



26 August 2024

Non-cash impairment summary

Comvita Limited (NZX:CVT) advises that it has completed the impairment review referred to in its 29 July 2024 unaudited FY24 results announcement.

Pursuant to accounting standard NZ IAS 36: Impairment of Assets, Comvita's audited non-cash impairment of assets has been confirmed at NZ\$59.8 million (before tax) as at 30 June 2024. This impairment expense is a non-cash charge and does not affect Comvita's core business activities. Summary included below. More detail on the impairment will be provided at the full year result release on 29 August 2024.

NZ\$'M Balance Sheet (B.S)	B.S Pre-Impairment	Impairment	B.S Post Impairment
Cash	\$8.2M	-	\$8.2M
Debtors	\$35.2M	-	\$35.2M
Other Current Assets	\$19.8M	\$2.5M	\$22.3M
Inventory ¹	\$134.4M	-	\$134.4M
Fixed Assets	\$95.1M	(\$3.4M)	\$91.7M
Intangible Assets	\$55.1M	(\$43.0M)	\$12.4M
Investments	\$12.2M	(\$12.2M)	-
Total Assets	\$360.3M	(\$56.1M)	\$304.2M
Tax Impact		(\$3.7M)	
Total Assets		(\$59.8M)²	

¹ The inventory balance is after adjusting for the FY24 honey harvest valuation of \$4.2M noted below.

² As advised to the market on 29 July this figure excludes \$4.43M Medibee Australia impairment.

This impairment was indicated due to a material gap between the company's net total assets (tangible and intangible) and its current market capitalisation. As part of the impairment process an independent advisor undertook a business valuation that complied with the provisions of AES-2 – Independent Business Valuations Engagement issued by Chartered Accountants Australia and New Zealand.

While undertaking the impairment review, Comvita determined that it needed to take up a \$4.2M valuation adjustment to the FY24 honey harvest (which will benefit future periods as inventory is sold through). A positive adjustment was also made to cost of sales of \$0.6M (both pretax) and a write off taken of \$2.0M of deferred tax assets that were considered unlikely to be utilised. The impact of these adjustments totalled \$4.5M at NPAT bringing the FY24 draft result to an after-tax loss of \$21.3M before taking up the impairment impact noted above.

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Chair

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About Comvita

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. Seeking to understand, but never to alter, we test and verify all our bee-product ingredients are of the highest quality in our own government-recognised and accredited laboratory. We are growing scientific knowledge on Manuka trees, the many benefits of Mānuka honey and propolis and bee welfare. 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 was certified B Corp, 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, Southeast Asia, and Europe – and of course, Aotearoa New Zealand, where our bees are thriving.

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