup> \$'000	RECOGNISED ON ACQUISITION \$'000	NON-FINANCING CASH FLOWS \$'000	FINANCING CASH FLOWS \$'000	CLOSING BALANCE AT 31 MARCH 2022 \$'000
<b>2022</b>						
Lease liabilities	495	422	-	-	(198)	719
	<b>495</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>(198)</b>	<b>719</b>

(1) Non-cash changes within lease liabilities relate to new leases entered into during the financial year, interest, lease modifications and reassessments of lease terms.

## 12. TRADE AND OTHER PAYABLES

### Policy

#### Trade Payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

#### Employee Benefits

Provision is made for benefits accruing to employees in respects of wages and salaries and annual leave when it is probable that settlement will be required, and they are capable of being measured reliably. Provisions are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

	2023 \$'000	2022 \$'000
Trade payable	1,155	1,053
Employee entitlements	198	185
	<b>1,353</b>	<b>1,238</b>

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

### 13. BORROWINGS

#### Policy

Borrowings are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

	2023 \$'000	2022 \$'000
Asset finance	-	35
<b>Total borrowings</b>	<b>-</b>	<b>35</b>
	2023 \$'000	2022 \$'000
Current borrowings	-	35
Non-current borrowings	-	-
<b>Total borrowings</b>	<b>-</b>	<b>35</b>

The Group has an undrawn trade credit loan facility with the Bank of New Zealand that has a base limit of \$550,000. The effective interest rate of the trade credit loans is between 5.89% - 6.87% (2022: 5.89% - 6.87%).

Asset Finance loan with the Bank of New Zealand was utilised to finance the purchase of the Natoli tablet press. The loan had an effective interest rate for 2022 of 5.70%. The term of this loan was over 60 months with the final payment in December 2022. The loan was secured over the Natoli tablet press, purchased for \$293,479.

#### Security

The banking facilities from Bank of New Zealand are secured by general security agreement over all present and after acquired property of Blis Technologies Limited. There is assignment of Trade Credit Insurance Policy covering export receivables and specific security (set off and charge) over Term Deposit funds to secure NZX Bond.

### 14. INVESTMENT IN SUBSIDIARY

	2023	PERCENTAGE HELD 2022	BALANCE DATE	PRINCIPAL ACTIVITY
Blis Functional Foods Limited	100%	100%	31 March	Non-trading



## 15. SHARE CAPITAL AND EARNINGS PER SHARE

	NO. OF SHARES	2023 \$'000	NO. OF SHARES	2022 \$'000
Balance at the beginning of the year (fully paid)	1,273,801,599	46,649	1,107,653,565	37,469
Share capital issued	-	-	166,148,034	9,188
Capital raising costs paid	-	-	-	(54)
Shares pursuant to the CEO share plan	-	-	-	46
<b>Balance at the end of the year</b>	<b>1,273,801,599</b>	<b>46,649</b>	<b>1,273,801,599</b>	<b>46,649</b>

All 1,273,801,599 ordinary shares are issued and carry equal voting rights. All issued shares participate equally in any dividend distribution or any surplus on winding up of the Company.

On 2 June 2016, 5,500,000 shares were issued to Mr Brian Watson, Chief Executive of the Company. The shares were issued at a price of \$0.0299 per share. Details of this transaction is shown in note 17.

	2023 \$'000	2022 \$'000
<b>Loss per share</b>		
Loss attributable to members of the Company used in calculating basic and diluted EPS (\$'000)	(1,350)	(2,707)
Weighted average number of ordinary shares ('000) for basic EPS	1,273,802	1,229,982
Effect of dilution due to performance rights	-	-
Weighted average number of ordinary shares ('000) for diluted EPS	1,273,802	1,229,982
<i>Loss per share</i>		
Basic EPS (cents)	(0.11)	(0.22)
Diluted EPS (Cents)	(0.11)	(0.22)

### *Recognition and measurement*

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS adjusts basic EPS for the dilutive effect of employee share rights and options that may be converted into ordinary shares in the Company.

## 16. RESERVES

### **Nature and purpose of share based payment equity reserves**

#### *Share based payment equity reserve*

The Share option equity reserve relates to the CEO share plan refer note 17.

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

### *Employee performance rights plan reserve*

The Reserve is used to recognise the fair value of PSRs granted but not exercised refer to note 5. The movements relating to the employee performance rights plan are reflected in the share based payments equity reserve.

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	37	23
Repayment of CEO share option equity reserve	-	(13)
Expense recognised in relation to employee performance rights plan reserve	37	27
<b>Balance at end of the year</b>	<b>74</b>	<b>37</b>

## 17. RELATED PARTY TRANSACTIONS

During the year, BLIS products were sold to the following related parties (excluding web sales).

ASSOCIATE ENTITY	DIRECTOR	2023	2022
Probi AB	Dr J Andreas	\$287,569	\$3,900

In 2022 Blis entered into a licence and supply agreement which grants Probi rights to manufacture and sell Blis K12™ and M18™. The above \$287,569 reflects these transactions for the year ended 31 March 2023 (2022: \$3,900).

At 31 March 2023 Blis had a receivable balance from Probi of \$113,600 (2022:Nil).

Product seconds are made available to the staff and Board members for personal use at no charge.

### **CEO Share based payment and issue of shares to the CEO**

The Company entered into a Subscription Agreement and issued 5,500,000 new ordinary shares to the CEO, Brian Watson, on 2 June 2016. The shares were issued for cash consideration of 2.99 cents per share being an aggregate \$164,500, which was satisfied by way of a contemporaneous interest free loan provided by the Company to the CEO for an aggregate amount equivalent to the subscription price for the shares.

The loan is secured by a lien on the issued shares and repayable in equal annual instalments commencing on the 1st of December 2017 with the final instalment on 1 December 2021.

The shares were issued at 90% of the volume weighted average share price for the 5 trading days prior to 1 June 2016. The issue price was considered by the Directors of the Company to be equivalent to the price that the tranche of shares would have been issued to an independent third party at the time of issue.

The Subscription Agreement provides security against the loan through a charge on the shares. The appropriate approach consistent with the relevant accounting standard is to treat the entire arrangement as a share option.

Using the Black Scholes option pricing model for the CEO Share Plan at an implied volatility of 32% and referenced to the prevailing share price of 3.32 cents on 2 June 2016 yielded an aggregate option value of \$54,517. This amount was treated as an expense.

As a result of the charge to the statement of comprehensive income, a CEO Share based payment Reserve was created in the Consolidated Balance Sheet. Upon receipt of each of the scheduled loan repayment the notional option value associated with each tranche transfers from the CEO Share Plan Reserve to Share Capital and the amount of each loan repayment recorded to equity to represent the consideration received for each tranche of shares issued to the CEO.

Consideration of \$32,900 was received for the fifth and final tranche of shares in March 2022 (Fourth instalment November 2020 \$32,900, third instalment in November 2019: \$32,900, second instalment in November 2018: \$32,900, first instalment in November 2017 \$32,900).

#### **Fair Value of Share Options**

The fair value of the share options granted during the 2017 financial year was \$54,517. Options were priced using the Black-Scholes option pricing model. Expected volatility is based on the historical share price over the past 5 years, consistent with the options lives, factoring in a step change in the 9 months prior to grant date.

No allowance for early exercise was incorporated into the fair value calculation as it was assumed that the CEO would exercise the options at the latest exercise date.

There are no market or service conditions.

The fair value model is most susceptible to changes in the expected volatility. Had an expected volatility of 45% been utilised, the fair value of the share options would have been \$69,000.

#### *Inputs to the model:*

##### **Option Series**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Grant date weighted average share price	\$0.0322	\$0.0322	\$0.0322	\$0.0322	\$0.0322
Exercise price	\$0.0299	\$0.0299	\$0.0299	\$0.0299	\$0.0299
Expected volatility	31.93%	31.93%	31.93%	31.93%	31.93%
Option life (years)	1.5	2.5	3.5	4.5	5.5
Dividend yield	0%	0%	0%	0%	0%
Risk free interest rate	2.07%	2.01%	2.00%	2.06%	2.02%
Final exercise date	1/12/17	1/12/18	1/12/19	1/12/20	1/12/21

## **18. COMMITMENTS FOR EXPENDITURE**

As at 31 March 2023 there was \$86,293 of capital expenditure commitments (2022: \$nil).

## **19. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no material contingent assets or contingent liabilities at 31 March 2023 (2022: \$nil).

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

### 20. SEGMENTAL REPORTING

#### 20.1 Operating segments

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

#### 20.2 Revenue from major products and services

	2023 \$'000	2022 \$'000
The Group's revenues from its major products and services were as follows:		
BLIS products	10,235	8,965
Non-core business	255	488
<b>Total Revenue and Other Income</b>	<b>10,490</b>	<b>9,453</b>

Non-core business includes grant revenue and contract manufacturing revenue of non-BLIS branded products.

#### 20.3 Information about geographical areas

The Group operates in 3 principal geographical areas, Asia Pacific, Europe Middle East and Africa (EMEA) and North America.

The Group's revenue from external customers and information about its assets by geographical location (of the customer) are detailed below:

	REVENUE FROM EXTERNAL CUSTOMERS		NON-CURRENT ASSETS	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
New Zealand	2,052	1,539	1,926	2,690
Asia Pacific (excl. NZ)	1,313	1,426	-	-
EMEA	4,594	2,857	-	-
North America	2,276	3,143	-	-
<b>Total revenue</b>	<b>10,235</b>	<b>8,965</b>	<b>1,926</b>	<b>2,690</b>
Grant revenue	38	435	-	-
Other revenue	10	-	-	-
Interest revenue	207	53	-	-
<b>Total revenue &amp; other income</b>	<b>10,490</b>	<b>9,453</b>	<b>1,926</b>	<b>2,690</b>

Included in revenue are revenues of \$4,507k and \$895k and \$684k (2022: \$2,822k and \$1,775k and \$909k) which arose from sales to the Group's three largest customers (2022: three).

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

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

### Policy

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The cash flow statement is prepared exclusive of GST, which is consistent with the method used in the consolidated statement of comprehensive income.

Definition of terms used in the cash flow statement:

**Operating activities** include all transactions and other events that are not investing or financing activities.

**Investing activities** are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

**Financing activities** are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

	2023 \$'000	2022 \$'000
Net surplus /(Deficit) for the year	(1,350)	(2,707)
<i>Adjustments for non-cash items:</i>		
Amortisation	228	289
Depreciation property, plant and equipment	120	144
Depreciation right of use assets	221	205
Foreign exchange loss / (gain)	(16)	(105)
ECL provision	-	-
Lease liability adjustment	24	-
PSR Expense	38	27
Loss /(gain) on fair value of foreign exchange contracts	27	84
Loss on disposal of intangible assets	51	16
Impairment of intangible assets	334	-
Loss /(gain) on disposal of fixed assets	-	-
	<b>(323)</b>	<b>(2,047)</b>

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

	2023 \$'000	2022 \$'000
<i>Movements in working capital</i>		
Trade and other receivables	307	(179)
Prepayments	(42)	10
Inventories	48	222
Trade and other payables	116	(311)
	<b>429</b>	<b>(258)</b>
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>106</b>	<b>(2,305)</b>

## 22. FINANCIAL INSTRUMENTS

### Policy

#### *Financial Instruments*

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

All of the Group's financial assets (excluding derivative financial assets) are measured at amortised cost. Foreign exchange contracts are measured at fair value, all of the Group's other financial liabilities are measured at amortised cost.

#### **(a) Financial risk management objectives**

Exposure to credit, interest rate, foreign currency and liquidity risks arises in the normal course of the Group's business.

The Group does not enter into derivative financial instruments for speculative purposes. The Group utilises forward cover on confirmed foreign currency transactions. Specific risk management objectives and policies are set out below.

#### **(b) Capital risk management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group comprises issued capital reserves, share based payment equity reserves and retained earnings as disclosed in the Statement of Changes in Equity.

The Group's Board of Directors reviews the capital structure on a regular basis.

The Group is not subject to externally imposed capital requirements.

The Group's overall strategy remains unchanged from 2022.

### (c) Market risk

Market risk is the potential for change in the value of financial instruments caused by a change in the value, volatility or relationship between market risks and prices. Market risk arises from the mismatch between assets and liabilities. The Group's activities expose it primarily to market risk associated with changes in foreign currency rates and interest rates as set out below. These risks are measured using sensitivity analysis. The mechanisms for managing these risks are set out below. The Group enters into foreign exchange contracts to manage its exposure to foreign currency transactions, there have been no changes during the year to the Group's exposure to such risks or the manner in which the risks are measured and managed.

### (d) Interest rate risk

The Group is exposed to interest rate risk as from time to time it borrows funds at floating interest rates and also invests cash in short term deposits at fixed interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investments and borrowings at fixed interest rates expose the Group to fair value interest rate risk. The Group does not hedge this risk. Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. The Group does not hedge this risk.

### (e) Foreign exchange risk

In the course of normal trading activities, the Group undertakes transactions denominated in foreign currencies; hence exposures to exchange rate fluctuations arise. The Group enters into foreign exchange contracts on certain sales denominated in foreign currencies to economically hedge the foreign exchange risk associated with the timing between the date of sale and receipt of payment. The Group has not adopted hedge accounting.

The carrying amount of the Group's foreign currency denominated monetary assets are as follows:

	2023 \$'000	2022 \$'000
Euro	108	104
United States dollar	113	114
Canadian dollar	1	7

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

The table below details the notional principal amounts and remaining terms of foreign exchange contracts outstanding at reporting date:

	AVERAGE CONTRACT RATE		FOREIGN CURRENCY		NOMINAL CONTRACT VALUE		FAIR VALUE ASSET / (LIABILITY)	
	2023	2022	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Euro</b>								
Less than 1 year	-	0.5901	-	433	-	458	-	25
<b>USD</b>								
Less than 1 year	0.6263	-	320	-	319	-	(1)	-
<b>CAD</b>								
Less than 1 year	-	0.8404	-	23	-	24	-	1
			<b>320</b>	<b>456</b>	<b>319</b>	<b>482</b>	<b>(1)</b>	<b>26</b>

The above tables express foreign currency amounts in New Zealand dollar equivalents using the exchange rates at 31 March 2023 and 31 March 2022. The rates applied at 31 March 2023 were:

	2023 \$'000	2022 \$'000
EUR	0.5730	0.6238
USD	0.6250	0.6963
CAD	0.8449	0.8687

The fair value of the foreign exchange contracts is based on a discounted cash flow analysis using observable market data and is a level 2 fair value measurement.

### Foreign exchange rate sensitivity

Reasonable fluctuations in foreign exchange rates were determined based on a review of the last two years' historical movements. A movement of plus or minus 10% has therefore been applied to the exchange rates to demonstrate the sensitivity to foreign currency risk of the Group.

The following sensitivity is based on the foreign currency risk exposures in existence at balance date. The impact of a plus or minus 10% foreign exchange movement on New Zealand dollars against all trading currencies, with all other variables held constant, is illustrated below:

	-10%	+10%		
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Surplus / (deficit) before tax	(36)	(97)	28	32

### (f) Other price risk

The Group is not exposed to substantial other price risk arising from financial instruments.



### (g) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances and trade and other receivables.

In the normal course of business, the Group is exposed to counterparty credit risk. The maximum exposure to credit risk is equal to the carrying value of cash and short term deposits, trade and other receivables and transactions with financial institutions (derivative financial instruments). The Group requires payment of deposits prior to production by high credit risk customers and carries trade credit insurance for its four largest customers. The Group, as a result of the markets in which they operate, can be exposed to significant concentrations of credit risk from trade receivables. They do not require any collateral or security to support financial instruments as these represent deposits with, or loans to, banks and other financial institutions with high credit ratings.

	2023 \$'000	2022 \$'000
Cash and cash equivalents	8,272	8,519
NZX bond	75	75
Trade receivables (net of loss allowance)	1,448	1,687
GST receivable	(4)	64
	<b>9,791</b>	<b>10,345</b>

### Ageing receivables breakdown

	GROSS AMOUNTS RECEIVABLE \$'000	ALLOWANCE FOR EXPECTED CREDIT LOSSES \$'000	NET BALANCE '000
<b>2023</b>			
Current	1,362	-	1,362
0 – 30 days (past due)	64	-	64
31 – 60 days (past due)	-	-	-
Greater than 60 days (past due)	22	-	22
<b>Total past due</b>	<b>86</b>	<b>-</b>	<b>86</b>
<b>Total trade receivables</b>	<b>1,448</b>	<b>-</b>	<b>1,448</b>
<b>2022</b>			
Current	905	-	905
0 – 30 days (past due)	750	-	750
31 – 60 days (past due)	5	-	5
Greater than 60 days (past due)	29	(2)	27
<b>Total past due</b>	<b>784</b>	<b>(2)</b>	<b>782</b>
<b>Total trade receivables</b>	<b>1,689</b>	<b>(2)</b>	<b>1,687</b>

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

At 31 March 2023, trade receivable includes amounts of \$485k, \$245k and \$187k (2022: \$266k, \$181k and \$860k) due from the Group's three largest receivables (2022: three). All of the Group's bank accounts are held with Bank of New Zealand. Otherwise the Group does not have any other concentrations of credit risk.

### (h) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also has approved trade funding facilities with a base limit of up to \$550k which are linked to customer specific limits. As at 31 March 2023 the facility was not drawn down (2022: Nil).

The maturity profiles of the Group's interest-bearing investments and borrowings are disclosed later in this note.

### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for non-derivative financial assets and financial liabilities. The tables have been drawn up based on the undiscounted contractual cash flows of the financial assets and financial liabilities including interest that will accrue to those assets or liabilities.

2023	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	YEARS						TOTAL \$'000
		< 1 \$'000	1 - 2 \$'000	2 - 3 \$'000	3 - 4 \$'000	4 - 5 \$'000	5 + \$'000	
<b>Financial liabilities at amortised cost</b>								
Trade payables	-	1,155	-	-	-	-	-	1,155
Borrowings	5.70%	-	-	-	-	-	-	-
Lease liabilities	6.00%	259	194	48	48	48	104	701
<b>Total</b>		<b>1,414</b>	<b>194</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>104</b>	<b>1,856</b>

2022	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	YEARS						TOTAL \$'000
		< 1 \$'000	1 - 2 \$'000	2 - 3 \$'000	3 - 4 \$'000	4 - 5 \$'000	5 + \$'000	
<b>Financial liabilities at amortised cost</b>								
Trade payables	-	1,053	-	-	-	-	-	1,053
Borrowings	5.70%	36	-	-	-	-	-	36
Lease liabilities	6.00%	242	242	177	30	30	95	816
<b>Total</b>		<b>1,351</b>	<b>242</b>	<b>177</b>	<b>30</b>	<b>30</b>	<b>95</b>	<b>1,905</b>

**(i) Fair value of financial instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The Directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

**23. EVENTS AFTER BALANCE DATE**

There were no significant events after balance date (2022: nil).

# ADDITIONAL STOCK EXCHANGE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

The Company's ordinary shares are listed on the NZX Limited Main Board (NZSX).

As at 31 March 2023 the total number of issued ordinary shares in the Company was 1,273,801,599.

## 1. SUBSTANTIAL PRODUCT HOLDERS

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. These substantial product holders are shareholders that have a relevant interest in 5% or more of the ordinary shares in the Company. As at 31 March 2023 details of the substantial product holders of the Company and their relevant interests in the ordinary shares of the Company are as follows:

NAME OF SUBSTANTIAL PRODUCT HOLDER	SHAREHOLDING AS AT 31 MARCH 2023	% OF ISSUED SHARE CAPITAL
Probi AB	166,148,034	13.04%
Sinclair Capital Management Limited	165,141,729	12.96%
Roger Norman Macassey and Mark Andrew Taylor as Trustees of the E S Edgar Trust	142,213,158	11.16%

Included within the Sinclair Capital Management Limited shareholding is 142,213,158 shares in which Roger Norman Macassey and Murray Graham Valentine as Trustees of the E S Edgar Trust have a relevant interest as beneficial owner and are held by Leveraged Equities Finance as legal owner.

## 2. SPREAD OF SECURITY HOLDERS AT 31 MARCH 2023 – ORDINARY SHARES

	NUMBER OF SECURITY HOLDERS	PERCENTAGE OF SECURITY HOLDERS	PERCENTAGE OF SHARES HELD
1-50,000	1,370	51.66%	2.31%
50,001-100,000	450	16.97%	2.78%
100,001-150,000	171	6.45%	1.72%
150,001-200,000	135	5.09%	1.95%
200,001-300,000	135	5.09%	2.69%
300,001-500,000	152	5.73%	4.97%
500,001-1,000,000	110	4.15%	6.60%
1,000,001-5,000,000	94	3.54%	16.90%
5,000,001 and above	35	1.32%	60.06%
<b>Total number of security holders is</b>	<b>2,652</b>		

### 3. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of each class of quoted equity security as at 31 March 2023 are listed below.

TOP 20 SHAREHOLDERS	NUMBER OF ISSUED ORDINARY SHARES	PERCENTAGE ISSUED
Leveraged Equities Finance Limited	182,671,130	14.34%
Probi AB	166,148,034	13.04%
New Zealand Depository Nominee	49,196,028	3.86%
Mingchun Qiu	26,895,482	2.11%
Zhaoyi Li	25,000,000	1.96%
Mark Alexander Stevens & Wendy Joanne Stevens & W M C Trustees Limited	24,094,577	1.89%
Asia Pacific Partners Limited	21,850,878	1.72%
Barry Charles Richardson & Joy Vera Richardson	17,903,625	1.41%
Hui Ai Adriana Tong & Morlan Tong	16,878,179	1.33%
FNZ Custodians Limited	15,778,452	1.24%
Stephen Patrick Ward & Julie Patricia Ward & James Michael Ward	15,307,128	1.20%
Phaben Holdings Limited	15,243,436	1.20%
Custodial Services Limited	13,120,576	1.03%
Caroline Robyn Ball & Christopher John Thomson Bush	11,857,968	0.93%
Jennbring Fruit Ltd	11,800,000	0.93%
Anthony Paul Offen & Bilinda Jane Offen & Downie Stewart Trustee Limited	11,157,388	0.88%
Richard Mark Keenan	10,037,308	0.79%
Bilinda Jane Offen	10,000,000	0.79%
Circada Limited	10,000,000	0.79%
Edinburgh Securities Limited	10,000,000	0.79%
	<b>664,940,189</b>	<b>52.20%</b>

### 4. CREDIT RATING

The Company does not currently have a credit rating.

### 5. NZX MATTERS

No waivers were granted by NZX (or relied upon) with respect to the Company during the period 1 April 2022 to 31 March 2023 and NZX did not exercise any powers under listing rule 9.9.3 during that period.

## Independent Auditor's Report

### To the Shareholders of Blis Technologies Limited

#### Opinion

We have audited the consolidated financial statements of Blis Technologies Limited (the 'company') and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 41 to 75, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

#### Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group's financial statements as a whole to be \$180,000.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key audit matter

## How our audit addressed the key audit matter

### Impairment of intangible assets

The Group's ability to generate revenue is linked to capitalised development costs in respect of ingredients for the Group's products. These are included in the balance sheet as internally generated intangible assets.

The total carrying value of intangible assets at 31 March 2023 is \$0.889m as shown in the Consolidated Balance Sheet and note 10, of which \$0.535m relates to capitalised internally developed intangible assets.

The carrying value of intangible assets is particularly judgemental given its dependency on forecasts of revenue growth.

The impairment of intangible assets is a key audit matter due to the significant increase in internally developed intangible assets in the prior year, alongside a decline in operating results and impairment of intangible assets totalling \$344,000 in the current year. This increases the significance and complexity of audit work required to assess the reasonableness of management's judgements and estimates involved in determining revenue forecasts used by the Group to assess the recoverable amount of these assets. If the Group is unable to produce sustainable operating cashflows, this affects the carrying value of its key intangible assets.

Disclosure of the Group's impairment assessment is contained in note 10.

Our procedures focused on evaluating the appropriateness of the significant judgements and assumptions that relate to revenue forecasts and operating cash flows included in the impairment model.

Our procedures included, amongst others:

- Obtaining the Group's impairment model and gaining an understanding of key assumptions and judgements underlying the model.
- Assessing the integrity of the value in use calculation, including the mathematical accuracy of the underlying model.
- Assessing compliance of the impairment model with the requirements of NZ IAS 36 *Impairment of Assets*.
- Assessing the impairment model for consistency with the prior year and determining whether any significant changes to the model were appropriate.
- Challenging the reasonableness of the key assumptions including those driving the cash flows underpinning the analysis, by:
  - Comparing historical budget forecasts against actual results.
  - Comparing forecast growth to business plans approved by the Board.
  - Engaging an internal valuation expert to assess the appropriateness of the impairment model and benchmark the Group's discount rate by comparing to an independently developed discount rate using publicly available market data for similar entities.
- Performing sensitivity analysis on the model by varying key assumptions such as revenue growth and discount rate assumptions to assess the impact on forecasted cashflows.

### Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

### Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

**Mike Hawken, Partner  
for Deloitte Limited**  
Dunedin, New Zealand  
24 May 2023





# COMPANY DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2023

## 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

Dr J Andreas (appointed 1 January 2023)

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.blisprobiotics.co.nz](http://www.blisprobiotics.co.nz)

## FACEBOOK

<https://www.facebook.com/BLISTechnologiesLtd>

## INSTAGRAM

<https://www.instagram.com/blistechnologies>



PLUS PROBIOTICS  
Immune Support  
Contains a key hydrate powder  
from a natural source. Powder  
form allows for easy addition to  
drinks, soups, yogurts, smoothies,  
and more. Use as directed.  
**DAILY DEFENCE JUNIOR**  
2.6g NET WT  
DIETARY SUPPLEMENT



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