2024

# Agility in unpredictable times

ANNUAL REPORT / PŪRONGO-Ā-TAU

COMVITA.CO.NZ

COMVITA®

# Focused

**FY24 has proven to be an extremely challenging year for the group with revenue significantly impacted by aggressive price-driven competition, loss of distribution with one major customer and macro-economic trading conditions affecting the honey category in our biggest market – China.**

This negative revenue performance came at a time when we were investing in internal systems for long-term growth and has therefore meant we reported an operating loss for the year.

Our immediate focus is on reducing debt, generating cash, resetting our cost base and simplifying the organisation to ensure assets are deployed in market to enable us to deliver profitable growth. In addition, the last year has shown the need to build agility into the organisation, particularly in unpredictable times.

We recognise and understand shareholder frustration and loss of trust following our announcement that we would be reporting an operating loss for the year. The Board and management are absolutely focused on returning to positive group performance and restoring shareholder value.

Despite the challenges in FY24 and our focus in FY25, we see increasing demand globally for consumers seeking natural, efficacious health and wellbeing products.

# Challenges and actions

## ISSUES

**China market demand**

**The issue:** Total honey market revenue in China changed from 16% growth in the first six month of 2023 to -17% decline in first 6 months of 2024. The primary reasons for the abrupt change in demand relate to consumer confidence following macro-economic challenges in China and increased competition in entry-point categories. Comvita revenue reduced by -22.9% vs PCP in line with this change.

**Context:** Mainland China is our biggest single market representing 30% of Group sales, with knock-on benefits to the surrounding APAC region. During FY24, we saw the cancellation in full or in part of both 12.12 and 6.18 shopping festivals, which are normally material contributors to Comvita revenue and profit.

**Action to date:** Reviewed revenue performance in offline and online channels, harmonised pricing and added extra resource to enable offline retail to grow, following its challenges during Covid times. In online channels, we pivoted to new channels including Douyen (Chinese TikTok). In April, we launched our new brand to target consumers seeking value-for-money products and to target competition in entry point segments. In addition, we have undertaken pricing activity to target trade-up of consumers to Comvita, which will roll out in FY25.

**For more details on this see page 34.**

**Lost distribution in US**

**The issue:** At the start of FY24, we lost a region of distribution with one of our biggest customers due to them listing a cheaper competitor. This has had a material impact on our revenue in North America. Outside this one customer, we have grown revenue in grocery, natural and online channels. We remain the fastest-growing Mānuka brand in natural and grocery combined (sell out).

**Action to date:** Strengthened the team and appointed a new Country Manager. Strengthened online performance (+6.7%). Developed new offline retail distribution adding circa 900 stores in April 2024. Planning to launch regional new product development to target new users to the category.

**For more details on this see page 35.**

**Honey supply glut**

**The issue:** Between 2008 and 2018, hive numbers in Aotearoa New Zealand trebled, reaching a peak of circa 1M in 2019. Between 2020 and 2023, exports of Aotearoa New Zealand honey dropped by 26%. This drop in exports was misaligned with the increase in production coming from the growth in hive numbers and created a honey supply glut. Heavy discounting of raw bulk honey ensued during 2024 to clear surpluses. Current estimates are that total hive numbers have dropped to around 500K, restoring a greater level of balance between supply and demand.

**Context:** The glut of honey and beekeepers/exporters has created significant price-driven competition in entry-point categories around the world. As balance in supply and demand of quality Mānuka honey is restored, pricing advantages are expected to stabilise.

**Action to date:** We shared details of our Good, Better, Best plan in FY24 and have launched a Good range targeting value-seeking consumers in our biggest market. In addition, we have undertaken price volume analysis and have optimised pricing in our Comvita brand to target consumers who demand the highest quality, enabling us to trade up entry-point consumers. Our forests give us economies of scale and cost advantages into the future along with surety of long-term supply and requisite quality.

**For more details on this see page 28.**

**High inventory and Debt**

**The issue:** Comvita net debt finished the year at $79.7M – an improvement of $6.1M vs our half year reported net debt though above our targeted leverage ratio of 1–1.5 x. Given elevated interest rates, this net debt meant that we incurred interest charges of $8.7M in FY24 – an increase of $3M vs PCP. Significant cash is tied up in elevated inventory levels that has prevented early pay-down of debt. Inventory finished the year at $134.4M, a reduction of $1.7M vs PCP.

**Action to date:** Primary action is to reduce inventory, freeing up cash and paying down debt along with sale of non-core assets such as our Makino forest investment. Operating cash flow of $5.3M down -$2.8M on PCP, however positive operating cash flow in H2 of $11.4M. In addition, capital investment has been reduced in line with sales performance as we focus on operating cash flowing FY25.

**For more details on this see page 21.**

**NBIO**

**The issue:** We announced to the market on 22 February 2024 that we had received a highly conditional non-binding indicative offer (NBIO) from a credible offshore party to purchase the company and that we had granted a limited period of due diligence.

**Context:** Significant amounts of management time and costs were incurred during this process. This inevitably means that there was some loss of focus on daily business during this time.

**Action to date:** The credible party decided not to progress with their indicative offer on 30 May 2024 in part due to the short-term challenges that we were experiencing in our biggest market, China.

ABOUT

COMVITA

I rokohanga a Comvita NZX:CVT i te tau 1974/5 hei whakaora ai, me te manaaki i te ao whānui mai te mana taiao o te wharepī. He tīma atu ki te 550 rau tangata whānui o te ao whānui, i rōpine atu ki te 1.6 piriona pī, a, ko tatou ngā kaiarataki whānui o te ao mō te miere Mānuka, me ngā kiritaki hoko.

Comvita NZX: CVT was founded in 1974/5 with a purpose to heal and protect the world through the natural power of the hive. With a team of 550+ people globally, united with more than 1.6 billion bees, we are the global market leader in Mānuka honey and bee consumer goods.

**E kimi ana te mōhiotanga, engari e kore e whakaumu, ka whakamātau me te manatokona a tātou kīnaki pakititi-a-pī, heoi ki roto o tātou ake kawanatanga- āhukahuka ka whakaatu ana te kounga papai rawa atu ki roto a tātou tawhainga tohutuku.**

Kei te tipu he mātauranga pūtaiao mō ngā rākau Mānuka, ā, me ngā painga o te miere Mānuka me te propolis me te oranga pī. Kua whakatō tātou he maha ngā rākau Māori, e whakapai haere ana te taiao pūnaha hauropi me te rerenga rauropi, a me te whakamauru tauāki āhuarangi e tūhono ana ki tā mātou arotahinga mō te whakaiti ngā puha haukino, hei awhina te hoatutanga te kounga o te miere Mānuka.

I te tau 2023, i riro a Comvita te tiwhikete B Corp, he hapori ao whānui o ngā kamupene me a rātou whakaaro orite, ka whakarīrā te oritetanga o te huamoni me te tikanga, ā, e kimi ana hei kamupene mahi pai. Kei ngā wāhi kē ngā mahi a Comvita, pērā ki Ahitereiria, Haina, Amerikā ki te Raki, Āhia ki te pitonga me Ūropi – a, me te wāhi e kaha tipu ana ngā pī, ko Aotearoa.

**Seeking to understand, but never to alter, we test and verify that all our bee-product ingredients are of the highest quality in our own government-recognised and accredited laboratory.**

We are growing industry scientific knowledge on bee welfare, Mānuka trees and the many benefits of Mānuka honey and propolis. We have planted millions of native trees, improving our natural ecosystems and biodiversity, and mitigating climate change in conjunction with our focus on carbon emissions reduction, while helping ensure the supply of high-quality Mānuka honey.

In 2023, Comvita became a certified B Corp, joining a global community of like-minded companies that strive to balance profit with purpose, seeking to use business as a force for good. Comvita has operations in Australia, China, North America, South East Asia, and Europe – and of course, Aotearoa New Zealand, where our bees are thriving.





CONTENTS













# Inside Comvita

FY24

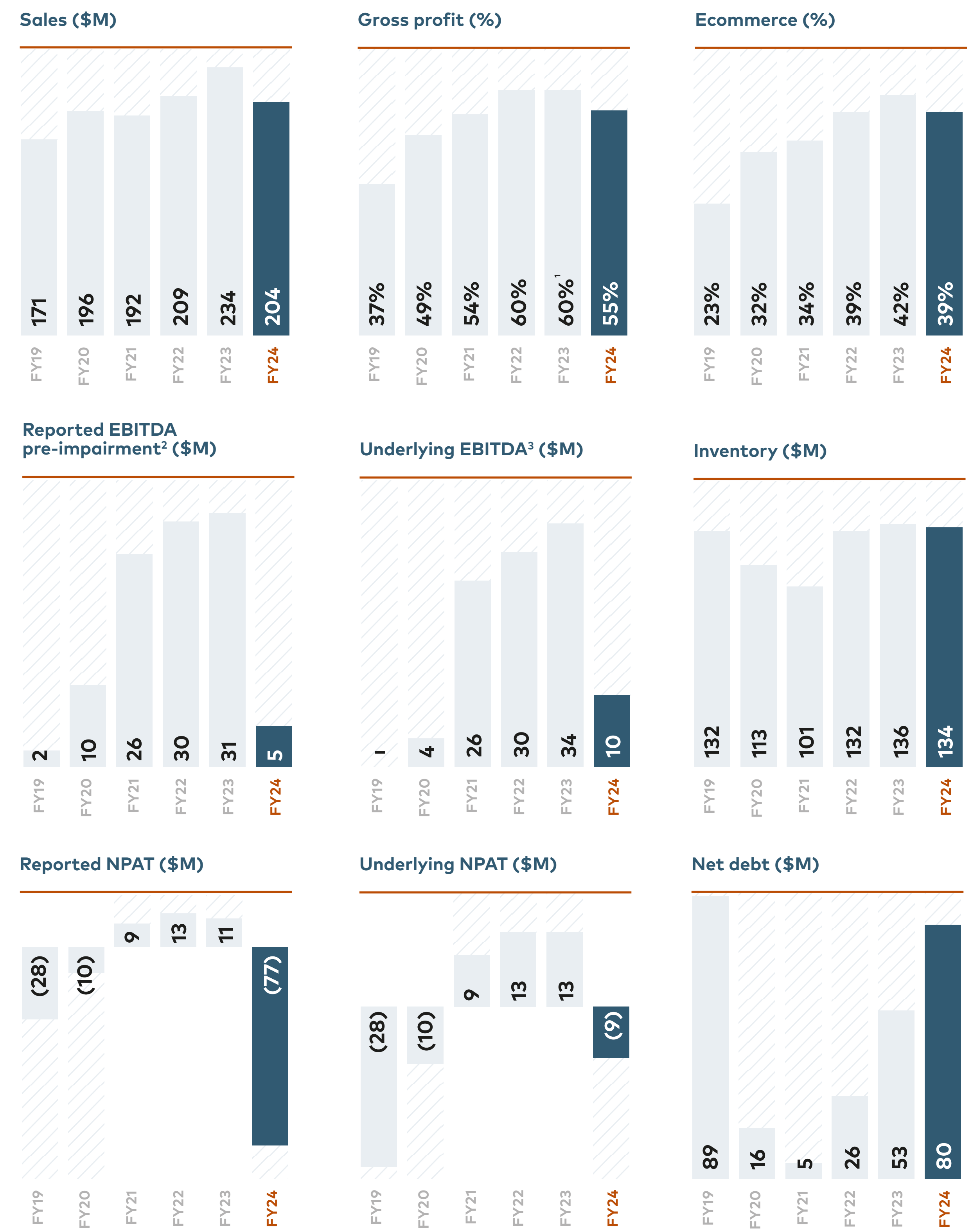
RESULTS SUMMARY

# Progress report

**At the end of an extremely challenging FY24, we look at our performance since FY19 and show that, despite these challenges, we have still seen significant increase in revenue, gross profit, investment in our brand and EBITDA from FY21 to FY23. In addition, we have undertaken investments designed to create a platform for long-term growth and have reduced capital needs going forward as a result.**

In FY24, we experienced difficult trading conditions, as we outline in this report, along with a significant number of one-off or non-recurring costs impacting our earnings. In addition, the non-cash impairment of $64.2M had a further impact on earnings, hence reporting underlying and reported results for comparison year on year.

Our immediate focus for FY25 is to stabilise performance, reduce debt and deliver our cost-out programme in order to return to profitable growth.




1 Gross profit excluding stock write off from Cyclone Gabrielle.
2 Reported EBITDA pre-Impairment is a non-GAAP financial measure calculated as earnings before interest, tax, depreciation, amortisation and impairment and does not have a standardised meaning prescribed by GAAP.
3 Underlying EBITDA is also a non-GAAP financial measure under which EBITDA is adjusted for one-off matters, including non-cash impairment and one-off non-recurring costs.

**FY24 Group revenue of $204M, -$30M or -13% vs PCP, with Greater China market down $19.2M or 17.6% due to macro-economic challenges and aggressive price competition in entry-point categories. The US market was down by $9.5M or 26.6% vs PCP due to the loss of distribution in one major customer.**

Total Group gross profit was $112M (55%), -17% vs PCP and -300bps.

Due to a material gap between net total assets and market capitalisation, we incurred a non-cash impairment of $64.2M before tax.

Below you can see our reported and underlying EBITDA and NPAT for FY24.

| | |
|---|---|
| $4.5M<br>REPORTED EBITDA PRE-IMPAIRMENT | $10.3M<br>UNDERLYING EBITDA |
| –$77.4M<br>REPORTED NPAT | –$9.3M<br>UNDERLYING NPAT |

### INCOME STATEMENT FY24

| NZ$K for the year ended | 30 June 2024 | 30 June 2023 | Variance NZ$000 | Variance % |
|---|---|---|---|---|
| **Revenue** | **204,341** | **234,195** | **(29,854)** | **(12.7%)** |
| Gross profit % | 55.0% | 58.0% | | (3.0%) |
| Marketing | 24,331 | 30,509 | (6,178) | (20.2%) |
| ERP and transformation | 9,854 | 5,415 | 4,439 | 82.0% |
| Operating (loss)/profit before financing items | (7,342) | 23,920 | (31,262) | (130.7%) |
| **Net profit after tax** | **(77,388)** | **11,062** | **(88,450)** | **(799.6%)** |

### RECONCILIATION OF GROUP RESULTS

**Reported to underlying FY24**

| NZ$K | Revenue | Gross profit | EBITDA[1] | EBIT | NPAT |
|---|---|---|---|---|---|
| **Reported results** | **204,341** | **112,389** | **(59,651)** | **(73,506)** | **(77,388)** |
| Remove ERP[2] costs | – | – | 7,245 | 7,245 | 5,216 |
| Remove NBIO[3] and restructure costs | – | – | 2,502 | 2,502 | 2,217 |
| Remove Makino sale, insurance proceeds and HoneyWorld™ earn out release | – | – | (3,966) | (3,966) | (3,478) |
| Remove impairment | – | – | 64,190 | 64,190 | 60,490 |
| Remove other one-off negative tax impacts | – | – | – | – | 3,693 |
| **Underlying results** | **204,341** | **112,389** | **10,320** | **(3,535)** | **(9,250)** |

1 Underlying EBITDA and NPAT excluding ERP and non-recurring, sales variable and transformation are non-GAAP measures. We monitor these as key performance indicators and believe they assist investors in assessing the performance of the core operations of our business.
2 Investment in company ERP system.
3 Non-binding indicative offer.



CHAIR + CEO

AN INTERVIEW

# Adapting at pace

BRETT HEWLETT — CHAIR

DAVID BANFIELD — CEO



—— The difficulties of the last year have generated a lot of questions among investors and stakeholders. This year's in-depth interview with the Chair and CEO probes what has happened, where Comvita finds itself at the end of FY24 and the plan going forward, in their words.

## STRATEGY

### Macro-economics and key market dynamics

**Q: The major reason for revenue decline was a slowdown in China. What caused that?**

**BRETT:** China is our biggest market and we enjoy a premium positioning. The slowdown in consumer spending observed across all categories in China has been driven by a decline in consumer sentiment and a steady search for more value-oriented offerings. At the same time, a glut in supply has brought a return to the market of new entry-level Mānuka honey brands that are attacking Comvita's category leading premium price position. Competition has intensified over the last 12 months and heavy price discounting is the weapon of choice.

**DAVID:** We have a significant market share and are recognised as the authoritative brand and market leader in China with a highly capable team on the ground. But that also means, given the importance of China's performance to the Group, that we are disproportionally impacted when the China market suffers a slowdown. If we look at the total honey market in China, calendar year 2023 saw total revenue increase by 16% in the first six months of the year (to June 2023). But then, in the second six months (from July to December 2023), we saw revenue decline materially by 22% compared to last year. The whole Mānuka honey category followed this trend, though sell-out for us remained robust until October 2023. A major cause of revenue decline was a lack of consumer confidence to invest in discretionary categories and increased price competition in entry-point UMF™ products. This competition was caused by a glut of honey in Aotearoa New Zealand and by beekeepers liquidating their inventory to exit the category altogether. We know that Chinese consumers continue to desire high-quality health and wellness products that support wellbeing, but currently, regularity of consumption has reduced – particularly in some of the lower-grade products.

**Q: FY24 was very challenging. Is your strategy still appropriate?**

**BRETT:** We started this year very encouraged by the resilience of sales and our earnings growth through the Covid-challenged period 2020/23. For the past four years, we have been steadily investing in growing both demand and supply capability to drive the business forwards, so the full extent of the impact of the global economic slowdown on our sales decline and the severe knock-on effect this has had on company performance and on our share price has been confronting for the Board. Faced with the reality of an extremely poor financial result and anticipated slow recovery in global demand, we have paused some of the longer-term investment strategies, taken a more cautious approach to the deployment of capital and resources and focused more sharply on immediate value opportunities.

**DAVID:** Whenever you have a year that sees revenue decline and a reported operating loss, it would be churlish to suggest we are still on the right path. While a significant proportion of the loss was one-off, non-recurring or attributable to investments designed to futureproof Comvita, we clearly need to review strategy, agility and short-term focus. As Brett points out, we have successfully grown revenue and earnings over the last few years, but our FY24 result clearly proves the need for further simplification and a cost-out focus. I absolutely believe in the long-term growth potential of Comvita and our categories. However, we need to temper long-term ambition with short-term action to address business shortfalls and build resilience so that the business is better placed to navigate future periods of unforeseen disruption.

**Q: Why did your in-market teams not pick up the changes happening in the market during the year?**

**BRETT:** Predicting the impact of changes in consumer sentiment and the global economic slowdown has been a huge challenge for most companies this year, across a broad range of sectors. With more than 20 years of trading experience in the Asian markets, and seeing our way through many economic cycles and social crisis (SARS, bird flu, swine flu and Covid), we felt confident that we could adjust to meet this one. What we were slow to understand was the impact on the domestic honey industry in China and the speed with which new players acted to destabilise the category with low-price entry-level products. Our response was arguably too little, too late to turn things around during FY24. I am confident of our ability to adjust and adapt in-market, and expect to see the impact of these adjustments having a positive impact in the year ahead. We are working through ways to improve agility and both more accurately forecast and speed up our response in our supply chain. The benefits of these changes are more realistically going to be felt in FY26 and beyond.

**Q: So how do you plan to return to growth in China?**

**BRETT:** As the clear market leader, Comvita is holding steady on prices at the premium end of the category. We still enjoy a market share of greater than 50%. We continue to innovate and have been very successful in launching several value-added health and wellness product lines to further develop the category and drive brand loyalty with existing customers.

Where we have lost market share has been more at the entry level, so we need to also defend our position in this price-sensitive end of the Mānuka honey category. We are responding with value offers of our own.

> "In 2025, Comvita will turn 50. It is my conviction and my mission to ensure that Comvita can continue and succeed for another 50 years"
>
> **BRETT HEWLETT**

Comvita is also the best placed of any company in the China honey category to benefit when positive trends in consumer spending return. We have a strong marketing and distribution capability in most major Tier 1 cities across the country, and we are looking to expand our reach.

**DAVID:** It is important to analyse our performance in China over the longer term to assess the best way forward. Between FY20 and FY23, total Mānuka honey exports from Aotearoa New Zealand grew by 3% in terms of compound annual growth rate. By contrast, Comvita has grown at 15% compound annual growth rate, which shows the strength of our performance and highlights just how well we have done.

**Q: In the US, you lost a key distribution deal. What lessons can be learned from this loss and what are you doing to return to growth in FY25?**

**BRETT:** The US is a tough and competitive market for premium fast-moving consumer goods. Consumers there do not have the same affinity for 'food as medicine' as we see in our leading Asian markets. Our focus in the year ahead will be on educating consumers on the quality differential between us and our competitors and at the same time working to shape the category towards a more premium health and wellness offering with local new product offerings. We also will work to bring greater balance to our offline and online distribution.

**DAVID:** The US market remains the biggest single market for Mānuka honey in the world. Clearly, the loss of distribution with one major customer was a significant blow in the short term. This loss was mainly due to the customer undertaking a price test with a competitor. This is being reviewed as they look to balance price and quality. Excluding this loss, our underlying business in the US grew by 10.1% this year, but that was insufficient to offset the loss in distribution. It's important to note that we remain the fastest-growing brand in the US in natural and grocery channels combined and that the premium sector is also the fastest-growing in these channels.

**Q: This year, the South East Asia segment, while reporting revenue growth, delivered a net contribution loss in this period. Are you still happy with the acquisition of HoneyWorld™ in Singapore? What is the outlook for both revenue and profitability into FY25 and beyond?**

**DAVID:** HoneyWorld™ represents a highly strategic deployment of capital for Comvita in a country where East meets West. We are not happy with topline progress this year and are clearly disappointed in the net contribution loss. There are three major reasons why performance in this market was below expectations. We tried to accelerate the Comvita share of total HoneyWorld™ sales too quickly, discontinuing some HoneyWorld™ products in the process that were targeted to more value-driven consumers. This has recently been reversed. We incurred integration costs to bring HoneyWorld™ into the Comvita team and there were fixed costs that we were unable to change in the short term. Finally, we invested more in marketing, particularly brand building and sales expenses, as we added new distribution for long-term growth.

Despite the short-term performance, we are delighted to welcome HoneyWorld™ to our Comvita Group and strategically believe this acquisition will help us to further premiumise the category and test and learn with consumers at pace in a market that demands high quality and world-class service.

### FINANCIAL PERFORMANCE AND RESILIENCE

**Q: You have reported a number of one-off and non-recurring costs in FY24. What are these costs, why were they important and why will they not reoccur?**

**DAVID:** This included a planned major investment of $7.2M (before tax) in an ERP system, costs related to responding to a non-binding indicative offer (NBIO), organizational restructuring expenses of $2.5M (before tax), and a decision to exit our legacy Medibee joint venture in Australia, amounting to $4.4M (before tax). These costs were partially offset by positive adjustments, including $4M from the Makino sale, business interruption insurance proceeds, and the HoneyWorld™ earn-out release, resulting in an underlying net loss after tax of $9.3M.

Brett Hewlett, Chair.

The investment in our computer systems and processes is designed to move us from a basic operating system with lots of manual interfaces to an integrated, scalable, automated system. It was crucial to invest in this system as it will significantly increase speed, accuracy and quality of information.

**Q: A high fixed cost base means the slowdown in sales has significantly impacted the Group's profit margins. What are you doing to resize the business to align with current market dynamics?**

**BRETT:** Comvita is the biggest and most advanced player in the world of Mānuka honey. As well as protecting our premium price position, we must look to underpin our profit margins by being cost-efficient operators at all levels of our value chain.

We have always been a company that has looked to the future positively and we have tended to spend ahead of the curve when making investments in things like research and development and brand marketing. We will be careful to not pull back too hard on these things. However, our cost structure had become too large for our current reality. We are in the process of right-sizing of the business and will continue to explore more efficient ways to operate so that we can see a return to profitable growth as soon as possible.

**DAVID:** We've taken an in-depth look at our cost base and the investments and returns that we need to make for long-term profitable growth. With that in mind, we have reduced our total headcount by more than 50 positions this year, with annualised fixed cost savings of $5M–$7M forecast.

**Q: Net debt finished the year at $79.7M. This gives a leverage ratio of 5.47 x earnings. How do you propose to reduce debt and in the process strengthen your balance sheet? Do you see any need to raise capital to reduce debt to your strategic aim of 1–1.5 x?**

**BRETT:** Firstly, we need to be clear that we have no intention or need to capital raise. We remain well supported by our bank syndicate. Through the second half, we operated with a net positive operating cash flow of $11.4M and were able to reduce debt by $6.1M from where it was at the end of December 2023. Given the one-off nature of many of the expenses incurred this year and as the impact of management's cost-out initiatives start to pay off, we have a clear line of sight to both increasing operating cash flows and paying down debt. Inventory reduction remains our biggest and most immediate opportunity to generate cash, and we continue to explore other opportunities for selling non-strategic assets in the near term.

**DAVID:** We have a number of initiatives under way to deliver against this plan and have a pathway back to our leverage range without any need for a capital raise. We recognise that a key pillar to restoring shareholder confidence is lowering net debt and, in the process, giving ourselves flexibility to respond to market opportunities.

**Q: Inventory finished the year at $134.4M, and while in line with your market guidance, this is still above your original target of circa $100M. What is your plan to reduce inventory, free up cash and return to your original target?**

**BRETT:** In the year ahead, we plan to significantly reduce inventory and free up cash in the process. While we will not get back to our $100M target, we will show a significant improvement as we focus on sell-through over the course of the year. The integrity of our inventory has stood up to scrutiny for any risk of impairment. We have a high-quality asset that can be securely converted to cash as we sell through and we have relatively low requirements to purchase new season raw material from third parties.

**DAVID:** When you look at our inventory profile, we have successfully reduced the value of our raw materials but this has been offset by higher finished goods in market that were prepared for sales that failed to materialise during the year. While this is disappointing, it does mean we have finished goods in market ready to sell and generate positive cash flows.

David Banfield, CEO.

**Q: You've reported resilient gross margin and pricing. In light of competitors focusing on price, how do you intend to maintain your pricing premium while growing share?**

**BRETT:** We accept that being too rigid around our gross margin percentages may not be sustainable or even strategically advantageous. We must continue to earn the right to be the premium price holder of the category by leading the charge on quality and innovation. We are also on a test-and-learn process to understand how to optimise price/volume elasticity across the various segments within the category. We do not want to participate in a race to the bottom in the entry-level segments, but equally, we don't enjoy losing market share. We are looking to understand how to strike the right balance.

**DAVID:** We are really pleased with the progress that we've made in growing our gross margin over the last few years (from 37% in FY19 to 55% this year) and in taking a premium position in the market. That said, we have to be agile to respond to macro-economic, competitive and geographical challenges as they emerge to ensure our focus remains on growing market share and supporting our customers' needs with relevant local new product development.

Our cost-out programme is targeting to reduce annualised costs by $10M–$15M, of which around $5M–$8M will be through cost-of-sale. With these efficiencies, we can either return them to consumers in price, with the aim of lifting volume, fund investments to drive category awareness and growth or use them to reduce debt.

## PLATFORM FOR GROWTH

**Looking back over the past 10+ years, how do you feel the business has evolved?**

**BRETT:** I have been involved with Comvita and the Aotearoa New Zealand honey industry for almost 20 years. There have been significant changes and economic cycles over that time. With each crisis, we learn, adapt, reset and carry on. In 2025, Comvita will turn 50. It is my conviction and my mission to ensure that Comvita can continue and succeed for another 50 years.

**DAVID:** Since January 2020, we have made significant investments to deliver against our long-term growth targets. These investments were carefully considered and are now primarily in place, meaning significantly lower capital needs going forward. We delivered profitable growth while still investing for the long term in







the first six months of 2020 and then the full year in FY21, FY22 and FY23. I'm naturally extremely disappointed that the momentum we felt up to FY23 was halted this year. However, I do believe that we have built resilience and agility and futureproofed the organisation.

**Q: The goal over this time has been to build a resilient platform for growth. What are the component parts and how do you see this supporting your long-term growth aspirations? (Long-term strategy)**

**BRETT:** First and foremost, over 50 years, we have continued to invest in building our brand value proposition with discerning consumers. The second platform of note would be our continued investment in science, quality and innovation. We have achieved many firsts in the industry and are primed to achieve many more. Lastly, our 20+ year focus on building an industry-beating sustainable supply chain with apiary and forest development provides us with robust supply. Together, these three pillars offer a platform for long-term growth opportunities. We aim to deliver sustainable tangible value for all our stakeholders – consumers, shareholders, employees and the communities we serve.

> "We have paused some of the longer term investment strategies, taken a more cautious approach to the deployment of capital and resources, and focused more sharply on immediate value opportunities."
>
> BRETT HEWLETT

## DEVELOPMENTS DURING THE YEAR

**Q: In February 2024, you announced a highly conditional non-binding indicative proposal to acquire Comvita. Why did this not proceed? Is there anything that existing shareholders should be concerned about?**

**BRETT:** Some background and context is helpful. We received the proposal from a credible offshore party, with the proposal contemplating a significant premium. We engaged with that party and progressed appropriate due diligence and discussions with them over a number of months. At the same time, we experienced unexpected and significant weakening demand, particularly in China, with growing uncertainty around the economic slowdown in China, its duration and the impact that it would have on near-term growth for Comvita.

**DAVID:** Naturally, we can't speak on behalf of the interested party, but from my perspective one of the areas that prevented the proposal proceeding was near-term concerns about when demand in the China market would return to normal - in line with the trading performance that we saw between 2020 and FY23.

During 2024 the team and I spent a significant amount of time with the interested party. The benefits of going through this type of process and the associated level of rigour means it gives you an extra opportunity internally to assess what's working, what we can do better and also future opportunities and new insights that a potential acquirer sees. Some learnings and insights generated have already been actioned and will help the organisation to become more resilient in the future.

## LONG-TERM DRIVERS OF BUSINESS

**Q: What do you see as the long-term opportunity for Comvita? How will you grow your share of this addressable market?**

**BRETT:** The total global market potential for our core Mānuka honey and propolis-based products remains vast. Even within our current target regions of Asia and North America, we see significant potential for increasing household penetration, upselling to existing customers and growing the category once consumer sentiment normalises. We can be confident that the current pricing volatility caused by the supply/demand misalignment within the Aotearoa New Zealand honey industry is short term and will gradually stabilise over the next one to two years. A more stable supply side will help to stabilise the demand side as well. The competitive landscape will normalise over

> We are in the process of right-sizing of the business and will continue to explore more efficient ways to operate so that we can see a return to profitable growth as soon as possible."
>
> **BRETT HEWLETT**



time and premium leading brands such as Comvita will prevail in the long term.

**DAVID:** The global total addressable market is forecast to grow at a compound annual growth rate of around 6.5% to 2030. Consumers will be increasingly demanding about the standards that they expect brands to deliver (social, environmental, carbon footprint, circular ). In addition, quality expectations will only increase and visibility of quantifiable performance will increasingly differentiate competing brands. These attributes all support our core Comvita strengths, underpinned by our world-leading patented science and innovation programme, including Lepteridine™.

## SHARE PRICE

**Q: Your current share price means that market capitalisation is now materially below your net total assets. How does this impairment impact business performance?**

**BRETT:** In late July, we advised of the need to consider an impairment that arose due to the material gap between the company's net total assets (tangible and intangible) and its market capitalisation. We commissioned Deloitte to provide a comprehensive study on the valuation of the company's assets. The upshot was to make impairments of $64.2M ($60.5M after tax), predominantly for intangible assets.

While the impairment was sizeable, it largely related to goodwill on subsidiaries that had been directly impacted by the near-term global slowdown and industry changes. It is important to note that the impairment is non-cash and does not impact Comvita's future profitability nor strategic direction.

**Q: Given the low share price, the value of current assets and the fact that you already had a takeover approach, are you concerned that there may be further approaches to buy the business at an opportunistic value?**

**BRETT:** The Board are at pains to quickly address the value gap between prevailing market cap (circa $87M) and NTA ($220M), or even consensus analyst valuation ($120M). Clearly, there has been a loss of confidence by our shareholders, and the Board take it upon their shoulders to restore that confidence through the actions we are undertaking. We believe that through the course of the year ahead, we will return the business to profitability, improve operating cashflows, pay down debt and reduce base costs. As operating performance improves, we aim to provide evidence of a stable and growing business, with sustainable earnings. Then, I am sure that shareholder confidence will be restored.

## LOOKING AHEAD

**Q: Can you talk us through the changes at Board and senior management levels?**

**BRETT:** Recognising that we need to make the strategic reset I referred to earlier, we've made changes at both governance and leadership roles. David has resigned as CEO and Managing Director and will assume a project-based role of Strategic Advisor to the Board. I have resigned as a Director and Chair of the Comvita Board and assumed the role of Acting CEO. Bridget Coates is our new Chair and Mike Sang is the new Chair of the Audit and Risk Committee. The Board itself has also reduced from eight Directors to six, with the majority as independent Directors.

I want to take this opportunity to acknowledge the significant contribution that David Banfield has made since he joined Comvita as CEO in January 2020. He led a very successful turnaround of the business, with a tightly focused premium product and consumer proposition, based on our core ingredients of Mānuka honey and propolis. During his tenure, Comvita reported all-time record revenue in FY23 and was awarded the Deloitte 200 Best Growth Strategy for 2023. David was also instrumental in developing Comvita's ESG corporate platform, which saw the company achieve an international B Corp certification.



**Q: How do you intend balancing investment for long-term growth with short-term variability in demand and associated earnings?**

**BRETT:** Our 50-year legacy has been based on thinking long term, so it's in our DNA. Over the years, we have invested ahead of the curve and tried to see the opportunities that lay beyond the current crisis. We have also had to operate with constraints of key resources at times and that has encouraged us to be innovative in our thinking. Organisationally, we are getting better at striking the right balance between short-term adjustments and long-term strategy. We need to demonstrate both agility and vision in how we go about our strategic initiatives.

**DAVID:** The good news is that, with our computer system investment nearly complete, we have now concluded the biggest capital projects that we need to invest in for the next few years. We now have the ability to deploy any available capital in our market-facing operations to bring to life the Comvita story and, in the process, bring excitement, energy and experience to the category.

**Q: Given significant uncertainty in the market over the short term, how are you thinking about the year ahead?**

**BRETT:** We are looking at FY25 with a large degree of cautious optimism. The global situation remains uncertain, and we are preparing for a period of sluggish general economic recovery. We are taking every measure possible to ensure that the business will be resilient, starting with resizing the business for current market realities. We will also be very conservative on investments during this period. This resizing has the added benefit of positioning us well to leverage off a lower cost base when top line growth does return. We are ready to move on near-term opportunities as and when they present themselves. I have every confidence in our people in market to continue to chase down every sales opportunity while protecting the global category.

**DAVID:** We have already shared an outline of our $10M–$15M cost-out programme to reduce our cost of sale, simplify the business and deliver fixed cost savings from our Group head-count of over $5M–$7M annualised. We remain cautious on short-term trading conditions.

**Q: What will be your focus in your new role as Acting CEO?**

**BRETT:** I have been in senior leadership roles for Comvita for the past 20 years. I joined in 2005 as CEO and led Comvita through a programme of significant growth and transformational change through to 2015. I then returned to Comvita in 2017 as an independent Director and became Chair in January 2020. My focus in my new role will be on cost-reduction initiatives, organisational resilience, driving bottom line growth and restoring shareholder value. I am anticipating that I will be in the role for approximately one year – sufficient time to stabilise the business and have a positive impact to set us up for the next phase under a new leader. The Board will commence a process for recruitment of a new CEO over the coming months.

**Q: Why did the Board choose Bridget Coates to become the new Chair?**

**BRETT:** Before I answer that, I do want to take this opportunity to thank shareholders and my fellow Directors for their support over the period of my tenure as Chair. It has been both a privilege and a challenge to lead the Board through this period of unprecedented change and global turmoil. While I have a feeling of deep disappointment in the difficult state Comvita has found itself in recent times, I know that I am handing over the reins to a highly capable governance team under new Chair Bridget Coates.

Bridget joined the Comvita Board in September 2021 as an independent Director, has served as a member of both the Audit and Risk Committee and the Safety and Performance Committee and is the Chair of the company's Investment Committee. Bridget has a background in capital markets in a range of governance roles, including NZ Superannuation Fund, Reserve Bank of New Zealand and Fonterra Sustainability Panel, and as Chair of the Centre for Sustainable Finance. She has been involved in building food and beverage businesses in the US market based on their Aotearoa New Zealand provenance. She will be a strong and decisive Chair, and I look forward to working closely with her as we all work to see Comvita realise its true potential.

**Q: You've removed FY25 targets at this stage. When do you expect to update investors on targets going forward?**

**BRETT:** Naturally, we will continue to update the market on trading conditions as the year progresses. We will be sharing an update during our Annual Shareholders' Meeting at the end of October. We hope to be in a position then to provide some form of earnings guidance for FY25.

**BRETT HEWLETT — CHAIR**

**DAVID BANFIELD — CEO**

CHIEF FINANCIAL OFFICER

REVIEW

# Financial review



Very weak trading conditions in our key markets and a number of non-recurring expenses and tax impacts meant an extremely disappointing result.

**We are now focused on delivering significant cost-reduction targets of $10M – $15M on an annualised basis and returning Comvita to the profitable growth that we delivered between FY20 and FY23.**

## FINANCIAL PERFORMANCE

Reported revenue for the period decreased to $204.3M, down 12.7% or $29.8M on the prior period. This decline was mostly related to our growth markets, with Greater China revenue down $19.2M and North America down $9.5M.

Reported gross profit percentage of 55.0% declined by 300 bps compared to the prior year. The low percentage this year reflects lower formulation benefits generated than in the prior year.

In line with poor trading conditions, marketing investment has decreased to $24.3M in the current year, down from $30.5M in FY23, a decrease of $6.2M year on year or 11.9% of revenue compared to 13.0% last year.

All Operating expenses increase of $7.9m or 7.1%. The two main reasons for this are ERP implementation costs, which increased by $4.4M (discussed below), and $6.8M new operating expenditure related to the HoneyWorld™ business in Singapore. Transformation investment within operating expenses for FY24 totalled $2.6M, largely consistent with the prior year's spend of $2.5M.

## INTERNAL DIGITAL TRANSFORMATION – ERP COSTS

In FY23, we commenced a digital transformation programme focusing on upgrading our core enterprise (ERP), sales and operating (S&OP) and reporting systems, redefining internal inefficient processes and refreshing master data. This project was due to finish June 2024 but is now expected to complete by the end of FY25. It is designed to update and scale our internal systems and processes and significantly increase reporting capability. Because these changes are cloud-based, all expenditure related to this project is expensed as incurred. In line with market practice, these costs are normalised in the results and are also shown separately in our income statement. The costs related to this project this year totalled $7.2M compared to $2.9M in FY23.



## EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION AND IMPAIRMENT

EBITDA pre-impairment at $4.5M decreased 85.2% on the previous year.

| NZ$K | 30 June 2024 | 30 June 2023 |
|---|---|---|
| (Loss)/profit before tax | (81,889) | 13,006 |
| Add back: net finance cost | 8,383 | 5,427 |
| EBIT | (73,506) | 18,433 |
| Add back: depreciation and amortisation | 13,855 | 12,190 |
| Add back: impairment and other asset write-downs | 64,190 | – |
| **EBITDA pre-impairment** | **4,539** | **30,623** |

## IMPAIRMENT

During the period, the Group identified impairments related to financial assets. Subsequent to this, given the identification of impairment indicators such as a significant market capitalisation deficit, we undertook an assessment of the carrying value of our cash-generating units and non-financial assets. This assessment was supported by an independent valuation completed in accordance with Advisory Engagement Standard 2. As a result, various impairments have been recognised and are summarised as follows:

| NZ$M | Pre-impairment | impairment | Post-impairment |
|---|---|---|---|
| Cash | 8.2 | – | 8.2 |
| Debtors | 35.0 | – | 35.0 |
| Other current assets | 13.5 | 2.5 | 16.0 |
| Inventory | 134.4 | – | 134.4 |
| Fixed assets and leases | 95.7 | (3.4) | 92.3 |
| Non current assets and deferred tax assets | 14.6 | – | 14.6 |
| Intangible assets | 50.4 | (43.0) | 7.4 |
| Investments | 12.2 | (12.2) | – |
| **Total assets** | **364.0** | **(56.1)** | **307.9** |
| Medibee | – | (4.4) | – |
| **Total impairment post tax** | **–** | **(60.5)** | **–** |
| Tax impact | – | (3.7) | – |
| **Total impairment Pre tax** | **–** | **(64.2)** | **–** |

This impairment expense is a non-cash charge and does not affect our core business activities.

> In line with poor trading conditions, marketing investment has decreased to $24.3M in the current year, down from $30.5M in FY23."
>
> NIGEL GREENWOOD



## ECONOMIC VALUE DISTRIBUTED AND RETAINED

In accordance with GRI 201-1, economic value distributed was $208.2M (2023: $210.0M) while economic value retained was $3.9M (2022: $24.2M). Economic value distributed is calculated as FY24 operating costs, employee wages and benefits, dividends, interest, community investments and tax paid. Economic value retained is revenue less economic value distributed.

## OPERATING CASH FLOWS

The company generated a positive operating cash flow this year of $5.3M compared to $8.1M last year. Receipts from customers were down $18.6M from FY23, with payments to suppliers and employees down $15.0M.

## FOREIGN EXCHANGE

A foreign exchange loss of $1.1M has been recognised this year compared to a loss of $4.6M in the prior year. Management of foreign exchange risk is important to smooth volatility of earnings in foreign currencies. This is particularly relevant for our growth markets where we have exposure to United States dollars and Chinese yuan renminbi. We actively manage these risks.

## SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEES

Total share of loss this year was $0.9M, with $0.7M being our share of expenses from Caravan Honey Company. This compares to a loss last year of $0.8M. As Apiter and Caravan investments have been impaired to zero this year, there will be no equity accounted profits or losses from these investments in FY25.

## EARNINGS PER SHARE (EPS)

Reported EPS for FY24 was (110.33)cps and diluted earnings per share of (110.33)cps. This compares to 15.84cps and 15.66cps respectively last year.

## DIVIDEND

An interim dividend was paid in March 2024 of 1 cent per share. Due to the poor result, no final dividend was declared.

## FINANCIAL POSITION

### Capital expenditure

Property, plant and equipment at $72.0M decreased by $0.8M in the current year. This decrease comprised $7.5M of additions, offset by $4.9M depreciation and $3.4M of impairments related to apiary assets. $4.4M of the additions related to Mānuka forests. Software and other intangibles at $7.4M decreased $7.0M, which was mostly the result of the impairment expense recognised totalling $10.5M and amortisation of $2.5M offset by additions of $6.0M. The main addition was the purchase of the HoneyWorld™ brand in Singapore valued at $4.2M.

### Goodwill

Goodwill initially increased by $4.7M in the current year due to the HoneyWorld™ acquisition. However, as part of the impairment review at year end, the full goodwill balance was impaired to zero, resulting in a goodwill impairment expense of $32.2M.

### Business combinations

As per last year's Annual Report, in July 2023, Comvita acquired the assets of Swift Health Food (Singapore) Pte Ltd, a specialised honey retail business located in Singapore, trading as HoneyWorld™. The purchase price allocation has now been completed, with brands and intangibles valued at $9.1M. The HoneyWorld™ business contributed sales of NZ$12.8M in FY24. Contingent consideration based on FY24 revenue targets was not met, resulting in other income of $1.0M.

### Investments

Investments were impaired to zero at 30 June 2024.

Prior to impairment, investments totalled $12.2M and had increased by $1.9M in the current year, largely due to the increased investment in Apiter of $3.4M, offset by an equity accounted loss of $0.9M and the disposal of Makino ($0.6M). Having provided an initial loan to Apiter in FY23 of US$545,000, the remaining US$1,445,000 was funding in FY24 and both amounts have now converted to equity to increase ownership from 20% holding to 32% holding, effective October 2023.

In June 2024, Comvita sold its share in the Makino joint venture to the other shareholder. As part of the transaction, the shareholder loan to Makino was also assigned to the purchaser. A gain on disposal of $1.4M was recognised in other income.

### Inventory

Inventory on hand has decreased slightly by $1.7M (1%) from the prior year to $134.4M. Inventory balances were expected to remain high this year as previously advised. Finished goods inventory at $64.6M was up $17.0M on FY23 due to lower sales than anticipated, while raw materials and work in progress inventory was down $18.7M on FY23. This reflected significantly reduced raw honey purchases on the prior year.

### Trade receivables

At $35.0M, trade receivables decreased by $4.3M in FY23. June 2024 sales were $8.2M lower than June 2023. Bad debts written off during the year were minimal at $0.1M, and 89% of trade receivables are not past due at 30 June 2024.

### Bank facilities and total net debt

Total net debt at year end, including term debt facilities less cash on hand, was $79.7M. This has decreased from December 2023 by $6.1M, but increased from FY23 by $26.3M.

Our bank debt was shown as current in our financial statements, as at 30 June 2024, as we subsequently identified that we had breached a bank covenant tested by reference to EBITDA at 30 June 2024. As part of our year-end process, when we identified the possibility that the covenant may have been breached at the testing date, we obtained a waiver confirming that no action will be taken for that breach from our banking syndicate. We are currently in discussions to agree a covenant structure for FY25 that will be acceptable to both the bank syndicate and the company. The bank syndicate continues to confirm its ongoing support for the company. The revised bank covenant structure is expected to be confirmed in September.

### Trade and other payables

Trade and other payables are largely consistent with the prior year at $35.8M, up by $1.5M. A decrease in employee benefits payable of $4.5M and accruals of $2.9M has been offset by the recognition of deferred amounts payable and contingent consideration accrual for the HoneyWorld™ acquisition of $4.0M and the Medibee guarantee of $4.2M.

NIGEL GREENWOOD — CFO

# Our platform for long term growth

01. Clinical research in health benefits: digestive health, metabolic health, skin health, immunity and heart health.

02. Competitive advantage through global IP.

03. New product development (including regional) supporting natural health and wellness.

04. Driving velocity (rate of sale) in distribution channels.

05. Native forests provide supply assurity and long-term cost and quality competitive advantage.

06. IT investments to deliver a scalable, integrated and efficient global platform for growth.





01.

ECOMMERCE

## The future power of combining experiential retail with ecommerce


**Experiential retail has always been at the heart of Comvita. We started with one small store in Paengaroa in 1974 and have always seen the opportunity in being able to engage directly with consumers to share the power of the hive.**

In 2020, we successfully launched our Wellness Lab in Auckland – a unique experiential store that offers consumers a ground-breaking physical and virtual experience.

Our intention was always to roll out this concept in markets around the world to connect with consumers in a unique and inspiring way. This ambition was somewhat thwarted by Covid, so we were delighted to launch our first stand-alone wellness lab in Auckland Airport in November 2023. This store includes a representation of the hive and a tasting experience and shares the essence of Comvita. This store gives us the opportunity to reach our global consumer in transit and gather data from this strategic vantage point to feed into our global customer engagement programme. Since launch in November 2023, our sales have improved by over 73% vs PCP. Further iterations of this concept will be rolled out in FY25 and beyond.

Our experiential retail footprint now stretches across Asia Pacific with our network of owned stores and pop-ups located across Hong Kong SAR, Korea, Singapore and China. Comvita's experiential store network across Hong Kong SAR is strong and growing with c30 owned stores and a database of >150K members.

In Singapore, we acquired the HoneyWorld™ network of 18 stores in July 2023 and have seen positive sales growth of +5.9% vs FY23. Further, in May 2024, we delivered a world-class experiential pop-up in Takashimaya, Singapore to celebrate World Bee Day.

02.

QUALITY SCIENCE

LEADERSHIP

# The power to heal

"The significant symptom response seen in this clinical trial points to the potential of Lepteridine™ Mānuka Honey as a promising treatment for patients suffering from inflammatory digestive conditions."

**SOOTHE INVESTIGATOR PROFESSOR RICHARD GEARRY, PROFESSOR OF MEDICINE AT, UNIVERSITY OF OTAGO AND CONSULTANT GASTROENTEROLOGIST AT CHRISTCHURCH HOSPITAL**

## Food as medicine

Comvita was co-founded in 1975 by Claude Stratford and Alan Bougen on their fundamental belief that food is the best medicine. It is on this belief that Comvita continues to invest in our world-leading quality and science programmes to deliver a sustainable competitive advantage for Comvita and prove the health benefits of our products in growing consumer health markets, including digestive health, cardiovascular health, skin health and antimicrobial resistance to deliver long-term growth. FY24 delivered on this belief and more with positive efficacy results from two of our clinical trials and a third clinical trial commencing.

Comvita's investment and expertise in science is a key differentiator for our brand. In FY24, we invested $5M in research and development activity, more than the rest of the industry combined. To ensure that our research is of the highest quality and credible and supports health claims, we partner with world-leading research experts.

Our research programmes are informed by our Scientific Advisory Board of world-leading gastroenterologists and our international research partnerships with expert immunity, antimicrobial and metabolic researchers.

**Lepteridine™: unlocking Mānuka's power to heal the gut**

FY24 was a breakthrough year in Comvita's pioneering history of science with the announcement of positive results from our SOOTHE clinical trial showing that consumption of our patent-protected Lepteridine™ Mānuka Honey improves digestive health symptoms in people with functional dyspepsia, a common inflammatory digestive condition characterised by symptoms such as heartburn, stomach pain and discomfort.








Co-funded by the High-Value Nutrition National Science Challenge and undertaken by the University of Otago, SOOTHE was a groundbreaking $1.4M randomised, double-blind, placebo-controlled clinical trial. The first results from SOOTHE, co-presented by Dr Jackie Evans, Comvita's Chief Science Officer, at the Foodomics conference in Wellington in March 2024, showed that 50% more people treated with Lepteridine™ Mānuka Honey experienced a clinically meaningful improvement in their digestive health symptoms compared with a placebo. In addition, there was also a noticeable dose response, with 71% of subjects treated with the highest dose of Lepteridine™ Mānuka Honey reporting more than a 40% improvement in their digestive health symptoms. Further analysis of SOOTHE data is ongoing, with full results to be published in FY25.

In FY24, we also published new research, undertaken in collaboration with Professor Kerry Loomes and Distinguished Professor Dame Margaret Brimble from the University of Auckland, demonstrating the anti-inflammatory bioactivity and stability of Lepteridine™ that underpins the health outcomes seen in the SOOTHE clinical trial.

Together, these research findings are unprecedented and represent the most important advance in Mānuka honey science since its unique antibacterial activity and topical wound-healing properties were discovered by Dr Peter Molan from the University of Waikato over 30 years ago.

Dr Molan's research led to the transformation of the Mānuka category from a commodity honey to a premium health and wellness product, growing it to the NZ$400M export industry we see today.

We believe that our research showing Lepteridine™ Mānuka Honey as an efficacious solution for digestive health is the start of an exciting future for us in this huge and growing market.

The digestive health market is forecast to grow to US$80B by 2030 with functional food and beverages representing two-thirds of this market. With more than one-third of Chinese and US consumers looking for more products to support their gut health and scientific credibility and proven efficacy being two of the most important purchasing factors, Comvita is well positioned to capture this market with Lepteridine™ Mānuka Honey.

Underpinning our Lepteridine™ science programme is our comprehensive intellectual property and commercialisation strategy. Today, we have 44 patents granted and a further 20 patents pending. This year, the strength of our proprietary position on Lepteridine™ was tested when we successfully defended potential infringement of one of our key patents protecting Comvita's differentiated and unique ability to commercialise Lepteridine™ Mānuka Honey.

03.

## GLOBAL INDUSTRY LEADERSHIP


The launch of Lepteridine™ at CIIE in November 2023



04.

## NEW PRODUCT DEVELOPMENT

**Our operating model of having team members close to market enables us to reflect local consumer needs in unique regional product development and increase purchase occasions and brand loyalty.**

In Asia, we've launched a number of regional products targeting specific consumer needs. These include collagen drinks, night honey, probiotic sachets for consumption on the go and ginseng in partnership with the Korean Ginseng Corporation.


05.

## NEW COMPUTER SYSTEMS AND PROCESSES

**The availability of integrated scalable processes providing real-time data to enable decision making at pace is a critical requirement for Comvita. During FY23 and FY24, we have invested significantly to upgrade our systems, our processes, our data and our capability to ensure this real-time view. While the launch has been delayed, this project is forecast to go live in FY25 and is the last major investment to facilitate long-term performance.**

In previous years, it would have been possible to amortise this investment over a number of years. However, due to a change in accounting standards (SAAS), this has now been expensed through FY23 and FY24.

Key benefits of this upgrade will be real-time sales visibility globally and efficient monthly close, and it's estimated it will increase the quality and accuracy of data within the business and save around 40,000 hours per year in efficiencies.

06.

MĀNUKA

FORESTS

# The multiple benefits of growing scale in Mānuka forests

**Given the significant changes in industry supply capability and consumer demand, we embarked on our forest planting programme in 2017.**

In 2020, we accelerated this planting programme and shared our hypothesis that forests would enable us to deliver 40% improvement in yield, a 60% improvement in quality of yield and a 20% reduction in cost per hive.

By the end of FY24, we have planted over 6,300 hectares of Mānuka (exclusive varieties) across 15 sites. These forests are forecast to provide circa 50% of our demand requirements by 2030 at a significant cost advantage for premium supply as well as sequestering carbon, generating New Zealand Emissions Trading Scheme NZUs and delivering beneficial biodiversity outcomes.

In FY24, in line with that hypothesis, one of our forests delivered a 600% increase in supply of 20+ and 25+ UMF™ honey at a significant cost advantage. This 600% increase is from one forest vs the maximum supply of 20+ and 25+ UMF™ honey that the Group has ever produced from all forests in any one year.

From a consumer perspective, we understand that the more efficacious the product that the consumer uses, this creates higher loyalty and increased consumption due to the noticeable impact on immunity and health. As such, this increase in supply of more premium monofloral Mānuka honey enables us to actively trade consumers up, and in that process, we also increase satisfaction.

In FY24, we delivered strong performance through our apiary division with over 80% of all honey that we harvested being market compliant (from a regulatory perspective). This brings significant operational simplification and also higher quality that is inherent in our brand value proposition.





# How we create value

## THE RESOURCES WE EMPLOY

**Our unique Comvita knowledge and know-how, curated and refined since 1974.** The intellectual property and processes that strengthen our competitive advantage.

**Our role as kaitiaki (guardians) for 1.6 billion bees and 6.8 million trees .** The Mānuka tree, Mānuka honey and other nutrients from the hive hold incomparable power to protect and heal.

**Our world-class team.** The pure talent and capability of our people, with shared (and overt) passion and ambition.

**Our growth-supporting capital structure.** Healthy balance sheet and access to capital to implement our strategies.

**Our fully integrated global business model.** Our unique business model with circa 400 people in markets outside Aotearoa New Zealand making us closer to our consumers.

**Global leadership.** Underpinned by long-standing and mutually valuable relationships and partnerships.

## HOW WE CREATE VALUE THROUGHOUT OUR END-TO-END MODEL

**Working in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world**

**Science, nature and quality at the heart of the Comvita difference.** Highest frequency and range of testing in industry and Aotearoa New Zealand's only private honey laboratory to be government accredited.

—

**Development of unique cultivars and patents.** Nearly 50 years of scientific discovery, embracing and evidencing the healing power of nature.

—

**Doing business for good.** 1% reinvested for social and environmental impact.

RIGHT PRODUCTS AND PREMIUMISATION

VERTICAL INTEGRATION
IMPROVED QUALITY

RIGHT MARKETS
SUBSIDIARIES

INVESTMENT IN BRAND, IP AND SCIENCE

ROUTE TO MARKET

**Top talent globally,** with international FMCG expertise and empowered teams in market to drive innovation and consumer relevance.

**Leading apiculturists and beekeepers from around the world** with a deep affinity for their craft and calling.

**Arotahi (focus) on performance and return on capital.** Trusted connections with our consumers, customers and communities.

**Digitised, unified and scalable organisation.** Leveraging processes, data and insights to drive continuous improvement.

## OUR UNIQUE OUTPUTS UNDERPINNED BY KAITIAKITANGA (GUARDIANSHIP)

**World-leading products**
see pages 32–39, 51

**Committed to climate action, regeneration and biodiversity**
see pages 45–47, 50

**Leading and progressive employee value proposition, enabling Comvita to attract talent from anywhere in the world**
see page 40–51

**Revenue growth and financial returns**
See pages 6–9, 18–21, 32–39

**Reduced emissions, waste and resource usage**
See pages 28–29, 45–47, 49

**Industry leadership and investment in our community**
See pages 40–42, 48–50

## PROUD TO BE PART OF THE SOLUTION THROUGH THE VALUE WE CREATE

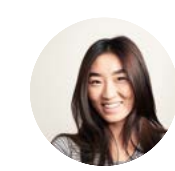
**Improved health and wellbeing for millions of consumers**
See pages 24–25, 27, 32–39, 51

**Restoring native forests and biodiversity**
See pages 28–29, 45–47

**Climate action and circularity**
See pages 28–29, 45–46, 49

**Safe, engaged and empowered team**
See pages 40–50

**Personalised consumer and customer experience**
See pages 23, 32–39



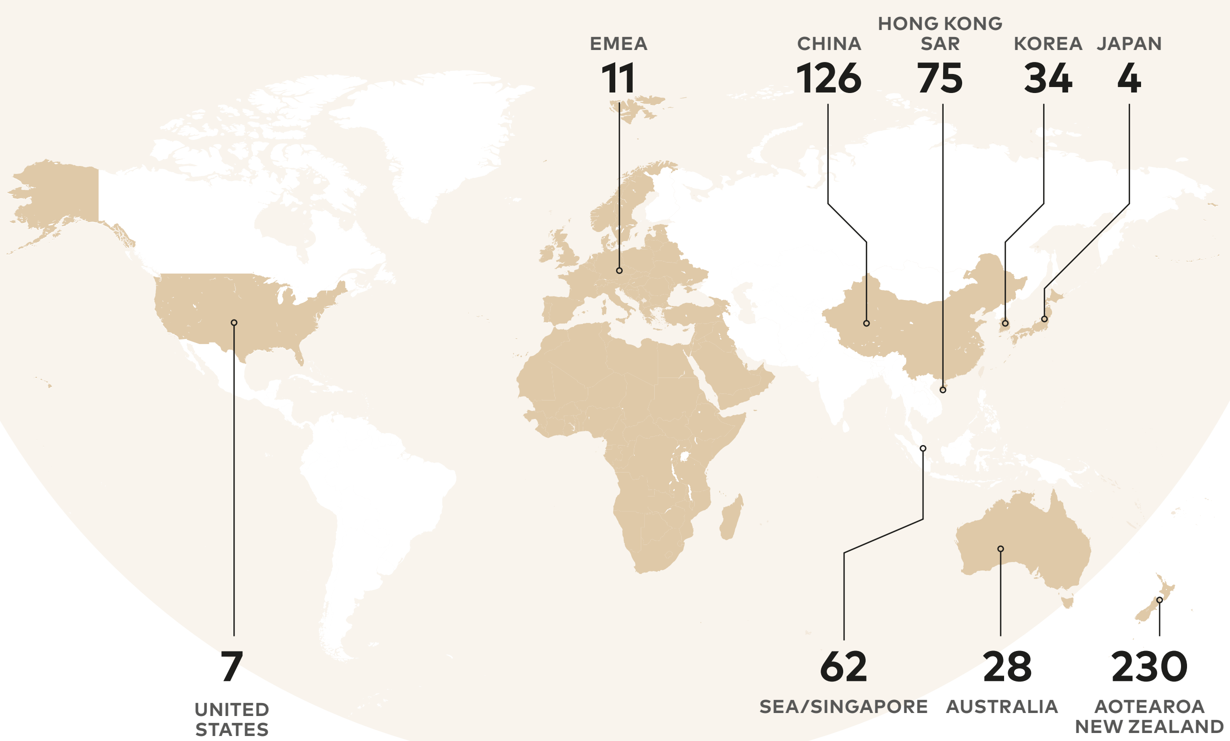
**Driving a brighter future for our industry**
See pages 24–29, 32–39, 48, 51

GLOBAL

SNAPSHOT

# Comvita globally

Our unique model includes positioning teams in our core markets. Here's what they achieved this year.

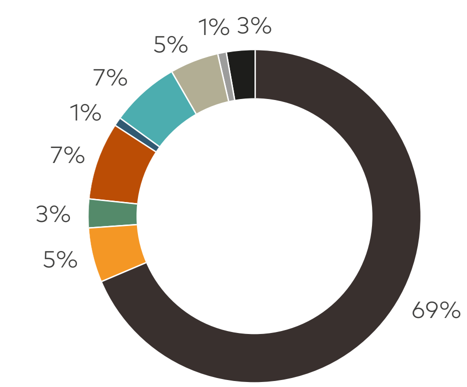



Our team now totals 577, of which 347 are in eight markets outside Aotearoa New Zealand.

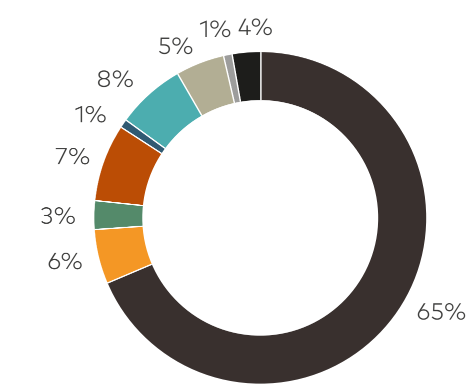




## FY23 sales by category




## FY24 sales by category



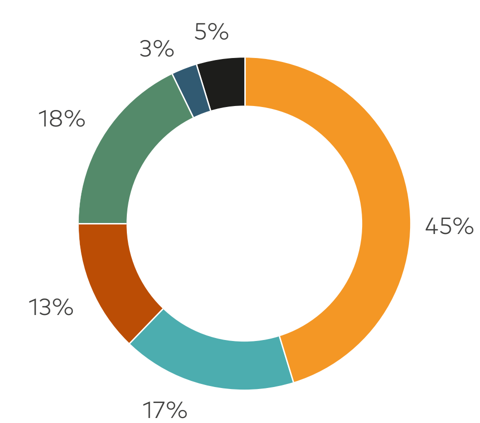

UMF™ honey | Honey | Olive | Propolis | Winter wellness | Lozenges | Medical honey | Oral care | Other

# 65%

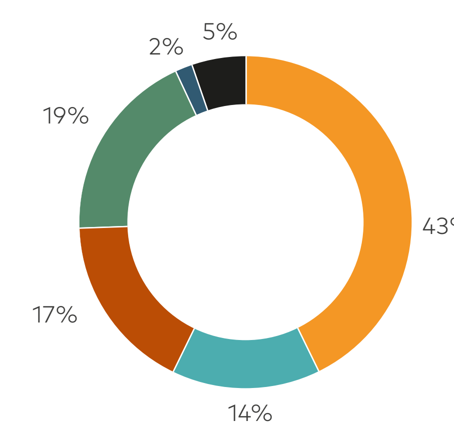
**UMF SHARE OF TOTAL REVENUE**

DROPPED FROM 69% IN FY23 TO 65% IN FY24 WITH PRICE COMPETITION IN ENTRY-POINT UMF SEGMENTS MATERIALLY IMPACTING PERFORMANCE.


## FY23 segment revenue share




## FY24 segment revenue share




Greater China | North America | Rest of Asia | ANZ | EMEA | Other


**Greater China is the biggest single segment for Comvita, representing 44% of total Group revenue for FY24.**

The China honey market and Mānuka within it experienced significant performance challenges vs FY23 with both down by around 20% vs a strong FY23. Household penetration of the Mānuka honey category remains low at less than 1%, and the majority of distribution and revenue is focused on the four or five Tier 1 cities.

Comvita revenue was -17.6% vs FY23, with Mainland China -23% or $20M vs PCP.

Net contribution in Greater China was $17.2M (-35.9% or $9.6M), and Mainland China contribution was $12.4M (-42%) as our high fixed model impacted net contribution disproportionately.

Regional new product development was rolled out during this period, further differentiating us from competition increasingly focused on entry point pricing.

During this period, we launched our own secondary brand to directly target value-seeking consumers whilst focusing on premium Mānuka honey quality and efficacy under the Comvita brand for our core Comvita brand advocates.

**Greater China**

**Reported currency basis**

| | This year FY24 NZ$000 | Last year FY23 NZ$000 | vs last year NZ$000 | vs last year % |
|---|---|---|---|---|
| **Sales** | **89,820** | **109,005** | **(19,185)** | **(17.6%)** |
| **Net contribution** | **17,204** | **26,821** | **(9,617)** | (35.9%) |
| Net contribution % | 19.2% | 24.6% | | (5.4%) |

**LOOKING FORWARD**

In-market activity to support our 20-year anniversary of Comvita in China including unique products and themed activity.

Rolling out distribution to Tier 1.5 and Tier 2 cities to enable a broader Comvita brand availability and consumption.

Focus on top and bottom line performance to deliver net contribution % in line with FY23.

**GROW TOTAL ADDRESSABLE MARKET** | **BUILD EXPERIENCE AND AFFINITY**








**Our ambition is to be the premium Mānuka health and wellbeing company in North America and to significantly grow household penetration. Despite the loss of distribution in one major customer, we remain the fastest-growing Mānuka honey brand in the natural and grocery channels combined.**

Total honey category sales in the United States exceeded US$1B for the first time in 2023 with an 8.2% compound annual growth rate with household penetration of only 32%. Brand sales are outperforming private label, and in the biggest retailer in the US, the Mānuka honey category is outperforming other honeys (volume and value). Mānuka growth is predicted to accelerate through market penetration (currently 0.6%) plus a forecast increase in consumer spending in the broader natural health and wellness category.

**Scientifically proven efficacy and premiumisation will drive higher category consumption and consumer loyalty.**

We knew a distribution change for one material US customer would negatively impact performance vs FY23, and we focused the year on three core deliverables: stronger foundations to drive improved return on investment, simplification of strategy and tactics, and ruthless prioritisation of resources. Although there is a lot more to be done, our underlying FY24 results are encouraging:

- Double-digit underlying sales growth (excluding distribution change) +10.1%.
- Total ecommerce revenues +7% vs PCP.
- Amazon Seller sales +78% vs PCP.
- Leading national offline accounts secured Q4 with $1.5M–$2.0M run rate (full benefit FY25).
- Integrated marketing strategy driving key retail account velocity 2X through physical and digital reach and engagement.
- Premium Mānuka (UMF 15+ and above) share of total sales +620bps vs PCP.
- Fastest-growing Mānuka brand and #1 Mānuka brand by sales revenue in natural grocery (per June SPINS reporting).

**North America**

**Reported currency basis**

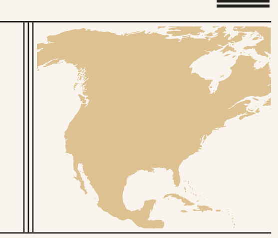
| | This year FY24 NZ$000 | Last year FY23 NZ$000 | vs last year NZ$000 | vs last year % |
|---|---|---|---|---|
| **Sales** | **26,135** | **35,608** | **(9,473)** | **(26.6%)** |
| **Net contribution** | **4,657** | **8,868** | **(4,211)** | (47.5%) |
| Net contribution % | 17.8% | 24.9% | | (7.1%) |

**LOOKING FORWARD**

Leveraging our patent-protected science to evidence efficacy.

Absolute focus on sales velocity, including premium SKU management by channel.

Expansion of our experiential, integrated activation plans.



**DISTINCTIVE BRAND MARKETING** | **LEADING PRODUCT STRATEGY** | **CONSUMER/DATA-DRIVEN PLATFORM**


**Our ANZ market was impacted by weakened China consumer demand through daigou export channels. However we continued to perform strongly in our domestic channels, which were up +12% vs PCP.**

Continued focus on local customer engagement is core to our strategy to win at home. We achieved strong double-digit growth in domestic Aotearoa New Zealand revenue and high single-digit growth in Australian domestic channels. Combined, this marks the third consecutive year of double-digit growth with our Australia and Aotearoa New Zealand domestic channels.

Our performance has been achieved through increasing distribution, strengthening partnerships to win at point of purchase and improving our presence and brand expression at major consumer shopping points.

The relaunch of our new mini Wellness Lab shop in shop at Auckland Airport supported growth in our tourism channels, which were up +49% vs PCP.

Total ANZ revenue which includes both domestic and cross-border channels was down -11% due to sales impacts in the daigou (cross-border) market. This revenue impact flowed through to a net contribution, which was also down year on year by -11% and represented 28% of sales.



**ANZ**

**Reported currency basis**

| | This year FY24 NZ$000 | Last year FY23 NZ$000 | vs last year NZ$000 | vs last year % |
|---|---|---|---|---|
| **Sales** | **36,378** | **40,770** | **(4,392)** | **(10.8%)** |
| **Net contribution** | **10,310** | **11,573** | **(1,263)** | (10.9%) |
| Net contribution % | 28.3% | 28.4% | | (0.1%) |

**LOOKING FORWARD**

FY25 focus will include the continued evolution of our brand expression and winning at point of purchase, supported by an omnichannel approach. This will enable ongoing momentum to win at home with local consumers and international visitors to support brand strength for offshore markets.

**GROW DOMESTIC PERFORMANCE** | **STABILISATION OF DAIGOU CHANNEL** | **WIN AT POINT OF PURCHASE**






**Revenue in our Rest of Asia segment grew by $5.3M to $37.1M in FY24 and in the process became our second-largest segment, primarily as a result of our acquisition of HoneyWorld™ in July 2023. Revenue in Japan and Korea declined by $2.6M vs PCP.**

Our net contribution for the year of $2.7M was adverse to PCP by $5.5M with contribution reduction in all markets. This was primarily due to manufacturing variances year on year, HoneyWorld™ share of total segment performance and integration costs and the impact of year-on-year revenue declines in Korea and Japan flowing through to net contribution.

While the performance of HoneyWorld™ was below our expectations at both top and bottom line, we believe that the majority of these impacts were due to the short-term transition from independent ownership to Comvita ownership, including the time it took to transfer leases and the team to our Group.

Our underlying belief in the strategic importance of Singapore to connect the world with Asia and Asia with the world remains unchanged, and we believe that there is significant untapped potential in Singapore and will use this to connect into Malaysia and Indonesia.

For our Japanese subsidiary, this was very much a transitional year as we look to bring more premium product solutions to market and in the process trade consumers up to our higher grade, more efficacious product categories. In addition, we are changing our distribution priorities after a successful premiumisation trial in Tokyo.



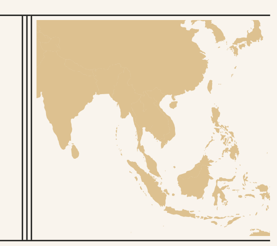
**Rest of Asia**

**Reported currency basis**

| | This year FY24 NZ$000 | Last year FY23 NZ$000 | vs last year NZ$000 | vs last year % |
|---|---|---|---|---|
| **Sales** | **37,059** | **31,771** | **5,288** | **16.6%** |
| **Net contribution** | **2,747** | **8,291** | **(5,544)** | (66.9%) |
| Net contribution % | 7.4% | 26.1% | | (18.7%) |

**LOOKING FORWARD**

We continue to see long-term opportunity in this crucial segment and will aim to deliver profitable growth in FY25.



**GROW CATEGORY** | **GROW MARGIN** | **EFFICIENT OPERATION**


**Revenue in the EMEA segment failed to deliver anticipated performance with revenue -38% to $3.6M and net contribution reducing from a modest profit of $604K in FY23 to a loss of $912K in FY24 (-$1.5M).**

Looking at individual countries, the UK revenue was down by $257K (-9.4%) vs PCP with an improved net contribution, though it remains subscale and therefore unprofitable. In the EU, our business declined by 26% vs PCP and this flowed through to net contribution which was adverse to PCP by $230K.

Revenue in the Middle East was down by $1.7M vs PCP due to orders postponed in FY24 and a one-off credit of $1M due to trade activity being cancelled. New listings were gained in the two major pharmacy channels in Saudi Arabia, and our expectation is for roll-out of distribution in up to 900 stores expected throughout FY25.

EMEA

| Reported currency basis | Full year | | | |
|---|---|---|---|---|
| | This year FY24 NZ$000 | Last year FY23 NZ$000 | vs last year NZ$000 | vs last year % |
| **Sales** | **3,628** | **5,862** | **(2,234)** | **(38.1%)** |
| **Net contribution** | **(921)** | **604** | **(1,525)** | (252.5%) |
| Net contribution % | (25.4%) | 10.3% | | (35.7%) |

LOOKING FORWARD

Focus on translation of Middle East listings into profitable growth.

Review of UK and EU business model.

PROFITABLE GROWTH | BUSINESS MODEL







## ECOMMERCE

**We have seen ecommerce share of total revenue drop this year as we returned to a more balanced distribution model. The balancing of offline, online and direct sales followed the ending of Covid disruption and with it the need for a highly competitive ecommerce offering. Our strategic focus on the online channel is unchanged, as this gives us the best ability to gain first-party data and better understand consumer dynamics, including rate of sale, purchase behaviour, repeat purchases and brand loyalty.**

Our ecommerce channel continues to play a foundational role for our business and has a margin-accretive impact with a direct margin.

Data and insights remain critically important and are central in our refined strategy. These are a competitive advantage and give us a deep understanding of our global consumer.

Loyalty is a platform for growth, and this year, we launched our online loyalty programme 'The Royal Treatment'. This investment in building loyalty has generated strong year-on-year growth in our Registered D2C Users of +14% and our Champion Users of +36%.

Our D2C Repeat Rate was up +1200bps vs last year, demonstrating the commercial impact of understanding consumers and building loyalty.

As the global landscape evolves, we have recognised the need to pivot and reflect the role of ecommerce within an omnichannel world. This means we need to continue to optimise both our ecommerce channel and also our other channels, like our experiential stores, in order to offer a world-class omnichannel experience.

We know that once consumers buy into Comvita, their loyalty and repeat rates are strong. Our focus for FY25 and beyond will be on continuing our momentum – utilising our consumer insights and our attribution metrics to drive more consumers to our sites and converting them to become loyal Comvita buyers.

Our digital-first strategy remains a central part of our omnichannel strategy and a strong platform for growth.

**KEY ECOMMERCE PERFORMANCE METRICS**

**65.5%**
ECOMMERCE DIRECT MARGIN
(+260 BPS VS PCP)

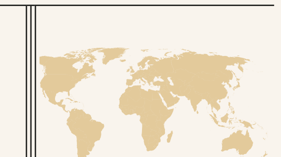
**+1200bps**
VS FY23
FY24 D2C REPEAT RATE

**+14%**
VS FY23
REGISTERED D2C USERS

**+36%**
VS FY23
CHAMPION D2C USERS

LOOKING FORWARD

We will focus on retention of existing consumers and deepen our insights through extended test and learn, driving innovation via fast feedback loops. Regional NPD to drive relevance and additional usage occasions.



FREQUENCY OF USE | LIFETIME VALUE AND LOYALTY

* Analysis of variance based on Australia, Aotearoa New Zealand and US only.

OVERVIEW

# Deeply responsible

CARING FOR PEOPLE, PLANET AND COMMUNITIES

> Our vision has always been to build a business that would help people to live well naturally."

ALAN BOUGEN, CO-FOUNDER

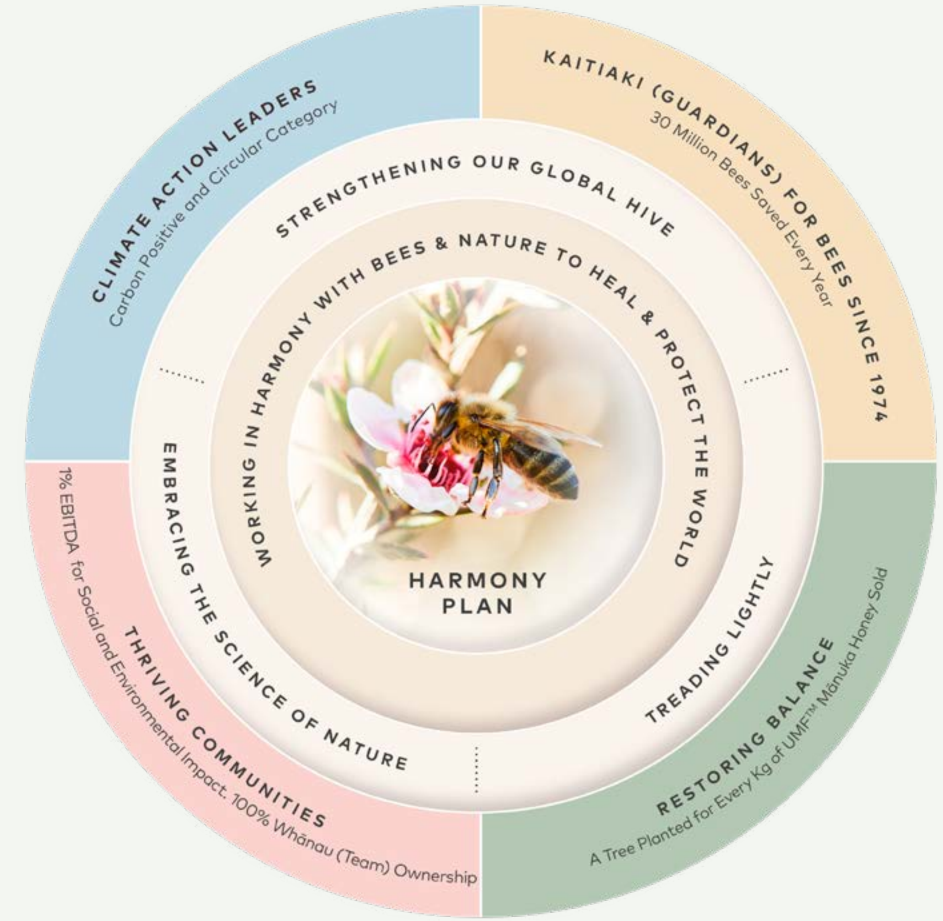
**We achieved significant advances in our social and environmental impacts, reinforcing our unwavering commitment to sustainability and community wellbeing.**

**Key highlights**

- **Empowering our team:** We implemented flexible working approaches, a new Whānau Support Policy and continuous learning programmes, fostering an inclusive culture of growth and innovation.
- **Health, safety and wellbeing:** We achieved a 163% increase in hazard reporting and received high performance recognition from an external SafePlus assessment, enhancing safety culture and reinforcing Comvita as an industry leader.
- **Climate change mitigation:** We reduced net global greenhouse gas (GHG) emissions by 16% compared to FY23, with cumulative removals from native plantings increasing to 120,785 $tCO_2$.
- **Environmental footprint reduction:** We increased recoverable packaging outputs to 95% and recycled material inputs to 10.9%.
- **Community wellbeing:** We partnered with Garden to Table, helping enable Aotearoa New Zealand tamariki to grow, harvest, prepare and share their own nutritious food, promoting sustainability and healthy living.

Our Harmony Plan encapsulates our sustainability strategy, aiming to maximise positive impacts and create a lasting legacy. Achieving B Corp certification across all our entities validates our high social and environmental standards and reinforces our belief that business can be a force for good.

Moving forward, our focus on unleashing our people's potential, embracing agility and fostering continuous improvement will ensure Comvita is well positioned to thrive. We remain committed to making a profound impact – caring for our communities, preserving our planet, and ensuring a brighter future for all.




Certified B Corporation

| | | | |
|---|---|---|---|
| **21** EMPLOYEE NET PROMOTER SCORE +0% VS FY23 (21) | **4.6** SAFETY MATURITY INDEX +105% VS FY23 (2.24) | **2.7** TRIFR -28% VS FY23 (3.8) | **22** ETHNICITIES IN GLOBAL TEAM +0% VS FY23 (22) |
| **47%** DIRECTORS & EXECUTIVES ARE FEMALE +6% VS FY23 (41%) | **65%** GLOBAL EMPLOYEES ARE FEMALE -2% VS FY23 (67%) | **1,101 HRS** STAFF COMMUNITY SERVICE +9% VS FY23 (1,008) | **95%** RECOVERABLE PACKAGING OUTPUTS +3% VS FY23 (92%) |
| **10.9%** RECOVERED PACKAGING INPUTS +1% VS FY23 (9.9%) | **24,591** $tCO_2e$ NET GHG EMISSIONS -16% VS FY23 (29.102 $tCO_2e$) | **0.128** $kgCO_2e$ PER $ OF REVENUE GHG GROSS EMISSIONS INTENSITY -14% VS FY23 (0.149 $kgCO_2e$) | **120,785** $tCO_2e$ CARBON REMOVALS SINCE FOREST ESTABLISHMENT +15% VS FY23 (105,104 $tCO_2$) |

MATERIAL TOPICS

## Focused on material impacts

**This year we completed a comprehensive refresh of our materiality assessment. This process aligned with the Global Reporting Initiative (GRI) Standards, enabling us to objectively identify and evaluate the significance of actual and potential impacts – negative and positive – on the economy, environment and people across all our activities and business relationships.**

We used a double materiality assessment approach to consider our impacts on external stakeholders and the potential ramifications for our financial performance.

The material topics identified from this assessment are summarised below. They have been reviewed and approved by our Board in line with our ESG processes outlined in the Governance section. We are committed to transparently reporting on the material impacts of our business activities and how we manage these. Further details can be found in Appendix 1.

**Material topics**

| Consumer health and wellbeing | Safe, engaged and empowered global team | Environmental protection and regeneration | Thriving industry and communities |
|---|---|---|---|
| • Consumer engagement and loyalty<br>• Product efficacy and quality<br>• Data protection and privacy | • Workforce culture and wellbeing | • GHG emissions and climate change resilience<br>• Packaging circularity<br>• Ecosystem restoration<br>• Agricultural chemical emissions<br>• Bee health and wellbeing | • Mānuka honey industry leadership<br>• Supply chain – respect for human rights<br>• Supply chain – agricultural impacts<br>• Māori engagement and respect for te ao Māori<br>• Community contribution |

SAFE, ENGAGED AND

EMPOWERED

GLOBAL TEAM

## Unleashing potential

**Our culture and wellbeing drive our performance. Our holistic approach integrates wellbeing, engagement and continuous growth, enabling our people to excel. This creates sustainable opportunities for personal and professional development, leading to meaningful contributions.**

- **Connection and engagement:** We prioritise fostering a strong sense of connection and engagement within our global team, recognising that a clear sense of purpose is crucial for performance and job satisfaction.
- **Global onboarding:** 84% of new hires completed our comprehensive onboarding module, immersing them in the Comvita story from day one.





| | | |
|---|---|---|
| **565**<br>GLOBAL FULL-TIME EQUIVALENT ROLES<br>+1% VS FY23 (559) | **21**<br>EMPLOYEE NET PROMOTER SCORE<br>+0% VS FY23 (21) | **100%**<br>WORKERS PAID LIVING WAGE<br>+0% VS FY23 (100%) |
| **5.7 YRS**<br>GLOBAL LENGTH OF SERVICE (AVERAGE)<br>+33% VS FY23 (4.3 YRS) | **65%**<br>GLOBAL EMPLOYEES ARE FEMALE<br>-2% VS FY23 (67%) | **83%**<br>GLOBAL EMPLOYEES ARE SATISFIED WITH COMVITA'S EFFORTS TO SUPPORT DE&I |
| **55%**<br>EXECUTIVES REPORTING TO CEO ARE FEMALE<br>+15% VS FY23 (40%) | **82%**<br>FEEL COMVITA IS INCLUSIVE OF PEOPLE OF ALL BACKGROUNDS | **13%**<br>GLOBAL EMPLOYEE TURNOVER<br>-2% VS FY23 (15%) |

- **Deepening connections:** In Aotearoa New Zealand, our employees experienced our apiaries and production sites through our Hive to Home programme, deepening their connection to our mission and values.
- **Maintaining engagement:** Despite constant changes, we maintained an eNPS of +21 and an 80% engagement level, reflecting our commitment to supporting our team.
- **Business efficiency:** Through automation and process improvements, we allow employees to focus on meaningful work, enhancing productivity and job satisfaction.
- **Whānau (Family) Support Policy:** Embarking on the parental or caregiving journey is both a monumental milestone and a significant life adjustment. We offer our Aotearoa New Zealand employees six months of paid primary care leave, 10 days of paid secondary care leave and ongoing KiwiSaver contributions. This support provides flexibility and peace of mind, allowing our team to focus on family. The positive response we have received to this policy highlights its significant impact on employees' lives.

### Driving continuous learning and leadership

Continuous learning is central to our strategy. Our online portal offers over 200 courses for skill enhancement at employees' own pace. Quarterly leadership workshops and our We All Lead value foster a culture of shared responsibility and empowerment, reshaping our leadership philosophy.

Streamlined processes with self-service portals and online toolkits enable leaders to focus on strategic initiatives and team development. During the year, 43% of roles were filled internally, emphasising our commitment to career growth and development.

**FUTURE FOCUS**

- **Fostering a Thriving Workplace:** Through inclusion, continuous learning and meaningful work, we will continue to build a resilient and adaptive workforce ready for tomorrow's challenges.
- **Leveraging Data for Growth:** We aim to use data to gain actionable insights, enhancing our organisational capabilities and employee experience.

## Elevating health, safety and wellbeing

**We believe health, safety, and wellbeing are paramount. As a global health and wellness brand, we ensure our team is supported and safe across all markets.**

**Safety maturity journey:** Our internal safety maturity audit scores have significantly improved. An external SafePlus assessment this year rated us at a robust performing level, with advancements into leading areas. This recognition from SafePlus, an industry-standard evaluation, positions Comvita towards becoming a leader in health and safety, reinforcing our commitment to a safer, more resilient workplace.

**Streamlined Health & Safety Management:** We have simplified health and safety processes, increasing accessibility and employee engagement. Input from front-line employees improved design and addressed workplace hazards. Enhanced training for our Safer Hive (H&S Committee) resulted in a 163% increase in hazard reporting, enabling more effective risk mitigation.

**Empowering health and safety leadership:** Our We All Lead value promotes shared responsibility for safety and wellbeing. We provide tools for risk identification and healthy practices along with comprehensive benefits such as health insurance, free doctor consultations, flu vaccinations, counselling and annual health checks. Employee feedback on these tools and practices highlights the positive impact of these initiatives.

**4.6** PTS
SAFETY MATURITY SCORE[1]
+105% VS FY23 (2.24)

**3:1**
LEAD: LAG[2]
+32% VS FY23 (3:2)

**274**
INDIVIDUAL WELLBEING CHECKS

**2.7**
TRIFR[3,4]
-29% VS FY23 (3.8)

**1.1**
LTIFR[5,6]
-59% VS FY23 (2.7)

**0.13**
MVIFR[7,8]
-75% VS FY23 (0.53)

1 Calculated as average score across all operational teams.
2 The lead:lag ratio is the number of reported proactive vs reactive health and safety events
3 Total recordable injury frequency rate (TRIFR) is used to measure recordable work-related injuries
4 Lost-time injury frequency rate (LTIFR) is used to represent high consequence injuries and includes all lost-time injuries, not injuries defined by recovery time. There have been no reported injuries in FY24 that have taken up to or more than 6 months to recover from
5 Motor vehicle injury frequency rate (MVIFR) is a specific metric created by Comvita given the nature of our hazards and for our reporting requirements. Rates have been calculated based on 200,000 hours worked.

**FUTURE FOCUS**

- **World-Class Safety Leadership:** We aim to embed health, safety and wellbeing into our culture, elevating our standards and solidifying our leadership in workplace safety.
- **Expanding Global Wellbeing Initiatives:** We will enhance global wellbeing programmes by expanding mental health support and physical wellness resources, ensuring every employee feels supported and valued.





ENVIRONMENTAL
PROTECTION
AND REGENERATION

## Climate action and adaptation

**We are already adapting our business operations as weather patterns change, as well as focusing on decarbonisation to mitigate transition risks.**

Comvita Limited is a climate-reporting entity under the Financial Markets Conduct Act 2013 and we have prepared our FY24 Climate Statement in accordance with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board. Our FY24 Climate Statement includes our GHG inventory information.

### Key activities this year

- **Climate-related risk and opportunity assessment:** We completed a first pass risk and opportunity identification and assessment to better inform our adaptation and mitigation strategies moving forward.
- **Completing our global GHG inventory:** Our annual GHG inventory focuses our carbon reduction activity. We are investigating setting near-term and longer-term (net zero) carbon reduction targets in line with Science Based Targets Initiative (SBTi) guidance.

### FY24 GHG emissions and removal results

- **Gross emissions**: Total gross Scope 1, Scope 2 and Scope 3 emissions this year were 26,079 $tCO_2e$, a 26% reduction vs FY23 and a 20% reduction vs our FY22 baseline.
- **Removals**: Net removals included in the GHG inventory declined significantly to 1,488 $tCO_2$ due to more properties being or intended to be registered in the New Zealand Emissions Trading Scheme (ETS). Estimated NZUs increased significantly.

### Comvita Global GHG emissions and removals results summary

Comvita's GHG inventory has been prepared in accordance with the relevant GHG Protocol. FY24 total gross emissions all scopes and net biogenic removals were subject to limited assurance by KPMG. Further detail can be found in the Comvita Limited Climate Statement 2024.

| | Global GHG emissions $tCO_2e$ | | Trend |
|---|---|---|---|
| | FY24 | FY23 | % change |
| Total gross emissions all scopes (excluding optional and biogenic) | 26,079 | 34,944 | (25%) |
| Net biogenic removals | (1,488) | (5,842) | (75%) |
| **Net GHG emissions** | 24,591 | 29,102 | (16%) |
| Comvita NZ ETS NZUs[1] | (3,730) | (743) | 402% |
| **Adjusted net GHG emissions including Comvita NZUs** | 20,861 | 28,359 | (26%) |
| Enabled NZ ETS NZUs[2] | (10,436) | (4,263) | 145% |
| **Adjusted net GHG emissions including Comvita and other NZUs** | 10,425 | 24,096 | (57%) |
| **Emissions intensity –** gross GHG emissions $kgCO_2e$ per NZ$1 of revenue | 0.128 | 0.149 | (14%) |

1 Estimated annual NZUs accrued to Comvita. Interest in Makino JV has been removed from FY24 and FY23 figures.
2 Estimated annual NZUs accrued to other landowners from Comvita plantings. Makino JV has been removed from FY24 and FY23 figures.

**FUTURE FOCUS**

Refining our transition planning and investigating our science-based targets.

## Packaging circularity

**We are focused on improving the circularity of our finished goods packaging, particularly waste from end-of-life product packaging where honey pots are the largest contributor.**

**Performance highlights this year**

- Recoverable packaging (recyclable, reusable and compostable) increased to 95% and recovered packaging (recycled input) increased to 11%.
- We developed a Material Circularity Index (MCI) baseline score of 0.36, with a target of 0.4 in FY25.
- Improvements were achieved through increased recycled PET usage, phased implementation of recyclable lozenges packaging and ongoing collaboration with our honey pot packaging supplier to trial new material options (benefiting Comvita and the wider industry).

**FUTURE FOCUS**

In the year ahead, we will continue to investigate innovative recycled packaging materials and improvements with our external manufacturers.

## Regeneration and restoration

**Cloaking the land in native Mānuka through our planting programme helps support improved biological diversity, water quality, soil health and flood resilience.**

Since 2017, we have planted a total of 15 Mānuka forests, covering 6,300 hectares across the central North Island and Wairarapa regions of Aotearoa New Zealand.

Collectively, our plantings and owned land have now sequestered 120,785 $tCO_2$. Scientific research has also validated the other positive environmental impacts from our regeneration – showing improvements in biodiversity and freshwater health.

We do have to apply some chemicals to nurture and maximise the survival of Mānuka seedlings. Our preferred approach is pre-plant spot spraying, followed by sheep grazing, reducing herbicide use by approximately 80%.

During the year, we worked with Plant and Food Research to develop a bespoke science-based Ecological Impact Monitoring (EIM) Tool to holistically measure ecological health and environmental impacts across a number of indicators and to guide our environmental practices.

**FUTURE FOCUS**

Implementing our EIM Tool to enable scientific measurement of nature-related impacts over time, supported by predator trapping and other initiatives.

**95%**
RECOVERABLE OUTPUTS PRODUCED[1]
+2% VS FY23 (92%)

**10.9%**
RECYCLED INPUT MATERIALS USED[1]
+1% VS FY23 (0.9%)

**6,251 HA**
CUMULATIVE MĀNUKA PLANTINGS
+14% VS FY23 (5,475 HA)

**0.36**
MATERIAL CIRCULARITY INDICATOR SCORE[1]
NO FY23 SCORE AVAILABLE

**120,785 $tCO_2$**
CUMULATIVE CARBON REMOVALS
+15% VS FY23 (105,104 $tCO_2$)

**TOTAL CLIMATE CHANGE AND ADAPTATION**

1 All packaging purchased directly by Comvita.

## Protection of bees

**We recognise the invaluable partnership we share with bees and are committed to promoting positive bee welfare outcomes and supporting the growth of bee populations as crucial pollinators. This will deliver environmental, food security, and other downstream socioeconomic benefits.**

**Highlights this year**

- We delivered ongoing best-practice hive and bee welfare management as enshrined in our Bee Welfare Code. This was supported by our Mānuka forests providing additional nectar sources for bees and other pollinators, and our rigorous testing programme.
- We continued our responsible and effective varroa management in line with best-practice guidance, while researching innovative organic miticide treatments and varroa-resistant strains to incorporate in our queen bee breeding programme.
- We supported the creation of new bee-friendly habitats globally and educated others on the importance of bees and pollinators. We entered into a high-level agreement with the China Biodiversity Conservation and Green Development Foundations to help protect native Chinese bees and create opportunities for rural beekeepers.

**10%**
WINTER BEEHIVE LOSSES
+6% VS FY23 (4%)

**2,710**
PEOPLE ENGAGED THROUGH BEE EDUCATION
+1,068% VS FY23 (232)

THRIVING

INDUSTRY

AND COMMUNITIES

## Mānuka honey industry leadership

**As the global market leader in Mānuka honey, we understand that long-term industry sustainability and growth rely on awareness of the health benefits of Mānuka honey and ensuring trust in product efficacy and quality.**

Comvita looks to inform industry policies, strategy, and priorities through our membership and involvement in key industry organisations for the benefit of all Aotearoa New Zealand honey producers. We draw on our end-to-end value chain knowledge and scientific understanding to help shape the direction of our industry. We are particularly focused on supporting a clear set of shared industry quality standards and sustainability credentials, which we believe is essential for future industry success.

**Key activities this year**

- We helped develop the New Zealand Honey Strategy 2024-2030 Thriving Together: Futureproofing New Zealand Apiculture.
- We provided ongoing support to the Mānuka Charitable Trust in protecting Mānuka as a taonga (treasure) and ensuring that the Mānuka honey brand exclusively includes honey produced from Aotearoa New Zealand Mānuka trees.
- We were involved in industry support and advocacy through our memberships of Apiculture New Zealand and the Unique Mānuka Factor Honey Association.

**FUTURE FOCUS**

Support of industry groups and advocacy, particularly in relation to quality standards.

## Māori engagement and respect for te ao Māori

**We acknowledge Tapuika, the mana whenua of the area surrounding Comvita's birthplace and head office in Paengaroa. Through our partnership, we seek to build the local community collectively.**

**Key activities this year**

- Our ongoing work to legally protect Mānuka supports tikanga Māori principles and benefits Māori landowners. While strengthening Mānuka honey standards may exclude more multifloral crops, we believe such standards are crucial for product quality and industry reputation.
- We donated Mānuka seedlings to Māori-led and other regeneration programmes in areas impacted by extreme weather events. Our efforts help rebuild and enhance the mauri of these areas.

> "I feel so proud that Comvita can hōnonga not only to our mana whenua but also to our rich Comvita history, and it's a story that I love to share whenever I can."
>
> NIKKI REEDY, CUSTOMER EXPERIENCE MANAGER

**FUTURE FOCUS**

Nurturing Tapuika partnership. Continuing to support the Mānuka Charitable Trust to safeguard the New Zealand Mānuka honey industry.

## Ethical and sustainable supply chain

**We are on a journey with our suppliers to ensure responsible sourcing and transparency across our supply chain – helping to protect workers' human rights and achieve our environmental objectives.**

We see an increasing focus on human rights by many of our global customers. We have internal processes for staff to raise concerns, and we respond to any issues identified as part of our procurement process and supplier onsite audits. In the year ahead, we will be focusing on improving our understanding of risks and increasing supplier due diligence and engagement in this area.

We also engage with our suppliers to support our carbon reduction and environmental objectives. One focus area is supplementary sugar feed. Like other commercial beekeepers, we need to feed our bees at certain times of the year when natural food sources are limited. Agricultural effluents from sugar cane production in some regions can harm freshwater and marine ecosystems and contribute to water scarcity. We are committed to better understanding the actual environmental and social impacts associated with the sugar we purchase and are exploring sustainable sourcing options and alternative bee food sources.

**FUTURE FOCUS**

Human rights risk assessment and increasing supplier due diligence and engagement.

Pre-screening of suppliers and rolling out our Supplier Code of Conduct to key suppliers.

## Supporting thriving communities

**We are dedicated to creating positive and enduring health, social and environmental impacts within our communities. We have committed to investing 1% of our profits each year in community initiatives and to supporting community wellbeing.**

Mānuka honey production and planting initiatives create vital economic opportunities for rural communities, including jobs in planting, pest management, beekeeping and transportation. We have long-term land-use agreements with 12 landowners and hive placement agreements with 94 others. Currently, Comvita employs approximately 60 beekeepers and purchases honey from about 55 external suppliers.

Through our Time to Heal programme, our staff globally have had a direct and positive impact this year, building connections with local communities, and raising brand awareness. Mahi (work) has included street clean-ups, beach clean-ups, community garden development and preparing meals for the homeless.

We are proud to announce the Saving the Wild Beekeeping Project we initiated in Kenya is now economically sustainable and the Saving the Wild WOMEN project, helping local Maasai women achieve self-sufficiency in apiculture, had its first honey harvest this year.

We have continued to support Save the Kiwi and are continuing with initiatives to provide safe habitats for kiwi within our Mānuka forests.


Save the Kiwi Hatchery, Wairakei

Mānuka Seedlings, Blue Sky Station, Retaruke

### Garden to Table

We are thrilled to announce a new sponsorship arrangement with Garden to Table. Garden to Table empowers Aotearoa New Zealand school children to grow, harvest, prepare and share their own fresh, nutritious and affordable kai (food).

This initiative aligns perfectly with our purpose to work in harmony with nature, supporting positive health outcomes and creating a legacy for future generations. As part of this partnership, we will donate honey to participating Garden to Table schools for use in food preparation and recipes as a healthier, gut-friendly alternative to sugar. We are confident the schools will love our delicious, tummy-friendly, healthy honey!

| | | |
|---|---|---|
| 1% | 35% | 1,101 HRS |
| % EBITDA COMMUNITY INVESTMENT | STAFF PARTICIPATION IN TIME TO HEAL | STAFF COMMUNITY SERVICE |
| +0% VS FY23 (1%) | +18% VS FY23 (17%) | +9% VS FY23 (1,008) |

**FUTURE FOCUS**

Increase global participation in team Time to Heal programme and supporting Garden to Table and other partnerships for greater impact.







CONSUMER

HEALTH

AND WELLBEING

## Quality and intellectual property leadership

**Our product efficacy and competitive advantage is underpinned by our industry-leading scientific research, our comprehensive intellectual property and commercialisation strategy and our uncompromising commitment to product quality.**

Our Product Quality and Safety Policy outlines our commitment to ensuring that our quality management systems and processes are underpinned by science and continuous improvement and that they deliver strong food safety and product quality outcomes.

We undertake more laboratory testing on our Mānuka honey than anyone else in the category and have the highest level of independent food safety and quality certifications in the industry. This year, we successfully achieved unannounced BRC AA+ food safety certification, the highest grade possible. We hold more than 25 independent external food safety and quality certifications, enabling us to access new markets, channels and customers around the world. There were no instances of non-compliance with food safety regulations this year.

**FUTURE FOCUS**

Continuing to deliver the most efficacious and top-quality products for our global consumers.

## Data protection and privacy

**Our consumer data and understanding is our competitive advantage and places reciprocal obligations around privacy and security of that data.**

We had no substantiated complaints concerning breaches of consumer or customer privacy this year.

We have appropriate systems and cyber security measures in place, while acknowledging that constant monitoring and improvement is required. These measures include understanding the nature and location of all the personal information we hold, ensuring third-party provision of the highest levels of data security and privacy, maintaining a robust network security service for our network, regularly undertaking data cleanses and having appropriate external facing and internal policies.

During the year, an external provider completed a comprehensive cyber security review. We were assessed as being well placed but recommended future improvements were also identified.

**FUTURE FOCUS**

Ongoing monitoring and implementation of cyber security improvements.

KEEPING US

# FOCUSED

## OUR BOARD


**01.** BRETT HEWLETT[1]
DIRECTOR, CHAIR

**02.** BOB MAJOR
INDEPENDENT DIRECTOR, CHAIR OF SAFETY AND PERFORMANCE COMMITTEE

**03.** ZHU GUANGPING
DIRECTOR

**04.** YAWEN WU
DIRECTOR

**05.** JULIA HOARE[1]
INDEPENDENT DIRECTOR, CHAIR OF AUDIT AND RISK COMMITTEE

**06.** DAVID BANFIELD[1]
MANAGING DIRECTOR

**07.** BRIDGET COATES[2]
INDEPENDENT DIRECTOR

**08.** MICHAEL SANG[2]
INDEPENDENT DIRECTOR

1. No longer a Director as at the date of this report. Brett Hewlett is acting CEO and Luke Bunt has rejoined the Board effective 1 September 2024.
2. Effective 31 August 2024, Bridget Coates is Chair and Michael Sang is Chair of Audit and Risk Committee.

VISIT COMVITA.CO.NZ FOR BIOGRAPHIES OF OUR BOARD AND LEADERSHIP



BUILDING OUR

# BUSINESS

## OUR LEADERSHIP TEAM


**01.** DAVID BANFIELD[3]
CHIEF EXECUTIVE OFFICER

**02.** ANDY CHEN
DEPUTY GROUP CEO AND REGIONAL CEO APAC

**03.** HOLLY BROWN
REGIONAL CEO NORTH AMERICA AND EUROPE, MIDDLE EAST & AFRICA (EMEA)

**04.** NIGEL GREENWOOD
CHIEF FINANCIAL OFFICER

**05.** DR JACKIE EVANS
CHIEF SCIENCE OFFICER

**06.** TERRY CHEN
CHIEF SUPPLY CHAIN OFFICER

**07.** ADRIAN BARR
CHIEF BUSINESS DEVELOPMENT OFFICER

**08.** MONICA YIANAKIS
CHIEF DIGITAL & MARKETING OFFICER

**09.** TANIA VAN PADDENBURG
CHIEF PURPOSE & TRANSFORMATION OFFICER

**10.** CHRIS FRANCE
CHIEF TECHNOLOGY OFFICER

**11.** JESSICA SANDERS
EXECUTIVE ASSISTANT

3. No longer CEO as at the date of this report.

## GOVERNANCE

**Comvita Limited is committed to taking a holistic view of how it creates long-term value and the impact of its decisions on all stakeholders – including shareholders, employees, customers, suppliers, community and the environment.**

Comvita Limited is a company domiciled in Aotearoa New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The company is an issuer in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. Comvita has subsidiaries operating in Australia, China, Hong Kong SAR, Japan, South Korea, Malaysia, Singapore, United States, United Kingdom and the Netherlands.

The Board's Charter sets out the governance principles, authority, responsibilities, membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at 27 September 2024. The full statement is available to view at www.comvita.co.nz.

Any questions in relation this report should be directed to investor.relations@comvita.com.





### Compliance

The Board has adopted codes and policies relating to the conduct of all Directors, executives and staff, taking guidance from the NZX Main Board Listing Rules relating to corporate governance and the NZX Corporate Governance Code.

For the purpose of Listing Rule 3.8.1, the Board considers that, as at 27 September 2024, the governance structures, principles, policies and practices it has adopted are in compliance with the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) except to the extent set out in the following pages.

Comvita's Constitution, the Board and Committee Charters, codes and policies referred to in this section are available to view at www.comvita.co.nz.

Comvita makes the documents listed below available on its website.

| Constitution/Charters | Codes/Policies |
|---|---|
| Constitution | Code of Ethics |
| Board Charter | Continuous Disclosure Policy |
| Safety and Performance Committee Charter | Financial Product Dealing Policy |
| Audit and Risk Committee Charter | Diversity and Inclusion Policy |
| | Directors and Officers Remuneration Policy |
| | Environmental Policy |

### Further detail

Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the Financial Statements included.

# GOVERNANCE PRINCIPLES AND GUIDELINES

## Principle 1 – Ethical Standards

### Code of Ethics (Recommendation 1.1)

Directors set, observe and foster high ethical standards. Comvita expects its Directors, officers, and employees to act legally, to maintain high ethical standards and to act with integrity consistent with Comvita's policies, guiding principles and values.

A Director-specific Code of Ethics sets out these standards for all Directors and can be found in the Appendix to the Board Charter on Comvita's website. Further, Comvita has a Code of Ethics applicable to all Directors, officers and employees in accordance with Recommendation 1.1 of the NZX Code, a copy of which is available on the website. Training on ethical behaviour is incorporated within Comvita's induction programme, with refresher training provided periodically.

Company rules, which all employees and officers are expected to adhere to, provide clear guidance across a range of ethical and legal matters to ensure high standards of performance and behaviour are maintained when dealing with the company's customers, suppliers, shareholders and staff.

Specific policies are also available on the company's website as noted above.

Mechanisms are provided within the company-wide Code of Ethics and general company rules for the safe reporting of breaches of ethical standards or other policies or laws, and the consequences of non-compliance are made explicit.

### Financial Product Dealing Policy – Trading in Comvita securities (Recommendation 1.2)

Directors, officers and employees are restricted in their trading of Comvita securities and must comply with Comvita's Financial Product Dealing Policy, which is available on the Comvita website. The policy provides guidance on insider trading rules and outlines process and approval requirements for dealing in Comvita securities.

## Principle 2 – Board Composition and Performance

### Board Charter (Recommendation 2.1)

The Board operates in accordance with the Board Charter, which sets out the roles and responsibilities of the Board. A copy of the charter is available on Comvita's website.

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Responsibility for the day-to-day operations and administration of the company is delegated by the Board to the Chief Executive Officer and the Leadership Team.

### Nominations and appointments (Recommendation 2.2)

The nomination of candidates for appointment to the Board is overseen by the Safety and Performance Committee and the procedure for nomination and appointment is detailed in the Safety and Performance Committee Charter. Such procedure includes processes to be followed to ensure proper checks are carried out on all candidates and key information is obtained to enable the Board and shareholders to make an informed decision about whether to elect or re-elect a candidate. It also provides for an assessment of independence.

### Written agreements (Recommendation 2.3)

The Directors have each signed a written agreement with the company outlining the terms of their appointment. The agreement includes expectations of the director, expected time commitments, remuneration, indemnity and insurance provisions, disclosure requirements, confidentiality obligations, term and expectation of compliance with relevant corporate policies.

### Board size and composition (Recommendation 2.4)

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the company's business. The number of Directors and rotation requirements are determined in accordance with the company's Constitution, the Board Charter and the NZX Main Board Listing Rules. The Constitution provides for the Directors to elect one of their number as Chair of the Board, and the Board Charter provides that the Chair should be an independent Director unless otherwise approved by all Directors. To encourage the process of constant evolution of the Board and succession of key roles within the Board, the Board Charter states that Directors are discouraged from standing for re-election a second time (i.e. after serving six years) unless by unanimous support from the whole Board. For the year ended 30 June 2024, the company complied with the current Listing Rules with regard to the composition of the Board and the appointment and rotation of Directors.

Director profiles (with details of their experience), ownership interests, meeting attendance, length of service and independence of each Director are available on the company's website and/or in this Annual Report.

Director ownership interests (including beneficial ownership) as at 30 June 2024 are detailed in the Statutory Information section at the back of the 2024 Financial Statements.

For a Director to be considered independent, the fundamental consideration in the opinion of the Board is that the Director is independent of the Executive and not have any direct or indirect interest, position, association or relationship that could or could be perceived to influence in a material way the Director's capacity to bring an independent view to decisions, to act in the best interests of the company and to represent the interests of shareholders generally. In accordance with the NZX Code, any Director who is or who is associated with a substantial product holder is considered by the Board to not be independent.

The Board has reviewed which of its Directors are deemed to be independent in terms of the NZX Listing Rules and has determined that four of the eight Directors as at 30 June 2024 were independent.[1] Of the Directors that are independent, none of the factors listed in the NZX Code are relevant.

Board and Committee meeting attendance for the year ended 30 June 2024 is set out below:

| Board member | Board[2] | | Conference calls and special meetings | | Audit and Risk Committee[3] | | Safety and Performance Committee[4] | | Tenure on Board |
|---|---|---|---|---|---|---|---|---|---|
| | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | |
| Brett Hewlett | 12 | 12 | 4 | 4 | 5 | 5 | 6 | 6 | 7 |
| Julia Hoare | 12 | 12 | 4 | 4 | 5 | 5 | – | – | 1 |
| Robert Major | 12 | 12 | 4 | 4 | – | – | 6 | 6 | 5 |
| Zhu Guangping | 12 | 7 | 3 | 2 | – | – | – | – | 5 |
| David Banfield | 12 | 12 | 3 | 3 | – | – | – | – | 3 |
| Yawen Wu | 12 | 12[5] | 3 | 3 | – | – | – | – | 3 |
| Bridget Coates | 12 | 12 | 4 | 4 | – | – | 6 | 6 | 3 |
| Michael Sang[6] | 9 | 8 | 4 | 2 | 3 | 3 | – | – | 1 |
| Lucas Bunt[7] | 3 | 3 | 0 | 0 | 2 | 2 | – | – | 9 |

1. Brett Hewlett is not considered independent due to Comvita being his sole directorship and accordingly the majority of his income comes from Comvita fees. Mr Zhu Guangping and Ms Yawen Wu are not considered independent as they are associated with substantial product holders. Zhu Guangping is associated with Li Wang, the largest shareholder in the company with a shareholding of greater than 5%. Yawen Wu is associated with China Resources, which also has a shareholding of greater than 5%. David Banfield is not considered independent as he is Managing Director and CEO.
2. Chair of the Board has no casting vote.
3. Chair of the Audit and Risk Committee has no casting vote.
4. Chair of the Safety and Performance Committee has no casting vote.
5. Yawen Wu's alternative Ching Ho Luk attended 12 of these meetings on her behalf.
6. Michael Sang was appointed director effective 5 October 2023.
7. Lucas Bunt resigned effective 30 September 2023.

### Gender composition of Directors and officers and diversity

Comvita is committed to diversity (race, gender, sexuality etc.) in its employment of individuals at all levels in the organisation.

As at 30 June 2024 (the prior year's comparison is in brackets):

| | Board | | Audit and Risk Committee | Safety and Performance Committee | Officers |
|---|---|---|---|---|---|
| Gender | | | | | |
| Male | 5 (5) | 62% | 2 (2) | 2 (2) | 5 (8) |
| Female | 3 (3) | 38% | 1 (1) | 1 (1) | 5 (4) |
| Gender diverse | 0 (0) | 0% | 0 (0) | 0 (0) | 0 (0) |
| Age | | | | | |
| Under 30 years | 0 | 0% | | | |
| 30–50 years | 1 | 12% | | | |
| Over 50 years | 7 | 88% | | | |
| Executive | 1 | | 0 | 0 | |
| Non-executive | 7 | | 3 | 3 | |
| Independent | 4 | | 2 | 2 | |
| Number of each individual's other significant positions and commitments, and the nature of the commitments | Please refer to the Statutory Information section of the Financial Statements | | Please refer to the Statutory Information section of the Financial Statements | Please refer to the Statutory Information section of the Financial Statements | |
| Membership of under-represented social groups | 2 x Chinese ethnicity<br>1 x British ethnicity<br>3 x female | | 1 x female | 1 x female | |
| Stakeholder representation | None | | None | None | |





### Director competencies

| Board skills and competencies | B. Hewlett | J. Hoare | B. Major | Z. Guangping | D. Banfield | Y. Wu | B. Coates | M. Sang |
|---|---|---|---|---|---|---|---|---|
| Commercial expertise, corporate governance and risk management | ● | ● | ● | ● | ● | ○ | ● | ● |
| Key market insights, leadership and sales and marketing | ● | ○ | ● | ● | ● | ● | ● | ○ |
| Financial, investment, capital markets and corporate finance | ● | ● | ● | ○ | ○ | ● | ● | ● |
| Technology and digital innovation | | ○ | ○ | | ○ | | ○ | ○ |
| Innovation and commercialisation of science | ○ | ○ | ● | ○ | ○ | | ○ | ○ |
| Agriculture industry | ● | ○ | ● | | ○ | | ○ | ● |
| Manufacturing and supply chain | ● | ○ | ○ | ○ | ○ | | ○ | ○ |
| Sustainability | ○ | ● | ○ | | ● | | ● | ● |
| Stakeholder engagement | ● | ● | ● | ○ | ○ | ○ | ● | ● |
| People, culture, health and safety | ● | ● | ● | | ● | ○ | ○ | ○ |

KEY: ● High capability ○ Medium capability

### Diversity Policy (Recommendation 2.5)

Comvita has maintained its commitment to diversity, equity, and inclusion – a stance that is reflected in the core values and behaviours of the company. Comvita has a Diversity Policy that is available on the company's website. The Safety and Performance Committee is monitoring set diversity objectives and targets, specifically relating to pay policies and equity, development and growth, and the diversity of senior executives (gender, and global experiences and perspectives). The Safety and Performance Committee is positive about current progress and strategies to maintain equality on a scheduled approach.

Further details on Comvita's diversity and inclusion are outlined on page 41.

### Director training and performance (Recommendations 2.6 and 2.7)

Board members are encouraged to regularly participate in learning and self-development opportunities provided by the Institute of Directors or other professional groups to ensure they remain current on how best to perform their duties as a Director.

Comvita has a procedure to assess Director, Board and Committee performance, which is set out in the Board Charter. In particular, the Board periodically undertakes a self-assessment of its performance, processes and procedures as well as periodically seeking support of an external independent advisor to assist.

In the reporting year, the Directors undertook a session with a strategic consultant specifically focused on wellness 2030 trends.

There have also been a number of sessions held with the Board and Audit and Risk Committee in relation to education and upskilling on Climate Related Disclosure requirements, concepts and processes required under the Aotearoa New Zealand Climate Standards.

**Independence of Directors (Recommendations 2.8, 2.9 and 2.10)**

As at 30 June 2024 the Board was made up of 50% independent and 50% non-independent Directors, and the Chair was no longer considered independent as announced to the market on 30 August 2023. However, as at the date of this report, the Board is made up of 67% independent and 33% non-independent directors and the Chair is independent. The Chair and the Chief Executive Officer positions are not held by the same person.

It is viewed that the Chairs of the Audit and Risk Committee and the Safety and Performance Committee are independent, as are the Committee members.

## Principle 3 – Board Committees (Recommendation 3.5)

The Board uses Committees where this enhances the effectiveness in key areas while retaining Board responsibility. The Board operates two Committees to assist in the execution of the Board's duties: the Safety and Performance Committee and the Audit and Risk Committee. Each Committee has a specific Charter, which can be viewed on the company's website www.comvita.co.nz. Committee members are appointed from members of the Board for an initial two-year term, with reappointment reviewed on an annual basis.

All matters determined by Committees are submitted to the full Board as recommendations for Board decision. Staff members attending those Committees are at the invitation of the specific Committee.

The Board did not consider it necessary to have any other Committees for the reporting period as a standing Board Committee.

**Audit and Risk Committee (Recommendations 3.1 and 3.2)**

The Audit and Risk Committee at 30 June 2024 comprised of Julia Hoare (Chair), Brett Hewlett and Michael Sang and met five times during the period. For FY24, the majority of the Committee members were independent and all were non-executive Directors. The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others, including climate statements, the management of risks facing the organisation relating to insurance, tax and treasury and the framework of internal control and governance that the Leadership Team and the Board have established. The Chief Executive Officer, Chief Financial Officer and Group Financial Controller regularly attend meetings by invitation.

Comvita's external auditors attend Committee meetings as deemed necessary by the Committee.

Further detail on the Committee's roles and responsibilities is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee will also provide guidance and review of Comvita's non-financial reporting and non-financial reporting audits (including GHG inventory report) and recommend to the Board the adoption of (or otherwise).

**Safety and Performance Committee (Recommendations 3.3 and 3.4)**

The Safety and Performance Committee as at 30 June 2024 comprised of Bob Major (Chair), Brett Hewlett and Bridget Coates. The Committee met six times during the period.

For FY24, the majority of the Committee members were independent and all were non-executive Directors. The Committee provides oversight to health and safety by ensuring the business maintains a strong health and safety culture that meets or exceeds the company's obligations under legislation and best-practice standards. The Committee also recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Chief Financial Officer. Additionally, it reviews the performance targets of the Chief Executive Officer, succession planning for the Leadership Team and the Board, risk and compliance monitoring in relation to the company's human resources and operational health and safety oversight and remuneration policies and guidelines for Directors. In determining remuneration, external independent consultants are engaged where appropriate in accordance with the Safety and Performance Committee Charter but the views of other stakeholders are not sought at this stage.

The Committee also carries out the functions of a nominations committee, recommending new Director appointments to the full Board. Further detail on the Committee's roles and responsibilities is set out in the Safety and Performance Committee Charter.

The Committee is also responsible for overseeing Comvita's purpose, values, strategies and goals related to sustainable development, including environmental, social and governance aspirations, making recommendations to the Board as appropriate. Comvita's sustainability framework is articulated through its Harmony Plan. The Committee delegates responsibility for identifying and managing stakeholder engagement and impacts on the economy, environment and people to the Chief Purpose & Transformation Officer (CPTO). The CPTO is supported by the Sustainability Steering Group, which meets at least every two months and consists of a sub-group of Leadership Team members and senior managers from relevant functions, and by the Sustainability team and other employees. Monthly updates on Comvita's sustainability activities and impacts are provided to the full Board, with a detailed update and presentation of relevant topics to the Committee every quarter where the Committee will review recommendations and recommend to the Board annual, measurable ESG objectives, ESG strategies and policies and other ESG tasks as appropriate. Comvita also undertakes a stakeholder engagement process and materiality assessment at least every two years using external experts to assist. The results and process itself are reviewed by the Committee and the results are communicated to the Board.

**Takeover protocols (Recommendation 3.6)**

The Board has established experience in respect of the various NZX and statutory requirements in the event of a takeover approach for the company. The key requirements of the Takeover Code are well understood by the Board.

Further, Comvita has established formal protocols that set out the procedure to be followed if there is a takeover offer in accordance with Recommendation 3.6 of the NZX Code.

## Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

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

**Continuous disclosure (Recommendation 4.1)**

Continuous disclosure obligations of NZX require all listed companies to advise the market about any material events and developments as soon as the company becomes aware of them. The company has policies and monitoring in place to ensure that it complies with these obligations. In particular, the company has a Continuous Disclosure Policy applicable to all Directors, officers and employees that is available on Comvita's website.

**Charters and policies (Recommendation 4.2)**

Key corporate governance documents are available on Comvita's website.

**Financial reporting (Recommendation 4.3)**

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness and timeliness of financial statements. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit. Management accountability for the integrity of the company's financial reporting is reinforced by the certification from the Chief Executive Officer and Chief Financial Officer in writing that the company's financial statements are fairly stated in all material aspects.

**Non-financial reporting (Recommendation 4.4)**

Comvita is committed to non-financial reporting that is balanced, clear and objective, including reporting transparently on the material impacts of our business activities and how we are managing these. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed in line with the Global Reporting Initiative Standards.

Comvita's consolidated financial statements and GHG inventory are subject to independent external assurance. The organisation that conducts the audits complies with the relevant independence and ethical requirements and there were no impairments of its independence for the purposes of the engagements. Where external assurance is not currently undertaken, data is gathered by appropriate internal business owners/experts, compared to the previous reporting period and cross-checked against other data.

Comvita has also released its first Climate Statement under the Aotearoa New Zealand Climate Standards, which can be found at comvita.co.nz/investor. This Climate Statement includes Comvita's GHG inventory for all scopes and removals and the related assurance report.

## Principle 5 – Remuneration

The remuneration of Directors and senior executives is transparent, fair and reasonable. Making sure team members and Directors get the rewards they deserve is the responsibility of the Safety and Performance Committee.

Comvita has a Remuneration Policy for Directors and officers, a copy of which is available on the company's website.

**Non-executive Directors' remuneration (Recommendation 5.1)**

The fees payable to Non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers external information of peer companies in terms of scale and complexity when setting remuneration levels. The current Directors' fee pool limit is $610,000, approved at the 2016 Annual Shareholders' Meeting. Information on payments to each Director is set out in the Statutory Information section at the back of the 2024 financial Statements.

**Senior executive remuneration (Recommendation 5.2)**

For FY24, senior executive remuneration was made up of base or fixed remuneration, a short-term incentive plan and a long-term incentive plan, subject to Board approval.

The short-term incentive plan is a bonus opportunity based on company performance hurdles of EBITDA and return on capital employed, and the long-term incentive plan is a performance share rights plan vested over three years based on company total shareholder return performance against an NZX index.

**Chief Executive Officer remuneration (Recommendation 5.3)**

The Chief Executive Officer's base salary for FY24 was $683,640. Subject to Board approval, for FY24, the Chief Executive Officer was also entitled to a short-term incentive if he met agreed financial and non-financial goals (with on-target earnings of 50% of base salary and the ability to achieve up to 60% of salary for over-delivery against Board-approved targets). Subject to Board approval and achievement of agreed Group performance targets, for FY24, the Chief Executive Officer was also entitled to a long-term incentive in the form of Performance Share Rights (with on-target earnings of $335,489). In relation to performance Share Rights achievements in FY24, 74,130 shares vested to the Chief Executive Officer in FY24, being one-third of the long-term incentives granted by the Board.

**Annual remuneration ratios:**

- 1:1.95 = highest-paid employee to median annual remuneration of all other employees.
- 1:1.76 = percentage increase in annual remuneration for highest-paid employee to median percentage increase for all other employees.

**Staff remuneration**

All permanent staff are eligible to participate in a short-term incentive scheme. Bonus payments are contingent upon achievement of company targets for the year (as approved by the Board) as well as assessment of individual delivery against objectives cascaded through the organisation and individual behaviour in line with core values.

## Principle 6 – Risk Management

**Risk Management Framework (Recommendation 6.1)**

Comvita's risk management framework is a structured and tailored approach to identifying, assessing and mitigating factors that may affect Comvita's ability to achieves its objectives and/or to protect its people, assets, reputation, communities and environment.

Comvita's Board is responsible for the strategic oversight of Comvita's risk management framework, including regular review of identified risks and opportunities and associated action planning to offset potential impacts against strategy. A risk matrix prepared by the Leadership Team measures the impact of the risk and likelihood of risk occurrence and is provided to the Board for review and discussion monthly. Alongside this operational view, the Leadership Team highlights the top three business risks for deeper assessment and prioritisation.

Twice a year, the Comvita Board and Leadership Team engage in formal, longer-term business strategy planning. This incorporates a 5–10 year view of existing and emerging external and internal risks and opportunities vs plan.

Supported by the Leadership Team, Comvita's Managing Director and Chief Executive Officer is responsible for the day-to-day leadership of Comvita's global business to ensure business objectives and strategies are developed and delivered. The Leadership Team oversees implementation of strategy, with a continuous view of risks and opportunities, performance, resource allocation and metrics, to meet agreed objectives. The Leadership Team is broadly responsible for managing business risk across Comvita and maintains the Business Risk Register.

**Types of risk**

When assessing risk, Comvita considers the impact on its business across several categories:

- Strategy – risk to strategic objectives and/or strategic execution risk.
- Financial – financial risk arising from business performance, increased costs, market value and/or liquidity changes.
- Operational – risk associated with internal processes, systems or delivery risks (including people-related) and the external events that may impact these.
- Customer and stakeholder – risk derived from misalignment with key stakeholder expectations, including the potential impact on brand and corporate reputation and/or financial performance.
- People – health and safety, talent attraction and retention and culture management.
- Technology and data – potential loss resulting from cyber attacks, data breaches or other security failures.
- Climate – impact of climate change.
- Legal and regulatory – risk arising from changing legal and regulatory landscapes, including food safety, and the impact of any non-compliance.
- Biological/biodiversity risk – change in ecosystems and the spread of disease or pests that may impact biodiversity and ecosystems.



**Material risks and management**

| Risk | The risk and its impact | Response/mitigation |
|---|---|---|
| Strategic | There is strategic execution risk that is impacted by our market geographical balance, the effective utilisation of our assets, geopolitical landscape and our ability to adapt and react. In particular, there is risk associated with reliance on the China market and the current China economic conditions.<br><br>As a single product category business (bee products), we are reliant on maintaining or increasing Mānuka honey's share of the total honey market. | • Our strategy is reviewed regularly by the Leadership Team and the Board.<br>• Our strategy includes business simplification, market reviews and roadmaps, market diversification and strategic asset and investment planning.<br>• Regular review of honey category performance and outlook along with Mānuka share where available. Adjacent categories of propolis, lozenge and regional NPD aim to mitigate pure honey in a pot risk. |
| Financial | Current market capitalisation and NZX listing means there is liquidity risk and market volatility risk, and overall, this impacts financial stability.<br>Comvita's current high levels of debt and inventory means there are increased interest costs, operational constraints and risk associated with our syndicated bank facility and covenants. | • Strengthened and sustainable corporate and global positioning.<br>• We are closely working and collaborating with our supportive banks to ensure we maintain transparent communication and a clear plan.<br>• Focused management of procurement and inventory levels to effectively manage supply, demand and cash flow. |
| Technology and data | Comvita is currently operating with complex legacy systems and processes in a global environment where Cyber attacks are on the rise and there is increased risk and focus on data and data security, including privacy risks. | • Comvita is investing in a digital transformation programme to set up systems and data for the future.<br>• Cyber security enhancement work in progress, including governance, policies and response plans. |

**Chief Executive Officer and Chief Financial Officer assurance**

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that Comvita's 2024 financial statements are founded on a sound system of risk management and internal compliance and control and that all such systems are operating efficiently and effectively in all material respects.

**Health and safety (Recommendation 6.2)**

Comvita employs a Health and Safety Lead, with oversight of health and safety matters sitting with the Safety and Performance Committee. The health and safety functions of the Committee include undertaking due diligence in the identification and monitoring of critical workplace, heath, safety and wellbeing as well as the monitoring and review of Comvita's compliance with documented health and safety policies and procedures. Health and safety review reports are a priority agenda item at all Board meetings, and specific reviews are sought as required. The Board undertakes ongoing external health and safety governance training and undertakes safety walks in key operational sites on a scheduled basis.

Further details on Comvita's health and safety performance and management are outlined on page 44.

## Principle 7 – Auditors

**External auditor (Recommendations 7.1 and 7.2)**

The Board ensures the quality and independence of the external audit process. A framework for the company's relationship with its external auditors is overseen by the Audit and Risk Committee. Further detail on that framework and the role and responsibilities of the Audit and Risk Committee in relation to the external audit framework is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee actively engages the company's external auditors in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and recommends to the Board appropriate action to ensure its independence.

Comvita's external auditor is KPMG. KPMG was reappointed by shareholders at the 2023 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditor in 1998. KPMG has been invited to attend this year's Annual Shareholders' Meeting and will be available to answer questions about the audit process, Comvita's accounting policies and the independence of the auditor.

**Internal audit (Recommendation 7.3)**

Comvita currently does not have an internal audit function. However, the Audit and Risk Committee approves management's Internal Audit Plan annually. This programme of work includes internal and external reviews of specific risk areas and a review of one offshore subsidiary per year. The Audit and Risk Committee is responsible for reviewing and monitoring the company's risk management and internal control framework and has open communication with the external auditor, financial and senior management and the Board. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities and personnel of the company and the power to retain outside counsel or other experts for this purpose. In addition, the Board seeks reports on specific areas of potential concern or to evaluate business performance on a post-investment basis. The reviews are completed by appropriate internal staff and/or with external input.

## Principle 8 – Shareholder Rights and Relations

**Information and communication with shareholders (Recommendations 8.1 and 8.2)**

The Board fosters constructive relationships with shareholders, which encourages them to engage with the company.

The Board aims to ensure shareholders are provided with all information necessary to assess the company's strategic direction and performance. It does this through a communication strategy that includes:

- periodic and continuous disclosure to NZX
- information provided to media and briefings to major shareholders
- half-year and annual reports
- the company's website with an investor relations section
- future direction presentation at the Annual Shareholders' Meeting, which is conducted in a very open manner, and a range of questions are considered.

Comvita aims to ensure the process of communication with investors is easy and uses a variety of channels and technologies to keep its shareholders informed, including by providing and encouraging investors to receive communications electronically. Comvita engages an investor relations consultant to assist with its investor relations programme.

**Major decisions (Recommendation 8.3)**

All major decisions that may result in a change in the nature of Comvita's business are subject to shareholder approval in accordance with the Constitution, the Companies Act 1993 and the NZX Listing Rules.

**Capital raising (Recommendation 8.4)**

When considering any raising of additional capital, the Board considers the interests of all shareholders when assessing its options to raise capital. The Board will usually look to raise additional equity capital from existing shareholders on a pro-rata basis.

**Notice of meeting (Recommendation 8.5)**

To encourage shareholder participation in meetings, the Board looks to ensure notices of annual or special meetings of shareholders are posted on the company's website at least 20 working days prior to the meeting.

## Governance disclosures

NZX exercised its power to place Comvita in a trading halt, which lasted less than a day, on 3 July 2023 pending release of further information relating to its announcement on its long-term partnership with Olé.







APPENDICES

## Appendix 1 – Materiality process, topics and management overview

### Materiality process

Comvita went through a formal refresh of its materiality assessment during the year. The materiality assessment process was aligned with the requirements of the Global Reporting Initiative (GRI) Standards and specifically GRI: Material Topics 2021. It involved objectively identifying and assessing the significance of actual and potential, negative, and positive impacts of the business on the economy, environment and people across Comvita's activities and business relationships. We used the following process to determine our material topics.

| STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|---|---|---|---|---|
| Create full list of all material impacts reflecting Comvita's sustainability context. | Prioritise impact areas for engagement. | Confirm experts and stakeholders to engage based on the prioritised impacts. | Use engagement findings and insights to inform materiality assessment. | Finalise prioritisation of impacts and consolidate as list of material topics for reporting. |

Firstly, we identified our different impacts considering our business activities and relationships, informed by various reports and the internal project steering group. We then tested these impacts against the European Sustainability Reporting Standards (ESRS), which embed a double materiality assessment approach. We opted to use a double materiality assessment approach, considering both Comvita's **impact materiality** on people and planet externally (largely aligned to the GRI Standards) and **financial materiality** impacts of sustainability issues internally on the financial performance of Comvita (largely aligned to the International Sustainability Standards Board IFRS sustainability standards).

The project steering group then prioritised the impacts identified, considering those that were most significant, those that would benefit from internal and external expertise to gain greater understanding and those that impact stakeholders most significantly.

Based on the impact areas prioritised, we developed a list of experts and stakeholders to engage with to gain deeper understanding. Comvita used five criteria to assess the value that stakeholders and experts would provide to the engagement process, considering the AA1000 Stakeholder Engagement Standard, the GRI Standards 2021 and the BSR Five-Step Guide. The five criteria were urgency, influence, credibility, interest and diversity. The engagement interviews were carried out by Proxima Consulting as an independent party and on an anonymous basis. In total, 25 stakeholders and experts were interviewed, balanced between internal Comvita and external interviewees, and Aotearoa New Zealand-based and global interviewees. Interviewees included customers, supply chain partners, independent directors, equity analysts and topic experts.

Feedback and insights received during the engagement process were integrated into the materiality assessment process. We then assessed the significance of impacts (impact materiality) based on their severity (scale, scope, irremediable character) and likelihood in accordance with the GRI Standards. For the financial materiality, we considered the size and likelihood of financial effect. The assessment process provided Comvita with a list of impacts in order of their significance. The project steering group then identified clusters of impacts as material topics and agreed a threshold of materiality. Those material impacts identified as high or medium priority under each cluster were recommended as being material.

**Material topics**

Comvita's material topics are listed below.

The changes to the material topics for FY24 compared to FY23 are as follows:

- Data protection and privacy, agricultural chemical emissions, and supply chain – agricultural impacts are new material topics for FY24.
- Sustainable financial performance was identified as a material topic in FY23 and remains highly relevant for Comvita. It has been removed from the list of material topics for FY24. With the financial materiality test applied under our double materiality approach, we identified specific impacts that are material to the company's financial performance. These impacts have been assessed and integrated into the revised set of material topics. Sustainable financial performance is not an impact as such, but an outcome of implementing commercial strategy and managing other potential impacts that can affect financial performance.
- Community contribution, and Māori engagement and respect for te ao Māori were combined within the same material topic area in FY23. They have been separated out as two different material topics in FY24 given the different dynamics and management approaches.
- There has been some rewording of material topic headings to better describe the impacts, but the underlying impacts remain largely the same. The Circularity topic has changed to focus more on the environmental impact of product packaging, which is more significant than operational site waste.

| Impact area | Material impacts | Key policies, actions, metrics and targets | Reference | SDG alignment |
|---|---|---|---|---|
| **Consumer health and wellbeing** | | | | |
| **Product efficacy and quality** | • Comvita provides its consumers with safe Mānuka honey, bee and other natural health products that have scientifically proven health benefits for certain ailments.<br>• Comvita's world-leading product testing regime ensures product safety and efficacy, but there is a risk of adverse health impacts to workers from the chemicals used in testing. | • Monitor consumer complaints and any product quality issues. Extensive scientific research and rigorous testing regime in place to prevent.<br>• Comprehensive health and safety management system supported by appropriate risk management. Air monitoring was specifically reassessed throughout our operations in FY24, enabling us to continue measuring potential health risk exposure. Actions included improved ventilation and extraction systems throughout our laboratories and workshops, optimal personal protection equipment and continued annual health monitoring. | Pages 24-25, 44, 51, 70 | 3 Good health and well-being |
| **Consumer engagement and loyalty** | • Comvita could suffer loss of sales and reduced loyalty and/or trust if consumers lose trust in product claims or prefer to buy locally sourced products or if Comvita's products are displaced by other products that address similar health issues more effectively and/or at lower price. | • Measurement of market share and penetration, which we look to increase through marketing activity and investment. | Pages 32-39, 70 | 12 Responsible consumption and production |
| **Data protection and privacy** | • There is risk that customer data could be compromised by a breach or failure of data security systems holding customer information. | • External facing and internal Privacy Policies, Code of Ethics, Acceptable Use Policy and Cyber Security Response Plan.<br>• Various processes and systems in place to help protect security of information.<br>• Cyber security review completed in FY24. In process of implementing recommendations. | Pages 51-70 | 12 Responsible consumption and production |



| Impact area | Material impacts | Key policies, actions, metrics and targets | Reference | SDG alignment |
|---|---|---|---|---|
| **Safe, engaged and empowered global team** | | | | |
| **Workforce culture and wellbeing** | • Comvita directly impacts the health of our employees and subcontractors through potential accidents and stress at work, influenced by workloads and limitations of current systems and processes.<br>• The fulfilment of our existing staff and attraction of new employees is influenced by providing meaningful work, learning and development opportunities and other benefits such as paying a living wage.<br>• Comvita's diversity, equity and inclusion practices impact our employees' sense of belonging and staff retention. A lack of diversity can also limit diverse thinking and innovation. | • Measure staff engagement using Employee Net Promoter Score in regular staff survey. FY25 target eNPS 50.<br>• Supported by ongoing focus on connection and engagement, including flexible working, process and systems improvement, internal promotions, online training and initiatives such as living wage and our new Aotearoa New Zealand Whānau Support Policy.<br>• Diversity and Inclusion Policy and diversity metric tracking in place, with supporting initiatives.<br>• Measure operational team safety maturity with goal to increase over time. Record all incidents and near misses as required by comprehensive health and safety management system. | Pages 42-44, 70-72 | 3 Good health and well-being<br>5 Gender equality<br>8 Decent work and economic growth<br>10 Reduced inequalities |
| **Environmental protection and regeneration** | | | | |
| **GHG emissions and climate change resilience** | • Our business activities produce GHG emissions, which contribute to climate change directly through our activities (Scopes 1 and 2) and indirectly through our suppliers, customers, staff and investments (Scope 3).<br>• Our Mānuka forest planting programme (on Comvita-owned land and through long-term land-use agreements) sequesters carbon, reducing the impact of the operational GHG emissions and mitigating climate change. | • Ongoing work on climate change transition plan and decarbonisation.<br>• Investigating setting validated science-based carbon reduction targets in line with Science Based Targets Initiative (SBTi) guidance. | Pages 45, 72-73<br>Climate Statement | 13 Climate action<br>14 Life below water<br>15 Life on land |
| **Packaging circularity** | • The use of plastic pots for our products could result in environmental pollution from plastic microfibres and increased general waste if products are not disposed of responsibly at end of life. This is exacerbated where packaging is not recyclable.<br>• The use of virgin materials and supplier packaging production results in emissions and possible environmental pollution. | • Focus on and measure packaging recoverability (recyclable, reusable and compostable) with target to get to 100%.<br>• Focused on increasing amount of recovered inputs used in packaging.<br>• Developed Material Circularity Index (MCI) model and calculated baseline to help drive improvement. | Pages 46, 73 | 12 Responsible consumption and production<br>14 Life below water<br>15 Life on land |

| Impact area | Material impacts | Key policies, actions, metrics and targets | Reference | SDG alignment |
|---|---|---|---|---|
| **Ecosystem restoration** | • Our Mānuka forest planting programme increases nectar supplies, enhances natural ecosystems and improves native and other biodiversity, soil quality, water quality and flood resilience. | • Stewardship of Comvita-planted and managed Mānuka forests.<br>• Scientifically robust methodologies used to demonstrate ecological health and biodiversity improvement. | Pages 47, 73 | 14 Life below water<br>15 Life on land |
| **Agricultural chemical emissions** | • The use of herbicides, pesticides and fertilisers to support our Olive trees and the establishment of our Mānuka forests could cause pollution to air, land and water and harm soil health and surrounding water systems. | • Responsible and integrated approach to chemical application using natural products wherever possible and minimising synthetic application and any negative impacts.<br>• Minimised spraying to create clear planting sites for Mānuka plants. Fertilisers used only during nursery stage. Minimising soil disturbance and maintaining pasture post-planting allows the soil to develop effectively.<br>• Liaise with landowners to minimise use of glyphosate and other chemicals adjacent to hive sites. Rigorous testing ensures no such chemicals are present in honey produced.<br>• Conduct soil monitoring on our Olive farms to identify factors limiting tree growth, with fertilisers and pesticides only applied as required. Operate an integrated pest management programme to control lace bugs and other pests. Olive leaf waste is spread under the trees, and natural biostimulator products are applied to stimulate growth. Mulch is ideally used for weed control and moisture retention.<br>• All contractors and staff who apply and manage chemical application must be appropriately qualified for commercial application. | Pages 46, 73- 74 | 14 Life below water<br>15 Life on land |
| **Bee health and wellbeing** | • Acting as kaitiaki for bees with the implementation of our Bee Welfare Code, education on the importance of bees as pollinators and other activities such as encouraging reduced use of glyphosate and best-practice varroa management may result in increased bee populations and associated ecosystem benefits. It can also create commercial apiculture opportunities for disadvantaged communities. | • Lower than industry average hive mortality rates supported by implementation and roll-out internally of Bee Welfare Code.<br>• Initiated activity globally to increase bee-foraging areas and bee populations, supporting native bees and commercial beekeeping activity.<br>• Education programme reach increased to help educate on the importance of bees and other pollinators. | Pages 47, 74 | 15 Life on land |





| Impact area | Material impacts | Key policies, actions, metrics and targets | Reference | SDG alignment |
|---|---|---|---|---|
| **Thriving Industry and Communities** | | | | |
| **Mānuka honey industry leadership** | • Industry leadership in standard development and sustainability and in supporting the protection and reputation of Mānuka and Mānuka honey globally, helps deliver economic and social benefits from a sustainable Aotearoa New Zealand apiculture industry and increased consumer trust in Mānuka and Aotearoa New Zealand honey. | • Advocate for shared standards and sustainability credentials to support industry viability and growth.<br>• Committed to supporting the Mānuka Charitable Trust for the protection of Mānuka.<br>• Active participant in Aotearoa New Zealand apiculture industry bodies and strategy development. | Page 48 | 8 Decent work and economic growth |
| **Supply chain – respect for human rights** | • Comvita's suppliers and customers may engage in employment practices that undermine the health and wellbeing of their employees and contractors. | • Committed to developing a Human Rights Policy, completing risk assessment and conducting appropriate due diligence over supply chain. | Page 49 | 1 No poverty<br>5 Gender equality<br>10 Reduced inequalities |
| **Supply chain – agricultural impacts** | • Like other apiary businesses, Comvita relies on feeding supplementary sugar feed to bees when natural food sources are not available. By purchasing sugar syrup from suppliers, Comvita relies on sugar cane production, which can result in harm to freshwater and marine ecosystems and contribute to water scarcity. | • Investigating more sustainable supply options. To increase natural food sources and reduce our reliance on sugar feed, exploring using lower-grade honey as bee food and securing wintering hive sites that have alternative food sources. | Page 49 | 6 Clean water and sanitation<br>14 Life below water<br>15 Life on land |
| **Māori engagement and respect for te ao Māori** | • While Comvita's focus on the protection of Mānuka and developing standards to protect the credibility of Mānuka honey benefits some Māori landowners, there may also be concerns regarding the financial impact on Māori honey producers who cannot meet the required standards and the undermining of cultural values from the use of Mānuka genetics. | • Commitment to working with Tapuika in the interests of the local community and supporting Māori interests for the benefit of the overall Aotearoa New Zealand honey industry.<br>• Planting programmes enhance the mauri of the landscape and environmental resilience. | Page 49 | 8 Decent work and economic growth<br>10 Reduced inequalities |
| **Community contribution** | • Comvita's Mānuka planting, community investment and other activities create economic opportunities and improve community wellbeing, particularly for more isolated rural communities. | • Mānuka forest planting and stewardship and apiculture and related activities provide economic opportunities for more isolated rural communities.<br>• Commitment of 1% EBITDA community investment. | Pages 50, 74 | 3 Good health and well-being<br>8 Decent work and economic growth |

## Appendix 2 – Key metrics and targets

🟢 Achieved/Strong Performance
🟠 Working Towards/Seeking Improvement

| GRI ref | Metric | Units | Target (if applicable) | FY24 | FY23 | FY22 | FY24 performance |
|---|---|---|---|---|---|---|---|
| **Consumer health and wellbeing** | | | | | | | |
| **Product efficacy and quality** | | | | | | | |
| Non-GRI | Independent certifications | # | | 25 | 24 | 23 | 🟢 |
| Non-GRI | External audits | # | | 22 | 21 | 23 | 🟢 |
| Non-GRI | Customer complaints per 100,000 units sold | # | | 3 | 2 | 4 | 🟢 |
| 416-2 | Non-compliance with regulations | # | | 0 | 0 | 0 | 🟢 |
| **Consumer engagement and loyalty** | | | | | | | |
| Non-GRI | Hong Kong SAR market share | % | | 80 | Not available | 75 | 🟠 |
| Non-GRI | Mainland China market share | % | | 50 | Not available | 60 | 🟠 |
| Non-GRI | South Korea market share | % | | 49 | Not available | 60 | 🟠 |
| Non-GRI | Singapore market share | % | | 60 | Not available | <5 | 🟠 |
| Non-GRI | ANZ market share | % | | 40 | Not available | 46 | 🟠 |
| Non-GRI | North America market share[1] | % | | 14 | Not available | 25 | 🟠 |
| **Data protection and privacy** | | | | | | | |
| 418-1 | Substantiated complaints for breaches of consumer privacy | # | 0 | 0 | 0 | 0 | 🟢 |
| **Safe, engaged and empowered global team** | | | | | | | |
| **Unleashing potential** | | | | | | | |
| Non-GRI | Global full-time equivalent roles (FTE) | # | | 565 | 559 | 552 | 🟢 |
| Non-GRI | Employee Net Promoter Score (eNPS) | # | 30 | 21 | 21 | 0 | 🟠 |
| Non-GRI | Turnover | % | | 13 | 15 | 20 | |
| Non-GRI | Average length of service | Years | | 5.7 | 4.3 | 4.9 | 🟢 |
| Non-GRI | Roles filled internally | % | | 43 | 40 | Not available | 🟢 |
| 13.21.1 | Workers paid living wage[2] | % | 100 | 100 | 100 | Not available | 🟢 |

1. FY22 market share figure was overstated.
2. In markets with recognised living wage.
3. Shareholders or bonus scheme equivalent.



| GRI ref | Metric | Units | Target (if applicable) | FY24 | FY23 | FY22 | FY24 performance |
|---|---|---|---|---|---|---|---|
| Non-GRI | Global staff as shareholders[3] | % | >90 | 42 (65% NZ only) | 91 (NZ only) | 15 (NZ only) | 🟢 |
| 405-1 | Diversity by gender | | | | | | |
| | • Board – male | % | | 62 | 62 | 62 | |
| | • Board – female | % | | 38 | 38 | 38 | |
| | • Board – other[5] | % | | 0 | 0 | 0 | |
| | • Leadership Team – male | % | | 45 | 60 | 64 | |
| | • Leadership Team – female | % | | 55 | 40 | 36 | |
| | • Leadership Team – other[5] | % | | 0 | 0 | 0 | |
| | • People leaders – male | % | | 55 | 38 | 36 | |
| | • People leaders – female | % | | 45 | 62 | 64 | |
| | • People leaders – other[5] | % | | 0 | 0 | 0 | |
| | • Global employees[4] – male | % | | 39 | 33 | 32 | |
| | • Global employees[4] – female | % | | 61 | 67 | 68 | |
| | • Global employees[4] – other[5] | % | | 0 | 0 | 0 | |
| | Diversity by age | | | | | | |
| | • Board – <30 years | % | | 0 | 0 | 0 | |
| | • Board – 30–50 years | % | | 12 | 12 | 12 | |
| | • Board – >50 years | % | | 88 | 88 | 88 | |
| | • Leadership Team – <30 years | % | | 0 | 0 | 0 | |
| | • Leadership Team – 30–50 years | % | | 40 | 50 | 54 | |
| | • Leadership Team – >50 years | % | | 60 | 50 | 46 | |
| | • People leaders – <30 years | % | | 3 | 1 | 1 | |
| | • People leaders – 30–50 years | % | | 80 | 82 | 83 | |
| | • People leaders – >50 years | % | | 17 | 17 | 16 | |
| | • Global employees[4] – <30 years | % | | 10 | 9 | 10 | |
| | • Global employees[4]– 30–50 years | % | | 63 | 66 | 67 | |
| | • Global employees[4] – >50 years | % | | 27 | 25 | 23 | |

4. Global employees include people leaders and exclude Board and Leadership Team.
5. Other gender as specified by employees themselves.

| GRI ref | Metric | Units | Target (if applicable) | FY24 | FY23 | FY22 | FY24 performance |
|---|---|---|---|---|---|---|---|
| 405-2 | Ratio of remuneration of women to men | | | | | | |
| | • Board | Ratio | | 1.1 | 1.1 | 1.1 | |
| | • Leadership Team | Ratio | | 0.61:1 | 0.69:1 | 0.93:1 | |
| | • People leaders | Ratio | | 0.79:1 | 0.90:1 | 0.96:1 | |
| | • Global employees[6] – ANZ | Ratio | | 0.99:1 | 0.93:1 | 0.96:1 | |
| | • Global employees[6] – Asia (excludes commission-based retail) | Ratio | | 0.72:1 | 0.72:1 | Unavailable | |
| | • Global employees[6] – North America | Ratio | | 0.59:1 | 0.52:1 | 0.53:1 | |
| | • Global employees[6] – EMEA | Ratio | | 0.62:1 | 0.71:1 | 0.58:1 | |
| 406-1 | Incidents of discrimination | # | 0 | 0 | 0 | 0 | |
| **Elevating health, safety and wellbeing** | | | | | | | |
| Non-GRI | Safety maturity score | # | 2.80 | 4.60 | 2.24 | 1.6 | |
| 403-9 | Fatalities | # | 0 | 0 | 0 | 0 | |
| 403-9 | Total recordable injury frequency rate (TRIFR)[7] | # | <=3 | 2.7 | 3.8 | 3.2 | |
| 403-9 | Lost-time injury frequency rate (LTIFR)[8] | # | <=1.5 | 1.1 | 2.7 | 1.5 | |
| 403-10 | Work-related ill health[9] | # | 0 | 0 | 0 | 0 | |
| Non-GRI | Motor vehicle injury frequency rate (MVIFR)[10] | # | -10% | 0.13 | 0.53 | 0.9 | |
| Non-GRI | Lead:lag | Index | 3:1 | 3:1 | 3:2 | 2:3 | |
| Non-GRI | Individual wellbeing checks | # | +20% | 274 | 341 | 320 | |
| **Environmental protection and regeneration** | | | | | | | |
| **Climate action and adaptation** | | | | | | | |
| 305-1 | Gross direct (Scope 1) emissions | $tCO_2e$ | | 1,052 | 1,113 | 1,022 | |
| 305-2 | Gross location-based energy indirect (Scope 2) emissions | $tCO_2e$ | | 308 | 349 | 429 | |
| 305-3 | Other indirect (Scope 3) GHG emissions | $tCO_2e$ | | 24,719 | 33,482 | 30,553 | |
| Non-GRI | Removals | $tCO_2$ | | (1,488) | (5,842) | (5,972) | |
| Non-GRI | Net GHG emissions[11] | $tCO_2e$ | | 24,591 | 29,102 | 26,032 | |
| Non-GRI | Comvita NZ ETS NZUs[12] | $tCO_2$ | | (3,730) | (743) | (497) | |

6. Global employees include people leaders and exclude Board and Leadership Team.
7. Used to measure recordable work-related injuries. Rates calculated based on 200,000 hours worked.
8. Used to represent high-consequence injuries and includes all lost-time injuries, not injuries defined by recovery time. There have been no reported injuries in FY24 that have taken up to or more than six months to recover from. Rates calculated based on 200,000 hours worked.
9. Musculo-skeletal injuries are reported as workplace injuries.
10. Rates calculated based on 200,000 hours worked.





| GRI ref | Metric | Units | Target (if applicable) | FY24 | FY23 | FY22 | FY24 performance |
|---|---|---|---|---|---|---|---|
| Non-GRI | Adjusted net GHG emissions including Comvita NZUs | $tCO_2e$ | | 20,861 | 28,359 | 25,535 | |
| Non-GRI | Enabled NZ ETS NZUs[13] | $tCO_2$ | | (10,436) | (4,263) | (1,334) | |
| Non-GRI | Adjusted net GHG emissions including Comvita and other NZUs | $tCO_2e$ | | 10,425 | 24,096 | 24,201 | |
| 305-4 | Total revenue | NZ$000 | | 204,431 | 234,195 | 208,909 | |
| 305-4 | Gross GHG emissions $kgCO_2e$ per NZ$1 of revenue | Ratio | | 0.128 | 0.149 | 0.153 | |
| 305-4 | Net GHG emissions $kgCO_2e$ per NZ$1 of revenue | Ratio | | 0.120 | 0.124 | 0.125 | |
| 305-4 | Scope 3 GHG energy/ industry emissions (non-FLAG) $kgCO_2e$ per NZ$1 of revenue | Ratio | | 0.103 | 0.113 | 0.109 | |
| **Packaging circularity** | | | | | | | |
| 301-1 | Material volume | | | | | | |
| | • Total | Tonnes | | 584.1 | 653.1 | 625.3 | |
| | • Non-renewable | Tonnes | | 293.4 | 340.4 | 362.0 | |
| | • Renewable | Tonnes | | 290.1 | 312.7 | 263.3 | |
| Non-GRI | Recoverable outputs produced[14] | % | | 95 | 92 | 89 | |
| Non-GRI | Recycled input materials used | % | | 10.9 | 9.9 | 8.8 | |
| Non-GRI | Material Circularity Index (MCI) score[15] | # | | 0.36 | N/A | N/A | |
| **Regeneration and restoration** | | | | | | | |
| 304-3 | Annual hectares planted | Hectares | | 776 | 602 | 1,251 | |
| 304-3 | Cumulative hectares planted | Hectares | | 6,251 | 5,475 | 4,873 | |
| Non-GRI | Cumulative carbon removals since forest establishment[16] | $tCO_2$ | | 120,785 | 105,104 | 94,248 | |
| 13.6.2 | Pesticide use[17] | | | | | | |
| | • Mānuka forests – moderately hazardous | Kg | | 543 | 1,204 | 229 | |
| | • Mānuka forests – slightly hazardous | Kg | | 14 | 2, 227 | 722 | |

11. Excluding optional disclosures under GHG Protocol.
12. Estimated annual NZUs accrued to Comvita. Interest in Makino JV has been removed from FY24, FY23 and FY22 figures.
13. Estimated annual NZUs accrued to other landowners from Comvita plantings. Makino JV has been removed from all reporting periods.
14. Recoverable, recyclable or reusable.
15. Baseline calculated for first time in FY24.
16. Cumulative removals and estimated annual NZUs accrued to Comvita and other landowners from Comvita plantings and managed forests.
17. Pesticides classified according to the WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification 2019 – https://iris.who.int/bitstream/handle/10665/332193/9789240005662-eng.pdf?sequence=1

| GRI ref | Metric | Units | Target (if applicable) | FY24 | FY23 | FY22 | FY24 performance |
|---|---|---|---|---|---|---|---|
| 13.6.2 | • Mānuka forests– unlikely to present acute hazard in normal use | Kg | | 1 | 9 | 1 | 🟠 |
| | • Olive trees – moderately hazardous | Kg | | 99 | 258 | 189 | 🟠 |
| | • Olive trees – slightly hazardous | Kg | | 0 (<1) | 0 (<1) | 0 | 🟠 |
| | • Olive trees – unlikely to present acute hazard in normal use | Kg | | 1 | 7 | 7 | 🟠 |
| **Protection of bees** | | | | | | | |
| Non-GRI | Internal honey supply covered by Comvita Bee Welfare Code | % | | 100 | 100 | N/A | 🟠 |
| Non-GRI | Winter beehive losses | % | | 10 | 4 | 6 | 🟠 |
| Non-GRI | Bee education reach | # people | | 2,710 | 232 | 0 | 🟢 |
| 13.6.2 | Pesticide use – moderately hazardous (Amitraz) | Kg | | 47 | 38 | 27 | 🟠 |
| **Thriving industry and communities** | | | | | | | |
| **Supporting thriving communities** | | | | | | | |
| 201-1 | *Direct economic value generated and distributed metrics – please refer to* Comvita Limited Financial Statements for FY24. | | | | | | |
| 413-1 | Percentage of operations with implemented local community support programmes | % | | 72 | 67 | 50 | 🟢 |
| Non-GRI | Percentage of staff participated in Time to Heal initiatives | % | 90 | 35 | 17 | N/A | 🟠 |
| Non-GRI | Total staff community service hours | Hours | | 1,101 | 1,008 | 420 | 🟢 |
| Non-GRI | Percentage of EBITDA invested in community support programmes[18] | % | 1 | 1 | 1 | 1 | 🟢 |

18. EBITDA from previous financial reporting period.





## Appendix 3 – Other reporting information

### Employees and other workers

| Employee information (headcount) FY24 | Total | By gender: Male | Female | Other[19] | By region: ANZ | Asia | North America | EMEA |
|---|---|---|---|---|---|---|---|---|
| Total number of employees | 577 | 195 | 382 | 0 | 263 | 300 | 7 | 10 |
| Permanent employees | 546 | 182 | 358 | 0 | 244 | 289 | 7 | 9 |
| Temporary employees | 14 | 3 | 11 | 0 | 13 | 0 | 0 | 1 |
| Non-guaranteed hours employees | 17 | 4 | 13 | 0 | 6 | 11 | 0 | 0 |
| Full-time employees | – | | | 0 | 235 | | 7 | 7 |
| Part-time employees | – | | | 0 | 22 | | 0 | 3 |

### Workers who are not employees

During the year, we have had 106 workers who are not employees doing work for Comvita. The most common type was sales promoters (89) who are contracted through an agency for regulatory reasons in China. The remainder are independent contractors or contracted through an agency and perform consultancy, digital, design, administration and management support functions. The majority are part-time or full-time, with two contracted for a few months. The number communicated is based on head count at the end of the reporting period. There were no significant fluctuations in numbers during the reporting period or compared to the previous reporting period (FY23).

### Policy commitments for responsible business conduct

The following table sets out Comvita's key policy commitments for responsible business, including human rights. Comvita has an appropriate suite of high-level and supporting policies to ensure appropriate business conduct. All policies are approved by the Comvita Board and published on www.comvita.co.nz/investor under Corporate Governance (apart from the Delegated Authority Policy, which is commercially sensitive) and on myComvita, our employee SharePoint page. They are covered in our new employee induction programme. Additional information on how we embed the commitments throughout our activities and business relationships is set out in the table below and in other sections of this report. Human rights commitments around modern slavery and human trafficking are covered in our Code of Ethics and to some extent through our Diversity and Inclusion Policy. We will be looking to implement a formal Human Rights Policy in the next year.

19. Gender as specified by employees themselves.

| Comvita policy commitments | Commitment description | Scope | Communication and implementation |
|---|---|---|---|
| Code of Ethics | Sets out requirements to act legally, maintain high ethical standards, avoid conflicts of interest, maintain confidentiality and protect people's privacy. | Applies to all directors, officers and employees of Comvita and any consultants and contractors where terms of engagement incorporate Code of Ethics. | Owned by Chief Purpose & Transformation Officer (CPTO).<br>Supported by other company policies, including Speak Up Policy, Privacy Policy and other policies listed below. |
| Continuous Disclosure Policy<br>(References NZX Guidance Note and NZX Listing Rules) | Any person who is aware of material information relevant to the business that could reasonably be expected to have a material impact on the Comvita share price and that is not published must follow a Disclosure Compliance Process. | Applies to all directors, officers, employees, contractors and other representatives of Comvita. | Owned by CFO. Supported by other operational policies and procedures including Financial Product Dealing Policy, External Communications Policy, Speak Up Policy and Delegated Authority Policy. |
| Financial Product Dealing Policy | Any person must not deal in Comvita securities or encourage others to do so while in possession of inside information or disclose confidential information. | Applies to all directors, officers and employees. | Owned by CFO. Supporting documents for share trading and approval processes. |
| Delegated Authority Policy | Ensures decision making is controlled and accountable. Allows Comvita personnel to undertake Comvita's day-to-day business activities through making financial and non-financial decisions within an authority framework that is clear, auditable and efficient. | Defines the terms on which the Board delegates its authority to the CEO and to various personnel. | owned by CEO. Implemented across financial and non-financial specified decision making related to business activities in all areas of Comvita. |
| Diversity and Inclusion Policy | Diversity in employment, as well as inclusion and engagement of individuals at all levels of the organisation. | Applies across all levels of Comvita – directors, executives and employees. | Owned by CPTO.<br>Implemented through recruitment practices, pay parity reviews, cultural awareness competence education, collection of diversity metric data and monitoring against diversity targets set by the Board. |
| Environmental Policy | Protecting and enhancing the natural environment. | Guides our sustainability strategies and activity throughout our value chain and in activation of Harmony Plan. | Owned by CPTO.<br>Implemented through Harmony Plan initiatives and Environmental Management System. |







**Processes to remediate negative impacts**

Comvita is committed to identifying, mitigating and remediating appropriately any negative impacts that are linked with our business activities, considering different stakeholder interests. We have published contact details in all our markets that can be used by customers and external parties to lodge complaints and grievances. We also have internal escalation processes and regular anonymous staff surveys, which include the opportunity for staff to provide feedback on the survey process.

Any complaints are taken seriously and are escalated to the appropriate senior manager for investigation, action and reporting.

We are working on improving the formal grievance submission, resolution and reporting process, including seeking input from relevant stakeholders in its design and implementing mechanisms to monitor its effectiveness.

**Membership associations**

| Name | Country |
|---|---|
| Unique Mānuka Factor Honey Association | Aotearoa New Zealand |
| Apiculture New Zealand | Aotearoa New Zealand |
| Mānuka Charitable Trust | Aotearoa New Zealand |
| Sustainable Business Council | Aotearoa New Zealand |
| New Zealand Chamber of Commerce in Hong Kong | Hong Kong SAR |
| The Chinese Manufacturers' Association of Hong Kong | Hong Kong SAR |
| Hong Kong Retail Management Association | Hong Kong SAR |
| Australia New Zealand Chamber of Commerce in Taiwan | Taiwan |
| Australian and New Zealand Chamber of Commerce in Japan | Japan |
| British Brands Group | United Kingdom |
| Health Food Manufacturers' Association | United Kingdom |

**Stakeholder engagement**

Comvita has identified the following groups of stakeholders from reference to our business context and considering AccountAbility's AA1000 Stakeholder Engagement Standard 2015:

- Investors/shareholders.
- Founder and Comvita board.
- Global customers.
- Comvita employees.
- Suppliers, landowners and other business partners.
- Aotearoa New Zealand apiculture industry.
- Tapuika as manu whenua of the region surrounding Comvita's registered head office.
- Māori connected with the Mānuka honey industry.
- Relevant government agencies, particularly Ministry for Primary Industries.
- Tauranga regional business community.

Comvita engages with stakeholders as follows:

- Through its structured materiality assessment every three years to determine its material topics. Such interviews are conducted by an independent expert and on an anonymous basis.
- Through ongoing monitoring of customer and consumer complaints and other external feedback received to identify actions and improvements required.
- Through employee engagement surveys that are conducted one to two times per year and are on an anonymous basis to assess and inform our employee value proposition.
- With relevant stakeholders on a needs basis to help guide decision making and actions on specific topics, being clear on the purpose of such engagement, the approach and ensuring clear actions and learnings capture.

## Appendix 4 - GRI content index

Comvita has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024.

GRI 1: Foundation 2021 has been used.

The applicable GRI Sector Standard is GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022.

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **GENERAL DISCLOSURES** | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Pages 54, 135, 142 | | |
| | 2-2 Entities included in the organization's sustainability reporting | Page 142 | | |
| | 2-3 Reporting period, frequency, and contact point | Page 142 | | |
| | 2-4 Restatements of information | | There have been no significant restatements of information made from previous reporting periods. | |
| | 2-5 External assurance | Pages 61, 64<br>Comvita Limited Financial Statements<br>Comvita Limited Climate Statement | | |
| | 2-6 Activities, value chain and other business relationships | Pages 30-31<br>Comvita Limited Climate Statement | Further detail is also provided more generally throughout this report. There have been no significant changes compared to the previous reporting period. | |
| | 2-7 Employees | Page 75 | | |
| | 2-8 Workers who are not employees | Page 75 | | |
| | 2-9 Governance structure and composition | Pages 56-61, 136-137 | Also refer www.comvita.co.nz/Investor, Corporate Governance and Statutory Information at pages 135-138. | |
| | 2-10 Nomination and selection of the highest governance body | Pages 56, 60 | Also refer www.comvita.co.nz/Investor, Corporate Governance, Diversity and Inclusion Policy. | |
| | 2-11 Chair of the highest governance body | Page 60 | b. not applicable. | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Pages 60-61 | | |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 continued | 2-13 Delegation of responsibility for managing impacts | Pages 60-61 | | |
| | 2-14 Role of the highest governance body in sustainability reporting | Pages 60-61 | Also refer www.comvita.co.nz/Investor, Corporate Governance, Audit and Risk Committee Charter and Safety and Performance Committee Charter. | |
| | 2-15 Conflicts of interest | Pages 57, 135-138 | Also refer Comvita Limited Financial Statements, Statutory Information, pages 135-138. | |
| | 2-16 Communication of critical concerns | Pages 62-63 | | |
| | 2-17 Collective knowledge of the highest governance body | Page 59 | | |
| | 2-18 Evaluation of the performance of the highest governance policy | Page 59 | No evaluation was completed during FY24. An independent evaluation is scheduled to be completed in FY25. | |
| | 2-19 Remuneration policies | Pages 61-62 | | |
| | 2-20 Process to determine remuneration | Pages 61-62 | Also refer www.comvita.co.nz/Investor, Safety and Performance Committee Charter | |
| | 2-21 Annual total compensation ratio | Page 62 | | |
| | 2-22 Statement on sustainable development strategy | Pages 30-31, 40-41 | | |
| | 2-23 Policy commitments | Pages 75-76 | | |
| | 2-24 Embedding policy commitments | Pages 75-76 | | |
| | 2-25 Processes to remediate negative impacts | Page 77 | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Page 77 | Comvita has a formal process set out in its Code of Ethics and Speak Up Policy for seeking advice and raising concerns about the organisation's business conduct. | |
| | 2-27 Compliance with laws and regulations | | Comvita has had no significant instances of non-compliance with laws and regulations during FY24 and therefore no corresponding monetary fines or sanctions. | |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 continued | 2-28 Membership associations | Page 77 | | |
| | 2-29 Approach to stakeholder engagement | Page 77 | | |
| | 2-30 Collective bargaining agreements | | No employees at Comvita are covered by collective bargaining agreements. Terms of employment are negotiated with individual employees and set out in an individual employment agreement. | |
| **MATERIAL TOPICS** | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Pages 42, 65 | | |
| | 3-2 List of material topics | Pages 42, 66-69 | | |
| | 3-3 Management of material topics | Pages 40-51, 66-74 | | |
| **MATERIAL TOPIC DISCLOSURES** | | | | |
| **Consumer health and wellbeing** | | | | |
| **Product efficacy and quality** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 24-25, 51, 66, 70 | | GRI 13.10.1 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Pages 24-25, 51, 66, 70 | | GRI 13.10.2 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Pages 51, 66, 70 | | GRI 13.10.3 |
| GRI 403: Occupational Health and Safety 2018 | 3-3 Management of material topics | Pages 44, 66 | Also refer to health, safety and wellbeing below. | GRI 13.19.1 |
| **Consumer engagement and loyalty** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 32-39, 66, 70 | | |



| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **Data protection and privacy** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 51, 66, 70 | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 51, 66, 70 | Comvita has had no substantiated complaints received concerning breaches of consumers and customers privacy. | |
| **Safe, engaged and empowered global team** | | | | |
| **Workforce culture and wellbeing** – Unleashing potential | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 42-43, 67, 70-72 | | GRI 13.20.1 |
| **Workforce culture and wellbeing** – Unleashing potential (Fostering diversity, equity and inclusion) | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 42-43, 67, 71-72 | | GRI 13.15.1 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Pages 42-43, 67, 71-72 | | GRI 13.15.2 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Pages 42-43, 67, 71-72 | | GRI 13.15.3 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | | There were no incidents of discrimination during the reporting period, FY24. | GRI 13.15.4 |
| | | | There are no differences in employment terms and approach to compensation based on workers' nationality or migrant status. Employment terms vary by market and meet local legislative requirements. | GRI 13.15.5 |
| **Workforce culture and wellbeing** – Elevating health, safety and wellbeing | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 44, 67, 72 | Comvita has 10 material risks that are formally reviewed on a two-yearly cycle. Controls to manage these risks are in line with or better than best-practice guidance. Employees are involved in the risk review process. | GRI 13.19.1 |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Pages 44, 67, 72 | Comvita's global health and safety management system is legally compliant with the Health and Safety at Work Act 2015. | GRI 13.19.2 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Pages 44, 67, 72 | Hazards are identified through comprehensive risk management and health and safety event analysis and are managed in accordance with industry best practice. Further controls are implemented and monitored in accordance with our incident management processes when incidents occur. Comvita uses best-practice incident reporting and investigation processes and has a clear policy that workers have the ability to stop or cease any activity without consequence where they feel their safety is at risk. | GRI 13.19.3 |
| | 403-3 Occupational health services | Pages 44, 67, 72 | Comvita engages with a range of consultants who provide occupational health services, from annual health monitoring and health checks to air monitoring and respiratory fit testing services. | GRI 13.19.4 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Pages 44, 67, 72 | Comvita exceeds legal requirements for worker engagement, representation and participation. Our staff are involved in health and safety processes at all levels. Every operational team holds health and safety meetings weekly, and our Health and Safety Committee meets every two months. | GRI 13.19.5 |
| | 403-5 Worker training on occupational health and safety | Pages 44, 67, 72 | Our workers receive both external and internal training on health and safety. | GRI 13.19.6 |
| | 403-6 Promotion of worker health | Pages 44, 67, 72 | Weekly safety moments (guidance) is provided to every operational team to promote health to our workers. Health and wellbeing is also promoted and measured through our safety maturity process. | GRI 13.19.7 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 44, 67, 72 | Included in risk management and contractor management processes for Comvita. | GRI 13.19.8 |
| | 403-8 Workers covered by an occupational health and safety management system | Pages 44, 67, 72 | Includes all employees. | GRI 13.19.9 |



| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **GRI 403: Occupational Health and Safety 2018** continued | 403-9 Work-related injuries | Pages 44, 67, 72 | There have been no fatalities as a result of a work-related injury during FY24.<br>The work-related hazards that pose a risk of high-consequence injuries in our operations are the use of vehicles and mobile plant. These hazards have been identified through comprehensive risk assessment and health and safety event analysis, and are managed in accordance with industry best practice. Manual handling was the biggest contributor to our high-consequence injuries during FY24. As a result, we have implemented more mechanical aids for manual handling, purchased cranes for lifting and contracted external providers for training.<br>Comvita does not engage a significant number of contractors, and there are no recordable injuries reported for our contractor base in FY24. All numbers relate to Comvita employees. | GRI 13.19.10 |
| | 403-10 Work related ill health | Pages 44, 67, 72 | Comvita has not had any reported cases of work-related ill health during FY24. Musculo-skeletal injuries are reported as workplace injuries. | GRI 13.19.11 |
| **Environmental protection and regeneration** | | | | |
| **GHG emissions and climate change resilience** – Climate action and adaptation | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.1 |
| **GRI 305: Emissions 2016**<br>**NZ CS 1, 2 and 3** | 305-1 Direct (Scope 1) GHG emissions | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.2 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.3 |
| | 305-4 Other indirect (Scope 3) GHG emissions | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.4 |
| | 305-4 GHG emissions intensity | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.5 |
| | 305-5 Reduction of GHG emissions | Pages 45, 67, 72-73<br>Climate Statement | | 13.1.6 |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **GRI 305: Emissions 2016** | 305-6 Emissions of ozone-depleting substances (ODS) | N/A | Not applicable – Comvita does not produce any ozone-depleting substances. | 13.1.7 |
| **NZ CS 1, 2 and 3** continued | 305-7 Nitrogen oxides ($NO_x$), sulfur oxides ($SO_x$), and other significant air emissions | N/A | Not applicable – Comvita does not produce any nitrogen oxides, sulfur oxides or other significant air emissions from its sites. | 13.1.8 |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 45, 67 Climate Statement | | GRI 13.2.1 |
| **GRI 201: Economic Performance 2016**<br>**NZ CS 1, 2 and 3** | 201-2 Financial implications and other risks and opportunities due to climate change | Pages 45, 67 Climate Statement | | GRI 13.2.2 |
| **Packaging circularity** | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 46, 67, 73 | | 13.8.1 |
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | Pages 46, 67, 73 | | 13.8.2 |
| | 306-2 Management of significant waste-related aspects | Pages 46, 67, 73 | | 13.8.3 |
| | 306-3 Waste generated | Pages 46, 67, 73 | Information unavailable – we have to rely on input information (as disclosed) to estimate total end-of-life product waste generated. | 13.8.4 |
| | 306-4 Waste diverted from disposal | N/A | Information unavailable – we are not sure how much of our end-of-life product waste is recycled across all of our markets. We are seeking to gain more accurate information on recycling rates. Timing to be confirmed. | 13.8.5. |
| | 306-5 Waste directed to disposal | N/A | Information unavailable – we are not sure how much of our end-of-life product waste is recycled across all of our markets. We are seeking to gain more accurate information on recycling rates. Timing to be confirmed. | 13.8.6 |
| **GRI 301: Materials 2016** | 301-1 Materials used by weight or volume | Pages 46, 67, 73 | | |
| | 301-2 Recycled input materials used | Pages 46, 67, 73 | | |
| | 301-3 Reclaimed products and their packaging materials | N/A | Information unavailable – cannot be sourced for every item of packaging and in every market. Timing to be confirmed. | |



| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **Ecosystem restoration** – Regeneration and restoration | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 47, 68, 73 | | 13.3.1 |
| **GRI 304: Biodiversity 2016** | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A | None of the blocks are or are adjacent to protected areas or areas of high biodiversity value. | 13.3.2 |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Pages 47, 68, 73 | | 13.3.3 |
| | 304-3 Habitats protected or restored | Pages 47, 68, 73 | Confidentiality constraints – size and location described at total level rather than by forest due to commercial sensitivities. | 13.3.4 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Pages 47, 68, 73 | | 13.3.5 |
| | | N/A | Not applicable – we do not operate in the aquaculture sector. | 13.3.6 |
| | | N/A | Not applicable – we do not operate in the aquaculture sector. | 13.3.7 |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 47, 68, 73 | | 13.7.1 |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | Pages 47, 68, 73 | Comvita does not withdraw, consume or discharge water for its Mānuka planting. Its material impacts are in relation to the improvement in water quality from its planting programme. | 13.7.2 |
| | 303-2 Management of water discharge-related impacts | N/A | Not applicable – we do not have any effluent discharge water related to its Mānuka planting. | 13.7.3 |
| | 303-3 Water withdrawal | N/A | Not applicable – we do not withdraw water for its Mānuka planting. | 13.7.4 |
| | 303-4 Water discharge | N/A | Not applicable –we do not discharge water related to its Mānuka planting. | 13.7.5 |
| | 303-5 Water consumption | N/A | Not applicable – we do not directly consume water for its Mānuka planting other than via the trees. | 13.7.6 |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **Agricultural chemical emissions** – Regeneration and restoration | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 47, 68, 74 | | 13.6.1 |
| | Additional sector disclosures – volume and intensity of pesticides used | Pages 47, 68, 74 | Reported quantum of pesticides used. | 13.6.2 |
| | 3-3 Management of material topics | Pages 47, 68, 74 | Relating to soil health. | 13.5.1 |
| **Bee health and wellbeing** – Protection of bees | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 47, 68, 74 | | 13.3.1 |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A | Not applicable – none of the hive sites are or are adjacent to protected areas or areas of high biodiversity value. | 13.3.2 |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Pages 47, 68, 74 | | 13.3.3 |
| | 304-3 Habitats protected or restored | Pages 47, 68, 74 | Confidentiality constraints – quantity and location described at total level rather than by hive site due to confidentiality constraints around commercial sensitivities. | 13.3.4 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | N/A | None of the impacted specifies are on conservation lists. | 13.3.5 |
| | 3-3 Management of material topics | Pages 47, 68, 74 | | 13.6.1 |
| | Additional sector disclosures – volume and intensity of pesticides used | Pages 47, 68, 74 | Reported quantum of chemicals in varroa strips used. | 13.6.2 |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 47, 68, 74 | Comvita does not use any antibiotics for treating its bees. | 13.11.1 |
| | Percentage of production volume certified to third-party standard | N/A | Not applicable – Comvita has implemented its own Bee Welfare Code in absence of a third-party standard. | 13.11.2 |
| | Survival percentage of farmed aquatic animals | Pages 47, 68, 74 | Not applicable – we do not operate in the aquaculture sector. Hive mortality rates have been disclosed. | 13.11.3 |





| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **Thriving industry and communities** | | | | |
| **Mānuka honey industry leadership** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 48, 69 | | 13.24.1 |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | N/A | Comvita does not make any political contributions directly or indirectly. | 13.24.2 |
| **Māori engagement and respect for te ao Māori** | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 49, 69 | | 13.14.1 |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | N/A | Comvita has no incidents of violations involving the rights of indigenous peoples during the reporting period. | 13.14.2 |
| | | Pages 49, 69 | | 13.14.3 |
| | | N/A | Comvita has not been involved in seeking free, prior and informed consent from indigenous peoples for any of its activities. | 13.14.4 |
| **Supply chain – respect for human rights** – Ethical and sustainable supply chain | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 49, 69 | Information incomplete – we have started this journey but have further work to do in this area. | 13.16.1 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Pages 49, 69 | Information incomplete – while we have a high level understanding of likely significant risk areas, we need to complete a formal and structured risk assessment to be able to disclose the key risks. | 13.16.2 |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 49, 69 | Information incomplete – we have started this journey but have further work to do in this area. | 13.17.1 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Pages 49, 69 | Information incomplete – while we have a high-level understanding of likely significant risk areas, we need to complete a formal and structured risk assessment to be able to disclose the key risks. | 13.17.2 |

| GRI Standard/ Other source | Disclosure | Location | Comments | GRI Sector Standard ref. |
|---|---|---|---|---|
| **Supply chain – agricultural impacts** – Ethical and sustainable supply chain | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 49, 69 | | 13.7.1 |
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | Pages 49, 69 | Information incomplete – we do not have clear visibility of water-related impacts and management associated with the sugar we purchase. | 13.7.2 |
| | 303-2 Management of water discharge-related impacts | N/A | Information unavailable – we do not have visibility of effluent discharges associated with the sugar we purchase. | 13.7.3 |
| | 303-3 Water withdrawal | N/A | Information unavailable – we do not have visibility of water withdrawals associated with the sugar we purchase. | 13.7.4 |
| | 303-4 Water discharge | N/A | Information unavailable – we do not have visibility of water discharges associated with the sugar we purchase. | 13.7.5 |
| | 303-5 Water consumption | N/A | Information unavailable – we do not have visibility of water consumption associated with the sugar we purchase. | 13.7.6 |
| **Community contribution** – Supporting thriving communities | | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 50, 69, 74 | | 13.22.1 |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | Comvita Limited Financial Statements | | 13.22.2 |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | Pages 50, 69, 74 | | 13.22.3 |
| | 203-2 Significant indirect economic impacts | Pages 47, 50, 69, 74 | | 13.22.4 |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Pages 50, 69, 74 | | 13.12.1 |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 50, 69, 74 | | 13.12.2 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | N/A | No Comvita operations have been identified as having a significant actual or potential negative impacts on local communities. | 13.12.3 |

**Topics in the applicable GRI Sector Standards determined as not material**

| Topic | Explanation |
|---|---|
| **GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022** | |
| **13.4 Natural ecosystem conversion** | Not identified as a material topic. Comvita is not involved in natural ecosystem conversion. Its ecosystem conversion consists of converting pasture lands back to native Mānuka. |
| **13.9 Food security** | Not identified as a material topic. Comvita provides premium natural health and wellness products that have limited impact on food security. |
| **13.13 Land and resource rights** | Not identified as a material topic. Comvita's access to land is through private landowner relationships and we do not utilise public land and resources. |
| **13.18 Freedom of association and collective bargaining** | Not identified as a material topic. While there are no restrictions on freedom of association and collective bargaining, Comvita chooses to enter into individual employment agreements with its employees. |
| **13.21 Living income and living wage** | Not identified as a material topic. This was identified as a topic but did not meet the FY24 materiality threshold. Comvita has not made a formal commitment to pay a living wage but previous analysis indicates it meets these thresholds in its different markets. |
| **13.23 Supply chain traceability** | Not identified as a material topic. This was identified as a topic but did not meet the FY24 materiality threshold. |
| **13.25 Anti-competitive behaviour** | Not identified as a material topic. This was identified as a topic but did not meet the FY24 materiality threshold. |
| **13.26 Anti-corruption** | Not identified as a material topic. This was identified as a topic but did not meet the FY24 materiality threshold. |

AGILITY IN UNPREDICTABLE TIMES

# Our Results





CONTENTS

## DIRECTORS DECLARATION

In the opinion of the Directors of Comvita Limited, the financial statements and the notes, on pages' 93 to 130:

- comply with New Zealand generally accepted accounting practice and fairly reflect the financial position of the Group as at 30 June 2024 and the results of their operations and cash flows for the year ended on that date
- have been prepared using appropriate accounting policies and supported by reasonable judgements and estimates

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 reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial report, incorporating the financial statements of Comvita Limited for the year ended 30 June 2024.

For and on behalf of the Board of Directors:

**Brett Hewlett**
28 August 2024

**Julia Hoare**
28 August 2024





## CONSOLIDATED INCOME STATEMENT

| **For the year ended** *In thousands of New Zealand dollars* | Note | **30 June 2024** | **30 June 2023** |
|---|---|---|---|
| Revenue | 2 | 204,341 | 234,195 |
| Cost of sales | | (91,952) | (98,435) |
| Gross profit | | 112,389 | 135,760 |
| Other income | 3 | 5,587 | 12,177 |
| Marketing expenses | | (24,331) | (30,509) |
| Selling and distribution expenses | | (58,842) | (54,484) |
| Administration and other operating expenses | 5 | (34,900) | (36,140) |
| Software development expenses | | (7,245) | (2,884) |
| Operating (loss)/profit before financing costs | | (7,342) | 23,920 |
| Finance income | 14 | 347 | 314 |
| Finance expenses | 14 | (9,800) | (10,384) |
| Net finance expenses | | (9,453) | (10,070) |
| Share of loss of equity accounted associates | 24 | (904) | (844) |
| Impairment and other assets write-downs | 22 | (64,190) | - |
| (Loss)/profit before income tax | | (81,889) | 13,006 |
| Income tax benefit/(expense) | 7 | 4,501 | (1,944) |
| **(Loss)/profit for the year** | | **(77,388)** | **11,062** |
| **Earnings per share:** | | | |
| Basic earnings per share (NZ cents) | 10 | (110.33) | 15.84 |
| Diluted earnings per share (NZ cents) | 10 | (110.33) | 15.66 |
| EBITDA pre-impairment * | 8 | 4,539 | 30,623 |

* EBITDA pre-impairment is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. A reconciliation of EBITDA pre-impairment to profit before tax is provided in note 8.

*The notes on pages 98 to 130 are an integral part of these financial statements*

## STATEMENT OF COMPREHENSIVE INCOME

| **For the year ended**<br>*In thousands of New Zealand dollars* | Note | **30 June 2024** | **30 June 2023** |
|---|---|---|---|
| **(Loss)/profit for the year** | | (77,388) | 11,062 |
| *Items that are or may be reclassified subsequently to the income statement* | | | |
| Foreign currency translation differences for foreign operations | | (736) | (862) |
| Foreign currency translation differences for equity accounted investees | | (18) | 113 |
| Effective portion of changes in fair value of cash flow hedges | | 1,655 | 5,528 |
| Foreign investor tax credits | | 67 | 93 |
| Income tax on these items | 7 | (244) | (1,463) |
| Income and expenses recognised directly in other comprehensive income | | 724 | 3,409 |
| **Total comprehensive (loss)/income for the year** | | **(76,664)** | **14,471** |

*The notes on pages 98 to 130 are an integral part of these financial statements*







## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| **For the year ended 30 June 2024**<br>*In thousands of New Zealand dollars* | **Share capital** | **Foreign currency translation reserve** | **Hedging reserve** | **Retained earnings** | **Total** |
|---|---|---|---|---|---|
| **Balance at 30 June 2022** | **199,677** | **(1,992)** | **(4,564)** | **34,869** | **227,990** |
| *Total comprehensive income for the year* | | | | | |
| (Loss)/profit for the year | – | – | – | 11,062 | 11,062 |
| Other comprehensive income (net of tax) | | | | | |
| Foreign currency translation differences for equity accounted investees (note 24) | – | 113 | – | – | 113 |
| Foreign currency translation differences for foreign operations | – | (777) | – | – | (777) |
| Foreign investor tax credits | – | – | – | 93 | 93 |
| Effective portion of changes in fair value of cash flow hedges | – | – | 3,980 | – | 3,980 |
| **Total other comprehensive income** | **–** | **(664)** | **3,980** | **93** | **3,409** |
| **Total comprehensive income for the year** | **–** | **(664)** | **3,980** | **11,155** | **14,471** |
| *Transactions with owners, recorded directly in equity* | | | | | |
| Share based payments | – | – | – | 1,146 | 1,146 |
| Acquisition of treasury stock | (322) | – | – | – | (322) |
| Redemption of ordinary shares related to share schemes | (4) | – | – | – | (4) |
| Dividends paid (note 11) | – | – | – | (3,961) | (3,961) |
| **Total transactions with owners** | **(326)** | **-** | **-** | **(2,815)** | **(3,141)** |
| **Balance at 30 June 2023** | **199,351** | **(2,656)** | **(584)** | **43,209** | **239,320** |
| *Total comprehensive income for the year* | | | | | |
| (Loss)/profit for the year | – | – | – | (77,388) | (77,388) |
| Other comprehensive income (net of tax): | | | | | |
| Foreign currency translation differences for equity accounted investees (note 24) | – | (17) | – | – | (17) |
| Foreign currency translation differences for foreign operations | – | (517) | – | – | (517) |
| Foreign investor tax credits | – | – | – | 68 | 68 |
| Effective portion of changes in fair value of cash flow hedges | – | – | 1,191 | - | 1,191 |
| **Total other comprehensive income** | **-** | **(535)** | **1,191** | **67** | **724** |
| **Total comprehensive income for the year** | **-** | **(535)** | **1,191** | **(77,321)** | **(76,664)** |
| *Transactions with owners, recorded directly in equity* | | | | | |
| Share based payments | – | – | – | 871 | 871 |
| Dividends paid (note 11) | – | – | – | (2,897) | (2,897) |
| **Total transactions with owners** | **–** | **–** | **–** | **(2,026)** | **(2,026)** |
| **Balance at 30 June 2024** | **199,351** | **(3,191)** | **607** | **(36,137)** | **160,630** |

*The notes on pages 98 to 130 are an integral part of these financial statements*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| **As at 30 June 2024**<br>*In thousands of New Zealand dollars* | Note | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | 19 | 72,034 | 72,873 |
| Intangible assets and goodwill | 21 | 7,352 | 41,754 |
| Right of use assets and leases | 20 | 20,226 | 14,407 |
| Biological assets | 23 | 4,806 | 4,437 |
| Investments | 24 | – | 10,234 |
| Loans to equity accounted investees | 24 | – | 6,058 |
| Derivatives | 26 | 866 | 48 |
| Deferred tax asset | 7 | 9,218 | 4,545 |
| Sundry receivable | 17 | 450 | 450 |
| **Total non-current assets** | | **114,952** | **154,806** |
| Inventory | 15 | 134,418 | 136,088 |
| Trade receivables | 16 | 35,030 | 39,373 |
| Sundry receivables | 17 | 15,222 | 16,904 |
| Cash and cash equivalents | 13 | 8,156 | 11,554 |
| Tax receivable | | 80 | 41 |
| **Total current assets** | | **192,906** | **203,960** |
| **Total assets** | | **307,858** | **358,766** |
| **Equity** | | | |
| Issued capital | | 199,351 | 199,351 |
| Retained earnings | | (36,137) | 43,209 |
| Reserves | | (2,584) | (3,240) |
| **Total equity** | | **160,630** | **239,320** |
| **Liabilities** | | | |
| Loans and borrowings | 12 | – | 64,940 |
| Trade and other payables | 18 | 296 | 288 |
| Lease liability | | 15,834 | 11,972 |
| Deferred tax liability | 7 | 572 | 1,509 |
| **Total non-current liabilities** | | **16,702** | **78,709** |
| Loans and borrowings | 12 | 87,863 | – |
| Trade and other payables | 18 | 35,822 | 34,319 |
| Lease liability | | 5,725 | 3,386 |
| Tax payable | | 1,116 | 2,195 |
| Derivatives | 26 | – | 837 |
| **Total current liabilities** | | **130,526** | **40,737** |
| **Total liabilities** | | **147,228** | **119,446** |
| **Total equity and liabilities** | | **307,858** | **358,766** |

*The notes on pages 98 to 130 are an integral part of these financial statements*





## CONSOLIDATED STATEMENT OF CASH FLOWS

| **For the year ended 30 June 2024**<br>*In thousands of New Zealand dollars* | Note | 2024 | 2023 |
|---|---|---|---|
| Receipts from customers | | 205,299 | 223,849 |
| Receipts from insurance proceeds | | 6,512 | 5,480 |
| Payments to suppliers and employees | | (204,101) | (219,068) |
| Taxation paid | | (2,377) | (2,178) |
| **Net cash flows from operating activities** | 4 | **5,333** | **8,083** |
| Investment in equity accounted investees | | (2,482) | – |
| Proceeds from disposal of investment | | 8 | – |
| Proceeds from disposal of equity accounted investee | | 1,932 | – |
| Loans to equity accounted investees | | 3,857 | (593) |
| Interest from related parties | | 28 | 38 |
| Payment for the purchase of property, plant and equipment | | (7,494) | (16,601) |
| Payment for the purchase of biological assets | | (30) | (538) |
| Receipt for the disposal of property, plant and equipment | | – | 237 |
| Acquisition of HoneyWorld | | (7,294) | – |
| Payment for the purchase of intangibles | | (2,179) | (3,297) |
| **Net cash flows from investing activities** | | **(13,654)** | **(20,754)** |
| Redemption of ordinary shares | | – | (4) |
| Purchase of treasury stock | | – | (322) |
| Repayment of lease liabilities | | (6,274) | (4,898) |
| Proceeds from loans and borrowings | | 22,923 | 21,640 |
| Payment of dividends | | (2,896) | (3,961) |
| Interest received | | 25 | 17 |
| Interest paid | | (8,733) | (5,740) |
| **Net cash flows from financing activities** | | **5,045** | **6,732** |
| **Net increase in cash and cash equivalents** | | **(3,276)** | **(5,939)** |
| Cash and cash equivalents at the beginning of the year | | 11,554 | 17,756 |
| Effect of exchange rate fluctuations on cash held | | (122) | (263) |
| **Cash and cash equivalents at the end of the year** | | **8,156** | **11,554** |
| **Represented as:** | | | |
| Cash and cash equivalents | 13 | 8,156 | 11,554 |
| **Total** | | **8,156** | **11,554** |

*The notes on pages 98 to 130 are an integral part of these financial statements*

## NOTES TO THE FINANCIAL STATEMENTS

### ACCOUNTING ENTITY

Comvita Limited (the "Company") is a Company domiciled in New Zealand, and registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). The Company is an issuer in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. The financial statements of the Group for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees.

The principal activity of the Group is apiary and forest ownership and management; and research, manufacturing and distributing of Mānuka honey, bee products and olive leaf products.

### BASIS OF PREPARATION

#### Statement of compliance

The Company is a FMC reporting entity for the purposes of the Financial Reporting Act 2013 and under part 7 of the Financial Markets Conduct Act 2013. These financial statements comply with these Acts and have been prepared in accordance with the New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards as appropriate for profit-oriented entities.

The financial statements were approved by the Board of Directors on 28 August 2024.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments designated as fair value through other comprehensive income and biological assets which are measured at fair value.

The methods used to measure fair values are discussed further in the respective notes.

#### Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Company's functional currency. Amounts have been rounded to the nearest thousand.

#### Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future periods affected.

Key sources of estimation uncertainty are included in the individual notes in the financial statements:

- Intangible assets (note 21)
- Measurement of recoverability of cash generating units (note 22)
- Valuation of biological assets (note 23)
- Valuation of equity accounted investments (note 24)
- Recoverability of deferred tax assets (note 7)
- Fair value of contingent consideration (note 25)

### GOING CONCERN

It is the conclusion of the directors that the Group will continue to operate as a going concern and the financial statements have been prepared on that basis.

The Group recorded a net loss of $77,388,000 for the year ended 30 June 2024 and as at balance date the Group's bank borrowings of $87,863,000 was recorded within current liabilities due to a breach of covenant that was not waived by the bank until after balance date. Current assets exceed current liabilities by $62,380,000. The directors have carefully considered the ability of the Group to meet its liabilities as they fall due and continue to operate as a going concern for at least the next 12 months from the date the financial statements are authorised for issue. In reaching their conclusion the directors have considered the following factors:

- Cash flow forecasts have been prepared for the 12 months following the date at which the Board adopted these financial statements taking account of the approved FY25 Budget and have concluded that the Group will generate sufficient cash flows to meet its liabilities as they fall due;
- The FY25 Budget and forecasts for the following 4 years have been completed and the outlook is a return to profitability;
- The directors have made due enquiry into the appropriateness of the assumptions underlying the budget and forecasts; and
- There is no indication from the Bank Syndicate that they will not continue to support the Group beyond the current maturity terms. The Bank Syndicate borrowing facility is $114,000,000 of which $25,700,000 was undrawn as at 30 June 2024.

### SIGNIFICANT ACCOUNTING POLICIES

Accounting policies, accounting estimates and judgements that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes are designated by a shaded area.

### STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING THE YEAR

There are no new or amended standards that are issued, but not yet effective, that are expected to have a material impact to the Group.







## PERFORMANCE

### 01. SEGMENTS

**The Group has five key geographic segments as set out below:**

| | |
|---|---|
| Greater China: | Revenue and related costs of our China and Hong Kong markets |
| ANZ: | Revenue and related costs of our Australia and New Zealand markets |
| Rest of Asia: | Revenue and related costs of our Asia markets excluding Greater China |
| North America: | Revenue and related costs of our North America market |
| EMEA: | Revenue and related costs of our Europe, Middle East and Africa markets |

**For the year ended 30 June**

*In thousands of New Zealand dollars*

| | Greater China | | ANZ | | Rest of Asia | | North America | | EMEA | | Total reportable segments | | Other segments | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| *Contribution Segments* | | | | | | | | | | | | | | | | |
| Revenue | 89,820 | 109,005 | 36,378 | 40,770 | 37,059 | 31,771 | 26,135 | 35,608 | 3,628 | 5,862 | 193,019 | 223,016 | 11,322 | 11,179 | 204,341 | 234,195 |
| Contribution | 17,204 | 26,813 | 10,310 | 11,573 | 2,747 | 8,291 | 4,657 | 8,868 | (921) | 604 | 33,998 | 56,149 | 2,080 | 1,992 | 36,079 | 58,141 |
| Impairment expense (note 22) | (30,648) | – | – | – | (4,699) | – | – | – | – | – | (35,347) | – | (68) | – | (35,415) | – |
| Non attributable (other corporate expenses) | | | | | | | | | | | | | | | (49,008) | (46,398) |
| Impairment expense – non attributable (note 22) | | | | | | | | | | | | | | | (28,775) | - |
| Other income (note 3) | | | | | | | | | | | | | | | 5,587 | 12,177 |
| Financial income and expenses (note 14) | | | | | | | | | | | | | | | (9,453) | (10,070) |
| Share of loss of equity accounted investees (note 24) | | | | | | | | | | | | | | | (904) | (844) |
| **Net (Loss)/profit before tax** | | | | | | | | | | | | | | | **(81,889)** | **13,006** |

### Geographical segments

| | 30 June 2024 | | 30 June 2023 | |
|---|---|---|---|---|
| *In thousands of New Zealand dollars* | Revenue | Non-current assets | Revenue | Non-current assets |
| Greater China | 89,820 | 33,901 | 109,005 | 37,050 |
| ANZ | 36,747 | 110,053 | 41,266 | 108,100 |
| Rest of Asia | 37,059 | 12,335 | 31,771 | 578 |
| North America | 35,429 | 4,690 | 45,480 | 359 |
| EMEA | 3,628 | 342 | 5,862 | 190 |
| Other countries | 1,658 | 10,588 | 811 | 8,079 |
| **Total** | **204,341** | **171,909** | **234,195** | **154,356** |

Figures in the tables reflect information regularly reported to the Chief Executive Officer (CEO) on those key segments. Segment results that are reported to the CEO include costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses.

Segment information is presented in the financial statements in respect of the Group's contribution segments which are the primary basis of decision making. The contribution segment reporting format reflects the Group's management and internal reporting structure.

Performance is measured based on contribution which is a measure of profitability that the segment contributes to the Group. Contribution is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments. Inter-segment pricing is determined on an arms-length basis.

## 02. REVENUE

The Group generates revenue primarily from the sale of Mānuka honey, other bee products, and olive leaf products to its customers (wholesale, retail and digital customers). Sales of products are recognised when control of the goods has transferred to the customer, usually when the goods are delivered. For wholesale sales, control passes according to individual contract terms.

All sales are net of returns and allowances, trade discounts and volume rebates.

## 03. OTHER INCOME

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Insurance proceeds received | | 2,060 | 10,962 |
| Gain on disposal of equity accounted investee | 24 | 1,377 | – |
| Government grants | | 690 | 949 |
| HoneyWorld contingent consideration release | 25 | 1,020 | – |
| Government subsidies | | 21 | 106 |
| Change in fair value of biological assets | | 336 | 32 |
| Other | | 83 | 128 |
| **Total other income** | | **5,587** | **12,177** |

### Government grants

Government grants primarily relate to the New Zealand Research and Development Tax Incentive scheme (RDTI), but also includes other government grants. The RDTI scheme provides a tax credit on eligible R&D expenditure. The RDTI scheme includes both core R&D expenditure, as well as other expenses that support R&D, and is recorded as non-taxable income.

### Insurance Cyclone Gabrielle

In February 2023, the Group's Hawkes Bay facility suffered extensive damage due to Cyclone Gabrielle, a catastrophic weather event in the North Island of New Zealand. Further details of the impacts of this weather event are disclosed in the 2023 financial statements.

Included in insurance proceeds received above is NZD 1,700,000 relating to our business interruption and material damage policy in relation to the cyclone. At reporting date there is NZD 828,000 (2023: NZD 5,480,000) of insurance proceeds receivable (note 17) and the insurance claim is ongoing.

Insurance proceeds are recognized in the financial statements when it is virtually certain that the Group will receive the reimbursement and the amount can be reliably estimated. The recognition is based on the net realizable value of the claim, considering any deductibles, policy exclusions, and other recoveries expected. Insurance proceeds receivable are recorded under sundry receivables in the statement of financial position (note 17).

## 04. OPERATING CASH FLOW

**Reconciliation of the profit for the year with the net cash from operating activities**

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| **(Loss)/profit for the year** | | (77,388) | 11,062 |
| *Adjustments for:* | | | |
| Depreciation | | 11,568 | 9,910 |
| Amortisation | | 2,287 | 2,280 |
| Impairment | 22 | 64,190 | – |
| Share based payments | | 1,039 | 972 |
| Forgiveness of debt | | 136 | – |
| Fair value gain in biological assets | | (336) | (32) |
| Share of loss equity accounted investees | 24 | 904 | 844 |
| **(Loss)/profit adjusted for non-cash items** | | **2,400** | **25,036** |
| *Items related to investing and financing activities:* | | | |
| Acquisition of HoneyWorld – working capital items | | (1,745) | – |
| Disposal of equity accounted investee | | (1,377) | – |
| Interest - net | | 8,385 | 5,427 |
| Net loss on disposal of property, plant & equipment | | 113 | 2,505 |
| Change in trade payables - capital related | | 590 | 934 |
| *Movement in working capital items:* | | | |
| Change in inventories | | 1,670 | (3,931) |
| Change in trade receivables | | 4,343 | (11,555) |
| Change in sundry debtors and prepayments | | 1,358 | (5,784) |
| Change in trade and other payables | | 1,900 | (4,340) |
| Change in employee benefits | | (4,547) | 888 |
| Change in tax payable | | (1,118) | 161 |
| Change in deferred tax | | (5,610) | 859 |
| Change in working capital items from foreign currency translation reserve | | (243) | (774) |
| *Other movements:* | | | |
| Movement of deferred tax in equity | | (852) | (1,289) |
| Foreign investor tax credits | | 67 | 93 |
| Foreign currency reserve | | (1) | (147) |
| **Net cash from operating activities** | | **5,333** | **8,083** |

## 05. EXPENSES

### Administration and other operating expenses

The following items of expenditure are included in administrative expenses:

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Auditors' remuneration: | | | |
| To KPMG for audit services (i) | | 497 | 411 |
| To KPMG for GHG inventory emissions limited assurance | | 75 | – |
| To KPMG for tax services | | – | 5 |
| To KPMG for global mobility | | 18 | – |
| To Mercer & Hole (UK auditors) | | 39 | 24 |
| To Sejong (Korea auditors) | | 28 | – |
| | | | |
| Doubtful debts recovered | | (72) | (178) |
| Bad debts written off | | 68 | 187 |
| Net loss on property, plant and equipment disposals | | 113 | 2,505 |
| Change in fair value of contingent consideration | 25 | 164 | – |
| Restructure costs | | 568 | 164 |
| Directors fees | | 605 | 605 |
| Directors – other expenses | | 18 | 18 |
| Other legal and professional expenses | | 612 | 628 |

*(i) Audit services include fee for the annual audit of the financial statements of the Group and its foreign subsidiaries based in China and Hong Kong and the review of the interim financial statements.*

### Research and development

The Group considers expenditure to be research and development if it meets the definition according to the New Zealand RDTI scheme. This expenditure is included within cost of goods sold and operating expenses and recognised in the income statement in the year that it is incurred.

## 06. PERSONNEL EXPENSES

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Wages and salaries | | 46,615 | 46,824 |
| KiwiSaver – employer contribution | | 880 | 919 |
| Movement in long-service leave provision | | 8 | 21 |
| Equity settled share based payment transactions | 30 | 1,038 | 972 |
| **Total personnel expenses** | | **48,541** | **48,736** |

## 07. TAX

### Tax expense

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| (Loss)/profit for the year | (77,388) | 11,062 |
| Total income tax expense | (4,501) | 1,944 |
| **Net profit before tax** | **(81,889)** | **13,006** |
| | | |
| Tax at 28% NZ company tax rate | (22,929) | 3,642 |
| Tax effect of overseas income | 201 | (638) |
| Non-deductible or non-assessable items | 17,885 | (715) |
| Removal of tax depreciation on commercial buildings (i) | 1,717 | – |
| Other | (1,300) | (169) |
| Prior period adjustments | (75) | (176) |
| **Total income tax expense** | **(4,501)** | **1,944** |
| | | |
| Tax expense is represented by: | | |
| Current tax | 1,825 | 2,374 |
| Deferred tax | (6,326) | (430) |
| **Total income tax expense** | **(4,501)** | **1,944** |
| | | |
| **Imputation credits available** | **4,577** | **5,580** |

(i) Comvita New Zealand will no longer be able to claim tax depreciation on buildings, with estimated useful lives of 50 years or more, from its income tax year ending 30 June 2025. This has resulted in an increased deferred tax liability in respect of the buildings of $1,717,373.

### 07. TAX (continued)

#### Deferred tax

| *In thousands of New Zealand dollars* | As at 30 June 2024 | Recognised directly in profit or loss | Recognised in other comprehensive income | Recognised directly in equity | 30 June 2023 |
|---|---|---|---|---|---|
| Property, plant & equipment | (4,171) | (1,655) | – | – | (2,516) |
| Intangible and biological assets | 4,075 | 5,481 | – | – | (1,406) |
| Inventory | 2,764 | (674) | – | – | 3,438 |
| Provisions and accruals | 580 | (418) | – | – | 998 |
| Derivatives | (243) | – | (463) | – | 220 |
| Other items | 752 | 130 | 219 | (129) | 532 |
| Investments | 838 | 792 | – | – | 46 |
| Tax losses | 4,051 | 2,327 | – | – | 1,724 |
| **Net tax assets/(liabilities)** | **8,646** | **5,983** | **(244)** | **(129)** | **3,036** |

No deferred tax assets have been recognised in respect of certain intangible assets ($587,718), capital losses in Australia ($3,296,997) or losses on acquisition in the UK ($2,335,975).

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 08. SUPPLEMENTARY NON-GAAP INFORMATION – EBITDA PRE-IMPAIRMENT

Earnings before interest, tax, depreciation, and amortisation (EBITDA) pre-impairment is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business.

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| (Loss)/profit before tax | (81,889) | 13,006 |
| Add back: Net finance cost | 8,383 | 5,427 |
| **EBIT** | (73,506) | 18,433 |
| Add back: Depreciation and amortisation | 13,855 | 12,190 |
| Add back: Impairment and other asset write-downs | 64,190 | – |
| **EBITDA pre-impairment** | **4,539** | **30,623** |







### 09. CAPITAL AND RESERVES

#### Ordinary and partly paid redeemable share capital

Ordinary shares issued are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Group's residual assets.

| *In thousands of shares* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| **On issue at beginning of the year** | | 69,893 | 69,731 |
| Share issue - employee share schemes | 30 | 332 | 258 |
| Acquisition of treasury stock | | – | (96) |
| **Ordinary shares on issue at end of the year** | | **70,225** | **69,893** |

#### Treasury Stock

| *In thousands of shares* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Treasury stock at beginning of the year | 492 | 654 |
| Acquired on market | – | 96 |
| Issued - employee share schemes | (323) | (258) |
| **Total treasury stock at end of the year** | **169** | **492** |

#### Capital management

The Group's capital includes share capital, reserves and retained earnings. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the geographic spread of shareholders, as well as the return on capital.

Public share offerings and private offerings are made, where applicable. This and acquisitions are key to ensuring the future development of the business.

The Board has an Employee Share Scheme, a Leader Share Purchase and a Performance Share Rights Scheme to ensure that the leadership team and staff incentives are aligned with shareholders' interests.

Other than the banking requirements, neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 10. EARNINGS PER SHARE

| *In thousands of shares* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Weighted average number of ordinary shares at the end of the year | 70,141 | 69,847 |
| Basic earnings per share (NZ cents) | (110.33) | 15.84 |
| *In thousands of shares* | | |
| Weighted average number of diluted shares at end of the year | 70,988 | 70,616 |
| Diluted earnings per share (NZ cents) | (110.33) | 15.66 |

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share entitlements granted to employees.

## 11. DISTRIBUTIONS

### Dividends

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| The following dividends were declared and paid by the Group: | | |
| Final 2022 dividend (3.0 cents per share) | – | 2,158 |
| Interim 2023 dividend (2.5 cents per share) | – | 1,803 |
| Final 2023 dividend (3.0 cents per share) | 2,173 | – |
| Interim 2024 dividend (1.0 cents per share) | 724 | – |
| **Total** | **2,897** | **3,961** |





## 12. BORROWINGS

### Terms of borrowings

| *In thousands of New Zealand dollars* | Facility Local Currency | Currency | Nominal Interest rate | Maturity | Carrying Amount 2024 | Carrying Amount 2023 |
|---|---|---|---|---|---|---|
| Westpac NZ/ANZ: | | | | | | |
| Revolving credit facility | 44,000 | NZD | 7.33% | July 2025 | 30,300 | 15,500 |
| Revolving credit facility | 35,000 | NZD | 7.48% | March 2026 | 35,000 | 35,000 |
| Revolving credit facility | 35,000 | NZD | 7.68% | March 2027 | 23,000 | 15,000 |
| Westpac NZ: | | | | | | |
| Overdraft facility | 1,000 | NZD | – | – | – | – |
| Deferred finance costs | | | | | (437) | (560) |
| **Total borrowings - non-current** | | | | | **–** | **64,940** |
| **Total borrowings - current** | | | | | **87,863** | **–** |

The Group has a NZD 1 million overdraft facility for general corporate purposes including managing it's liquidity risk (see note 26).

### Covenants and security

The Group was in compliance with all banking covenants during the year and as at 30 June 2024, except for one covenant at 30 June 2024. Subsequent to year-end, the banking syndicate have waived their rights to take action in respect of the breach. In accordance with NZ IAS 1, Presentation of Financial Statements, as this was waived after 30 June 2024, all term debt has been classified as current at 30 June 2024.

With respect to FY25, the Group are currently in discussions to agree a covenant structure that will be acceptable to both the banking syndicate and the Group. The revised bank covenant structure will be confirmed in September.

The NZD 114 million syndicated facility with Westpac New Zealand Limited and ANZ is secured by way of a General Security Agreement over assets of Comvita Limited, Comvita New Zealand Limited, Comvita Holdings Pty Limited, Comvita Australia Pty Limited and Comvita UK Limited.

Borrowings are recognised initially at fair value less financing costs and subsequently at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities are included as part of the carrying amount of the loans and borrowings and are amortised over the maturity period of the loan.

## 13. CASH AND CASH EQUIVALENTS

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Cash | 8,156 | 11,554 |
| Less debt | (87,863) | (64,940) |
| **Net debt** | **(79,707)** | **(53,386)** |

Cash and cash equivalents comprise cash balances and demand deposits. Bank overdrafts that are repayable on demand, and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 14. FINANCE INCOME AND EXPENSES

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Interest income | 347 | 313 |
| Dividend income | – | 1 |
| **Finance income** | **347** | **314** |
| | | |
| Interest expense on financial liabilities measured at amortised cost | (8,733) | (5,740) |
| Net foreign exchange loss | (1,067) | (4,644) |
| **Finance expenses** | **(9,800)** | **(10,384)** |
| **Net finance expenses** | **(9,453)** | **(10,070)** |

Interest expense on borrowings, bank and facility fees and transaction costs are recognised in the income statement over the period of the borrowings, using the effective interest rate method. Interest expense on lease obligations are also recognised in the interest expense above in accordance with NZ IFRS 16.



WORKING CAPITAL

## 15. INVENTORY

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Raw materials | 67,189 | 82,426 |
| Work in progress | 2,620 | 6,104 |
| Finished goods | 64,609 | 47,558 |
| **Total inventory** | **134,418** | **136,088** |

Inventory disposed of and written off during the year has been recognised within cost of goods sold - $442,000 (2023: $4,381,000, including $3,681,000 related to Cyclone Gabrielle).

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Honey created by biological assets (bees, note 23) is transferred to inventory at fair value, by reference to market prices for honey.

## 16. TRADE RECEIVABLES

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Gross receivable | 35,126 | 39,543 |
| Provision for doubtful and impaired receivables | (96) | (170) |
| **Total trade receivables** | **35,030** | **39,373** |

The status of trade receivables at the reporting date is as follows:

| *In thousands of New Zealand dollars* | Gross receivable 2024 | Impairment 2024 | Gross receivable 2023 | Impairment 2023 |
|---|---|---|---|---|
| Not past due | 31,769 | – | 36,245 | – |
| Past due 0-30 days | 1,156 | – | 2,249 | – |
| Past due 31-60 days | 1,331 | – | 385 | – |
| Past due 61-365 days | 870 | (96) | 664 | (170) |
| **Total** | **35,126** | **(96)** | **39,543** | **(170)** |

## 17. SUNDRY RECEIVABLES

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Loan receivable – Leadership Team | 31 | 2,729 | 2,817 |
| Prepayments | | 7,238 | 6,380 |
| Insurance proceeds receivable | 3 | 828 | 5,280 |
| Other receivables | | 4,877 | 2,877 |
| **Total sundry receivables - current** | | **15,222** | **17,354** |
| Loan receivable - CEO | 31 | 450 | 450 |
| **Total sundry receivables - non-current** | | **450** | **450** |

## 18. TRADE AND OTHER PAYABLES

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Trade creditors | | 11,058 | 10,268 |
| Accruals | | 14,070 | 16,946 |
| Employee benefits | | 2,454 | 7,009 |
| Medibee guarantee | 24 | 4,158 | – |
| HoneyWorld acquisition - deferred payable | 25 | 3,028 | – |
| HoneyWorld contingent consideration | 25 | 1,020 | – |
| Director fee accruals | | 34 | 96 |
| **Trade and other payables - current** | | **35,822** | **34,319** |
| Employee benefits | | 296 | 288 |
| **Trade and other payables - non current** | | **296** | **288** |





ASSETS

## 19. PROPERTY, PLANT AND EQUIPMENT

| *In thousands of New Zealand dollars* | Land | Buildings | Plant & machinery | Vehicles | Bearer plants | Office equipment, furniture & fittings | Capital WIP* | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| **Balance at 30 June 2022** | **11,521** | **28,020** | **30,656** | **2,708** | **6,162** | **8,668** | **12,997** | **100,732** |
| Additions/transfers | 4,200 | 1,758 | 3,705 | 118 | 1,682 | 1,069 | 2,690 | 15,222 |
| Disposals | (349) | (1,197) | (3,262) | (109) | – | (450) | – | (5,367) |
| Effect of movements in exchange rates | (37) | (25) | (62) | (16) | (101) | 20 | 4 | (217) |
| **Balance at 30 June 2023** | **15,335** | **28,556** | **31,037** | **2,701** | **7,743** | **9,307** | **15,691** | **110,370** |
| Additions/transfers | 1,916 | 883 | 2,364 | 73 | 4,261 | 428 | (2,412) | 7,513 |
| Disposals | – | (55) | (389) | (150) | – | (566) | 87 | (1,073) |
| Effect of movements in exchange rates | 10 | 9 | 15 | – | (1) | (7) | – | 27 |
| **Balance at 30 June 2024** | **17,261** | **29,393** | **32,027** | **2,624** | **12,004** | **9,162** | **13,366** | **116,837** |
| **Accumulated depreciation and impairment** | | | | | | | | |
| **Balance at 30 June 2022** | **–** | **(8,958)** | **(18,196)** | **(1,802)** | **(604)** | **(6,204)** | **–** | **(35,764)** |
| Depreciation | – | (1,164) | (1,801) | (253) | (131) | (1,035) | – | (4,384) |
| Disposals | – | 360 | 1,745 | 77 | – | 443 | – | 2,625 |
| Effect of movements in exchange rates | – | 11 | 34 | 6 | 10 | (35) | – | 26 |
| **Balance at 30 June 2023** | **–** | **(9,751)** | **(18,218)** | **(1,972)** | **(725)** | **(6,831)** | **–** | **(37,497)** |
| Depreciation | – | (1,218) | (2,179) | (184) | (310) | (999) | – | (4,890) |
| Impairment (note 22) | – | – | (900) | – | – | – | (2,500) | (3,400) |
| Disposals | – | 40 | 246 | 150 | – | 554 | – | 990 |
| Effect of movements in exchange rates | – | (4) | (1) | (1) | (1) | 2 | – | (6) |
| **Balance at 30 June 2024** | **–** | **(10,933)** | **(21,052)** | **(2,008)** | **(1,036)** | **(7,274)** | **(2,500)** | **(44,803)** |
| **Carrying amount** | | | | | | | | |
| At 30 June 2022 | 11,521 | 19,062 | 12,460 | 906 | 5,558 | 2,464 | 12,997 | 64,968 |
| At 30 June 2023 | 15,335 | 18,805 | 12,819 | 729 | 7,018 | 2,476 | 15,691 | 72,873 |
| **At 30 June 2024** | **17,261** | **18,460** | **11,975** | **617** | **10,967** | **1,888** | **10,866** | **72,034** |

*$10,600,000 of capital work in progress relates to the development of Mānuka forests.

**19. PROPERTY, PLANT AND EQUIPMENT (continued)**

### Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation is allocated to cost of sales, marketing expenses, selling and distribution expenses, and administrative and other operating expenses.

The estimated useful life for the current and comparative periods are as follows:

- Buildings — up to 50 years
- Plant and machinery — 2 - 20 years
- Vehicles — 4 - 15 years
- Office equipment, furniture and fittings — 2 - 15 years
- Bearer plants — 20 - 100 years
- Mānuka Forest — 15 - 22 years

Depreciation methods, useful life and residual values are reassessed at the reporting date.

### Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.



**20. RIGHT OF USE ASSETS AND LEASES**

The Group leases warehouses, retail stores, administration premises, vehicles, and land used for hive placements referred to as Mānuka forests in the table below.

| *In thousands of New Zealand dollars* | **Buildings** | **Vehicles** | **Mānuka forests** | **Total** |
|---|---|---|---|---|
| **Balance at 30 June 2022** | **4,974** | **1,039** | **6,099** | **12,112** |
| Additions | 1,700 | 3,291 | 659 | 5,650 |
| Modifications | 1,869 | 301 | – | 2,170 |
| Depreciation | (4,021) | (1,061) | (350) | (5,432) |
| Disposals | – | (58) | – | (58) |
| Effect of movement in exchange rates | (35) | – | – | (35) |
| **Balance at 30 June 2023** | **4,487** | **3,512** | **6,408** | **14,407** |
| Additions | 4,016 | 704 | 3,204 | 7,924 |
| Modifications | 4,828 | 32 | 133 | 4,993 |
| Depreciation | (4,411) | (982) | (489) | (5,882) |
| Disposals | (758) | (365) | (93) | (1,216) |
| **Balance at 30 June 2024** | **8,162** | **2,901** | **9,163** | **20,226** |

### Amounts recognised in the statement of comprehensive income

| *In thousands of New Zealand dollars* | **30 June 2024** | **30 June 2023** |
|---|---|---|
| Interest on lease liabilities | 955 | 639 |
| Variable lease payments not included in the measurement of lease liabilities | 6,126 | 5,274 |
| Expenses relating to short-term leases | 622 | 594 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | 26 | 26 |

During the year ended 30 June 2024, $399,000 of depreciation and $513,000 of interest related to Mānuka forest leases was capitalised into Mānuka forest assets (2023: $197,000 and $227,000).

### Lease liabilities

As at 30 June 2024, the weighted average rate applied was 7.3% (2023: 6.3%). Total cash outflow for right of use leases for the year ended 30 June 2024 was $7.4 million (2023: $5.6m).

### Maturity analysis - contractual undiscounted cash flow

Non-cancellable lease rentals ae payable as follows:

| *In thousands of New Zealand dollars* | **30 June 2024** | **30 June 2023** |
|---|---|---|
| Less than one year | 7,080 | 5,230 |
| Between one and five years | 10,376 | 8,160 |
| Greater than five years | 6,523 | 7,053 |
| **Total** | **23,979** | **20,443** |

The Group assesses at lease commencement whether it is reasonably certain to exercise extension options where included in the contract, and where it is reasonably certain, the extension period has been included in the lease liability calculation.

### 21. INTANGIBLE ASSETS

| *In thousands of New Zealand dollars* | Goodwill | Intellectual property and other intangible assets | Software* | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **Balance at 30 June 2022** | **26,751** | **17,692** | **8,298** | **52,741** |
| Additions | – | 386 | 3,039 | 3,425 |
| Disposals | – | – | (130) | (130) |
| Effect of movements in exchange rates | 681 | (602) | (5) | 74 |
| **Balance at 30 June 2023** | **27,432** | **17,476** | **11,202** | **56,110** |
| Additions | 4,699 | 5,162 | 852 | 10,713 |
| Disposals | – | – | (2) | (2) |
| Effect of movements in exchange rates | 34 | – | 2 | 36 |
| **Balance at 30 June 2024** | **32,165** | **22,638** | **12,054** | **66,857** |
| **Accumulated amortisation and impairment** | | | | |
| **Balance at 30 June 2022** | **–** | **(8,196)** | **(4,143)** | **(12,339)** |
| Amortisation | – | (1,263) | (1,017) | (2,280) |
| Disposals | – | – | 126 | 126 |
| Effect of movements in exchange rates | – | 166 | (29) | 137 |
| **Balance at 30 June 2023** | **–** | **(9,293)** | **(5,063)** | **(14,356)** |
| Amortisation | – | (1,485) | (999) | (2,484) |
| Impairment (note 22) | (32,165) | (5,016) | (5,497) | (42,678) |
| Disposals | – | – | 2 | 2 |
| Effect of movements in exchange rates | – | 12 | (1) | 11 |
| **Balance at 30 June 2024** | **(32,165)** | **(15,782)** | **(11,558)** | **(59,505)** |
| **Carrying amount** | | | | |
| At 30 June 2022 | 26,751 | 9,496 | 4,155 | 40,402 |
| At 30 June 2023 | 27,432 | 8,183 | 6,139 | 41,754 |
| **At 30 June 2024** | **–** | **6,856** | **496** | **7,352** |

* Software additions materially relate to customised software code where Comvita retains control of the code and its future benefits.

### 21. INTANGIBLE ASSETS (continued)

#### Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Amortisation is allocated to cost of sales, marketing expenses, selling and distribution expenses, and administrative and other operating expenses.

The estimated useful life for the current and comparative periods are as follows:

- Intellectual property and other intangible assets 3 – 20 years
- Capitalised development costs 2 – 5 years
- Software 2 - 10 years

The estimation of useful lives of intangible assets such as distribution networks have been based on historical experience. The useful lives are reviewed at least once per year and adjustments to useful lives are made when considered necessary.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement when incurred.

#### Goodwill

Goodwill that arises on the acquisition of subsidiaries and other business combinations is presented within intangible assets. Goodwill is measured at cost less accumulated impairment losses.

## 22. GOODWILL AND ASSET IMPAIRMENT TESTING

### Impairment expense summary

During the period, the Group identified impairments related to financial assets. Subsequent to this, given the identification of impairment indicators, the Group has undertaken an assessment of the carrying value of its CGUs and non-financial assets. This assessment was supported by an independent valuation completed in accordance with Advisory Engagement Standard 2. As a result of this assessment, various impairments have been recognised and are summarised as follows:

| *In thousands of New Zealand dollars* | Notes | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| **Financial assets** | | | |
| Loan to equity accounted investee - Apiter | 24a | 1,259 | – |
| Loan to equity accounted investee - Medibee | 24d | 272 | – |
| Medibee guarantee impairment | 24d | 4,158 | – |
| **Non-financial assets** | | | |
| Investment in equity accounted investee - Apiter | 24a | 7,918 | – |
| Investment in equity accounted investee – Caravan Honey | 24c | 4,251 | – |
| Software | 21 | 5,497 | – |
| Software in prepayments | | 255 | – |
| **Greater China CGU** | | | |
| Goodwill | | 25,632 | – |
| China distribution network asset - other intangible assets | 21 | 5,015 | – |
| **Southeast Asia CGU** | | | |
| Goodwill | | 4,699 | – |
| **Apiary CGU** | | | |
| Goodwill | | 1,766 | – |
| Plant & Machinery | 19 | 900 | – |
| Mānuka forest assets – capital work in progress | 19 | 2,500 | – |
| **Other CGU** | | | |
| Goodwill | | 68 | – |
| **Total** | | **64,190** | **–** |

### Software

A software impairment of $5,752,000 has been recognised as the software will no longer be utilised or provide economic benefits as a result of transformation in the digital market.

### Greater China and South East Asia CGUs

The Greater China and South East Asia CGUs have been impacted by a down-turn in consumer demand in Asian markets, particularly China, that is expected to result in a period of low growth and increased pressure to grow sales volume. This has resulted in a goodwill impairment of $25,632,000 and $4,699,000 respectively. In addition, the China distribution network asset of $5,016,000 has been impaired to nil.

### Apiary CGU

There is currently excess supply over demand for Mānuka Honey, which has put downwards process on Mānuka Honey pricing. This has impacted the revenue stream for this CGU in the short term and resulted in a goodwill impairment of $1,766,000, a plant & machinery impairment of $900,000 and a Mānuka Forest asset impairment of $2,500,000.





## 22. GOODWILL AND IMPAIRMENT TESTING (continued)

### Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Greater China | – | 25,597 |
| South East Asia | – | – |
| Apiaries | – | 1,766 |
| Other | – | 68 |
| **Total goodwill** | – | 27,431 |

### Greater China CGU:

The recoverable amount of the Greater China CGU containing goodwill has been determined on a value in use basis using a discounted cash flow approach. Projections are based on the budget and value in use forecasts approved by the Board of Directors.

| **Key assumptions:** | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Annual revenue growth rate | (8.2%) to 1.9% | 4.7% to 17.3% |
| Post tax discount rate | 8.5% | 12.1% |
| Terminal growth rate | 2.0% | 2.0% |

| **Value in Use recoverable amount:** | 30 June 2024 |
|---|---|
| *In thousands of New Zealand dollars* | |
| Recoverable amount | 33,600 |

| **Sensitivity to changes in key assumptions** | 30 June 2024 | 30 June 2023 |
|---|---|---|
| *In thousands of New Zealand dollars* | | |
| The recoverable amount was more / (less) than the carrying value by | (30,600) | 115,500 |
| If projected earnings before interest and tax ("EBIT") is reduced by 10% each year, the recoverable amount would be more / (less) than the carrying value by | (36,300) | 89,000 |
| The post-tax discount rate for the recoverable value to match the carrying value | 5.0% | 30.6% |

### 22. GOODWILL AND IMPAIRMENT TESTING (continued)

**Apiaries:**

The recoverable amount of the Apiary CGU containing goodwill has been determined on a value in use basis using a discounted cash flow approach. Projections are based on the budget and value in use forecasts approved by the Board of Directors.

| Key assumptions: | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Annual revenue growth | (8.7%) to 30.2% | 0% to 35.9% |
| Post tax discount rate | 10.8% | 10.9% |
| Terminal growth rate | 2.0% | 2.0% |

| Value in Use recoverable amount: | 30 June 2024 |
|---|---|
| *In thousands of New Zealand dollars* | |
| Recoverable amount | 31,400 |

| Sensitivity to changes in key assumptions | 30 June 2024 | 30 June 2023 |
|---|---|---|
| *In thousands of New Zealand dollars* | | |
| The recoverable amount was more / (less) than the carrying value by | (5,200) | 28,320 |
| If projected earnings before interest and tax ("EBIT") is reduced by 10% each year, the recoverable amount would be more / (less) than the carrying value by | (9,800) | 22,288 |
| The post-tax discount rate for the recoverable value to match the carrying value | 9.9% | 17.5% |







### 22. GOODWILL AND IMPAIRMENT TESTING (continued)

**South East Asia:**

The recoverable amount of the South East Asia CGU containing goodwill has been determined on a value in use basis using a discounted cash flow approach. Projections are based on the budget and value in use forecasts approved by the Board of Directors.

| Key assumptions: | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Annual revenue growth | 4.0% to 10.2% | n/a |
| Post tax discount rate | 18.0% | n/a |
| Terminal growth rate | 2.0% | n/a |

| Value in Use recoverable amount: | 30 June 2024 |
|---|---|
| *In thousands of New Zealand dollars* | |
| Recoverable amount | 4,200 |

| Sensitivity to changes in key assumptions | 30 June 2024 | 30 June 2023 |
|---|---|---|
| *In thousands of New Zealand dollars* | | |
| The recoverable amount was more / (less) than the carrying value by | (4,700) | n/a |
| If projected earnings before interest and tax ("EBIT") is reduced by 10% each year, the recoverable amount would be more / (less) than the carrying value by | (5,300) | n/a |
| The post-tax discount rate for the recoverable value to match the carrying value | 10.7% | n/a |

A Cash Generating Unit ("CGU") is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment reviews are performed by management annually to assess the carrying values of the CGUs containing goodwill. The recoverable amount of a CGU is determined based on value in use calculations. In assessing the value in use, the estimated future cash flows for a five-year period are discounted to their present value using a post-tax discount rate that reflect current market assessments of the time value of money and risks specific to that asset. An impairment is recognised when the recoverable amount is less than the carrying value.

### 23. BIOLOGICAL ASSETS

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Bees | 4,206 | 3,854 |
| Olive leaf | 600 | 583 |
| **Total biological assets** | **4,806** | **4,437** |

| **Bees**<br>*In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Balance at beginning of the year | 3,854 | 3,315 |
| Fair value increase | 697 | 304 |
| Net movement in operational hives | (345) | 235 |
| **Balance at the end of the year** | **4,206** | **3,854** |

| **Number of operational hives** | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Balance at beginning of the year | 18,865 | 17,553 |
| Net movement in operational hives | (1,647) | 1,312 |
| **Balance at the end of the year** | **17,218** | **18,865** |
| | | |
| **Value per hive** | **$210** | **$178** |

Biological assets comprise bees and olive leaf, and are measured at fair value less costs to sell. Fair value of biological assets is determined annually and is recognised in the income statement.

The fair value of bees is determined by reviewing the operational hives in use as well as ensuring the value per hive is in line with guidance provided by the Ministry of Primary Industries (a level 2 valuation). The fair value of olive leaf is determined using input costs (a level 3 valuation). The Group is exposed to some risks related to owning bees and olive leaf, primarily the risk of damage from climatic changes and diseases. The Group has processes in place aimed at monitoring and mitigating those risks.

Olive leaf is transferred from biological asset to inventory at fair value at the date of harvest.



### 24. INVESTMENTS

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Equity accounted investees | – | 10,226 |
| Investment in unlisted shares | – | 8 |
| **Total investments** | **–** | **10,234** |

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangements, rather than the rights to its assets and obligations for its liabilities. Associates are those entities in which the Group has significant influence, but it does not have control or joint control over the financial and operating policies. Associates and joint ventures are accounted for using the equity method (equity accounted investments). The income statement includes the Group's share of the income and expenses of equity accounted investments.

An assessment of the carrying value of equity accounted investments is performed at least annually and considers objective evidence for impairment on each investment. Objective evidence includes observable data on the investment, the status or context of markets, management's own view of fair value, and long-term investment intentions. The assessment also requires judgements about the expected future performance and cash flows of the investment.

**Investments in equity accounted investees comprises:**

| | Country of Incorporation | Ownership Interest Held | Balance Date | Principal Activity |
|---|---|---|---|---|
| Apiter S.A "Apiter" | Uruguay | 32% | 31 July | Manufacturing, selling and distribution |
| Makino Station Limited "Makino" | New Zealand | - | 30 June | Shareholding ceased 20 June 2024 |
| Caravan Honey Company "Caravan Honey" | U.S.A | 50% | 31 December | Development and commercialisation of products |
| Medibee Pty Limited "Medibee" | Australia | 50% | 30 June | Apiary |

#### a) Apiter

In January 2023, Comvita agreed to supply additional funding to Apiter in exchange for an increase in ownership from 20% holding to 32% holding. The additional funding was completed in two phases: an initial loan of USD 545,000 in January 2023 and an additional USD 1,445,000 when the share issuance procedures were completed in Uruguay, at which point the initial loan converted to equity. On 19 October 2023, the share issuance procedures and additional funding phase was completed.

An impairment of $7,918,000 has been recognised related to the Apiter investment, reducing the carrying value to nil at 30 June 2024. In addition, an impairment expense of $1,259,000 has been recognised against the loan to Apiter, reducing the carrying value to nil. This investment has been impacted by South America geopolitical unrest and persistent high inflation which has impacted Government spending and Apiter revenue growth strategies.

#### b) Makino

On 20 June 2024, Comvita sold its share in the Makino joint venture to the other shareholder of Makino (the purchaser). As part of the transaction the loan to Makino was assigned to the Purchaser. A gain on disposal of $1,377,000 was recognised in other income (note 3).

#### c) Caravan Honey

An impairment of $4,251,000 has been recognised related to the Caravan Honey investment, reducing the carrying value to nil at 30 June 2024. This investment is still in the development stage and will require further investment to launch commercially. Due to uncertainty of securing future funding, this investment has been impaired.

**24. INVESTMENTS (continued)**

### d) Medibee

Medibee Apiaries has a funding arrangement with HSBC and Comvita has signed a several guarantee for its share of the loan facility, which is AUD 4,700,000 at balance date.

During the year, Comvita agreed to loan Medibee an additional $272,000 which was immediately impaired to nil. The guarantee has been valued at 30 June 2024 using the expected credit loss method and an impairment expense and a corresponding liability has been recognised of $4,158,000.

### Carrying value of investment in equity accounted investees

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| **Balance at 1 July** | 10,226 | 10,957 |
| Additional investment (Apiter) | 3,420 | – |
| Disposal (Makino) | (555) | – |
| Share of loss | (904) | (844) |
| Foreign exchange movements | (18) | 113 |
| Impairment | (12,169) | – |
| **Balance at 30 June** | **–** | **10,226** |

### Loans to equity accounted investees

| *In thousands of New Zealand dollars* | Loan and interest receivable | Interest accrued | Interest rate |
|---|---|---|---|
| **2024** | | | |
| Apiter | – | – | 3.50% |
| **2023** | | | |
| Makino | 3,939 | 161 | 5.34% |
| Apiter | 2,119 | 53 | 3.50% |
| | **6,058** | **214** | |

All loans to equity accounted investees are repayable at the discretion of shareholders.

### Transactions with equity accounted investees

| *In thousands of New Zealand dollars* | Sale of goods and services | | Purchases of goods and services | |
|---|---|---|---|---|
| | Transaction value | Balance due from | Transaction value | Balance owing to |
| **2024** | | | | |
| Makino | 45 | – | 854 | 71 |
| Apiter | – | 32 | – | – |
| **2023** | | | | |
| Makino | 13 | – | 1,457 | 42 |
| Apiter | – | 32 | – | – |



**25. BUSINESS COMBINATION**

### Acquisition of the assets of Swift Health Food (Singapore) Pte Ltd

### Acquired entity

On 5 July 2023, Comvita Singapore Pte Ltd, (a subsidiary of Comvita Limited), acquired the assets of Swift Health Food (Singapore) Pte Ltd ("the Acquired Business"), a specialised honey retail business located in Singapore, trading as HoneyWorld. The acquisition is accounted for as a business combination under IFRS 3, Business Combinations in the year ended 30 June 2024.

### Purchase consideration

The acquisition was made in exchange for the following consideration:

| *In thousands of New Zealand dollars* | |
|---|---|
| Initial cash payment | 7,294 |
| Deferred amounts payable | 3,011 |
| Fair value of contingent consideration | 1,868 |
| | **12,173** |

### Fair value of identifiable assets and liabilities

The fair values of the identifiable assets acquired and liabilities assumed have been finalised based on independent valuation and other relevant information available:

| *In thousands of New Zealand dollars* | |
|---|---|
| Inventory | 2,530 |
| Intangible asset – trademarks and tradenames | 4,167 |
| Intangible asset – restraint of trade | 168 |
| Property, plant and equipment | 34 |
| Deferred tax asset | 708 |
| Employee liabilities | (53) |
| Customer loyalty scheme | (53) |
| Add: goodwill (note 21) | 4,672 |
| **Net assets acquired** | **12,173** |

### Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired. The goodwill is attributable to the workforce, supplier relationships and the profitability of the acquired business. The goodwill acquired is not deductible for tax purposes.

### Contingent consideration (significant estimate)

NZD 1,868,000 of contingent consideration was based on the achievement of specific performance targets and was payable in 2024 and 2025, split evenly over two years.

The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows. The estimates are based on a probability adjusted discount rate of 19.3%.

As at 30 June 2024 the contingent consideration payable at 30 June 2024 has been derecognised, as the criteria was not met. A gain of NZD 1,020,000 was included in other income (note 3). The contingent consideration payable as at 30 June 2025 has been revalued at 30 June 2024 and the difference in fair value of NZD 164,000 has been recognized as a change of fair value of contingent consideration in other expenses (note 5).

### Revenue and profit contribution

The Acquired Business contributed revenues of NZD 12,818,000 and a loss of NZD 77,000 to the Group for the period from 5 July 2023 to 30 June 2024.

## FINANCIAL RISKS

The Group is exposed to market, liquidity, and credit risks. The Group's financial risk management system mitigates exposure to these risks by ensuring that material risks are identified, the financial impact is understood, and tools and limits are in place to manage exposures. Written policies provide the framework for the Group's financial risk management system.

### 26. MARKET RISK

#### Foreign exchange risk

The Group is exposed to movements in foreign exchange rates through its receipts and payments that are denominated in a currency other than the New Zealand Dollar. The currencies in which transactions are primarily denominated are Chinese Yuan, United States Dollars, Australian Dollars, Hong Kong Dollars, Japanese Yen, Euros, and British Pounds.

The Group manages this risk using a mix of forward foreign exchange contracts, collars and options to fix future cash flow receipts in New Zealand dollars. At any point in time the Group hedges between 40% to 100% of its estimated net foreign currency receipts expected to be received over the following 12 months, and between 0% to 50% in respect of 12-to-24-month net foreign currency receipts.

As at reporting date the Group had the following foreign exchange contracts outstanding:

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Forward exchange contracts - asset/(liability) | 866 | (837) |

The Group's exposure to foreign currency risk at the reporting date was as follows:

*In thousands of New Zealand dollars*

| 30 June 2024 | RMB | AUD | GBP | HKD | USD | Other |
|---|---|---|---|---|---|---|
| Trade receivables | 14,507 | 3,437 | 269 | 450 | 5,140 | 4,673 |
| Trade and other payables | (2,849) | (1,704) | (325) | (1,470) | (1,815) | (5,340) |
| Gross statement of financial position exposure | 11,658 | 1,733 | (56) | (1,020) | 3,325 | (667) |
| Forward exchange contracts - nominal amount | 22,857 | 7,988 | 519 | 7,459 | 29,238 | 881 |

| 30 June 2023 | RMB | AUD | GBP | HKD | USD | Other |
|---|---|---|---|---|---|---|
| Trade receivables | 13,253 | 5,088 | 251 | 565 | 746 | 3,167 |
| Trade and other payables | (3,739) | (1,807) | (851) | (1,210) | (2,607) | (466) |
| Gross statement of financial position exposure | 9,514 | 3,281 | (600) | (645) | (1,861) | 2,701 |
| Forward exchange contracts - nominal amount | 24,738 | 8,877 | 1,277 | 12,244 | 51,432 | 2,091 |

#### Interest rate risk

The Group has fixed and floating rate debt and is exposed to movements in interest rates. For fixed rate debt the exposure is to falling interest rates as the Group could have secured that debt at lower rates, while for floating rate debt there is uncertainty of future cash interest payments.





### 26. MARKET RISK (continued)

The Group manages these risks using interest rate swaps to ensure that the total debt portfolio has an appropriate amount of fixed and floating rate exposure. The risk is monitored by assessing the notional amount of debt on a fixed and floating basis and ensuring this is in accordance with set policies.

As at the reporting date, the Group had the following interest rate swap contracts outstanding:

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Interest rate swaps asset/(liability) | – | 48 |

#### Sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in interest rates will have an impact on profit. At 30 June 2024 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $963,000 (30 June 2023: $778,000).

### 27. LIQUIDITY RISK

Liquidity risk is the risk of having insufficient liquid assets to pay the Group's debts as they fall due. The Group manages the risk by monitoring forecast cash flows and holding sufficient undrawn bank facilities to meet the Group's needs.

The contractual maturity of the Group's funding is as follows:

| *In thousands of New Zealand dollars* | Contractual cash flows | less than 1 year | 1-2 years | 2-5 years |
|---|---|---|---|---|
| **30 June 2024** | | | | |
| Borrowings | (99,885) | (6,605) | (68,988) | (24,292) |
| Trade and other payables | (36,118) | (36,118) | – | – |
| Derivatives - inflow | 70,594 | 51,394 | 19,200 | – |
| Derivatives - outflow | (69,727) | (50,906) | (18,821) | – |
| **Total** | **(135,136)** | **(42,235)** | **(68,609)** | **(24,292)** |
| **30 June 2023** | | | | |
| Borrowings | (78,761) | (4,959) | (20,081) | (53,721) |
| Trade and other payables | (34,607) | (34,607) | – | – |
| Derivatives - inflow | 100,865 | 53,543 | 39,480 | 7,842 |
| Derivatives - outflow | (101,659) | (54,863) | (39,175) | (7,621) |
| **Total** | **(114,162)** | **(40,886)** | **(19,776)** | **(53,500)** |

## 28. CREDIT RISK

The Group's exposure to credit risk is mainly influenced by its trade debtors and banking counterparties in the normal course of business. To minimise credit risk exposure, the Group reviews each new customer for credit worthiness and investments and derivatives are only entered into with reputable institutions. At balance date, the Group's bank accounts were held with banks with acceptable credit ratings determined by recognised credit agencies. The Group's policy is to provide financial guarantees only to subsidiaries and equity accounted investees.

The majority of revenue is generated from retailers and consumers and there is some geographical concentration of credit risk in China. In order to determine which customers are classified as having payment difficulties, the Group applies a mix of duration and frequency of default. Aging trade receivables are reviewed monthly by management.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Australia | 4,457 | 6,015 |
| China | 15,315 | 13,366 |
| New Zealand | 7,508 | 15,298 |
| United States | 2,592 | 636 |
| EMEA | 357 | 438 |
| Hong Kong | 554 | 668 |
| South East Asia | 2,626 | – |
| Other regions | 1,621 | 2,952 |
| **Total** | **35,030** | **39,373** |

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method and adjusted for credit impairment losses.

The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In assessing credit losses on trade receivables the Group considers both quantitative and qualitative inputs. Quantitative data includes past collection rates, industry statistics, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the Group.





## 29. FINANCIAL INSTRUMENTS

The Group classifies its financial assets and liabilities into two categories:

- those to be measured at amortised cost
- those to be measured a fair value (either through profit and loss (FVPL) or through comprehensive income (FVOCI)

### Non-derivative financial assets and liabilities

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at FVPL, any directly attributable transaction costs. A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Non-derivative financial assets and liabilities are measured initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost and subject to regular review for impairment.

### Derivative financial assets and liabilities

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value in the balance sheet. The gain or loss on remeasurement to fair value is recognised immediately in the income statement.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented in equity in the hedging reserve to the extent that the hedge is effective.

The derivative financial instruments have been valued using a discounted cash flow valuation methodology. All financial instruments held by the Group and measured at fair value are classified as level 2 under the fair value measurement hierarchy.

OTHER DISCLOSURES

## 30. SHARE SCHEMES

### Leader Share Purchase & Loan Scheme

In 2021 Comvita Limited established a Leader Share Purchase & Loan Scheme ("LSPLS") to retain key employees and materially align the interests of participants with those of shareholders, by making loans available to eligible employees for the acquisition of fully paid ordinary shares in Comvita.

| | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Employees in the LSPLS | 7 | 8 |
| Number of shares held | 696,077 | 738,012 |
| % of share capital | 0.99% | 1.05% |

### Performance Share Rights Scheme

Comvita Limited has a Performance Share Rights (PSR's) Scheme to incentivise Executives. Upon vesting of the PSR's, shares will be transferred from treasury stock or new shares will be issued in the capital of the Company on the terms and conditions described in the Comvita Limited Performance Share Rights Scheme. Share based payment expenses are recognised over the vesting period of these PSR's.

| *In thousands* | 30 June 2024 Number of entitlements | 30 June 2023 Number of entitlements |
|---|---|---|
| **Entitlements on issue** | | |
| Entitlements outstanding at beginning of year - July | 872 | 458 |
| Entitlements granted | 372 | 607 |
| Entitlements cancelled | (76) | – |
| Shares vested | (323) | (193) |
| **Entitlements outstanding at end of year** | **845** | **872** |

### Employee Share Scheme

In 2022 the Company established a new Employee Share Scheme called the Comvita Exempt Employee Share Scheme ("CEES Scheme"). The CEES Scheme is designed to allow employees to share in the future of the Company. The key points of the CEES Scheme are:

- Comvita offered a certain number of ordinary shares to eligible employees.
- When the offer was accepted Comvita issued the shares to the CEES Scheme Trustee (Comvita Share Scheme Trustee Limited, which is a subsidiary Company) who will hold the shares on the employee's behalf.
- The release of shares to the employee is subject to remaining employed with the Company for three consecutive years subsequent to accepting the offer.
- The Company may from time to time invite eligible employees to participate in the CEES Scheme.
- All dividends or other distributions made in respect of each employee's shares held on trust by the Trustee shall be paid to the employee.

There are 150 employees in the CEES Scheme and the number of shares held is 56,385.

### Share-based payment transactions

A valuation of each employee scheme is performed at grant date either using the Monte Carlo model or the share price at grant date, less the present value of estimated dividend payments during the period. A share based payment is recognised over the vesting period of the PSR as an employee expense, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the actual number of share entitlements that vest.





## 31. RELATED PARTIES

### Transactions with Leadership Team and Directors

Leadership Team and Director compensation comprised:

| *In thousands of New Zealand dollars* | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Director fees | 605 | 605 |
| Short term employee benefits | 3,756 | 5,424 |
| KiwiSaver employer contribution | 165 | 186 |
| Share based payments | 1,039 | 972 |
| **Total** | **5,565** | **7,187** |

### Leadership Team loans:

| *In thousands of New Zealand dollars* | Note | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Loan to CEO - non-current | | 450 | 450 |
| Loans to Leadership Team – Leader Share Purchase & Loan scheme | 30 | 2,279 | 2,367 |
| **Total** | | **2,729** | **2,817** |

At 30 June 2024 Directors and other Leadership Team personnel of the Company control 2.4% (2023: 2.6%) of the voting shares of the Company.

### 32. GROUP ENTITIES

The Group comprises of the Company and the following entities:

| Subsidiaries | Country of Incorporation | Ownership Interest Held |
|---|---|---|
| Comvita New Zealand Limited | New Zealand | 100% |
| Bee & Herbal New Zealand Limited | New Zealand | 100% |
| Comvita Landowner Share Scheme Trustee Limited | New Zealand | 100% |
| Comvita Share Scheme Trustee Limited | New Zealand | Management control |
| Comvita USA, Inc | USA | 100% |
| Comvita Japan K.K | Japan | 100% |
| Comvita Korea Co Limited | Korea | 100% |
| Comvita Food (China) Limited | China | 100% |
| Comvita Food (Hainan) Co. Ltd | China | 100% |
| Comvita China Limited | Hong Kong | 100% |
| Comvita Holdings HK Limited | Hong Kong | 100% |
| Comvita HK Limited | Hong Kong | 100% |
| Comvita Malaysia Sdn Bhd | Malaysia | 100% |
| Comvita Singapore Pte Limited | Singapore | 100% |
| Comvita Holdings Pty Limited | Australia | 100% |
| Comvita Australia Pty Limited | Australia | 100% |
| Olive Products Australia Pty Limited | Australia | 100% |
| Comvita IP Pty Limited | Australia | 100% |
| Medihoney Pty Limited | Australia | 100% |
| Medihoney (Europe) Limited | United Kingdom | 100% |
| Comvita Holdings UK Limited | United Kingdom | 100% |
| Comvita UK Limited | United Kingdom | 100% |
| New Zealand Natural Foods Limited | United Kingdom | 100% |
| Comvita Europe BV | Netherlands | 100% |

All Group subsidiaries have a 30 June balance date, except for Comvita Food (China) Limited and Comvita Food (Hainan) Co. Ltd, which have a 31 December balance date due to local requirements.

### 33. COMMITMENTS

At year end the Group was committed to $3.4 million of capital expenditure related to the ongoing development of Mānuka forests which will be paid over the next four years (2023: $2.6 million over the next year).

$2.5 million of Mānuka Forest commitments are also disclosed in note 20 as lease commitments.





AUDIT REPORT

KPMG

# Independent Auditor's Report

To the shareholders of Comvita Limited (**Group**)

**Report on the audit of the consolidated financial statements**

## Opinion

In our opinion, the accompanying consolidated financial statements of Comvita Limited (the **Company**) and its subsidiaries (together the **Group**) on pages 93 to 130 present fairly in all material respects:

- the Group's financial position as at 30 June 2024 and its financial performance and cash flows for the year ended on that date In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Comvita Limited 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) (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to limited assurance services over Greenhouse Gas scope 1, 2 & 3 emissions reporting and taxation. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

KPMG

## 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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Impairment of Non-Current Assets** | |
| Refer to Note 21 and 22 of the consolidated financial statements.<br><br>Prior to any recognised impairment, the Group had \$32.2m of goodwill relating to four cash generating units (CGU's):<br>— Greater China;<br>— South East Asia;<br>— Apiary; and<br>— Other.<br><br>The Group utilises value in use models to determine the recoverable amount of each CGU, which are then compared to the CGU's net assets. In relation to these models, particular attention was required of:<br>— Projected earnings before interest and tax (EBIT);<br>— Post tax-discount rates; and<br>— Terminal growth rates.<br><br>The process of performing an impairment assessment is inherently judgemental as it involves the use of unobservable, forward-looking assumptions and data. | Our audit procedures included the following, amongst others:<br>— We assessed the Group's determination of CGU's based on our understanding of the nature of the Group, their operations and the internal reporting of the business;<br>— We obtained the independent valuers valuation report of the CGU's and overall Group. The primary valuation(s) methodology adopted to estimate the Value in Use (VIU) was the discounted cash flow approach.<br>— We assessed the valuation and VIU models for each CGU and the overall Group considering the methodology adopted in the discounted cash flow valuation models against the requirements of the applicable financial reporting standards;<br>— We considered the reasonableness of assumptions in individual and Group VIU models based on the Group 5 year forecasts to ensure appropriate and consistent cash flows reported. We analysed the future cash flow forecasts used and determined whether they are reasonable based on the implementation of the strategic plan and historical achievements;<br>— We utilised our corporate finance specialists to challenge key judgements, which included the post tax-discount rates and terminal growth rates applied;<br>— We reviewed the sensitivity analysis on key cash flow forecast assumptions to understand the impact of reasonable possible changes in key assumptions in various scenarios;<br>— We obtained management's resulting impairment adjustments and performed testing to compare the calculated recoverable values per the models to the associated carrying amounts, and assessed whether the resulting impairment expense were recognised appropriately;<br>— We evaluated the recoverable amount of the remaining assets in the Group; and<br>— We considered and reviewed appropriateness, sufficiency and clarity of required disclosures included in the Group financial statements. |







KPMG

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| In addition to the above, the carrying amount of the Group's net assets as at 30 June 2024, prior to any impairment, significantly exceeded its market capitalisation of \$76.5m and is considered an indicator of impairment. | We did not identify any factors that were materially inconsistent with management's overall conclusions. |

## Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises the Directors Declaration, Statutory Information and Directory (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to directors.

## Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

KPMG

## Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error;
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

- to obtain reasonable assurance about whether the financial statements as a whole free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Keaney.

For and on behalf of:

KPMG

KPMG
Tauranga
28 August 2024







# STATUTORY INFORMATION

## GENERAL DISCLOSURES

### Principal activity

The principal activity of the Group is apiary and forest ownership and management; and research, manufacturing and distributing of Mānuka honey, bee products and olive leaf products.

### Donations

During the year the Group made cash donations of $250,000 (2023: $282,000). The Company also made donations of products to charitable organisations.

## DIRECTOR DISCLOSURES

### Directors' remuneration for the year ended 30 June 2024

| *In thousands of New Zealand dollars* | Base Fee | Committee Fee | Total |
|---|---|---|---|
| B Hewlett | 130 | – | 130 |
| L Bunt (resigned effective 30 September 2023) | 16 | 8 | 24 |
| R Major | 65 | 33 | 98 |
| Z Guangping | 65 | – | 65 |
| Y Wu | 65 | – | 65 |
| B Coates | 65 | 10 | 75 |
| J Hoare | 65 | 27 | 92 |
| M Sang (appointed effective 5 October 2023) | 49 | 7 | 56 |
| D Banfield | – | – | – |
| **Total** | **520** | **86** | **605** |

The maximum total pool of annual Directors' remuneration is $610,000, as approved by Shareholders in 2016.

**DIRECTOR DISCLOSURES (continued)**

### Interests register

Directors have disclosed the following general disclosures of interests: :

**R MAJOR**

Chair – Gibb Holdings (Nelson) Ltd
Chair – High Value Nutrition National Science Challenge
Chair – Go Global Avocado Primary Growth Partnership**
Chair – Armer Group Advisory Board
Deputy Chair – Hautupua General Partner Ltd**
Deputy Chair – Miro Trading General Partner Ltd**
Chair – SFFF Programme Miro
– Transforming Māori land to high-value horticulture*
Managing Director and Shareholder – Sinotearoa Ltd
Director – BioVittoria Ltd
Director – BioVittoria Investments Ltd
Director – Dairy Holdings Limited
Member – Oriens Capital Investment Committee

**L BUNT** (ceased to be a director 30 September 2023)

Chairman – Heat Treatments Limited

**B COATES**

Chair – Toitu Tahua: Centre for Sustainable Finance
Chair – Fonterra – Sustainability Chairman
– Advisory Panel**
Chair – Koi Tu: Centre for Informed Futures / University of Auckland
Director – Yealands Wine Group Ltd
Director – Northern Rescue Helicopter Trust
Director – American Chamber of Commerce
Director and Trustee – Mindful Money (Charity)
Director – MyFarm Kiwifruit Investment Fund*

**J HOARE**

Director – Meridian Energy Limited
Chair – Port of Tauranga Limited
Director – Auckland International Airport Limited

**B HEWLETT**

Director – Quayside Holdings Limited**
Director – Quayside Properties Limited**
Director – Quayside Securities Limited**

**Y WU*****

Director – Genesis Care Pty Limited**
Director – Oatly Group AB
Director – Blossom Key Holdings Ltd
Director – China Resources Verlinvest Senior Care Services Ltd
Director – Nativus Company Ltd
Director – Shanghai Red Sun Enterprise Management Co., Ltd
Director – Chongqing Hezhan Eldercare Industry Development Co., Ltd
Director – Chengdu Buen Chunqiu Senior Care Services Limited

**M SANG**

Director – Orion New Zealand Limited*
Director – Government Super Fund Authority*
Director & Deputy Chair – Building Research Association NZ*

* Entries added and effective during the year ended 30 June 2024

** Entries removed by directors during the year ended 30 June 2024

*** Mr Zhu Guangping and Ms Yawen Wu are associated with substantial product holders. Zhu Guangping is associated with Li Wang, the largest shareholder in the Company with a shareholding greater than 5%. Yawen Wu is associated with China Resources which also has a shareholding greater than 5%.



**DIRECTOR DISCLOSURES (continued)**

### Directors of Group Companies other than shown above

**as at 30 June 2024**

| Companies | Directors | | |
|---|---|---|---|
| Bee & Herbal New Zealand Limited | D Banfield * | | |
| Comvita Australia Pty Limited | D Banfield* | M Tobin | |
| Comvita China Limited | D Banfield* | G Zhu | A Chen* |
| Comvita Europe B.V | D Banfield* | R Bosland* | |
| Comvita Food (China) Limited | D Banfield* | A Chen* | G Zhu |
| Comvita Food (Hainan) Co. Limited | D Banfield* | A Chen* | |
| Comvita HK Limited | D Banfield* | A Chen* | |
| Comvita Holdings HK Limited | D Banfield* | A Chen* | |
| Comvita Holdings Pty Limited | D Banfield* | M Tobin | |
| Comvita Holdings UK Limited | D Banfield* | | |
| Comvita IP Pty Limited | D Banfield* | M Tobin | |
| Comvita Japan K. K ** | D Banfield* | M Harada ** | |
| Comvita Korea Co Limited | D Banfield* | J Park* | |
| Comvita Landowner Share Scheme Trustee Limited | D Banfield* | | |
| Comvita Malaysia Sdn Bhd *** | D Banfield* | A Chen* | |
| Comvita New Zealand Limited | D Banfield* | A Barr* | |
| Comvita Share Scheme Trustee Limited **** | D Banfield* | H Brown* | |
| Comvita Singapore Pte Limited *** | D Banfield* | Angela Ng | A Chen*** |
| Comvita UK Limited | D Banfield* | | |
| Comvita USA, Inc | D Banfield* | A Barr* | |
| Medihoney (Europe) Ltd | D Banfield* | | |
| Medihoney Pty Ltd | D Banfield* | M Tobin | |
| New Zealand Natural Foods Limited | D Banfield* | | |
| Olive Products Australia Pty Limited ** | D Banfield* | M Tobin | |

* *denotes an executive of a Group Company*
** *R Shida ceased to be a Director on 2 November 2023 and Matthew Harada appointed on 2 November 2023*
*** *Andy Chen appointed on 25 October 2023*

## DIRECTOR DISCLOSURES (continued)

### Share Dealings of Directors

| Director | Relevant Interest | Number of Shares Disposed | Value of Shares Disposed | Number of Shares Acquired | Value of Shares Acquired |
|---|---|---|---|---|---|
| B Hewlett | Beneficially owned | 120,000 | $379,200 | 9,090 | $9,999 |
| R Major | Beneficially owned | – | – | 17,700 | $19,470 |
| M Sang | Beneficially owned | – | – | 20,000 | $22,000 |
| D Banfield | Beneficially owned | – | – | 18,285 | $19,748 |
| D Banfield | Beneficially owned | – | – | 74,130 | –* |

*D Banfield received four allotments of shares during the year at nil value as part of the Performance Share Rights Scheme.

### Directors Shareholding

Directors, or entities associated with Directors, held the following ordinary shares in Comvita Limited at 30 June 2024:

| Director | Relevant Interest | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| R Major | Beneficially owned | 53,510 | 35,810 |
| B Hewlett | Beneficially owned | 290,016 | 400,926 |
| B Coates | Beneficially owned | 20,000 | 20,000 |
| J Hoare | Beneficially owned | 6,000 | 6,000 |
| M Sang | Beneficially owned | 20,000 | – |
| D Banfield* | Beneficially owned | 638,493 | 546,078 |
| **Total** | | **1,028,019** | **1,048,814** |

* D. Banfield also had 383,435 of outstanding Performance Share Rights at 30 June 2024.

### Directors Indemnity and Insurance

The Company has insured all its Directors and the Directors of its wholly owned subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions. Deeds of Indemnity and Insurance have been given to Directors for potential liabilities and costs they might incur for actions or omissions in their capacity as Directors. The Company has not been required to indemnify its Directors for any liabilities during the year. Insurance have been given to Directors for potential liabilities and costs they might incur for actions or omissions in their capacity as Directors. The Company has not been required to indemnify its Directors for any liabilities during the year.



## EMPLOYEE REMUNERATION DISCLOSURES

### Employees' remuneration

During the 12-month period to 30 June 2024 the following numbers of employees received remuneration of at least $100,000.

| | Number of employees |
|---|---|
| $100,000 to $110,000 | 12 |
| $110,000 to $120,000 | 14 |
| $120,000 to $130,000 | 11 |
| $130,000 to $140,000 | 5 |
| $140,000 to $150,000 | 7 |
| $150,000 to $160,000 | 9 |
| $160,000 to $170,000 | 7 |
| $170,000 to $180,000 | 5 |
| $190,000 to $200,000 | 3 |
| $200,000 to $210,000 | 1 |
| $210,000 to $220,000 | 3 |
| $220,000 to $230,000 | 2 |
| $240,000 to $250,000 | 4 |
| $250,000 to $260,000 | 2 |
| $270,000 to $280,000 | 1 |
| $280,000 to $290,000 | 1 |
| $290,000 to $300,000 | 1 |
| $310,000 to $320,000 | 1 |
| $320,000 to $330,000 | 2 |
| $330,000 to $340,000 | 1 |
| $350,000 to $360,000 | 1 |
| $360,000 to $370,000 | 1 |
| $370,000 to $380,000 | 1 |
| $390,000 to $400,000 | 1 |
| $440,000 to $450,000 | 1 |
| $490,000 to $500,000 | 1 |
| $570,000 to $580,000 | 1 |
| $760,000 to $770,000 | 1 |

Note: these bands are New Zealand dollar equivalents and reflect the impact of fluctuations in the foreign exchange rates for remuneration of overseas based employees. The figures include bonus provisions made during the year which may have not been paid at period end. It does not include any remuneration or benefit relating to share schemes.

## SHAREHOLDER DISCLOSURES

### Analysis of shareholder by size as at 30 June 2024

| Category | No of shareholders | Shares held | Percentage of shareholders | Percentage of shares |
|---|---|---|---|---|
| Up to 1,000 shares | 1,015 | 512,334 | 36.68% | 0.73% |
| 1,001 – 5,000 shares | 1,086 | 2,782,932 | 39.25% | 3.96% |
| 5,001 – 10,000 shares | 309 | 2,278,861 | 11.17% | 3.25% |
| 10,001 – 100,000 shares | 313 | 8,365,044 | 11.31% | 11.91% |
| 100,001 shares or more | 44 | 56,286,251 | 1.59% | 80.15% |
| **Total** | **2,767*** | **70,225,422** | **100%** | **100%** |

*This number does not include a number of shareholders within Custodial and Nominee companies*

### Top 20 shareholders as at 30 June 2024

| Shareholder | Shares held | Percentage of shares |
|---|---|---|
| Li Wang | 8,552,736 | 12.18% |
| HSBC Nominees (New Zealand) Limited | 5,640,751 | 8.03% |
| China Resources Enterprise Limited | 4,582,000 | 6.52% |
| Custodial Services Limited | 4,272,007 | 6.08% |
| Kauri NZ Investments Limited | 3,558,077 | 5.07% |
| Accident Compensation Corporation | 3,484,397 | 4.96% |
| Alan John Bougen & Lynda Ann Bougen & Graeme William Elvin | 2,314,893 | 3.30% |
| Bnp Paribas Nominees NZ Limited | 2,018,381 | 2.89% |
| Forsyth Barr Custodians Limited | 1,975,297 | 2.81% |
| Junxian Li | 1,881,110 | 2.68% |
| New Zealand Superannuation Fund Nominees Limited | 1,832,761 | 2.61% |
| Li Sun | 1,410,000 | 2.01% |
| New Zealand Permanent Trustees Limited | 1,296,817 | 1.85% |
| Rjt Investments Limited | 1,139,553 | 1.62% |
| Māori Investments Limited | 1,000,000 | 1.42% |
| New Zealand Depository Nominee | 920,99 | 1.31% |
| Citibank Nominees (NZ) Ltd | 847,621 | 1.21% |
| Masfen Securities Limited | 734,010 | 1.05% |
| NZ Permanent Trustees Ltd Grp Investment Fund No 20 | 565,742 | 0.81% |
| Forsyth Barr Custodians Limited | 546,983 | 0.78% |
| Other | 21,303,424 | 30.34% |
| **Total ordinary shares** | **70,225,422** | **100.00%** |





## SHAREHOLDER DISCLOSURES (continued)

### Substantial security holders as at 30 June 2024

| Shareholder | Shares held | Percentage of shares |
|---|---|---|
| Li Wang | 8,552,736 | 12.18% |
| China Resources Enterprise Limited | 4,582,000 | 6.52% |
| Milford Asset Management Limited* | 3,888,602 | 5.54% |
| Kauri NZ Investments Limited | 3,558,077 | 5.07% |

*This holding sits within HSBC Nominees (New Zealand) Limited. Milford Asset Management Limited ceased being an substantial security holder on 29 July 2024.

MORE DETAILS

## Directors

**COMVITA BOARD OF DIRECTORS**

—

Brett Hewlett
Bridget Coates
David Banfield
Guangping Zhu
Julia Hoare
Michael Sang
Robert Major
Yawen Wu

## Banker

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—

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**ANZ BANK NEW ZEALAND**

—

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## Auditors

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—

Level 2
247 Cameron Road
PO Box 110
Tauranga 3140

## Solicitor

**SIMPSON GRIERSON**

—

27/88 Shortland St
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Auckland 1010

## Share Registry

**LINK MARKET SERVICES LIMITED**

—

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PwC Tower
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Auckland 1010

All reporting in this annual report, including sustainability reporting, includes Comvita Limited and its subsidiaries (together referred to as "Comvita.") All the entities in Comvita's financial reporting are also included in its sustainability reporting. Reporting on Comvita's interests in equity accounted investees is included in the GHG inventory only.

All sustainability reporting in this annual report is for the period 1 July 2023 to 30 June 2024, which aligns with the financial reporting period. Comvita publishes all its reports on an annual basis. The publication data is 29 August Financial Statement and 27 September Annual Report.







OUR OFFICES

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2024

# Mōruki i ngā wā whanokē

ANNUAL REPORT / PŪRONGO-Ā-TAU

COMVITA.CO.NZ

COMVITA