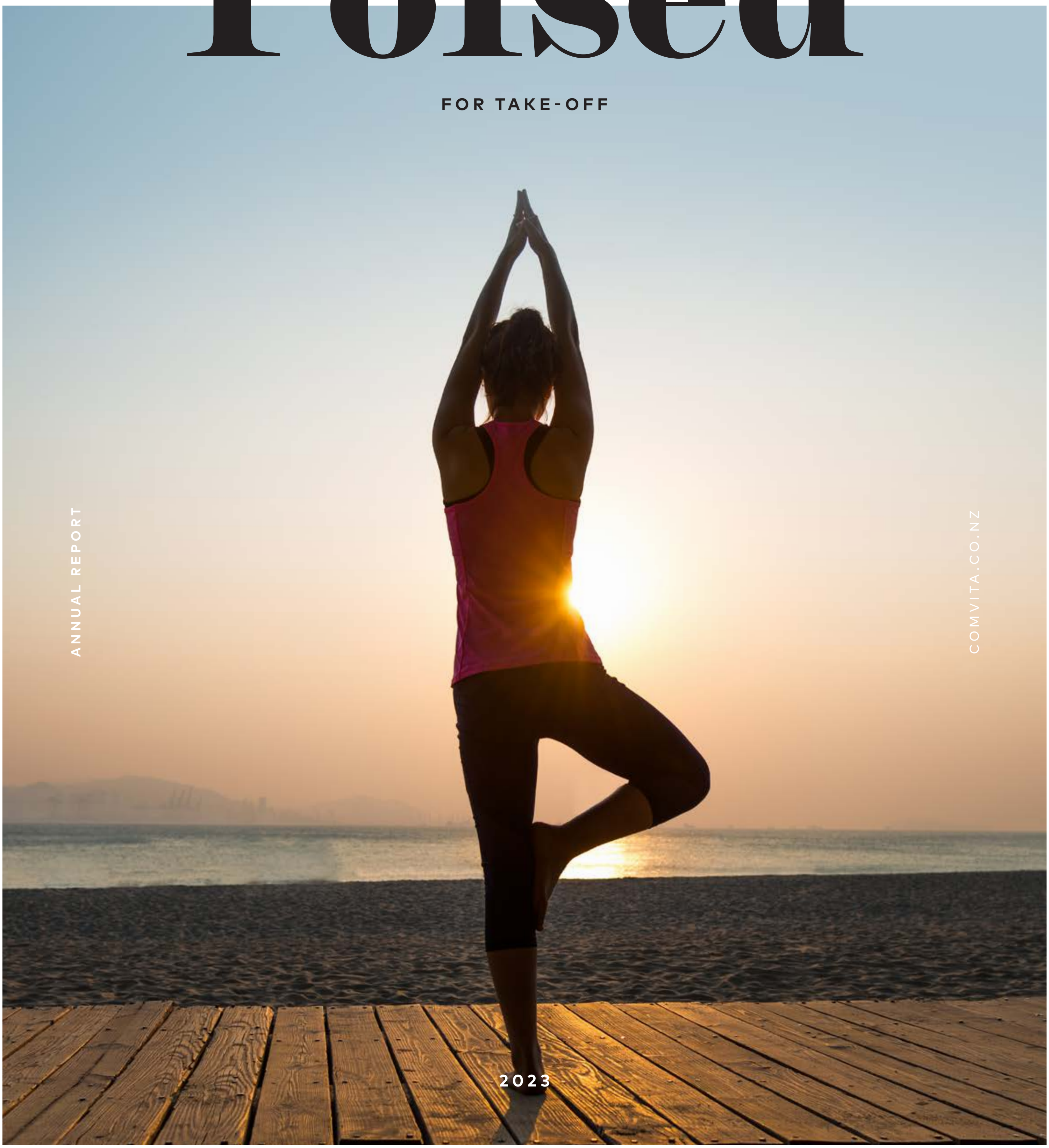
Poised

FOR TAKE-OFF

ANNUAL REPORT

COMVITA.CO.NZ



2023

COMVITA®

Management commentary
(no financial statements)

ANNUAL REPORT

B U Z Z I N G

Three years ago, we set out our strategic plan to stabilise performance, transform the organisation and achieve long-term resilience and growth. The end of a volatile year sees us on track and poised for take-off.

COMVITA.CO.NZ

Management commentary
(no financial statements)

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Many of the goals we set for ourselves back in 2020 are ticked off – in particular, the crucial middle stage of our transformation programme. This year, revenue growth was strong and earnings were in line with our guidance and our plan. Net debt reduced in our second half, and we delivered positive operating cashflow for the year. Our second-half operating cashflow was $29M. Net debt is above our long term target and we are accelerating plans to reduce debt over FY24. We are excited to be undertaking clinical trials on Mānuka honey for gut health and see this as an important stage for the company.

Strong business performance in our key growth market of China was matched by the continuing rise of our ecommerce channel. It's been exciting to watch our customers embrace Comvita as a premium natural health and wellness brand, enabling us to carefully target range expansion and product premiumisation and grow market share as a result.

At the same time, we have continued to invest in our forest strategy and to push towards our goal of being carbon neutral by 2025 and net positive by 2030.

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Performance

COMVITA.CO.NZ

Management commentary
(no financial statements)

PLEASED WITH

Progress

STRATEGY 01

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- Focus on fundamentals
- Relentless simplification
- Winning in Australia and Aotearoa New Zealand
- Positive cashflow paying down debt
- Inventory management
- Underperforming assets

STRATEGY 02

Transformed organisation

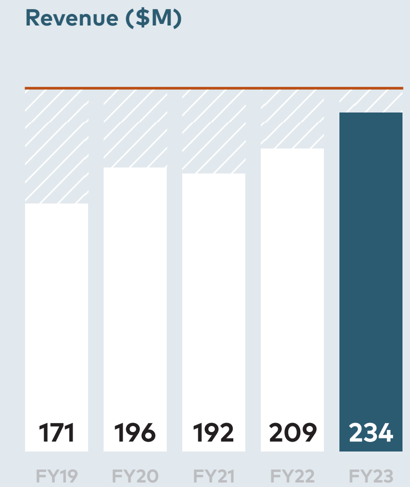
- Customer focus
- Reconnection with our cause
- New proven harvest model
- Flat organisation structure
- $15M transformation plan
- Agile focused team

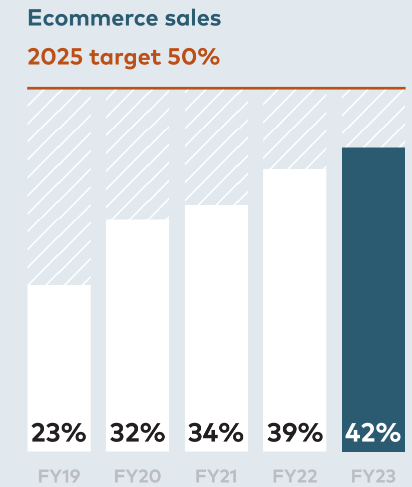
STRATEGY 03

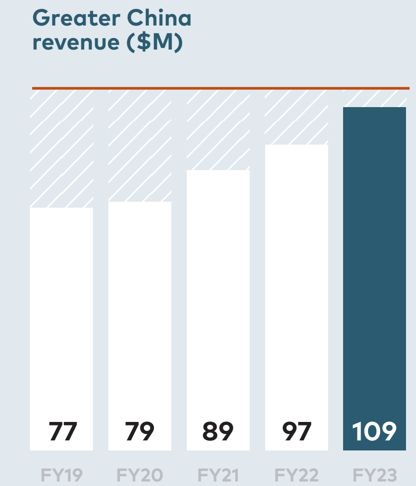
Building long-term resilience and growth

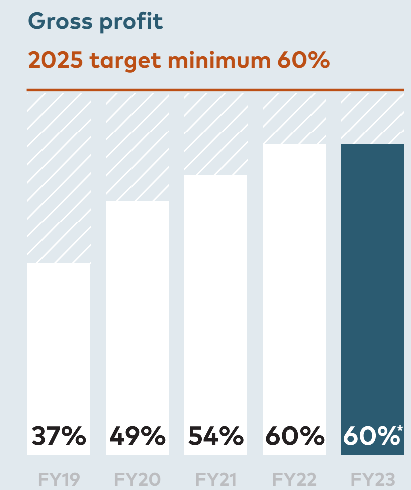
- Aligned five-year plan
- United States and China the engine for sustainable top-line and bottom-line growth
- Reducing breakeven point per month from $16.2M to $13.5M
- Simplified organisation
- Reduced debt <1 EBITDA

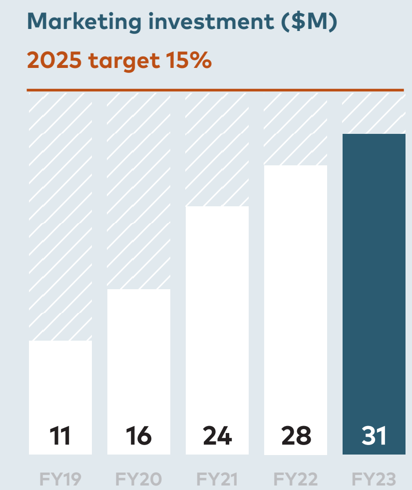
DELIVERING IS BELIEVING

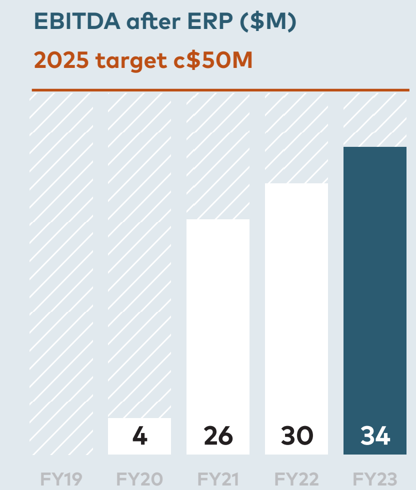


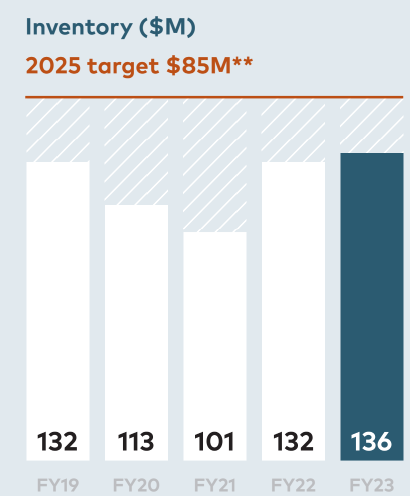












* Gross profit excluding stock write off from Cyclone Gabrielle.

** Excluding HoneyWorld™ or any other acquisitions.

Management commentary
(no financial statements)

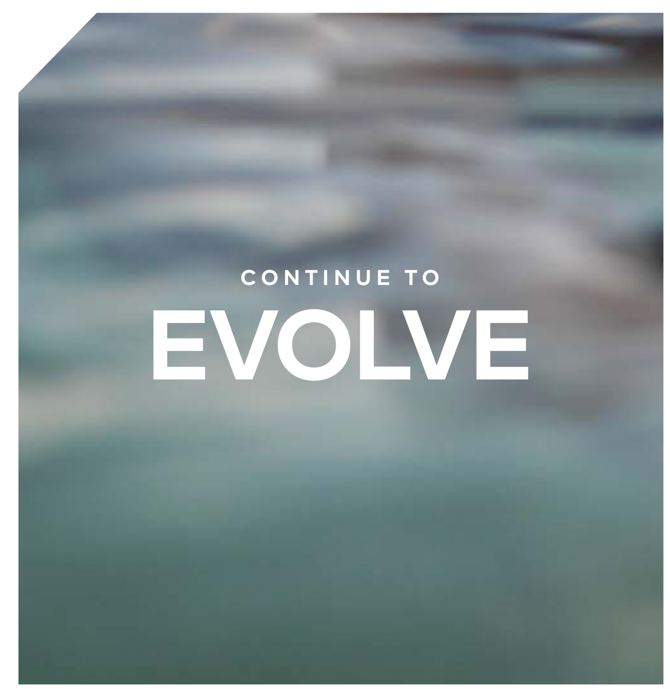
TARGETS

LOOKING
FORWARD

The end of this financial year sees us on track to deliver our 2025 EBITDA target of c$50M (20%) that we first shared back in 2020. We are delighted with the progress we are making, and our confidence is growing from meeting guidance for the last seven consecutive reporting periods. We foresee continued success in our ecommerce channels to the point where they are forecast to be around 50% of sales. We are also forecasting strong growth in China, though North America is expected to be flat year on year. All other segments are forecasting good top-line and bottom-line growth.

Our 2025 business model forecasts a minimum of 60% gross profit, 15% marketing to sales and a 20% EBITDA margin. We are also forecasting positive operating cashflow every half from now until year end FY25. Having successfully stabilised our organisation, our plans are to deliver careful and considered strategic investments designed to amplify our brand strength in our key markets.

LIFESTYLE



CONTINUE TO
EVOLVE

Successfully marketing our products into larger markets depends on us continuing to evolve our offering. Our target consumers are clear: well-educated, environmentally conscious women who believe in natural products and live in big cities across the world. They are looking to maximise their life and energy by living in a healthy modern way, and they are seeking out authentic brands that reflect their values and priorities to help them achieve that.

Our approach focuses on delivering Mānuka honey and Propolis in convenient formats. This will enable us to create new usage occasions for existing consumers and to reach new consumer groups by combining our products with other wellness solutions. The second aspect is highlighting Comvita as a premium natural health and wellness brand at major events and partnering with like-minded organisations.

COMVITA CLINICAL TRIALS

Our clinical trial programmes are focused on four key areas:

- DIGESTIVE HEALTH – We are testing a proprietary Lepteridine™ Mānuka honey treatment in a $1.4M trial over two years in collaboration with High-Value Nutrition (HVN). We have specific patents already granted to protect Comvita discoveries.
- HEART AND METABOLIC HEALTH – We are part of an HVN $4M programme looking at the health benefits of eating a nutritious diet.
- SKIN HEALTH – We are investigating the benefits of Mānuka honey for eczema and other inflammatory skin conditions.
- IMMUNITY – We are examining how propolis products support enhanced immunity.

We have created a Scientific Advisory Board of world-leading gastroenterologists, immunity and inflammation researchers.

B CORP

In September 2022, Comvita became the first NZX listed organisation to change its constitution to reflect the importance of all stakeholders when making investment and strategic decisions. We also shared our aim to become B Corp registered on a international basis.

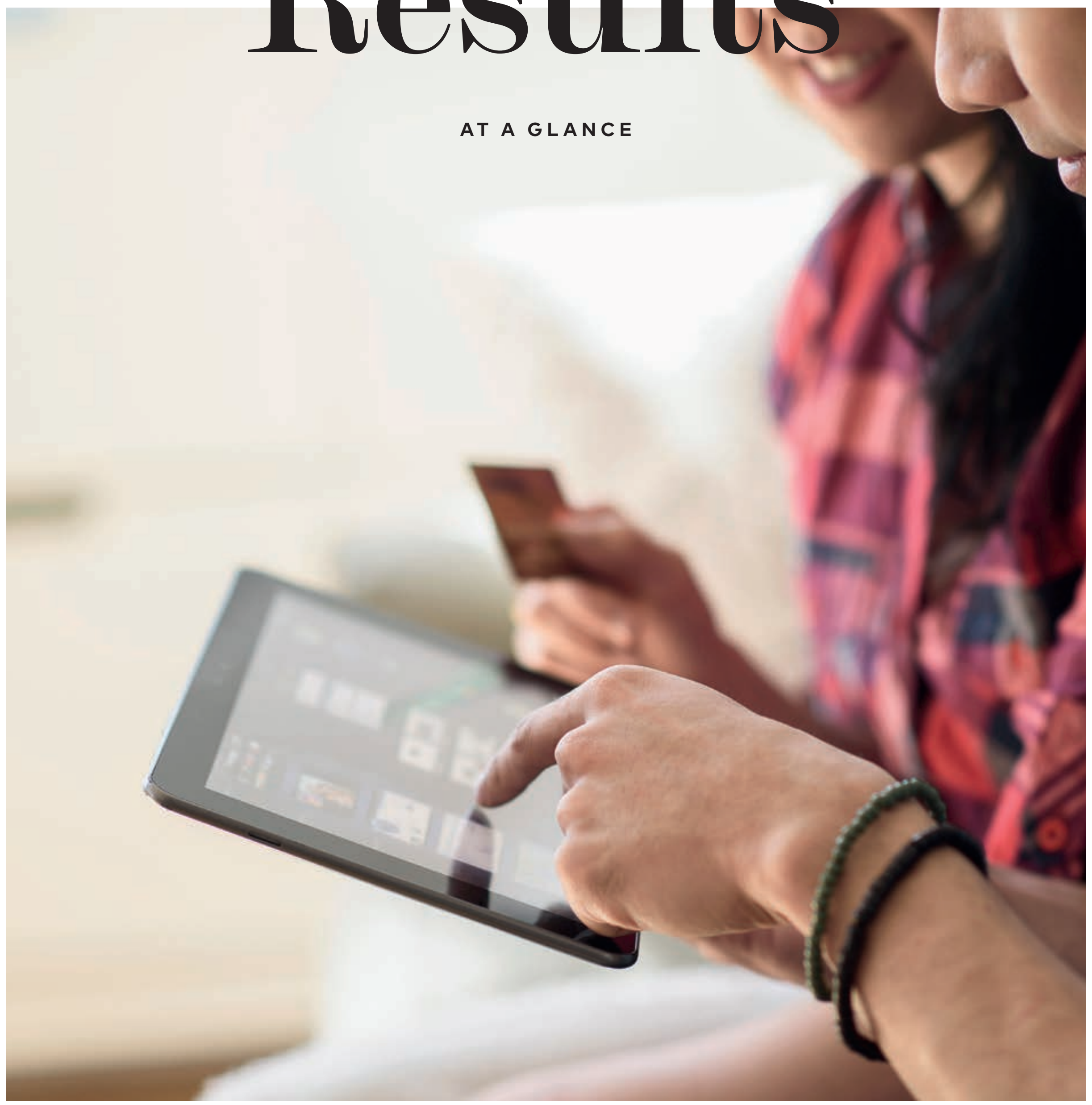
We are delighted to become B Corp certified. B Corp Certification is an internationally recognised designation that a business is meeting high standards of verified performance, accountability, and transparency on a broad number of ESG (Environment, Social and Governance) factors. We undertook this comprehensive exercise for our Aotearoa New Zealand and international operations and have now received our certification status.

High quality retailers globally are demanding evidence of brand integrity, especially around ESG performance claims and B Corp provides that evidence and will open up new distribution opportunities globally.

B Corp is a natural amplification of our founding principles, our Harmony Plan and our purpose. We are proud to have achieved this recognition.

Results

AT A GLANCE



$234M
RECORD GROUP REVENUE

+12%
CHINA REVENUE GROWTH

+12%
MĀNUKA HONEY REVENUE GROWTH

+27%
PROPOLIS REVENUE GROWTH

LOOKING GOOD

$234.2M
TOTAL REVENUE
+12.1% (+$25.3M) VS PCP

$33.5M
EBITDA AFTER ERP
+11.4% VS PCP

$30.5M
MARKETING INVESTMENT
+8.7% (+$2.4M) VS PCP

$26.8M
OPERATING PROFIT AFTER ERP
+33.0% VS PCP

$13.1M
NPAT AFTER ERP
+2.8% VS PCP

$28.8M
OPERATING CASHFLOW
HALF 2

5.5CPS
FY23 TOTAL DIVIDEND FULLY IMPUTED IN LINE WITH PCP

POISED FOR TAKE-OFF

INCOME STATEMENT

For the year ended	FY23 NZ$000	FY22 NZ$000	Variance NZ$000	Variance %
Revenue	**234,195**	208,909	25,286	12.1%
Gross profit	**135,760**	126,000	9,760	7.7%
Gross profit %*	**58.0%**	60.3%		(2.3%)
Marketing	**30,509**	28,062	2,447	8.7%
ERP	**2,884**	0	2,884	
Transformation	**2,530**	2,378	152	6.4%
Operating profit	**23,920**	20,149	3,771	18.7%
Operating profit after ERP	**26,804**	20,149	6,655	33.0%
EBITDA after ERP	**33,507**	30,083	3,424	11.4%
Net profit after tax (NPAT) after ERP	**13,139**	12,784	355	2.8%

BALANCE SHEET

As at	30 June 2023 NZ$000	30 June 2022 NZ$000	Variance NZ$000	Variance %
Net debt	**53,386**	25,544	27,842	109.0%
Operating cashflow	**8,083**	5,360	(1,008)	(18.8%)
Inventory	**136,088**	132,157	3,931	3.0%
EPS (NZ cents)	**15.8**	18.2	(2.4)	(13.2%)
Weighted average shares on issue	**69,847**	70,087	(240)	(0.3%)

* Gross profit excluding Cyclone Gabrielle stock write-off (insured event) at 59.5%.

Management commentary
(no financial statements)

A Sweet Future

CHAIR + CEO

AN INTERVIEW

“We remain on track to deliver our 2025 strategic plan.”

OUR CHAIR AND CEO SHARE THEIR VIEWS OF OUR PROGRESS THIS YEAR.

BRETT HEWLETT — CHAIR

DAVID BANFIELD — CEO

You must be pleased with the performance of the team over the last three years. What has worked for you in that time, and where have the challenges been?

BRETT: We remain on course to deliver to our strategic plan for FY25. It has not been easy, but the team has demonstrated an amazing ability to remain focused despite a barrage of both anticipated and unexpected challenges. This resilience under pressure and the commitment to deliver has been the most impressive aspect of the leadership team's performance in the past few years. There exists a strong can-do attitude, even when asked to achieve the seemingly impossible. Passion for Comvita runs deep, not just within the team but with so many of our key stakeholders.

Comvita has been able to increase market share and grow top and bottom lines in markets where many companies are going backwards or even failing altogether. I put a lot of that down to the agility of our in-market teams representing around 65% of all our people and their responses to the often extreme changes in our global trading. Those pressures have included Covid restrictions, the closure of retail stores, a shift to ecommerce and home delivery, disruption to supply chains, inflationary pressure on consumer purchasing power, heightened geo-political risks and the response to the climate-related crisis – to name just a few.

On the supply side, we have made big advances in operational capability and reducing costs while, around us, the industry is experiencing over-capacity and, for many, challenges to meet market-compliant quality standards. We've excelled in developing a highly sustainable Mānuka honey and Propolis supply chain, built on more than 48 years of experience and learning.

DAVID: Overall, we are delighted with the progress we are making in line with our purpose and remain on track to deliver our 2025 plan of c$50M EBITDA (20%) (earnings before interest, tax, depreciation and amortisation).

When we first came together as a team in 2020, we set out a three-part plan to stabilise performance, transform the organisation and build long-term resilience and growth. We also said we would focus on core categories (Mānuka and Propolis) and core markets (China and North America). A significant difference between Comvita and any competitors is the high quality of our team on the ground. Our operating model reflects the primacy of market, and we do all we can to enable local market know-how to guide our focus and actions to win. This focus has enabled us to align resources to ensure we are closer to consumer needs, closer to customers, faster to act and a better partner. This is reflected in our market share growth.

We are seeing real momentum in our business performance and are delighted to have now met or exceeded guidance and

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our plan on seven successive occasions. We are focused on our business model and attracting and retaining talented people within the organisation. This is a key component of our success. Naturally, the biggest challenges for the majority of the last three and a half years have been Covid restrictions that have limited our physical time together and caused supply chain disruptions.

You've described this year as one where you are poised for take-off. What do you mean by that?

BRETT: When David joined us back in 2020, as he said earlier, he set in place a strategy to stabilise, transform and grow the business. A key element of that strategy has been to invest in brand and building in-market executional capability – in short, a focus on driving demand. The Board has remained supportive of that strategy and, most importantly, the commitment to double down on our investment in marketing (circa $30M in FY23) even as we were confronted with challenges and obstacles. There is clear momentum across our top and bottom lines, and on that basis, the Board believes the business is in an extremely good position to take advantage of further growth opportunities.

DAVID: Over the last three and a half years, we have put in place many improvements to the business, our operating model, our team capability and our understanding of consumer needs. We believe that FY23 was a pivotal year in setting us up for FY24 and beyond. We've seen continued market share growth in our existing markets through the benefit of regional new product development. For FY24 we look forward to the acquisition of HoneyWorld™, the launch of our skincare range with Caravan and, most importantly, new clinical trials in Aotearoa New Zealand that, if conclusive, will enable us to pursue unique and protected digestive health claims for Mānuka honey.

> "Our revenue growth this year would be the equivalent of a top 10 Mānuka honey brand's annual revenue. We are gaining market share in key markets."

These achievements, alongside the capability we have within the organisation, create an ideal platform for growth. We see no structural reason why we can't deliver a continued gross margin of greater than 60%, and this margin will allow us to invest in brand activity and continue to tell our amazing story to discerning consumers around the world.

What are your forecasts for the honey category globally between now and 2030?

DAVID: The global honey category is valued at approximately US$9B today. It's forecast to grow to US$15B by 2031* as consumers turn to natural health and wellness products generally and to honey specifically as a natural sweetener. While 67% forecast growth for the core honey category is encouraging, we actually see additional opportunity given the unique properties of Mānuka honey for medical and topical use. We are excited by the clinical research we have under way currently that will further support additional growth opportunities.

In your recent update at the stakeholder day, you highlighted market share growth across a number of key markets. What's the key driver for that growth?

DAVID: We are proud to be growing our market share in key markets around the world. In the last three years, we have grown our share in Mainland China, Hong Kong SAR, Korea, Rest of Asia, ANZ (Australia and Aotearoa New Zealand) and North America.

Our business model is to invest 15% of sales in marketing activity to tell our amazing founding story and our focus on industry-leading quality, bee health and scientific discovery to discerning consumers

* Data source Grandview Research.

around the world. All of this is underpinned by our unique Harmony Plan, which expresses our determination to leave the world in a better place.

There are widespread reports that the industry is in trouble with a significant number of apiary operators leaving the industry. How is Comvita bucking the trend?

DAVID: Hive numbers in Aotearoa New Zealand peaked at just under a million in 2019. This number has now reduced to somewhere between 500,000 and 600,000. We see this reduction as being in the long-term best interest of the industry because it will enable a focus on quality of products and on bee welfare to come to the fore. We pride ourselves on our quality standards and introduced our own bee welfare code in the last year to ensure we are doing everything possible to protect our friends, the bees. In line with our markets, the more successful we are, the more likely it is that more talented people (in this case, beekeepers) will come to develop their art with Comvita, thus producing a virtuous circle of commercial success and better outcomes for bees.

How have you continued to evolve the Board to keep pace with the many changes happening within and beyond the business? Are you satisfied that you have the diversity of skills and experience needed to prudently oversee what the business has planned ahead?

BRETT: I am comfortable with how the Board has been evolving. We have in place a process of annual review of Board performance and succession planning. Board and management meet twice per year to review long-term strategic plans, and as part of this process, we review the skills

Brett Hewlett, Chair.

needed by Directors to support the company's future ambitions. This is always forward looking and takes into consideration changes both within and outside the business.

In March this year, we farewelled Sarah Kennedy after eight years. We have also announced that Luke Bunt will retire from the Board effective 30 September 2023 after nine years. I would like to thank both Sarah and Luke for their outstanding dedication to the company through thick and thin. I will be taking the opportunity to thank both Sarah and Luke more fully at this year's Annual Shareholders' Meeting.

In March, we had Julia Hoare join us as an independent Director and member of the Audit and Risk Committee. Julia has pedigree experience in Aotearoa New Zealand and Australian governance circles. Perhaps most relevant to Comvita has been her almost 10 years with a2 Milk. She will stand for election at this year's Annual Shareholders' Meeting. We are currently working on recruiting a new Director, and we expect this appointment to be made by the end of this calendar year.

DAVID: At the start of 2020, we agreed to start transformation within the business with the leadership team. Then, once that was complete, we said we would extend transformation to include the Board skills needed to enable Comvita to deliver its 2030 plan and beyond. As part of the Board, I'm pleased with the progress we are making and remain convinced of the opportunity to deliver long-term profitable growth and shareholder value at Comvita.

Coming back to your recent update to investors, on your three-point plan, you highlighted the progress on all areas of the plan with one red flag in your long-term resilience and growth. Can you give some context please? What do you think are the most critical elements to enable you to deliver your 2025 plan?

DAVID: Our growth ambition is structured in stages of organisational development (crawl, walk, run). We have also highlighted the need to modernise our technology infrastructure and our access to data to enable us to iterate at speed.

Globally, the Mānuka honey category has less than 1% household penetration – but we know in our most successful market we have achieved nearly 4%. In order to reach this level around the world, we are designing specific regional products and services to meet local consumer needs while staying true to our focus on Mānuka, Propolis and products of the hive.

Management commentary
(no financial statements)

We see experiential Comvita stores as a crucial ingredient for sharing the power of natural health and wellness with consumers around the world. When we launched our Wellness Lab in Auckland in March 2021, our original intention was to roll out our store concept globally. However, because of Covid, it hasn't happened yet.

Margin improvement has been impressive but how sustainable is this? How much more room for improvement do you see? What is the impact of production automation on the cost of your goods?

DAVID: Consumers globally will only pay more for the highest possible quality. This demand for highest quality plays perfectly to Comvita's strengths. Not only do we develop our own Mānuka cultivars in our own forests with our own bees, with our own extraction, with our own IANZ-certified laboratory in Aotearoa New Zealand, we then pass our carefully crafted product to our own team in market, who ensure it gets to consumers in the best possible condition. We see further opportunity for margin expansion as we continue to modernise our manufacturing capability and produce highly relevant new products for consumers in local markets. Our high-margin, high-reinvestment model is designed to help us fund long-term research into the clinical benefits of Mānuka honey to heal and protect consumers around the world.

Our transformative investment in manufacturing capability has delivered a 110% increase in productivity on our site in Paengaroa. It's also allowed us to move the team from repetitive low-value work to more-skilled value-creating work, benefiting each team member and the organisation and keeping headcount relatively flat.

While you have reduced net debt and inventory over the second half, the levels remain elevated. How do you intend to bring down inventory towards your 2025 target of around $85M?

BRETT: I will let David explain the how, but let me make the point that, while we are in agreement that current levels of inventory are higher than we would like, it has not been something that has given rise to any great level of concern. Carrying extra inventory in market was in fact a mitigation against supply chain disruptions that plagued us all through the majority of last year. As demand continues to grow, we see a clear path to reducing inventory and therefore reducing net debt. We are committed to right-sizing our level of inventory in line with demand, and our long-term strategic goal of delivering sustainable positive operating cashflows remains on track, as demonstrated by the stronger net operating cashflows in the second half of FY23. You can expect to see this positive trend continuing through FY24 and FY25. We are playing the long game here. Our sustainable and quality focused supply chain for Mānuka honey is evolving very nicely and places Comvita several steps ahead of anyone else in the industry.

DAVID: In 2021, we started the process to exit long-term supply contracts that were not linked to consumer demand in market. We finally exited the last of these contracts at the end of 2022. Up until that point, we were contractually bound to accept product regardless of changes in demand. As a result, at the end of December 2022, our inventory peaked at $146M. Over the course of the second half, we have reduced this to $136M, including the inventory from our own Apiary operation. Inventory profile is good and aligns to forecast sales. For the first half of FY24, our purchases are limited to product we need to meet in-market demand, and we expect to see a further material reduction in inventory by December 2023. This has a knock-on benefit to operating cashflow, which will see material improvement in the first half of FY24. Every half going forward is forecast to deliver a positive operating cashflow. Our target remains to report a double digit reduction in inventory by June 2024. Comvita retains its aim to deliver inventory of c$85M by FY25 excluding HoneyWorld™ Inventory or any other acquisitions.

> "The global honey category is valued at approximately US$9B today. It's forecast to grow to US$15B by 2031."

You recently announced that you had concluded an acquisition of HoneyWorld™ in Singapore. Can you share how this helps create shareholder value and your strategic rationale?

BRETT: It was a relatively easy decision to support this acquisition. Management ran a very robust due diligence process, and we are delighted with the strategic fit of HoneyWorld™ with the bonus of retaining top talent in the form of the vendor and founder, Pearline Goh. This acquisition is strongly earnings-accretive to shareholders, with positive rate of return on invested capital. Demand-side acquisitions such as this are in line with our strategic focus to build on our premium natural health and wellness brand positioning.

DAVID: The acquisition of HoneyWorld™ represents a strategic deployment of capital in one of the world's most premium, vibrant and connected marketplaces. HoneyWorld™ is a specialist honey retailer and, as the market leader in Singapore, has established significant brand equity and leadership in the market since 1997.

We see Singapore as a unique market connecting Asia with the world and the world with Asia. With the addition of HoneyWorld™, our market share in Singapore will increase to around 50%. This will further strengthen our online and offline presence across the whole of Asia and connect consumers from China and Hong Kong SAR, which in turn will appreciate the strength of Comvita globally. The acquisition will be immediately accretive to Comvita, and post-integration, it is expected to deliver a 22% increase in earnings per share (EPS).

Given your stated intention to deliver positive operating cashflow each half from here to the end of 2025, do you see further merger and acquisition potential?

BRETT: The Board endorses management's position on generating cashflow with an 'earn before you spend' attitude. We are also encouraged by the rate of organic growth of core business, so we are not pressing to find new acquisitions. We remain optimistic on outlook but cautious when it comes to risk appetite, especially in regards to net debt. Having said that, we are increasingly aware that strategically significant and accretive acquisitions are presenting themselves. We need to stay alert to any strategic opportunities during this period of significant change.

DAVID: As we reduce inventory to our $85M target (excluding HoneyWorld™) in FY25, we are forecasting to generate significant positive operating cashflow. This will enable us to pay down debt but also to consider further merger and acquisition activity in our focus markets and/or categories around the world. It is important to stress that we believe our business model should enable high margin, high reinvestment, low debt and positive operating cashflow going forward.

Let's talk about your two key markets. What are the key learnings from ongoing growth in the China market? How far do you think you can go in China? Are you concerned by the importance of China given macro-economic and geo-political risks? Has North America got the same potential as China? How do you intend to realise that potential? What are the key risks and opportunities in North America?

DAVID: We have been active in the China market for over 20 years and are the strong market leader. We have over 200 people in our China team and consider ourselves fully integrated in the China market. Consumers recognise Comvita's quality and continue to choose our premium quality over anyone else.

Our revenue performance in the Greater China segment of $109M was 13% up on the previous year despite material disruption to offline retail during the first half and a softer than expected return to normal sales once the market opened up, again highlighting our opportunity in the future. We converted this revenue growth to a 16% net contribution growth, again proving consumers are choosing premium Comvita Mānuka honey over everyone else.

While this is extremely encouraging, what is even more encouraging is the fact that we grew revenue in Hong Kong SAR (a market where we have the highest household penetration) by 20% compared to the year before, again showing the long-term potential to grow household penetration around the world.

While China is our biggest single market, we are only scratching the surface in terms of the potential. Indeed, if we were to deliver the same household penetration (as we have in Hong Kong SAR) in China, we would quadruple our current business. I remain extremely positive about China and our opportunities in the China market supported by the fact that Chinese consumers have used honey as a medicine for thousands of years. Our clinical trial will enable us to prove efficacy and further extend our leadership. Having just returned from the Trade Mission to China, I was delighted to experience first hand the warmth of the reception and the respect for Aotearoa New Zealand as a country with aligned values and high-quality products.

For North America, we do see significant opportunities for growth, but currently we are under-indexing versus the potential that we see. In late FY23, we launched our United States growth plan to systematically grow our share of sales and local products in the United States market. We do see some short-term headwinds but remain convinced of the long-term opportunity, especially given the fact that currently we only have around 25 SKUs available in this market.

Management commentary
(no financial statements)

David Banfield, CEO.

You are partnering with a number of high-profile brands around the world. How do these partnerships benefit Comvita?

DAVID: We are extremely proud that high-quality, premium brands are increasingly approaching us to partner with them because of our reputation, the quality of our products and the power of our brand. These partners range from world-leading hotel chains and restaurants to beverage and fashion. Working with these brands offers new uses for our products and makes new audiences aware of who we are and what we offer. For example, we have been partnering with actress and renowned foodie Janice Wong in Singapore. Our partnership gives Janice the opportunity to use the highest quality Mānuka honey as a key ingredient in what she is creating, consolidates our standing as a brand in Singapore and key Asian markets and offers our existing consumers a new way to think about how they use Comvita.

The growth of your ecommerce strategy continues to bolster your omni-channel (online/offline) approach. How do you see that playing out? What's the ideal channel balance for you?

DAVID: We forecast that the future of retail is experiential and that our Wellness Lab encapsulates the multi-sensorial experience unique to Comvita, literally connecting consumers to bees and the healing power of nature. This also needs to seamlessly integrate with our online capability to maximise consumer preference for ecommerce fulfilment. While we have stated our forecast that our ecommerce channel will represent 50% of our revenue by 2025, ultimately, the optimal mix will be determined by consumers. Our goal is to ensure that we have the right balance between offline, online and omni-channel to enable consumers to shop Comvita with ease. In addition, we will continue to explore emerging channels such as TikTok, Web 3.0 and social commerce to keep meeting consumer needs.

Why is B Corp status so important to you? What difference do you see it making?

BRETT: Our B Corp accreditation is a major milestone in Comvita's journey towards becoming recognised as a world-class organisation. The criteria set by B Corp for larger, more complex, global companies such as Comvita are very high. It provides significant credibility for us as a global corporate entity and as a consumer brand. In fact, I believe that Aotearoa New Zealand-based entities that do not have a sustainability accreditation such as B Corp will find it increasingly difficult to gain access to discerning European and Asian markets. Global capital markets are also placing a value premium on entities that carry a B Corp accreditation. Congratulations to all the team on this very significant achievement. Great work.

DAVID: I first heard about B Corp back in 2007 at the time when triple bottom line reporting was best practice. Ever since I read what it means to be a B Corp organisation, I have aspired to be part of a business that recognises the importance of all stakeholder groups. High-quality retailers globally are demanding evidence of brand integrity, and B Corp provides that evidence and will open up new distribution opportunities. I also believe that B Corp principles are enshrined in our Harmony Plan launched in 2021 and therefore it is only natural that we would apply for and receive B Corp accreditation. In September 2022, we became the first listed business in Aotearoa New Zealand to change our company constitution to reflect our multi-stakeholder priorities. I was delighted when our shareholders voted overwhelmingly in favour of this change.

Cyclone Gabrielle has affected your operations in Hawke's Bay. Does the business remain vulnerable to extreme weather events? How are you mitigating that risk?

DAVID: Firstly, it's important to recognise the impact that Cyclone Gabrielle has had, and continues to have, on people in the Hawke's Bay region. I visited the team a few days after the cyclone and can only describe it as apocalyptic. We were relieved that all our team were safe and well but saddened by the loss of life and the extensive damage that occurred.

Given the extreme nature of the weather this year, we are pleased that our Apiary division again showed that the Apiary model that we launched in 2020 delivered for the fourth consecutive period. Naturally, given extreme weather events and in line with our climate disclosure reporting requirements, we are looking very closely at the impact of extreme weather events on any new Mānuka forests that we plant in order to help mitigate these weather impacts.

In particular, your forestry strategy and approach to honey supply seem to have remained resilient. What is it about these strategies that have made the difference?

DAVID: Our Mānuka forests have so far proven to deliver a 40% uplift in yield, 60% increase in quality of yield and 20% reduction in cost per hive. Due to their size, they also allow us to have beekeepers on site and to respond to weather or other needs bees may have. We are targeting to deliver 20,000 hectares of forests by 2030 from 7,500 hectares today. Not only do our forests ensure quality of supply for Comvita, they also create an environment that protects native flora and fauna, including kiwi, long-tailed bats and whio (blue duck). We've recently completed our first biodiversity study, which also shows improvement in water quality and insect populations and provides a thriving habitat for birds and native bats in the first five years versus pasture.

You've said that you're targeting material financial and environmental gains in terms of your longer-term Mānuka forest investment. How will that investment specifically benefit investors?

BRETT: What sets us apart from anyone else in the industry has been the sustained commitment to and investment in our end-to-end business model. That starts with our in-market capability to develop consumer demand and then our capability back in Aotearoa New Zealand to evolve our supply model to match that demand both in quality and volume terms. I am especially proud of the way that our forestry and Mānuka honey supply models have evolved, with a balanced focus on economic, environmental and social sustainable best practice. In this way, significant long-term value is being created for all Comvita's stakeholders.

DAVID: As I shared earlier, our forests deliver 40% improvement in yield, 60% in quality of yield and 20% reduction in cost per hive. These efficiencies will enable us to continue to deliver highest-quality product with the lowest cost for the quality delivered. This quality is a key foundation for our consumer loyalty and brand leadership. Investors will benefit as we retain consumers and ultimately deliver our targeted 20% EBITDA margin.

In addition, our Mānuka forests will be eligible for carbon credits through their sequestration of carbon dioxide. We will initially use carbon credits to offset our carbon footprint, but in the not-too-distant future, we will have excess credits that we are able to use. At the moment, we are not able to allocate any value to these credits, but this is an evolving regulatory process. It's also important to recognise that our Mānuka forests involve planting an indigenous species and associated companion planting for nectar diversity rather than exotic overseas varietals.

In terms of your longer-term climate-positive and net-zero strategy, what are the timeframes for decarbonisation, circularity and waste reduction? What will those changes cost the business, and what positive impacts will they achieve?

DAVID: We will reach our carbon-neutral and climate-positive goals through a combination of carbon reduction every year in line with verified science-based targets, supported by sequestration from our forests and other nature-positive impacts. Currently, 92% of our packaging is recyclable. Our target for next year is 95%, and we are developing a pathway to achieve 100% in the near future. We are already seeing our major customers requiring carbon neutral and science-based reduction

Management commentary (no financial statements)

commitments, and we believe that consumers will increasingly choose brands based on their longer-term commitment to the environment and sustainability more generally. We've captured our commitments in our Harmony Plan. At the same time, we know that quality and perceived value for money must be inherent in our products.

Ambitious plans can only be realised by strong leaders and talented teams. Do you have the people you need to achieve the take-off you're poised for? Where are you short right now, and what plans have you put in place to make Comvita the home of top-tier talent?

BRETT: The Board is critically aware that one of the great challenges of this decade for all organisations has been the attraction and retention of top talent. We are extremely supportive of management's multiple initiatives to stay ahead of the game in the competitive world of 'talent' and our shareholders should feel very comforted by the line-up of leaders and talented teams that we have at Comvita.

DAVID: As Nike would say, our constant is change and we are continually assessing capability within the Group to enable us to continue to grow. We have some incredibly talented people and will continue to invest to retain and develop our team. We're also on the lookout for new talent that can help us win. Ultimately, I believe the greater the talent we attract and retain within Comvita, the more successful we will become – as long as we create an environment that gives our talented team the opportunity to show their true potential and impact. We've made good progress but still have a way to go to live our principle of freedom and accountability. This will further differentiate Comvita as the employer of choice.

Over the last three years, we have also invested significantly in the benefits that we offer the team, including over 91% of our team becoming shareholders. We've also added market-leading benefits such as extending family support policies, long-service recognition and life and health insurance. Our ambition remains to be recognised as the best employer in Aotearoa New Zealand and around the world as voted by our team.

What benefits do you expect to flow through from your core information systems upgrade? How will they enable you to do business in ways that you can't right now? How do the objectives align with your plans for 2025?

DAVID: We don't really consider it to be an update, more of a reimplementation of our existing enterprise resource planning (ERP) system with the latest release. This significantly derisks the project, as the team are already familiar with the functionality of the system. Nevertheless, there are benefits to come through re-engineering processes, refreshing master data and having integrated and automated data flows. Availability of timely information will enable us to increase pace within the organisation, increase service to our markets and customers and ultimately become a major platform for acceleration through FY24 and beyond. Crucial for us will be finishing implementation by the end of FY24 to allow benefits to flow through (without costs) in FY25.

The push towards positioning Comvita as a premium natural health and wellness brand seems to be gathering pace, particularly in Asia, and yet investors continue to pigeon-hole you in the agri-business space. You've talked for some time about shifting that perception. Are you seeing that market perception shift yet – and if not, what do you think it will take to convince the markets that they need to see you in a new light?

DAVID: Around 90% of our current earnings come from consumers in markets. Our consumers see us as a premium natural health and wellness brand. Many of our brand partners in markets also recognise our premium quality and strong environmental, social and governance (ESG) credentials and are joining with us to create a coalition of the willing. In Aotearoa New Zealand, ultimately the only thing that will enable the agri multiples to be replaced with typical premium FMCG multiples will be time. We need to continue to prove our resilience to weather events and provide evidence that our premium quality is demanded by consumers and proven by us continuing to drive market share in premium segments and new adjacent categories. This will be the best evidence that we are indeed a premium natural health and wellness brand.

Are you concerned about your current share price and the inherent risk of an offer to purchase that undervalues the company?

BRETT: As Chair of the Board and given that there was a hostile takeover bid a few years back, I would be lying if I did not admit to some jitters about the prevailing share price. The Board holds the view that there remains significant potential for value creation in the medium to long term and that such value is not currently reflected in the market trading price.

You will be aware of the adage that fear drives capital markets: fear of getting burnt or fear of missing out. I believe we've done enough over recent years to demonstrate that investors need not be fearful of Comvita's ability to perform and meet guidance, even during uncertain and turbulent times. Provided that we continue to grow and drive positive performance, it is my firm belief that we will see a correction by the market. As confidence in the capital markets and business in general is restored, I believe that market perception towards Comvita will be more of a fear of missing out.

DAVID: My sole focus is on delivery of our FY24 and FY25 budgets. That will, in turn, result in us delivering our FY25 strategic plan of c$50M EBITDA (20%) EBITDA, and the results of this will be reflected in our share price at that time.

The announcement of Comvita Lepteridine™ could represent a significant development for investors because of the new markets that it opens up. How did you identify those markets and what is the potential here in your minds? How long will clinical trials take – and from there, what is the time to market?

DAVID: Over a number of years, we have sought to protect our scientific discovery through patents. The discovery of Lepteridine™ has the potential to prove the efficacy of unique Comvita products for improved gut health. Our clinical trials are currently under way, in Aotearoa New Zealand, and we expect results around December 2023. This will be the start of an international clinical trial programme that could ultimately mean we are able to make quantifiable health claims for specific Comvita products. These products would be protected as Comvita's intellectual property.

We have a global panel of gastrointestinal experts who share our excitement about the discoveries we are making in gut health and our potential ability to help ameliorate conditions that are currently untreatable with conventional medicine alone.

In a year where others have chosen not to pay a dividend citing future investment needs, you have continued to do so. How do you intend to manage the capital needs of the business with investors' hopes for sustained yields?

BRETT: This year, the Board was pleased to declare a final dividend of 3.0 cents per share (cps), bringing the full-year payout to 5.5cps in line with PCP. Investors should see this as a reflection of our confidence in our business model and the underlying performance of the business. We are forecasting positive operating cashflows, net of planned capital expenditure and dividends, that will allow us to pay down debt. If that outlook should change we will review our dividend policy at that time. We are in the process of developing a dividend reinvestment programme for shareholders, who share our excitement about the opportunities ahead for Comvita.

DAVID: Over the next few years, we will become more focused on where we deploy capital to get the best return for all our stakeholders. Our focused capital model gives us the potential to invest in long-term value creation but also reward and thank shareholders (including our team) for their support. In particular, our forecast positive operating cashflow gives us more confidence to recognise our shareholders and continue to invest in the right things.

Where are you with guidance, and what will be the key elements this year to show you are indeed taking off?

DAVID: We are forecasting double-digit EBITDA growth in FY24 with a weighting towards H2. We are forecasting positive operating cashflow and double digit inventory reduction. Key components will be top-line revenue growth, gross profit of around 59% and market share growth through Asia-Pacific. Performance in North America will be strongly weighted to H2 due to a strong H1 FY23.

BRETT HEWLETT – CHAIR

DAVID BANFIELD – CEO

Management commentary
(no financial statements)

PLAN ON A PAGE TO 2025

PURPOSE

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

OUR MISSION TO 2025

To deliver world-leading standards for our team, our consumers, our shareholders and our planet, contributing to a world where bees and people can thrive in harmony.

COMVITA 50: 2025

60 : 15 : 20
Minimum 60% GP
15% Marketing to sales ratio
20% EBITDA target

1. Stabilise performance
2. Transform organisation
3. Long-term resilience and growth

COMVITA 2025

50% digital sales	Targeting c$50M EBITDA by 2025	Minimum 60% gross profit	15% marketing investment to sales ratio	20% EBITDA leverage ratio target 1–1.5

KPIS FY25	ALIGNED FOCUS – DELIVER BY FY25
Carbon-neutral 2025 and science-based targets for GHG reduction	Build a China market business capable of delivering 10 years of 10% compound annual growth rate
Return on capital employed – 500 basis points above weighted average cost of capital	Break through in North America to provide portfolio balance
Comvita total shareholder returns above NZX50 median	Digital channels to deliver >50% of total sales
Consumer and employee Net Promoter Score >+7	All market segments growing (mid single-digit compound annual growth rate) and profitable

STRATEGIC PILLARS / OUR UNRELENTING FOCUS

- Comvita as a premium natural health and wellness brand
- World-class digital engagement and experience Data as a competitive advantage
- Science and quality
- Organisational simplification and efficiency
- Becoming a sustainable, world-class organisation

VALUES

We all lead — Connected — We Love to Learn — Kaitiakitanga

Management commentary
(no financial statements)

HOW WE CREATE

Value

THE RESOURCES WE EMPLOY

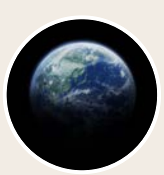
Our unique Comvita knowledge and know-how, curated and refined since 1974. The intellectual property and processes that strengthen our competitive advantage

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

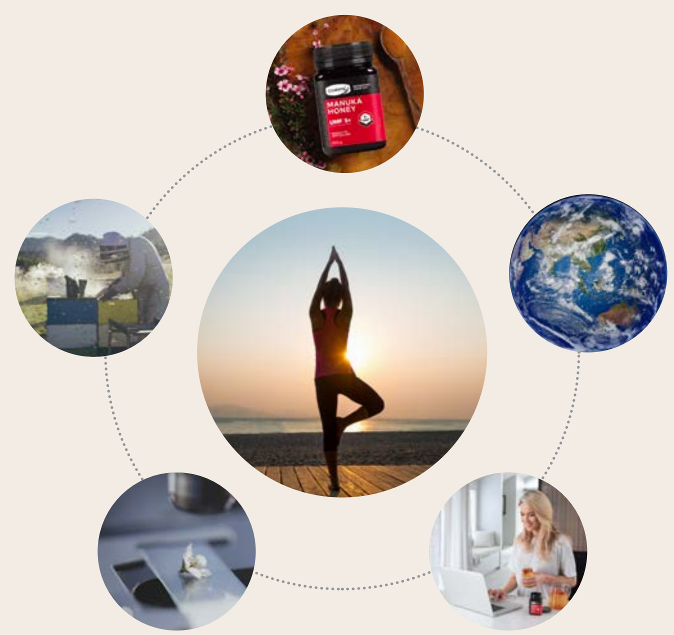
Science, nature and quality at the heart of the Comvita difference. Highest frequency and range of testing in industry and Aotearoa New Zealand's only private honey laboratory to be government accredited

—

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



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 32-51

Committed to climate action, rewilding and biodiversity as Aotearoa New Zealand's largest private native forest owner/manager
See pages 66-72, 74-75

Leading and progressive employee value proposition, enabling Comvita to attract talent from anywhere in the world
See pages 52-59, 74-76

Revenue growth and financial returns
See pages 10-11, 28-31, 32-51

Reduced emissions and waste
See pages 68-71

Industry leadership and investment in our community
See pages 26-27, 52-55, 66-67, 72-76

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

Improved health and wellbeing for millions of consumers
See pages 26-27, 32-33, 50-51

Restoring native forests and biodiversity balance
See pages 26-27, 68-72

Carbon neutrality and circularity
See pages 68-71

Safe, engaged and empowered team
See pages 52-65, 74-76

Personalised consumer and customer experience
See pages 34-51

Driving a brighter future for our industry
See pages 26-27, 52-55, 66-67, 72-76

Management commentary
(no financial statements)

Science

AND QUALITY LEADERSHIP

We have long been recognised as the industry leader in Mānuka honey science. FY23 has been a watershed year as we announced breakthrough research on Comvita Lepteridine™, had further patents granted to protect our research investment and completed our Comvita Laboratories transformation programme.

There has never been a more exciting time to be in natural health science because the need for bold and innovative solutions to the world's health challenges has never been greater.

Delivering the highest-quality product at scale backed by science provides us with a strong science-based platform to develop the Mānuka honey category into the future.

UNLOCKING THE POWER OF THE HIVE TO HEAL – ADVANCING OUR PIPELINE

In FY23, we invested $5.2M in research and development. Our pipeline of health research programmes includes clinical trials that will advance the delivery of robust scientific evidence in areas where new effective treatments are much needed.

INTELLECTUAL PROPERTY

Underpinning our industry-leading science programme is our comprehensive intellectual property and commercialisation strategy, securing proprietary positioning to deliver long-term returns. This year saw two new patents granted and 11 new patents filed in multiple markets to support commercialisation of our health research programmes. In total, we now have 42 granted patents with a further 23 pending.

STRONG PROPRIETARY POSITION

	FY23	TOTAL
New patents granted	2	42
New patents filed/pending	11	23

COMPREHENSIVE CONSUMER HEALTH SCIENCE PROGRAMME

Our clinical trial programmes are focused on four key areas.

Digestive health – we are testing a proprietary Lepteridine™ Mānuka honey treatment in a $1.4M trial over two years in collaboration with the High-Value Nutrition Ko Ngā Kai Whai Painga National Science Challenge (HVN) and the University of Otago. Comvita Lepteridine™ is a unique natural compound found only in Mānuka nectar and honey. We have patented a specific form of the compound and are currently testing compositions and applications for a range of inflammatory conditions.

Heart and metabolic health – we are part of an HVN $4M programme looking at the health benefits of eating a nutritious diet.

Skin health – we are investigating the benefits of Mānuka honey for eczema and other inflammatory skin conditions.

Immunity – we are examining how propolis products support enhanced immunity.

Our teams for these projects include a globally-based Scientific Advisory Board made up of world-leading gastroenterologists and expert immunity and inflammation researchers from United States, China, United Kingdom, Aotearoa New Zealand and Australia.

BREAKTHROUGH DIGESTIVE HEALTH RESEARCH

This year, we announced our breakthrough research on Comvita Lepteridine™ for digestive health. Discovered in collaboration with the University of Auckland, Lepteridine™ is a natural compound found only in Mānuka honey. New research shows that Lepteridine™ inhibits a key biological pathway implicated in the formation of gastric ulcers and inflammatory gastrointestinal disorders.

We hold a strong proprietary position with Lepteridine™ to protect our discovery. We have three patents already granted and a further 22 patents pending across our global markets.

Comvita has developed novel, proprietary Lepteridine™ Mānuka honey formulations that are currently undergoing clinical testing in the SOOTHE clinical trial, a $1.4M multi-centre, randomised, double-blind placebo controlled clinical trial in collaboration with HVN and the University of Otago. We expect to report initial results from the trial in the second half of FY24.

Our digestive health research programme is supported by our global Scientific Advisory Board.

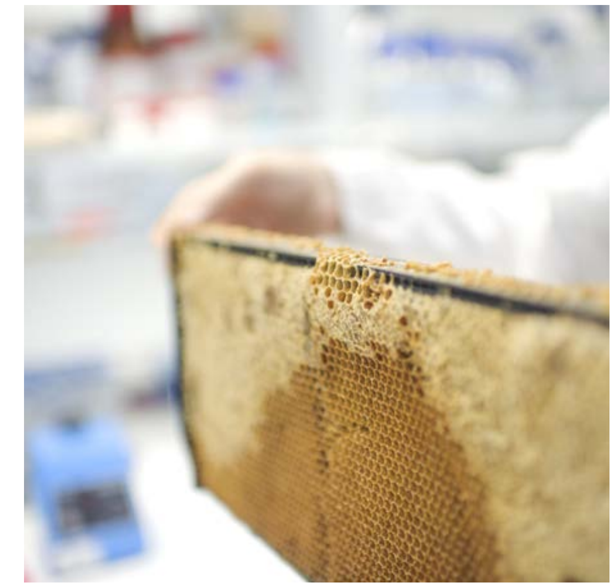
COMVITA LABORATORIES

Comvita Laboratories is the most advanced in-house Mānuka honey testing laboratory in the world. We report over 400,000 test results each year and are independently accredited by International Accreditation New Zealand (IANZ) and recognised by the Ministry for Primary Industries (MPI). We are the only company in our industry certified to raise official government export documentation using our own lab test results. IANZ is a globally recognised laboratory standard, giving our customers and consumers confidence that our capability is world class.

In FY23, we invested more than $500,000 in new automation to improve our quality further and lift capacity. We have also developed a non-destructive testing methodology utilising near infrared technology that enables us to assess the quality of our Mānuka honey in real time and at a lower cost than traditional methods.

HIGHEST QUALITY IN THE INDUSTRY

At Comvita we pride ourselves on delivering the highest quality natural products for our consumers. This year, we successfully completed an inspection by the United States Food and Drug Administration, arguably the world's most stringent and widely recognised food safety authority.



OUR FOCUS ON QUALITY COMVITA

	FY22	FY23
Independent certifications	23	24
External audits	23	21
Customer complaints per 1,000 units sold	0.041	0.024
Non-compliance with regulations resulting in a fine or penalty	0	0

PROVIDING LEADERSHIP TO THE AOTEAROA NEW ZEALAND APICULTURE INDUSTRY

We are committed to supporting the process to secure intellectual property protection for Mānuka honey around the world. The Legal Advisory Committee includes David Banfield (Managing Director and Chief Executive Officer) and Tony Wright (Head of Industry and Regulatory Affairs).

Tony Wright continues to be a Director of Unique Mānuka Factor Honey Association (UMFHA), Apiculture New Zealand and Te Pitau Limited (part of Mānuka Charitable Trust) and chairs the Apiculture New Zealand Standards Focus Group – the main forum for engaging with MPI on regulatory developments.

Trevor Clarke (National Head of Apiaries) is a member of the Apiculture New Zealand Training and Skills Focus Group.

Management commentary
(no financial statements)

Financial

REVIEW

CHIEF FINANCIAL OFFICER

REVIEW

Performance growth has been strong again in FY23, with our third successive year of double-digit EBITDA growth (after ERP costs*) despite the extreme weather events that hit Aotearoa New Zealand this year. Strong demand from the markets has ensured that sales continue to grow at an encouraging pace.

* Refer to Internal Digital Transformation section.

EBITDA (after ERP costs) of $33.5M or 14.3% of sales reflects a 11.4% improvement over FY22 EBITDA of $30.1M. Operating profit at $23.9M is up 18.7% over FY22, and NPAT (after ERP costs) at $13.1M is up 2.8% over FY22.

FINANCIAL PERFORMANCE

Reported revenue for the period increased to $234.2M, up $25.3M or 12.1% on the prior period. This strong growth was from a number of markets, with the Greater China region revenue up $12.1M, North America up $3.8M and ANZ up $6.1M.

The reported gross profit percentage of 58.0% has declined in the current year by 234bps compared to the prior year. The decline is largely due to inventory write-offs associated with Cyclone Gabrielle totalling $3.7M. If the gross profit percentage is normalised for this one-off impact, it would be 59.5%.

Digital sales have increased by 6.3% versus prior year to 41.7% of total sales, which favourably impacted the gross profit percentage because sales are margin accretive.

The increase in marketing investment has continued with $30.5M spent in the current year, an increase of $2.4M year on year or 13.0% of revenue, compared to 13.4% last year. All other operating expenses increased by $13.8M or 17.3%. The majority of this increase was sales and distribution-related expenditure, increasing by $7.1M or 15.0%. Transformation investment within operating expenses for FY23 totalled $2.5M, largely consistent with the prior-year spend of $2.4M. In addition to this spend, there has been a significant investment in internal digital transformation relating to software expenses in the current year of $2.9M, which is covered separately in the report below. Other increases relate to increased investment in our people, consistent with our Harmony Plan objectives.

MATERIAL YEAR-ON-YEAR MOVEMENTS

In February 2023, the Group's Hawke's Bay facility suffered extensive damage due to Cyclone Gabrielle, a catastrophic weather event in the North Island of Aotearoa New Zealand. The Group moved operational facilities to an alternative Group site where operations continued. However, the Group's insurance assessors concluded that the fixed assets, biological assets and inventory at this site were irrecoverable. Land value is assumed to be unimpaired.

The Group maintains a comprehensive insurance programme that covers various risks, including material damage, vehicle, business interruption and general liability. The insurance proceeds received to date for Cyclone Gabriel relate to the Group's material damage and vehicle policies. There is likely to be further insurance proceeds receivable as part of our business interruption policy.

The Cyclone Gabrielle insurance proceeds, after inventory and asset write-offs, delivered a $4.5M upside to FY23 EBITDA. However, it should be noted that, against this, our Apiary operations only broke even this year while in FY22 they delivered a $2.9M profit. We also absorbed foreign exchange losses of $4.6M this year compared to losses of $592K in FY22, a negative impact of $4.1M in FY23.

The following table provides a breakdown of the financial impact of the Cyclone Gabrielle weather event as well as the other material movements year on year.

CYCLONE GABRIELLE FINANCIAL IMPACTS

	NZ$000
Cash proceeds received to date	5,480
Insurance proceeds receivable	5,280
Loss on disposal of property, plant and equipment	(2,548)
Inventory disposals	(3,681)
Cyclone Gabrielle impact	**4,531**
Other year-on-year movements	
FX losses	(4,052)
Apiary operation performance	(2,900)
Net profit before tax impact	**(2,422)***

* Excludes ERP investment

INTERNAL DIGITAL TRANSFORMATION

In FY23, we have commenced a digital transformation programme focusing on upgrading our ERP system, redefining internal inefficient processes and refreshing master data. This project will run until June 2024 and is designed to update and scale our internal systems and processes and significantly increase reporting capability. Because these changes are cloud-based, new accounting standards mean the assets aren't owned and therefore will not be expensed until June 2024. In line with market practice, these will be normalised in the results and are also shown separately in our income statement. The costs related to this project totalled $2.9M in FY23.

Management commentary
(no financial statements)

"

EBITDA (after ERP costs) of $33.5M or 14.3% of sales reflects a 11.4% improvement over FY22 EBITDA of $30.1M. Operating profit at $23.9M is up 18.7% over FY22 and NPAT (after ERP costs) at $13.1M is up 2.8% over FY22."

NIGEL GREENWOOD, CFO

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION

EBITDA at $30.6M increased 2% on the previous year.

NZ$M	FY23	FY22
Profit before tax	13.0	17.1
Add back: net finance cost	5.4	2.2
EBIT	18.4	19.4
Add back: depreciation and amortisation	12.2	10.7
EBITDA	**30.6**	**30.1**
ERP costs	**(2.9)**	**0**
EBITDA (after ERP costs)	**33.5**	**30.1**

ECONOMIC VALUE DISTRIBUTED AND RETAINED

In accordance with GRI 201-1, economic value distributed was $210.0M (2022: $187.1M) while economic value retained is $24.2M (2022: $21.8M). Economic value distributed is calculated as FY22 operating costs, employee wages and benefits, dividends, interest, community investments and tax paid. Economic value retained is revenue less economic value distributed.

OPERATING CASHFLOWS

The company generated a positive operating cashflow this year of $8.1M compared to $5.4M last year. This reflected a positive operating cashflow of $28.8M in the second half of FY23. Note that, in line with best practice, we are now showing interest expenses as a financing activity.

FOREIGN EXCHANGE

A foreign exchange loss of $4.6M has been recognised in FY23 compared to a loss of $0.6M in the prior year. This represents an increased expense of $4.0M, which has been substantially offset within sales and gross profit. The significant increase in recoded foreign exchange losses was caused by a very low New Zealand dollar over most of FY23. While this has had a material impact this year, we have taken out forward exchange cover at these lower rates in our future reporting periods in line with our treasury management policy. 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 are active in managing these risks.

SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEES

Total share of loss this year was $0.8M, with $0.6M of this being our share of expenses from the new investment in Caravan Honey Company. This compares to a loss last year of $0.2M.

EARNINGS PER SHARE

Reported EPS for FY23 was 15.84c and diluted earnings per share of 15.66c. This compares to 18.24cps and 18.13cps respectively last year.

DIVIDEND

With the continued sustainable profitable growth, the Board has approved a fully imputed final dividend of 3.0 cps. This brings the total dividends paid for FY23 to 5.5 cps in line with FY22.

FINANCIAL POSITION

Capital expenditure

Property, plant and equipment at $72.9M increased by $7.9M in the current year. This increase comprised $14.9M of additions offset by $4.1M depreciation and $2.7M net book value of disposals, mostly related to Cyclone Gabrielle. The significant additions were $6.1M of land for Mānuka forests, $3.3M in development of Mānuka forests and $1.6M on a market support centre renovation.

Software and other intangibles at $14.3M increased $0.7M, which was mostly the result of an investment in an ecommerce single-source platform totalling $2.6M, offset by amortisation of $2.3M.

Goodwill

Goodwill of $27.4M is largely made up of $25.6M related to Greater China and $1.8M to Apiaries, with no change in the current year except for a foreign exchange movement. The annual impairment testing did not highlight any impairment risk, consistent with the profitable performance of the Greater China segment and the forward-looking performance of the Apiary business unit, with Mānuka forest investments starting to be in production.

Investments

Investments total $10.2M and have decreased by $0.7M in the current year, largely due to an equity accounted loss of $0.6M in relation to the Caravan Honey Company. This 50% investment is progressing in line with expectations, with a talent-backed skincare range to be launched in H1 FY24.

In January 2023, Comvita signed a capital contribution agreement with Apiter shareholders, agreeing to supply additional funding to Apiter in exchange for an eventual increase in ownership from 20% holding to 32% holding. The additional funding is in two phases: an initial loan of US$545,000 was made in January 2023 and an additional US$1,445,000 will be advanced when the share issuance procedures are completed in Uruguay, at which point the initial loan will also convert to equity. At reporting date, the share issuance procedures are in their preliminary phases and the US$1,445,000 was a capital commitment.

On 5 July 2023, Comvita Singapore Pte Limited, (a subsidiary of Comvita Limited) acquired the assets of Swift Health Food (Singapore) Pte Limited, a specialised honey retail business called HoneyWorld™ located in Singapore. This has been noted as a subsequent event in the financial statements. HoneyWorld™ is the largest Mānuka honey retailer in Singapore and represents a highly strategic acquisition into a business that is the market leader in core Comvita categories in one of Asia's premium growth markets. Combined with its existing business in this market, Comvita's market share in the Mānuka honey category in Singapore will be around 50%. Together, Comvita and HoneyWorld™ have identified incremental opportunities to further grow household penetration and share of the category in this important market over time.

This acquisition will be immediately accretive to Comvita with a HoneyWorld™ forecast 24% increase in return on capital employed once integrated. For the Comvita Group, this acquisition is forecast to deliver a 22% improvement in EPS in FY24. HoneyWorld™ is forecasting revenue in FY24 of over SG$13M (NZ$15.85M). The acquisition is to be debt funded.

Inventory

Inventory on hand has increased slightly by $3.9M (3%) from the prior year to $136.0M. Inventory balances were expected to remain high during FY23 as previously advised. Supply optimisation work now completed will enable material decreases in inventory over the next two years.

Trade receivables

At $39.4M, trade receivables increased by $11.6M on FY22. This increase was signalled to the market in May 2023, as it was clear that June sales would be strong. June 2023 sales were $10.8M higher than June 2022.

Bank facilities and total net debt

Total net debt at year end, including term debt facilities less cash on hand, was $53.4M. This has decreased from December 2022 by $9.9M but increased from FY22 by $27.8M. This increase was previously advised to the market and primarily due to elevated working capital.

In March 2023, a new $115M syndicated banking facility agreement with Westpac bank and ANZ bank was executed. The new facility has been implemented with very competitive market pricing, an extended debt maturity profile ranging from two to four years, improved flexibility related to our banking covenant structure and future access to sustainability-linked loans.

The company has complied with all banking covenants during the period.

Trade and other payables

Trade and other payables decreased by $3.5M to $34.3M, primarily due to decreased trade creditors related to the timing of honey purchases.

Management commentary
(no financial statements)

Aiming

TO WIN

All market segments delivered double-digit revenue growth. Our consumer NPS score of 80 is classified as a world-class mark*.

80

NPS
+7.1% VS PCP**

+12% TOTAL REVENUE GROWTH	**+13%** GREATER CHINA REVENUE GROWTH	**+12%** NORTH AMERICA REVENUE GROWTH
+18% REST OF ASIA REVENUE GROWTH	**+14%** EUROPE, MIDDLE EAST AND AFRICA (EMEA) REVENUE GROWTH	**+17%** ANZ REVENUE GROWTH

* Perceptive.co.nz NPS scoring guidelines.
** NPS recalculated for FY22 to FY23 for formula consistency.

"As a working mom, I have to balance my family and career. Comvita Mānuka honey helps me to maintain gastrointestinal health so that I can have a better balance."

Tmall consumer, China

Greater China

Total revenue in Greater China increased by 13% with strong second-half and online performance offsetting a slower than expected return to normal consumption in offline channels.

"When it comes to Mānuka honey, we only trust Comvita. Been using for over 6–7 years now and never disappointed in the quality."

United States customer, Facebook post

North America

North American revenue increased by 12% year on year, supported by good online sales. Comvita is the fastest-growing Mānuka brand* in the natural channel in the North American market.

* Fastest growing brand over US$500K (source: SPINS).

"Love this product [Comvita Olive Leaf Extract]! I dose daily and have never been healthier. Thanks Comvita!"

Matthew, Australia

Australia and Aotearoa New Zealand

We continued to focus our efforts on developing our customer relationship with partners who amplify and support what we stand for as a brand. It's pleasing to report revenue improving by 18% year on year with strong performance in both domestic and daigou channels.

"UMF™ 20+ is our must-have home remedy.

It has helped tremendously with cough and flu since 2017. It is the greatest health investment I have made throughout these years!

Consumer, Singapore

South East Asia

Revenue in South East Asia (SEA) increased by 61% year on year as we saw strong demand and sales through key retail channels. Comvita brand endorsement and quality focus has enabled further premiumisation for discerning consumers.

Management commentary
(no financial statements)

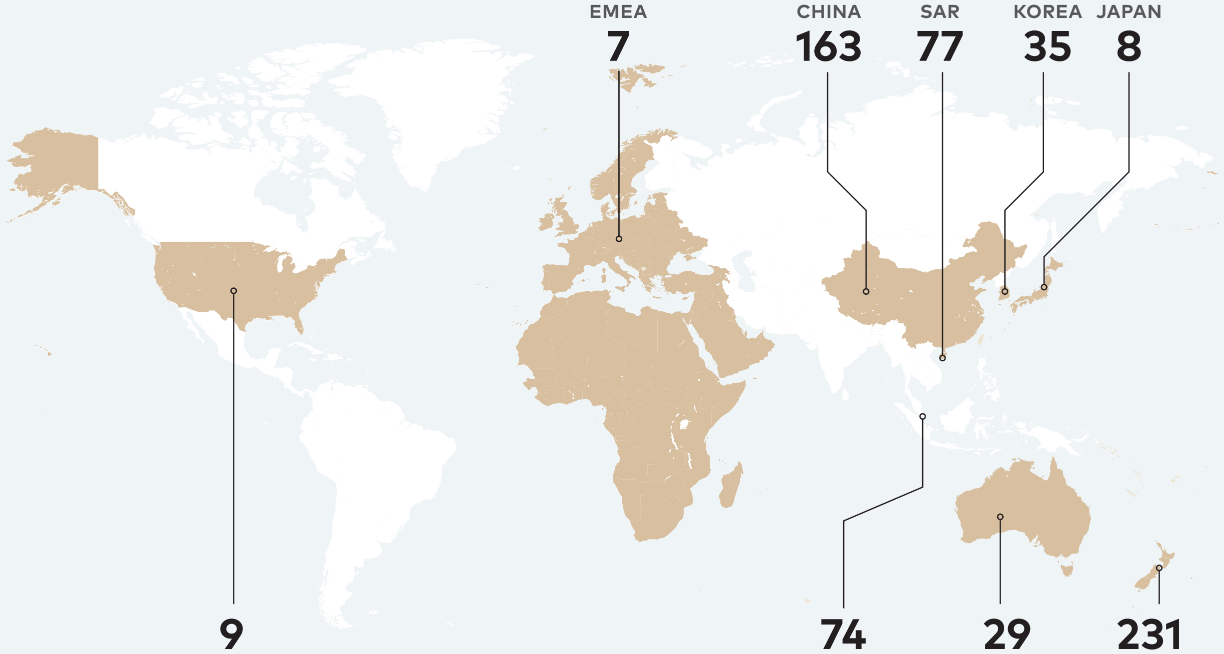
ACROSS OUR

World

OVERVIEW

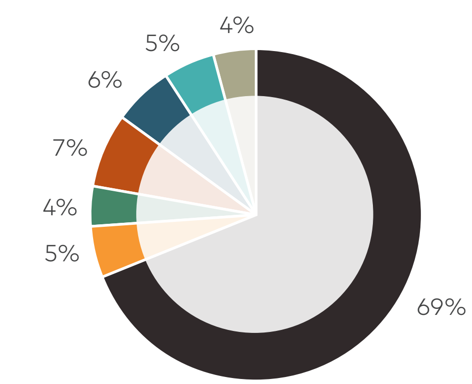
Our unique model includes positioning teams in our core markets. Here's what they achieved this year.

Our team now totals 630, of which 399 are in seven markets outside Aotearoa New Zealand.

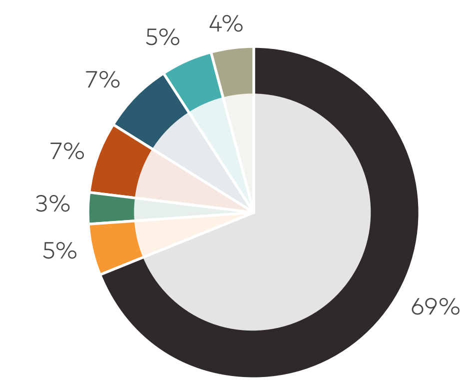


* SEA/Singapore numbers include team numbers from our recent acquisition of HoneyWorld™ (71 team members), which took place on 5 July 2023.

FY22 sales by category



FY23 sales by category



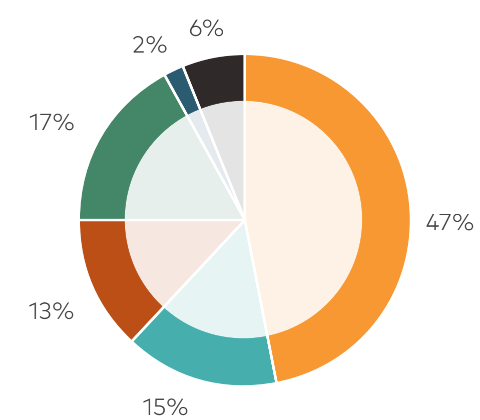
UMF™ honey | Honey | Olive | Propolis | Lozenges | Medihoney | Other

+12%
MĀNUKA HONEY

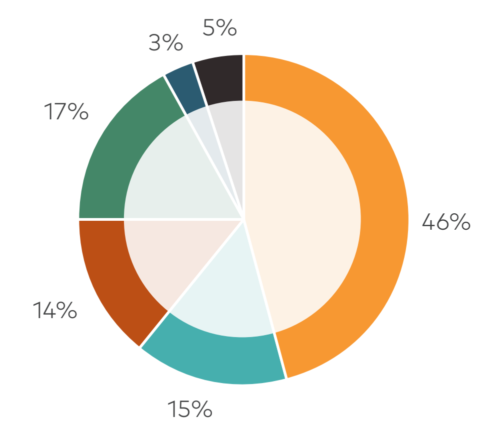
+27%
PROPOLIS

+19%
UMF™ 20+

FY22 segment revenue share



FY23 segment revenue share



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

Management commentary
(no financial statements)

MARKET SHARE GROWTH

“Premium quality and positioning of Comvita in China is integral to continued market share growth.”

ANDY CHEN, REGIONAL CEO, APAC

Throughout the year, we have continued to consolidate our leadership position and experienced strong market share growth in the Mānuka honey category across our key markets.

Our investment in building talented sales, marketing and operational teams across our key markets has paid off. Our core philosophy of understanding and embracing the primacy of our markets means that we are closer to consumer needs, closer to changing customer requirements and faster to act. Our teams' expertise and commitment have been pivotal in driving consumer engagement and loyalty, supported by our Customer Support Centre team in Aotearoa New Zealand.

In line with our business model, we invested over $30M in brand-building activities. This strategic investment has allowed us to effectively communicate our brand's unique value proposition and tell our incredible founding story to a broader audience.

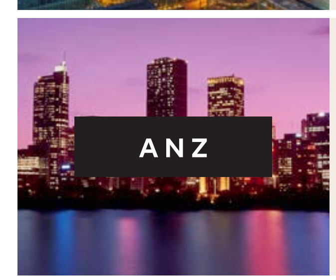
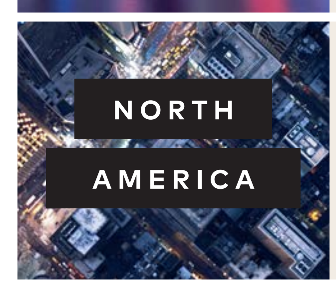
We delivered world-class quality for our consumers in market at 0.02 complaints per 1,000 units sold.

By consistently delivering superior quality products, we continue to build trust and loyalty amongst our consumers, underpinning our long-term success in these critical markets.

Looking forward to FY24, we will continue to develop local new product solutions for different usage occasions, enabling Comvita to be an even bigger part of our consumers' everyday lives.

	Revenue growth FY23 vs PCP	Net contribution growth FY23 vs PCP
Greater China	↑ +12.5%	↑ +16.8%
North America	↑ +12.0%	↑ +5.4%
ANZ	↑ +17.5%	↑ +3.2%
Rest of Asia	↑ +16.2%	↑ +25.9%
EMEA	↑ +14.4%	↑ +627.7%

GROWING MARKET SHARE

	2020		2022
 HONG KONG SAR	56%	↑ + 19%	75%
 MAINLAND CHINA	39%	↑ + 21%	60%
 KOREA	47%	↑ + 13%	60%
 REST OF ASIA	7%	↑ + 18%	25%
 ANZ	23%	↑ + 23%	46%
 NORTH AMERICA	21%	↑ + 4%	25%

GREATER CHINA

Greater China is the biggest market for Comvita with a total addressable market of 8B RMB (NZ$1.8B). With household penetration at less than 1%, there is material room for growth.

Despite ongoing disruptions in H1 due to Covid restrictions, revenue for the full year increased to $109M +12.5% vs PCP with revenue growth translating to net contribution and market share growth in this crucial market. Net contribution grew by 16.8% to 24.6% of sales in FY23.

Our premium natural health and wellness brand transformation was further supported by exciting regional new product initiatives and underpinned by premium brand partnerships.

In consumer communications, we initiated a series of innovative marketing and co-branding activities to enhance our brand awareness.

Our record $109M revenue milestone paves the way for our greater ambition, which is captured in our Comvita 50 strategic plan.

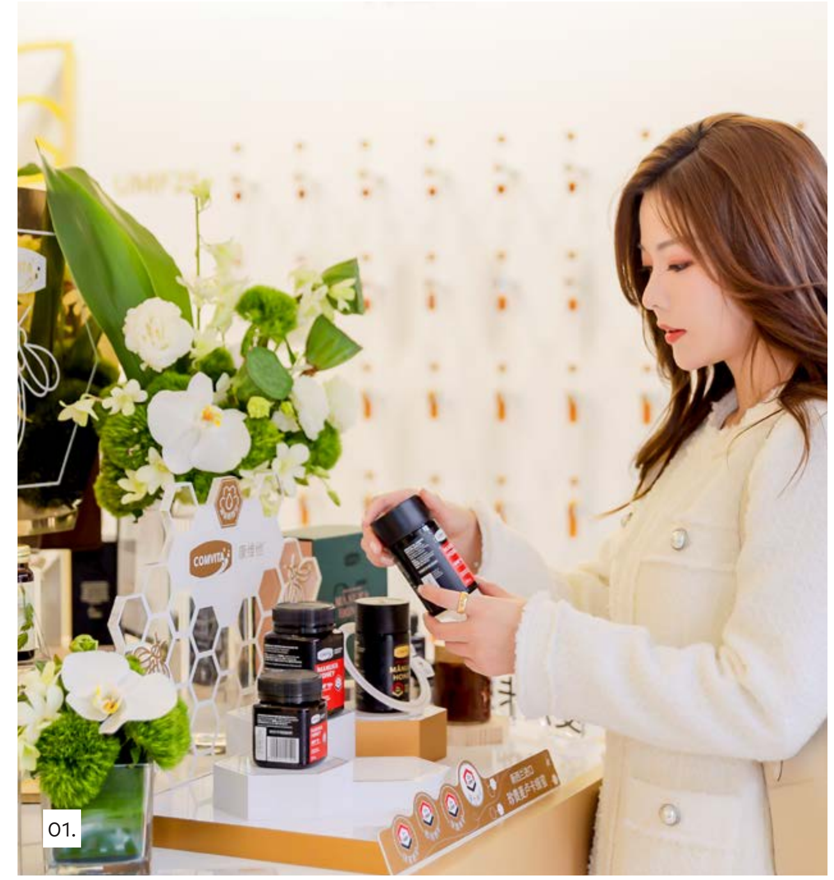
GREATER CHINA

Reported currency basis

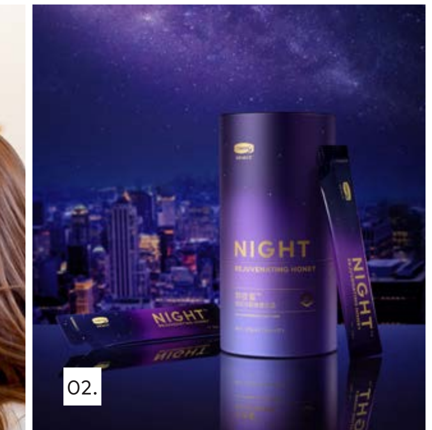
	This year FY23 NZ$000	Last year FY22 NZ$000	vs last year NZ$000	vs last year %
Sales	**109,005**	**96,924**	**12,081**	**12.5%**
Net contribution	**26,813**	**22,958**	**3,855**	16.8%
Net contribution %	24.6%	23.7%		0.9%

Greater China ecommerce performance
FY22 vs FY23 % difference

+17%	+4%	+1,045 BPS
D2C VS PCP	MARKETPLACE VS PCP	D2C REPEAT PURCHASE RATE

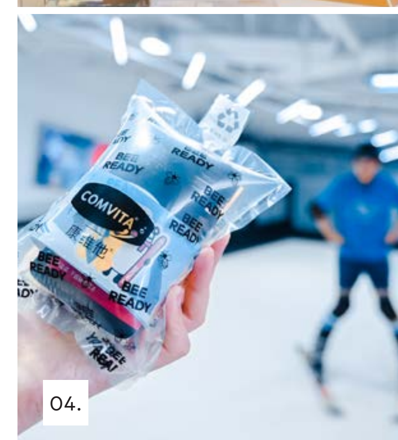


01.



02.

03.



04.

05.

01. A pop-up "Nature Heals" in Tangning Bookstore – a historical building in Shanghai.

02. Launch of local new product – Comvita Night honey.

03. Launch of the upgraded version of Comvita Collagen Drink.

04. Collaboration with Snow 51 for "New" Snow Season.

05. China International Import Expo (CIIE) 2022.

LOOKING FORWARD

FY24 will see continued consumer investment and regional new product development focused on our premium natural health and wellness brand transformation.

With borders reopened, our strong team on the ground will further strengthen our brand equity across Hong Kong SAR and Mainland China with updated brand collateral and experiential features integrated in our stores.

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

Management commentary
(no financial statements)

NORTH AMERICA

North America has a total addressable market of $1.3B with household penetration for Mānuka estimated to be below 1%. This illustrates the size of the North American opportunity, where Comvita has been rapidly growing at a compound annual growth rate of 28% since FY19.

For FY23, we are pleased to report continued top-line and bottom-line growth versus PCP, with market share gains of around +400bps. We have successfully delivered net contribution gains of +5%, while continuing to invest in our brand and commercial activities in market.

Our revenue increase to NZ$35.6M represents an increase of +12% versus PCP. Our strategic emphasis is on channel balance and portfolio expansion through a digital-first approach. Ecommerce now represents 31% of United States sales. Total ecommerce revenues were up by 22% versus PCP with +40% sales growth through our integrated direct-to-consumer (D2C) platform and +17% growth across ecommerce marketplaces.

We have over-delivered with our D2C strategy in a highly competitive landscape, building long-term value through database growth and increased frequency of use.

- Overall growth in direct customers +51%.
- Registered users +17%.
- Repeat purchase rates (RPR%) +1,631bps.
- Lifetime value +17% versus PCP.

Our premium natural health and wellness brand offering was extended in FY23 with the launch of 11 new products, with the long-term aim to drive brand availability across a diversified customer and channel mix. We gained nearly 2,000 new points of distribution and achieved double-digit growth in our natural and grocery sell-through rates, proudly maintaining our position as the fastest-growing Mānuka brand in the United States natural channel at +58% versus PCP.

As part of our World Bee Month campaign in 2023, Comvita was proud to fund the rescue of more than 40 million bees, saving them from extermination, through a nationwide programme with local beekeepers.

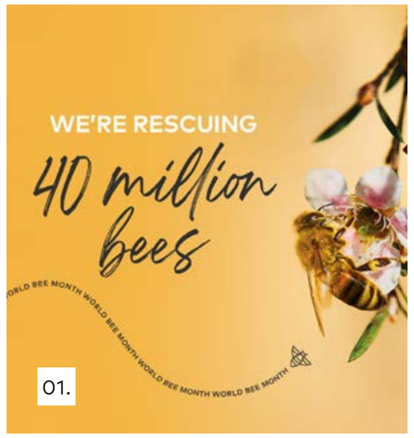
NORTH AMERICA

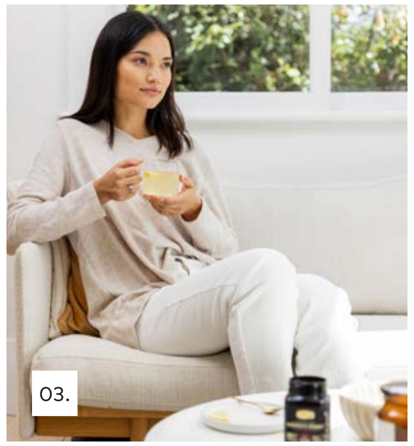
Reported currency basis

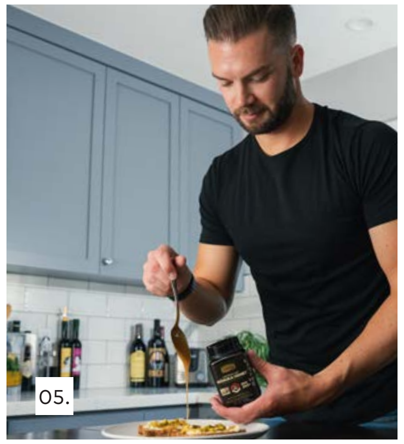
	This year FY23 NZ$000	Last year FY22 NZ$000	vs last year NZ$000	vs last year %
Sales	**35,608**	**31,793**	**3,815**	**12.0%**
Net contribution	**8,868**	**8,414**	**454**	5.4%
Net contribution %	24.9%	26.5%		(1.6%)

North America ecommerce performance
FY22 vs FY23 % difference

+40%	+17%	+42%
D2C VS PCP	MARKETPLACE VS PCP	NEW D2C CUSTOMERS







01. World Bee Month 2023 where we rescued over 40 million bees in the US via beekeeper partners.

02. New squeeze bottle launch included Kids Yummy Honey (shown), MGO 50+ and UMF™ 5+ Mānuka honey.

03. UMF™ Mānuka honey lifestyle shoot, connecting with American consumers.

04. Comvita range of retail-focused Mānuka honey and multifloral Mānuka honey.

05. Jordan Mazur, MS, RD professional sports dietitian, uses Comvita Mānuka for a pre-workout energy boost.

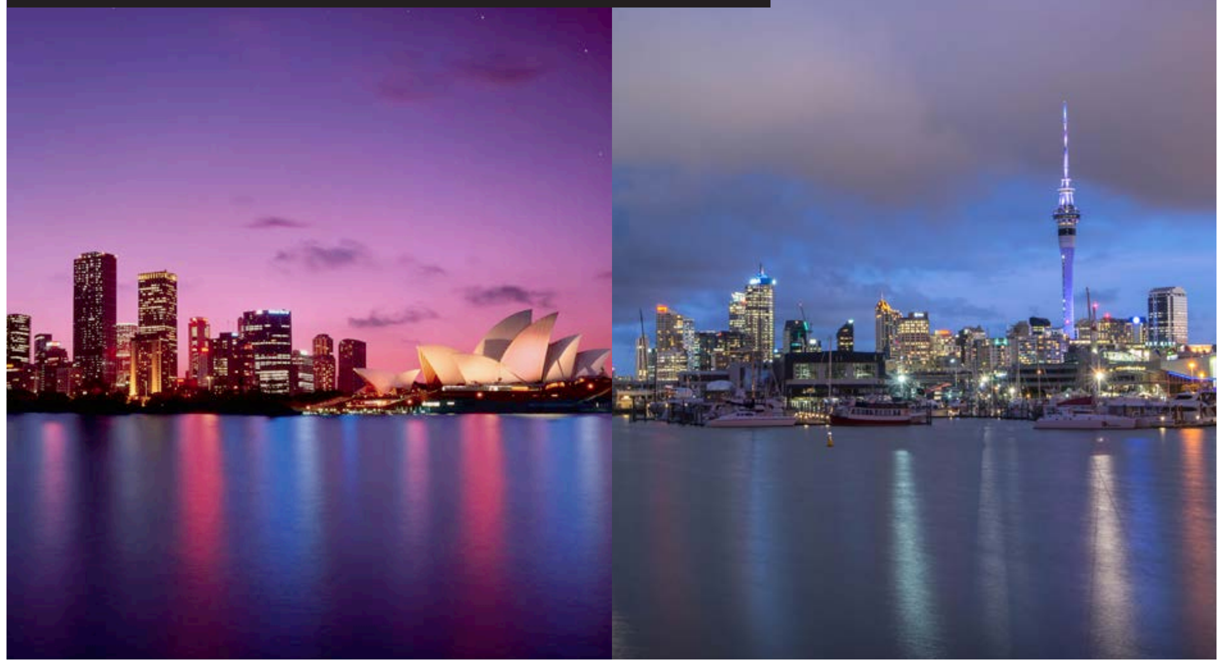
LOOKING FORWARD

We aim to broaden our product offering in North America in line with other regions across the Group through a digital-first strategy. We will focus on bringing new users to the category, extending our ecommerce insights into growth channels and driving omni-channel and category performance. North American performance is expected to be flat in FY24.

GROW MĀNUKA SHARE OF TOTAL ADDRESSABLE MARKET | **BROADEN PROPOSITION**

Management commentary
(no financial statements)

AUSTRALIA + AOTEAROA NEW ZEALAND



We are delighted to report strong revenue growth in ANZ with growth delivered through both domestic and daigou channels.

We continue to invest in our brand to amplify and complement activity in Greater China. Through this increased investment, we were able to deliver 3% increase in net contribution and undertake significant long-term brand-building activity.

Our focus on local consumer reconnection and transformation to a premium natural health and wellness brand is paying dividends. The ANZ region delivers a strong net contribution margin of 28%. Our ecommerce channel has good momentum, with a +15% increase in D2C customers versus PCP for Aotearoa New Zealand and +14% for Australia. AOV is +36% in Aotearoa New Zealand and +28% in Australia versus PCP.

ANZ

Reported currency basis

	This year FY23 NZ$000	Last year FY22 NZ$000	vs last year NZ$000	vs last year %
Sales	**40,770**	**34,696**	**6,074**	**17.5%**
Net contribution	**11,573**	**11,211**	**362**	3.2%
Net contribution %	28.4%	32.3%		(3.9%)

ANZ ecommerce performance
FY22 vs FY23 % difference

+13%
D2C VS PCP

-19%
MARKETPLACE VS PCP

+14%
D2C CUSTOMERS

01. Giapo Ice Cream collaboration.

02. Honeypops winter wellness.

03. William Mordido, Bocuse d'Or Aotearoa New Zealand collaboration.

04. Fashion forward collaboration with international designer Claudia Li.

05. Phoenix in-store opening.

LOOKING FORWARD

Further upgrade of our brand expression at point of purchase (POP) and enhanced regional partnerships will enable differentiation and amplification of our world-leading Comvita brand value proposition and ESG credentials.

GROW CATEGORY	CHANNEL DIVERSIFICATION	WIN AT POP

Management commentary
(no financial statements)

REST OF ASIA

We are proud to deliver revenue growth of +16% vs PCP and net contribution growth of 26% in this dynamic region.

Our talented teams on the ground strengthened our distribution and delivered new long-term customer partnerships, which have set us up for long-term growth.

With the benefit of ASEAN economic development, Asia's middle class is growing faster than ever, and the future looks very encouraging.

We are delighted to welcome HoneyWorld™ to the Comvita family, further strengthening our performance in the Singapore market.

Reported currency basis

	This year FY23 NZ$000	Last year FY22 NZ$000	vs last year NZ$000	vs tast year %
Sales	**31,771**	**27,337**	**4,434**	**16.2%**
Net contribution	**8,291**	**6,585**	**1,706**	25.9%
Net contribution %	26.1%	24.1%		2.0%

Rest of Asia ecommerce performance FY22 vs FY23 % difference

* Japan migrated to new platform February 2023.

-15%*
D2C VS PCP

+5%
MARKETPLACE VS PCP

+13%
D2C TRANSACTIONS VS PCP

LOOKING FORWARD

In SEA, we will leverage the momentum from our strategic acquisition of HoneyWorld™ to scale distribution and product development for consumers in this vital, connecting region.

GROW CATEGORY | CHANNEL DIVERSIFICATION | INTEGRATE HONEYWORLD™

EMEA

It's encouraging to deliver double-digit top-line and bottom-line growth in EMEA. However this segment remains sub-scale and materially breakeven.

Revenue grew by 14.4% to NZ$5.9M and net contribution to NZ$604K or 623.3% of revenue. During this period, we added talent to the United Kingdom team and have a very clear focus on channels and product categories where we see opportunities for growth.

Our online business was disrupted during FY23, though this is now resolved. Our United Kingdom and Germany D2C business was successfully transitioned onto Comvita's integrated ecommerce platform, delivering an uplift of +83% in customer acquisitions for the region and +10% in revenue growth for all ecommerce for FY23. AOV is +12% in the United Kingdom and +8% in Germany versus PCP.

Reported currency basis

	Full year			
	This year FY23 NZ$000	Last year FY22 NZ$000	vs last year NZ$000	vs last year %
Sales	**5,862**	**5,124**	**738**	**14.4%**
Net contribution	**604**	**83**	**521**	627.7%
Net contribution %	10.3%	1.6%		8.7%

EMEA (United Kingdom and Germany) ecommerce performance FY22 vs FY23 % difference

* Migrated to new platform March 2023.

+5%*
D2C VS PCP

+18%
MARKETPLACE VS PCP

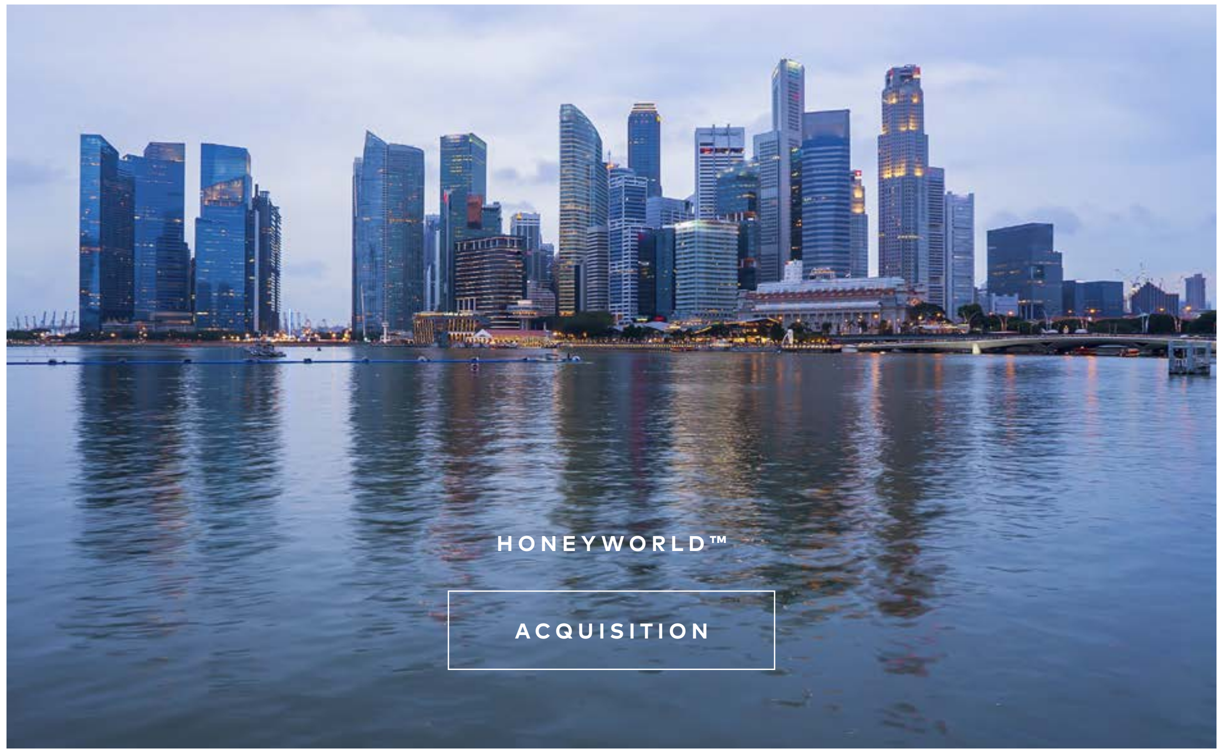
+83%
EMAIL SUBSCRIPTIONS VS PCP

LOOKING FORWARD

We will drive household penetration in focus product categories with a refreshed go to market model and distribution partnerships. D2C is now back fully under our management with consequential revenue and contribution benefits, and our ecommerce presence will be enhanced through online marketplace expansion in Europe.

DISTRIBUTION MODEL | CHANNEL FOCUS | TEST AND LEARN

Management commentary
(no financial statements)



On 4 July 2023, we were delighted to welcome HoneyWorld™, the largest honey retailer in Singapore, into our Group.

This strategic SG$8.5M (NZ$10M) acquisition has enabled us to join forces with a business that is the market leader in core Comvita categories in one of Asia's premium growth markets. Combined, our market share in the Mānuka honey category in Singapore will be around 50%.

HoneyWorld™ was founded in 1997 by Pearline Goh to introduce healthy and nutritional foodstuffs and operates 18 outlets in the Singapore market with a loyal consumer following. We will supply HoneyWorld™ brands in store as well as growing our own Comvita Mānuka brand and range. We are delighted Pearline has also agreed to become part of the Comvita whānau and to share her expertise in the Singaporean and wider Asian region markets. Singapore is also a crucial market connecting Asia with the world and the world with Asia.

This acquisition will be immediately accretive to Comvita, with a forecast 25% increase in the HoneyWorld™ return on capital employed once integrated. For the Comvita Group, this acquisition is forecast to deliver a 22% improvement in earnings per share. HoneyWorld™ is forecasting revenue in FY24 of over SG$13M (NZ$15M). The acquisition is debt funded.

SINGAPORE

Population:	5.454M
Gross domestic product:	$397B
Gross national income per capita:	$54,530

Management commentary
(no financial statements)

Online revenue now accounts for 42% of all Comvita sales, circa NZ$98M.

The ecommerce landscape of the last 12 months was highly competitive, with in-store shopping more prevalent than previous periods that were restricted by lockdowns. Comvita doubled down on customer acquisition and driving overall consumption, delivering a lift in revenue and margin and strongly over-indexing in D2C channels.

- Total ecommerce revenue +19.1% versus PCP, at accretive margins.
- Ecommerce share of net Group revenue to 41.7% +270bps versus PCP.
- NPS* 80% +7.1% versus PCP.

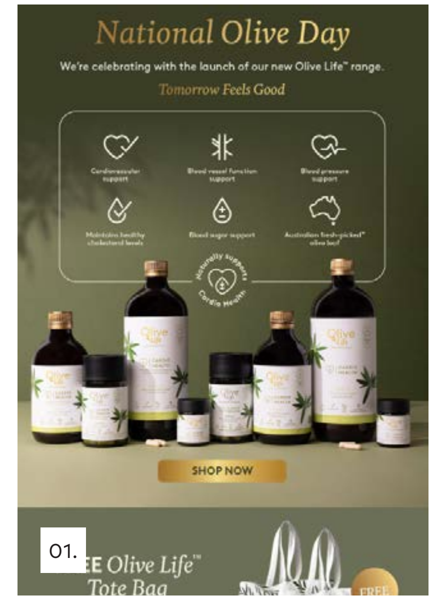
FOCUS MARKET GROWTH

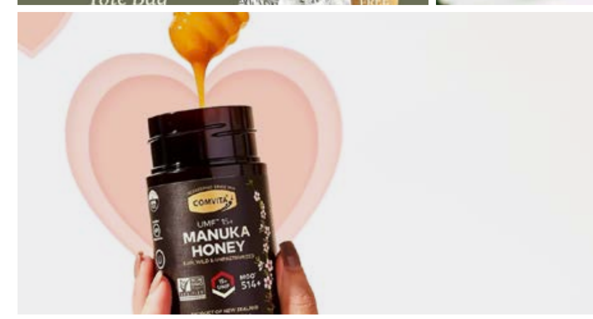
Despite challenging market headwinds, we continued our growth momentum in Mainland China, with ecommerce revenue now representing 74% of all sales. Our Comvita WeChat store was launched in 2022 and we delivered another year of record-breaking results during key sales festivals such as 618, outperforming all competitors.

Comvita's online channels in North America increased by 22%, with the ecommerce share to 31% (+200bps). We expanded our online range by more than a third, generating a 1,631bps improvement in repeat purchase rates on Comvita.com, where registered user sales grew by a healthy 56%. Our focus Amazon Seller strategy delivered nearly +80% growth compared to FY22.

GREATER CHINA	
ECOMMERCE SHARE	**61%** Revenue from ecommerce
ECOMMERCE GROWTH	**+17%** D2C **+4%** Marketplace
NORTH AMERICA	
ECOMMERCE SHARE	**31%** Revenue from ecommerce
ECOMMERCE GROWTH	**+40%** D2C **+17%** Marketplace
EMEA	
ECOMMERCE SHARE	**33%** Revenue from ecommerce
ECOMMERCE GROWTH	**+5%** D2C (from March 2023) **+18%** Marketplace

* NPS recalculated for FY22 toFY23 for formula consistency.





01. Fun and engaging National Olive Day ecommerce campaign in ANZ

02. Comvita has consolidated a 'single source of truth' for more than 75% of D2C revenue and 39% of our total global database.

03. Comvita USA generated record-breaking revenue through our D2C Valentine's Day campaign 2023.

04. In China, Comvita was the highest international brand to make Tmall's Top Ten (total healthy food category) in 2023.

42% TOTAL ECOMMERCE SHARE

+28% REGISTERED USERS

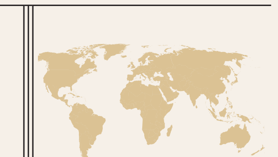
5x CHAMPION USERS

+1,568BPS REPEAT PURCHASE RATES (RPR%)

+1,242BPS* AVERAGE ORDER VALUES

LOOKING FORWARD

We will focus on consumer acquisition and retention and deepen our consumer insights through extended test and learn, driving innovation via fast feedback loops.



NEW USERS | FREQUENCY OF USE | LIFETIME VALUE AND LOYALTY

* AOV based on Australia, NZ and US only.

Management commentary
(no financial statements)

PREPARING

COMVITA PROPOLIS

FOR TAKE-OFF

Bee Propolis originates from a plant's defence system and contains over 300 powerful natural bioactive compounds that support immunity, health and wellbeing.

The wellness industry has experienced strong growth in recent years, with consumers increasingly seeking natural supplements to help build their immunity. The impact of Covid has amplified this trend, prompting consumers to proactively focus on strengthening their immunity. Many are now looking for proven plant-based, natural health products.

Within wellness, the cold, flu and immunity category is valued at over US$12.0B annually and projected to grow at 6.5% per year.

While traditional remedies like Propolis have been used for centuries to enhance immunity, consumer awareness of its benefits has been relatively low compared to other immunity products. Comvita is a global leader in Propolis. Consumer research has shown the untapped potential for Propolis and the Comvita brand to premiumise the global market and increase penetration with new consumers.

BENEFIT-LED IMMUNE BEE™ PROPOLIS

Our consumer-centric approach led to the creation of the Immune Bee™ Propolis range. The new packaging design symbolises the essence of bee Propolis and its natural origins. The front of pack reinforces the product's immunity benefits.

By choosing to use rPET recycled plastic jars for all the products in the range, we were able to prevent 20MT of additional plastic waste.

POSITIVE SIGNS

The relaunch of the Immune Bee™ Propolis range in the second half of FY23 is encouraging, with our Propolis products revenue growing 26.5% during FY23. Even so, more work is still to be done to realise the true potential of this category.

2023

Active defense. Be life ready.

27% GROWTH IN FY23

NEW VEGETABLE CAPSULE

20MT OF PLASTIC DESIGNED OUT

RECYCLABLE AND CIRCULAR rPET JAR AND LID

LOOKING FORWARD

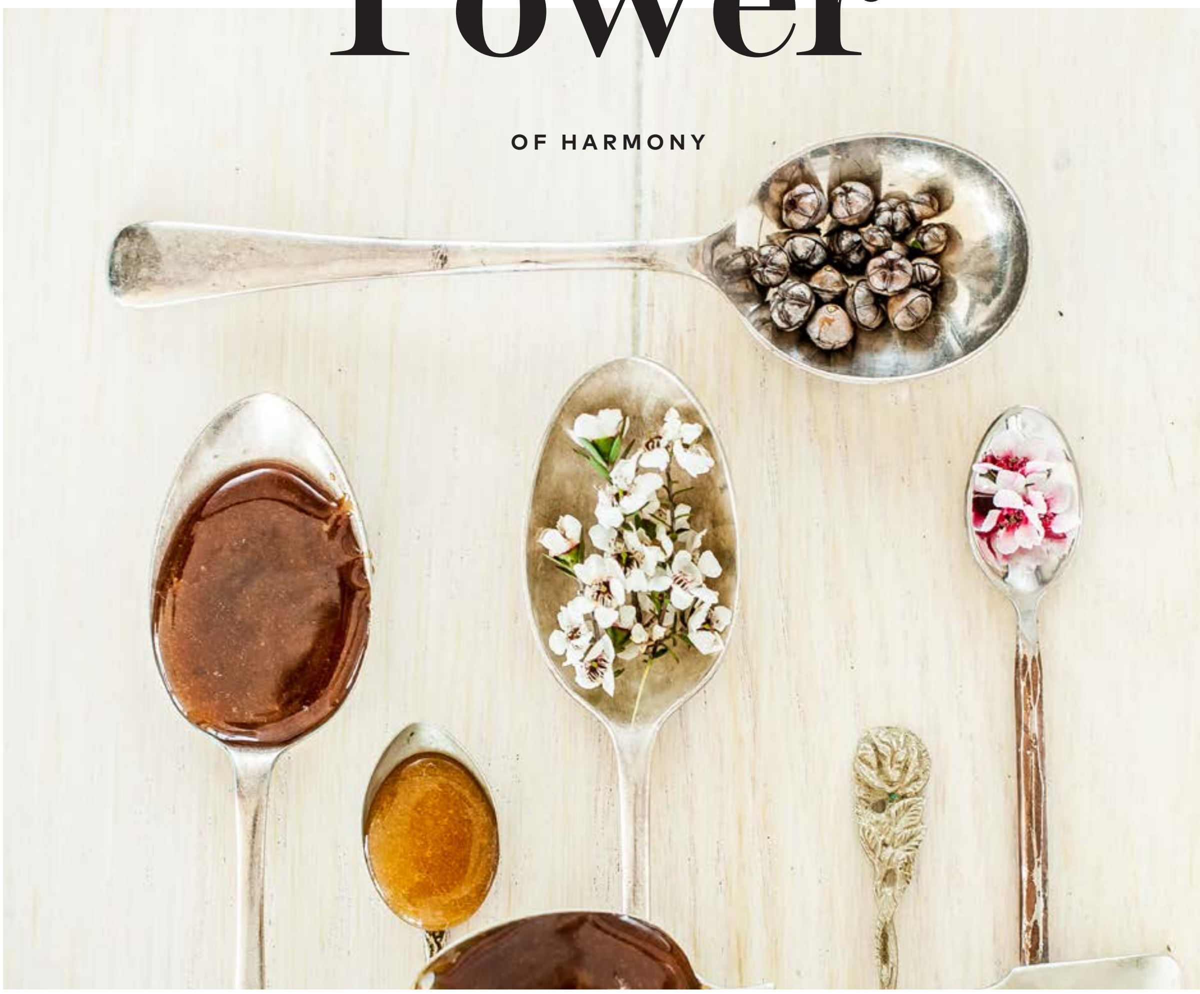
We are focused on expanding market distribution and delivering an innovative pipeline of products to realise the potential of the Propolis category to help consumers build immunity.

Poised FOR TAKE-OFF

GROW HOUSEHOLD PENETRATION	BUILD RANGE

Management commentary (no financial statements)

THE Power OF HARMONY



Comvita is driven by a profound purpose: working in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world. Our Harmony Plan is both a roadmap and a commitment to perpetuate positive impact for people, bees and planet. For us, it captures our determination to leave the world in a better place.

When Comvita amended its company constitution in 2022 to ensure all stakeholders were considered in decision making, we doubled down on our previous commitment to convert purpose into action.

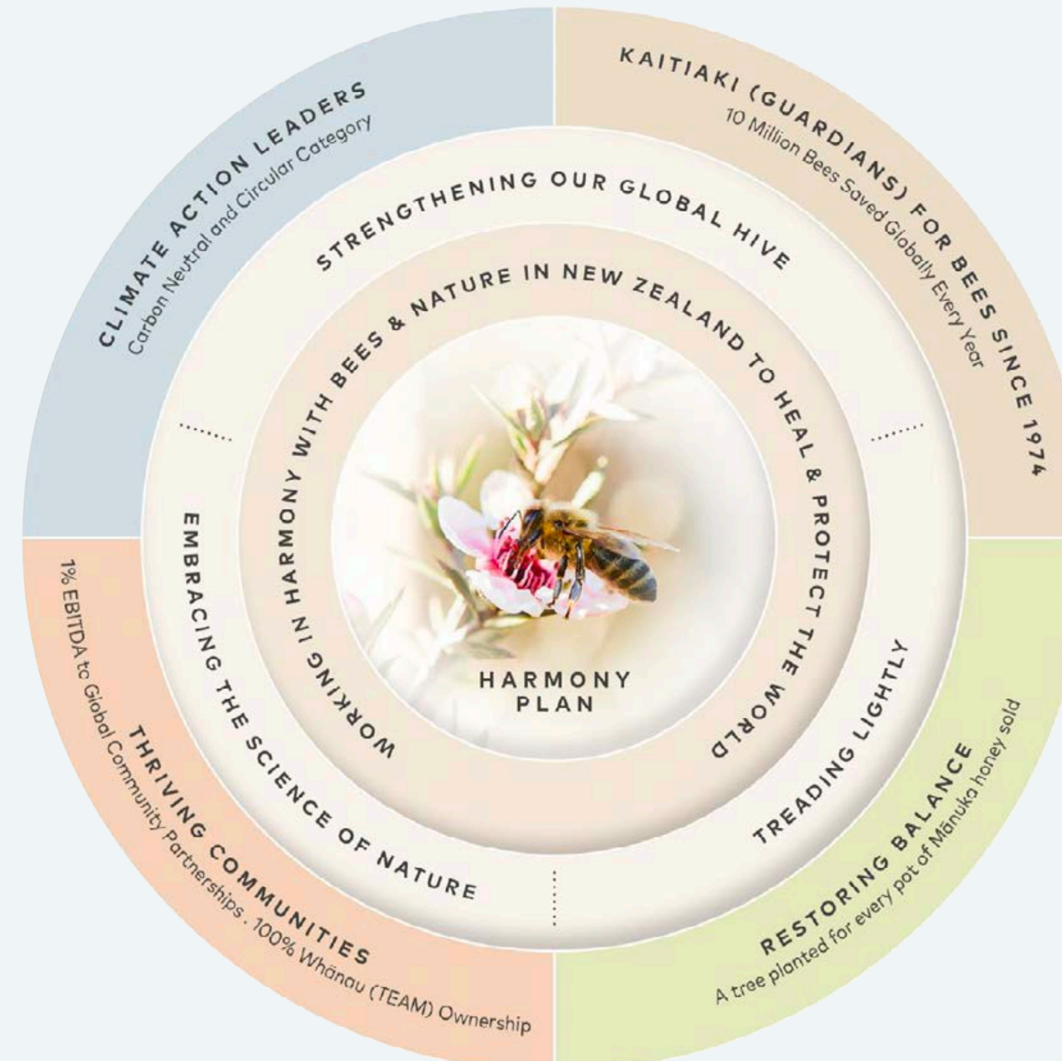
We were delighted to receive B Corp certification this year, confirming Comvita as a purpose-driven organisation committed to the highest standards of transparency and accountability for social and environmental impact.

We also celebrated a number of material Harmony Plan outcomes thought the last year:

- Partnership agreement signed with Olé (one of China's largest premium supermarket chains) premised on a shared commitment to long-term ESG initiatives and outcomes.
- More than NZ$300,000 donated as part of our 1% EBITDA commitment to initiatives in Aotearoa New Zealand, Australia, United States, Korea and Africa.
- 91%* of global Comvita team now shareholders and part-owners in Comvita.
- Bee Welfare Code launched and adopted across all Comvita Apiary branches.
- More than 44 million bees rescued from extermination.
- Launch of our Time to Heal programme for our global team. With 1,008 employee hours volunteered in support of environmental and community causes.

* Global team as shareholders or bonus scheme equivalent

E reretau ana, e mahi ngātahi ana
mātou ko ngā pi me te taiao i Aotearoa, hei whakaora, hei manaaki
āno i te ao tūroa.



“Our core belief is that
we can only be as healthy as the natural ecosystems
that sustain us, as true healing power only comes
from working in harmony with nature. We've done
this for almost 50 years.”

SUSTAINABILITY

B CORP

CERTIFIED

"We are proud to become B Corp certified. This perfectly aligns with Comvita's founding principles and ongoing commitments captured in our Harmony Plan."

DAVID BANFIELD, CEO

Taking the lead on social and environmental performance is not only what our people, planet and community needs – it's also good for business.

Comvita was founded with long-term views around balancing purpose and profit. Becoming a certified B Corp company is in line with those founding principles, and we are truly proud of this achievement.

Since our establishment, Comvita has been grounded in ethical, social, 'founding' ethos and environmental ideals. In many ways, our ethos was ahead of its time – forged in an era when climate change had yet to enter the global narrative. Nearly five decades later, we are the leaders in this space.

Comvita was the first publicly listed company in Aotearoa New Zealand to specifically change its constitution to ensure the needs of all stakeholders are considered in decision making and governance The B Corp certification is a powerful commitment to deliver performance against the highest global standards, providing rigorous independent verification across the five impact areas of our 13 subsidiary operations around the world (employees, customers, the communities we serve, governance and, of course, the environment). By providing a transparent 360-degree view of our global stewardship and action, we are further setting ourselves apart – and raising the benchmark for others to follow.

We know our customers recognise the importance of the B Corp certification and believe this achievement will enable us to accelerate distribution growth around the world.

We are taking a long-term view, knowing B Corp supports our sustainability credentials and enhances our reputation, financial performance and value in the future. Taking the lead on social and environmental performance is not only what our people, planet and community needs – it's also good for business.

"B Lab is the nonprofit network transforming the global economy to benefit all people, communities, and the planet. There's no Planet B. Our international network of organizations leads economic systems change to support our collective vision of an inclusive, equitable, and regenerative economy ...

We're building the B Corp movement to change our economic system – and to do so, we must change the rules of the game. B Lab creates standards, policies, tools, and programs that shift the behaviour, culture, and structural underpinnings of capitalism. We mobilize the B Corp community towards collective action to address society's most critical challenges."

Source: https://www.bcorporation.net/en-us/movement/about-b-lab/

Certified B Corporation

Management commentary
(no financial statements)

PEOPLE AND CULTURE

Comvita's co-founder Alan Bougen & wife Lynda Bougen with our Country Market Leads at our 2023 Hive Gathering.

"We aim to create an environment where our team can thrive, unlocking individual potential and creating a legacy everyone can be proud of."

KIRSTY DENT
ACTING CHIEF PURPOSE & TRANSFORMATION OFFICER

As we approach the milestone of our 50th year, we are shaping the next chapter for Comvita.

For Comvita to be at its best, we need to create an environment that enables our team to perform. FY23 was a pivotal year in our transformation journey where we focused on performance culture and meaningful connections to build an impactful legacy.

These major initiatives were under way or advanced in FY23:

- Meeting our team shareholding principle philosophy, with 91% of our global employees now shareholders (or bonus scheme equivalent).
- Operating model optimisation with consumers firmly at the centre. This includes an information systems upgrade to improve internal capacity, speed to market and our ability to scale.
- Evolution in our ways of working to drive a learning organisation underpinned by freedom and accountability.
- Positively impacting employees' lives through continued progression in our employee value proposition (EVP), with an emphasis on wellbeing.
- Completion of year one of our Time to Heal programme where we live our purpose by giving the global team paid time off to support communities in need.
- B Corp certification – a testament to the commitment of our teams worldwide to all that this stands for.

We take care to listen to the voice of our team as a key means to measure progress against our performance culture and best employer goals. This includes periodic surveys delivered in all languages used across Comvita. In our most recent survey, 92% of our team globally contributed their voice. We were delighted to see a material shift in our team recommending us as an employer, with our Employee Net Promoter Score (eNPS) climbing to +21.

OUR BEST EMPLOYER ASPIRATION

2022 BASELINE	2023 UPDATE	2024 GOAL
0	+21 Positive	+30

79% ENGAGEMENT

PEOPLE IN FOCUS

559* GLOBAL FULL-TIME EQUIVALENT (FTE) ROLES	4.3 YRS GLOBAL LENGTH OF SERVICE (AVERAGE)	9 REGIONAL APPRENTICESHIPS UNDER WAY
40% OF OUR ROLES WERE FILLED INTERNALLY	100%** LIVING WAGE	91%*** GLOBAL TEAM AS SHAREHOLDERS +7,600BPS
67% OF GLOBAL EMPLOYEES ARE FEMALE	341 INDIVIDUAL WELLBEING CHECKS	22 ETHNICITIES IN GLOBAL TEAM
75% EXECUTIVES WITH INTERNATIONAL EXPERIENCE	40% OF EXECUTIVES REPORTING TO CEO ARE FEMALE	38% OF COMVITA DIRECTORS ARE FEMALE

* Acquisition of HoneyWorld™ team not included in this number.
** In markets with recognised living wage.
*** Global team as shareholders or bonus scheme equivalent.

Comvita team and international chef William Mordido, Bocuse d'Or, at 2023 Hive Gathering.

Creating an aspirational, inclusive and connected workplace where our team can thrive is crucial to engagement and performance.

Disruption due to Covid accelerated our need to embrace new ways of working and focused our minds on creating a working philosophy designed to balance being together, celebrating success and working remotely. We are pleased with our progress towards our stated aspiration to become best employer.

Our team are passionate about Comvita and what it represents, and through engaging with their feedback, we were able to craft experiences and solutions that provided real and enduring moments of impact.

1. Flexible working	We are committed to creating an inclusive workplace where we can work from anywhere at any time subject to business needs, with ongoing optimisation of our tools and supporting processes to enhance remote working and flexibility.
2. Hive to home	We connected our team to consumers and markets where they experienced our in-market product activations, bee experiences and operations tours and our experiential space at the Wellness Lab.
3. Celebrating diversity	We provide diversity, equity and inclusion training for all employees. We are supporting understanding and connection through our celebration of cultural norms and festivals around the world.
4. Progressive EVP	Our FY23 initiatives include elevation of our family support policies and progressive retirement planning and support. We celebrate service milestones from completion of the first year through to 30 years and beyond. Our longest-serving employee joined Comvita in 1982.

LOOKING FORWARD

- Ongoing new ways of working to enable our team to thrive.
- Focused investment in leadership development.
- Targeting global eNPS +30 on our way to best employer.

PERFORMANCE
CONNECTION
LEGACY

PERFORMANCE | IMPACT

CONNECTING TO OUR
MĀTAURANGA
MĀORI JOURNEY

We recognise the mana whenua of Tapuika, and we are taking steps to build a lasting and mutually beneficial partnership.

We are in the early stages of our te ao Māori journey, and we are deeply appreciative of the support and input we receive from the Tapuika Iwi Authority. We were honoured to have Tapuika bless the reopening of our Customer Support Centre during a dawn ceremony at Paengaroa, and for Rawiri Biel, Chair of the Tapuika Iwi Authority, to open our 2023 Hive Gathering and attend our Stakeholder Open Day.

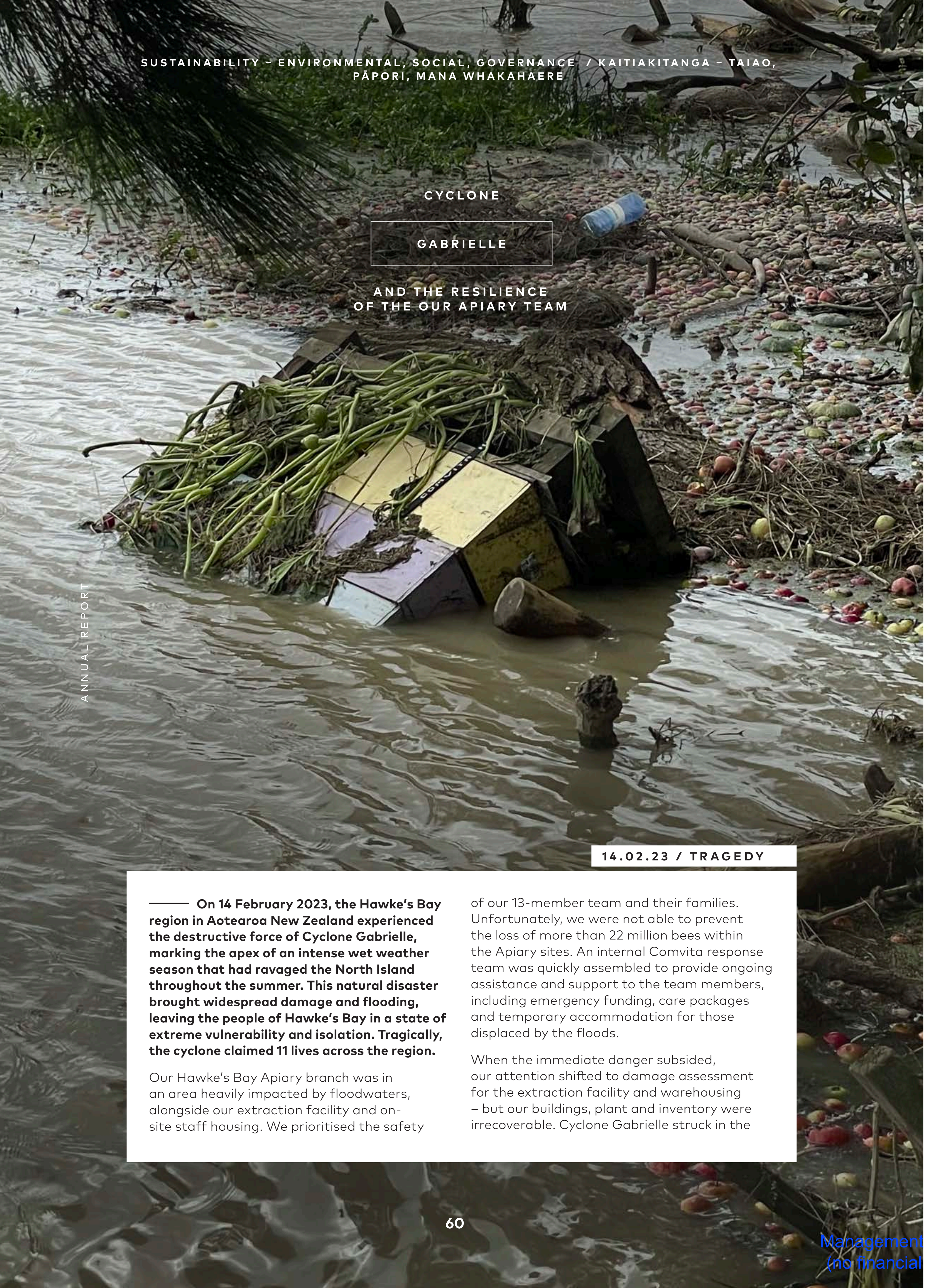
In FY23, we initiated a range of opportunities to educate and connect. These are some highlights:

- Te ao Māori engagement group activated across Aotearoa New Zealand and Australia.
- Extension of te reo Māori awareness and use within our internal communication forums.
- Te reo Māori learning opportunities introduced, with 45 participants in our first three cohorts.
- Establishment of Comvita waiata groups, including performing our very own waiata.
- Local community engagement, including support for kai resilience.
- Planning for our kūmara garden on site at Paengaroa – an opportunity to reinstate what was once on the whenua and connect with the ancestral history of the land.

"I am proud to see how far we have come in the last year. Our team are more willing to showcase te ao Māori, share their voice and be more involved in celebrating our culture, safe in the knowledge that Comvita provides a supportive space, to learn, grow and share."

KAITOHUTOHU MĀORI DAVID WALTERS

Management commentary
(no financial statements)



CYCLONE GABRIELLE AND THE RESILIENCE OF THE OUR APIARY TEAM

14.02.23 / TRAGEDY

On 14 February 2023, the Hawke's Bay region in Aotearoa New Zealand experienced the destructive force of Cyclone Gabrielle, marking the apex of an intense wet weather season that had ravaged the North Island throughout the summer. This natural disaster brought widespread damage and flooding, leaving the people of Hawke's Bay in a state of extreme vulnerability and isolation. Tragically, the cyclone claimed 11 lives across the region.

Our Hawke's Bay Apiary branch was in an area heavily impacted by floodwaters, alongside our extraction facility and on-site staff housing. We prioritised the safety of our 13-member team and their families. Unfortunately, we were not able to prevent the loss of more than 22 million bees within the Apiary sites. An internal Comvita response team was quickly assembled to provide ongoing assistance and support to the team members, including emergency funding, care packages and temporary accommodation for those displaced by the floods.

When the immediate danger subsided, our attention shifted to damage assessment for the extraction facility and warehousing – but our buildings, plant and inventory were irrecoverable. Cyclone Gabrielle struck in the middle of our extraction season, and all honey stored on site was also written off. Fortunately, the resilience of the Comvita end-to-end business model gives us the ability to overcome such supply shocks. We were able to continue processing the remainder of the harvest through our facilities in other parts of the North Island. We used Comvita's ecommerce reach to run campaigns in March and April, with the revenue from all sales donated to the Red Cross in support of the wider region.

Alongside many impacted in Hawke's Bay, our Apiary team, led by Branch Manager Ethan Paulsen, faced exceptionally challenging circumstances in the aftermath of Cyclone Gabrielle. Their remarkable leadership and fortitude showcased the strength of our Comvita spirit in the face of adversity. We acknowledge Ethan and his team's ultimate commitment to safety through his rapid and effective emergency response, the teamwork and tangible support shown for one another and the wider community. The team pivoted at pace to enable our operation to recover as quickly as possible.

Ethan Paulsen has been beekeeping for 15 years – a craft and passion he discovered almost by accident, but one he now describes as core to his personal purpose. Ethan's leadership throughout the disaster was underpinned by authentic compassion and a grounded pragmatism to just get things done.

Ethan's reflection

"I am so grateful the team and all our families and loved ones are safe. Once we got through the cyclone itself, the hardest part to accept was complete devastation to the Apiary branch. It was sad to lose so many bees when you dedicate so much of your time to caring for them.

The team felt really supported when we needed it most. The Comvita values were absolutely backed up by action – not just the team on the ground but from all those around us. We really are an A+ team. And from this crisis comes the opportunity to build something even better."

HEALTH AND SAFETY

BACK TO BASICS

Comvita is committed to ensuring health and safety is integrated into daily operations. We believe the key to ongoing improvement is through simplification and reach. Ultimately, we are empowering all Comvita people to be safety leaders in the workplace to ensure all return home safe and well every day.

Following three years of extended Covid disruptions, Comvita welcomes a rise in proactive reporting. We also experienced a rise in reactive reporting, seen by the jump in our lost-time injury frequency rate (LTIFR) as well as our total recordable injury frequency rate (TRIFR). With 95% of lost-time injuries from low-risk events, we are now working to improve the way we manage discomfort and minor injuries in the workplace. We launched our 'back to basics' strategy to improve proactive risk escalation and management of follow-up actions.

We are pleased with the overall increase in proactive reporting of hazards and near misses, and we are doubling down to drive even more attention on lead indicators going forward. Travelling on the roads between Comvita sites is one of our highest-risk activities, and we have put a lot of emphasis on safe driving practices in previous seasons. We are happy to report a 41% reduction in motor vehicle injury frequency rate (MVIFR) versus FY22.

EVOLVING OUR SAFETY CULTURE MATURITY

Our safety culture maturity model is built on a stepped progression from basic compliance through to behavioural safety leadership, and we are confident our rating growth of +0.62 across 12 operational teams will drive systemic improvement in our safety performance going forward.

3.8
TRIFR
+19% VS FY22 (3.2)

0.53
MVIFR
-41% VS FY22 (0.9)

2.7
LTIFR
+80% VS FY22 (1.5)

+19%
NEAR-MISS REPORTING

341
INDIVIDUAL WELLBEING AND MENTAL HEALTH CHECKS
+7% VS FY22 (320)

2.2
SAFETY CULTURE MATURITY
+38% VS FY22 (1.6)

Notes:
- TRIFR per 200,000 hours worked.
- LTIFR per 200,000 hours worked.
- MVIFR per 200,000 km (Comvita metric).
- We did not have any reported cases of ill-health (musculo-skeletal injuries are reported as workplace injuries).
- All numbers relate to our employees, with no recordable injuries reported for our small contractor base in FY23.

Management commentary
(no financial statements)

ENABLING OUR TEAM TO THRIVE

We launched our holistic wellbeing support programme Thrive in 2021.

We have increased the number and range of initiatives every year since, including activations around physical wellbeing, mental health, financial literacy and community connection. We were pleased to receive strong endorsement of this strategy last year, with 80% of global employees agreeing Comvita prioritises wellbeing in our most recent engagement survey.

Members of Comvita Board and leadership team conducting a leadership safety walk.

PROMOTING A SAFE WORKPLACE

Safety engagement improves workplace culture, builds relationships and increases productivity through improving processes. It also does the obvious – prioritising health and safety –ultimately making our workplace a safer place to be. We promote safety engagement at Board level and throughout our organisation:

- We learn and continuously improve through what goes right as well as what goes wrong, trusting in ourselves and each other as we work together.
- We model strong safety leadership engagement through authentic examples of doing the right thing, including on-the-ground engagement from our Board.
- We re-energised our Safer Hive Committee and we celebrate the in-depth reach and influence our Safer Hive Champions have within our range of operational teams.
- We improved our communications and engagement around health and safety through learning opportunities, including leadership coaching, robust internal and external training programmes and improvements to our safety culture maturity assessment and action planning.

"Being a Safer Hive Champion is a great opportunity to grow my leadership skills and confidence. Elevating our workplace Health & Safety makes this role incredibly meaningful. Some of my more timid colleagues are now approaching me with H&S ideas and I love seeing my team adopt best practice and make positive change to ensure everyone's safety. They've even mentioned the workplace feels safer now!"

ANDRES BAEZ, SAFER HIVE CHAMPION
WHANGANUI APIARY

LOOKING FORWARD

- Promoting proactive intervention to improve lead and lag safety metrics.
- Targeting a +0.5 improvement in rating for our safety maturity culture.
- Continued investment in our progressive wellbeing programmes globally.

CULTURE | SAFETY LEADERSHIP

Noelani Waters, bee and nature advocacy leader, at a bee experience session.

> Noelani's educational talk has widened my understanding of insects. She told us all these amazing facts about bees and what we could do to help; I liked that she was passionate about bees and it shone through in her talk, making every bit of information feel interesting and valuable."

KAITIAKI FOR BEES SCHOOL STUDENT

Comvita's beekeeping operations have been independently verified as supporting healthier and more productive hives.

As beekeepers ourselves, we recognise the critical importance bees play in pollinating approximately 75% of global food supply as well as supporting the biodiversity of our natural ecosystems around the world. Global bee populations are in significant decline because of climate change, pesticides, human development, diseases and more. We have taken a stance on this issue by issuing a Bee Welfare Code and acting as a global leader and educator in bee advocacy and welfare.

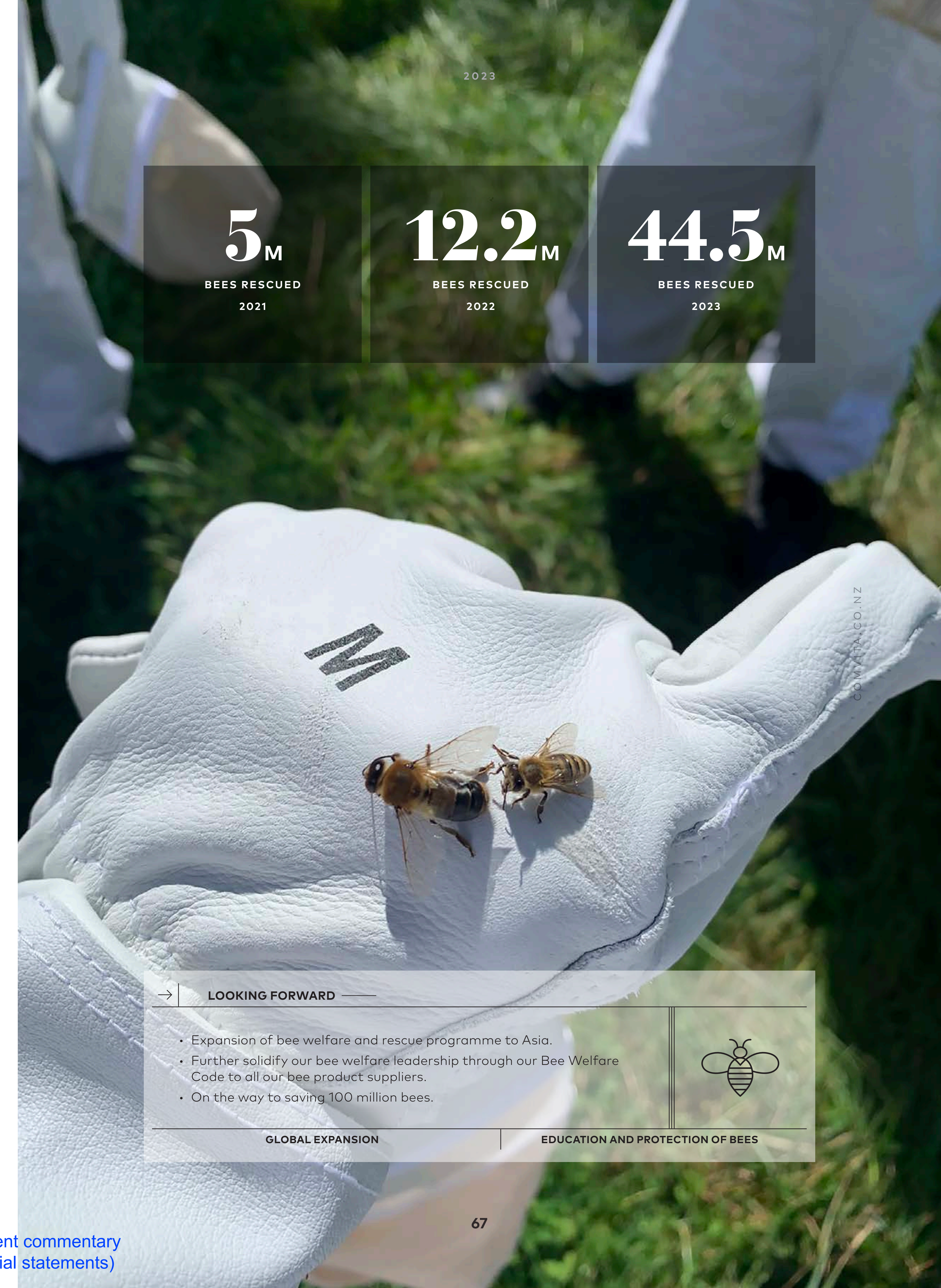
KEEPING BEE COLONIES HEALTHY AND STRONG FOR NEARLY 50 YEARS

Last year, we delivered our largest Apiary research project to date, supported by independent bee biology and apiculture experts from Plant & Food Research. The aim of the study was to assess the performance of Comvita hives against hives sourced from other beekeeping operations in Aotearoa New Zealand so we could benchmark our performance and critically evaluate opportunities for improvement.

Our team evaluated 120 hives at four different Apiary sites, measuring colony strength, honey production rate, optimal bee temperament and varroa control. The study established that on average, Comvita's colonies consistently outperformed colonies from other suppliers highlighting our beekeeping and pest management practices as best in class.

These are some other FY23 achievements in support of bee welfare

- In partnership with beekeeping operations nationwide across the United States, we supported the rescue of more than 44 million bees from extermination.
- We have increased our bee rescue target in the Harmony Plan to 100 million bees saved annually, aiming to achieve this by FY30.
- Comvita launched its own Bee Welfare Code in 2022 promoting best conditions for bees. This is being rolled out to all suppliers.
- Our educational bee seminars for children continued and we had 232 participants aged 4 years or older in our FY23 programme.



5M	12.2M	44.5M
BEES RESCUED 2021	BEES RESCUED 2022	BEES RESCUED 2023

LOOKING FORWARD

- Expansion of bee welfare and rescue programme to Asia.
- Further solidify our bee welfare leadership through our Bee Welfare Code to all our bee product suppliers.
- On the way to saving 100 million bees.

GLOBAL EXPANSION | EDUCATION AND PROTECTION OF BEES

Management commentary
(no financial statements)

CLIMATE

ACTION

LEADERSHIP

The tragic impacts of Cyclone Gabrielle and other major weather events around the world have brought climate change into devastating focus. Comvita recognises the criticality of long-term environmental readiness and risk mitigation for the future of our business and our planet. We remain committed to being carbon neutral by 2025, and we are setting near-term and long-term science-based carbon- reduction targets.

Our FY23 climate action performance has been assessed as follows:

- **Carbon footprint**: Our global greenhouse gas (GHG) inventory for FY23 versus the baseline established in FY22 showed a 9% increase in gross emissions. The rate of increase is at less intensity than our sales growth, showing an overall improvement in ratios. Nonetheless, we have a renewed focus on carbon reduction 'hot spot' areas moving forward.
- **Carbon removals**: Carbon sequestered from Comvita's owned or managed Mānuka forests since establishment is 78,947 tCO_2e. FY23 removals captured in Comvita's GHG inventory decreased by 3% versus prior year, with the registration of certain forests under the Emissions Trading Scheme (ETS) requiring them to be excluded. (Total estimated removals from all Comvita forests are actually +90% versus PCP, including those ETS-registered forest blocks and joint venture interests exempted. If captured within total removals, Comvita's overall GHG sequestration position would be -12% versus FY22 at 22,529 tCO_2e.)
- **Circularity and waste**: Recyclable, reusable and compostable Aotearoa New Zealand packaging is now 92%, up from 89% in FY22. We diverted 171T of waste from landfill, with 60% of our waste being recycled. We set a new baseline for our waste measurement with our first-ever global waste audit. This also identified significant opportunities to reduce total production site waste and increase recycling in the future.
- **Sustainable and ethical procurement**: We are in the foundation stages of our sustainable procurement journey. Last year, we put in place a Sustainable Procurement Policy and Supplier Code of Conduct and developed a significant supplier pre-screening framework. These and other supporting initiatives will be formally rolled out and reported on in FY24.

COMVITA GLOBAL CARBON GREENHOUSE GAS RESULTS SUMMARY

Greenhouse gas inventory – global – tCO_2e

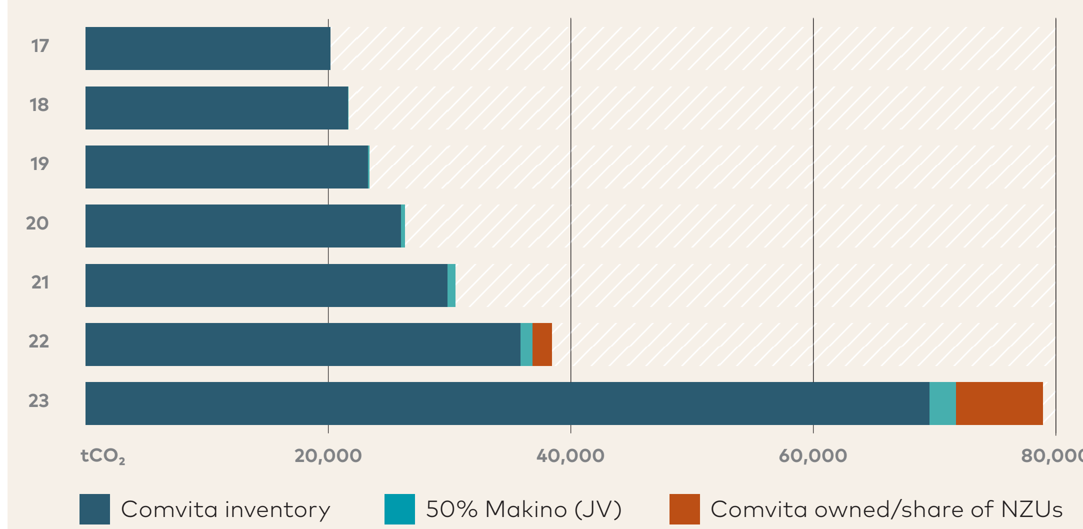
This data was prepared in accordance with and audited against ISO 14064-1:2018 and relevant greenhouse gas protocols. Refer GHG Inventory Report FY23.

	FY22	FY23	Difference
Direct (Scope 1) GHG emissions	1,021	1,113	12%
Energy indirect (Scope 2) GHG emissions (location-based)	429	349	-6%
Other indirect (Scope 3) GHG emissions	30,553	33,482	10%
Total gross emissions	**32,004**	**34,944**	**9%**
GHG inventory removals	-5,972	-5,843	-2%
Net GHG inventory emissions	**26,032**	**29,102**	**12%**
Total Scope 1 and 2	1,450	1,462	7%
Biogenic GHG inventory emissions and removals			
Removals – carbon sequestration due to land-use change	**-6,026**	**-5,850**	**-3%**
Emissions – biofuel combustion	**55**	**7**	**-86%**
Net GHG inventory removals	**-5,972**	**-5,843**	**-2%**

GHG inventory emissions intensity	**FY22**	**FY23**	**Difference**
Gross GHG emissions $KgCO_2e$ per NZ$1 of revenue	0.153	0.149	-3%
Net GHG emissions $KgCO_2e$ per NZ$1 of revenue	0.125	0.124	-0.4%
Scope 3 GHG energy/industry emissions (non-FLAG) $KgCO_2e$ per NZ$1 of revenue	0.109	0.113	3%

GHG net position including total Comvita removals tCO_2e	**FY22**	**FY23**	**Difference**
Comvita owned and/or managed removals			
Net GHG inventory removals	-6,026	-5,850	-2%
NZ ETS NZUs and joint venture interests	-491	-6,543	1,232%
Total removals	**-6,517**	**-12,393**	**92%**
Net GHG position	**25,541**	**22,559**	**-12%**

COMVITA CARBON REMOVALS SINCE FOREST ESTABLISHMENT



Management commentary
(no financial statements)

RESTORING BALANCE

> "As Mānuka *(Leptospermum scoparium)* is a native tree, we believe this creates a far more compelling case for reforestation and carbon capture with Mānuka over pine in Aotearoa New Zealand."
>
> **DAVID BANFIELD, CEO**

Having a healthy and thriving ecosystem in our Mānuka forest, Apiary and olive supply chains is good for the environment and helps us produce high-quality finished goods.

Native forests develop over time, where each plant community improves the growing conditions for the next. In this context, Mānuka is known as a pioneer species, meaning it supports natural forest succession and regeneration.

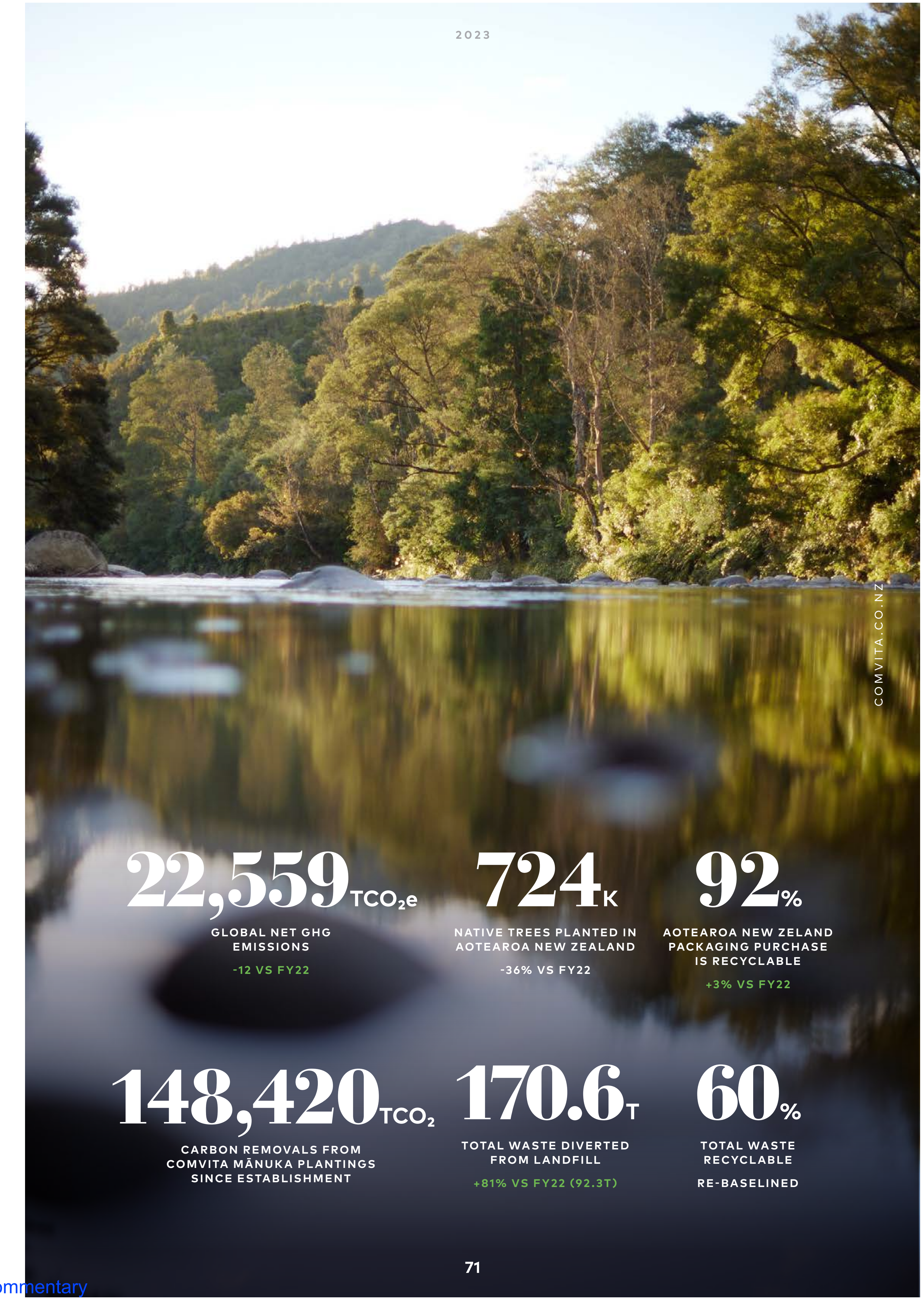
To assess the ecological outcomes occurring within Comvita forests, University of Auckland and Plant & Food Research, with funding from Callaghan Innovation, undertook collaborative research project quantifying the biodiversity differences between pastureland (used for grazing animals) and Mānuka plantings. The study captured water quality, native bat and bird activity and invertebrate diversity and provided some important initial findings:

- Even though still young the biodiversity of Comvita forests was materially improved versus that of pastureland.
- It only took three to five years of regeneration following planting for biodiversity to be comparable to that of a mature, naturally regenerated, Mānuka forest (>30 years old).
- Freshwater health also showed signs of rapid recovery following Mānuka planting; in a shorter time-span than usually expected for riparian re-vegetation projects.

We are hugely encouraged by the findings, which show how our forest strategy can help us in living our purpose to work in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world. By harnessing the power of nature and leveraging the regenerative properties of Mānuka trees, we can work towards a healthier and more resilient environment for future generations.

Regeneration
At the end of FY23, Comvita has regenerated over 7,500 hectares in native Mānuka, which is over 6.8 million trees.

Mitigating climate change
At the end of FY23, 148,420 tCO_2 has been removed from all Comvita Mānuka planting since establishment.



Management commentary
(no financial statements)

RESTORING BALANCE

SAVE THE KIWI

PARTNERSHIP

IMPACT THROUGH PARTNERSHIP

Since the remarkable discovery of 22 breeding kiwi at one of our Mānuka forests in the central North Island, Comvita has been working in partnership with Save the Kiwi to help reverse the current population decline of our iconic national species.

In FY22, we funded a predator management strategy for the establishment of safe habitats for kiwi to thrive within our forests. In FY23, we continued our support for this critical protection programme, and we are looking forward to a Comvita kiwi population recount in FY24 to determine if there has been any change in population numbers.

Comvita has also sponsored the naming and release of three young kiwi (Harmony, Atawhai and Korakora) into various kiwi sanctuaries established by Save the Kiwi in the Bay of Plenty.

"Seeing these super-cute chicks up close turned us all into mush," says Bryce Smith, one of the Comvita employees invited to participate in the release. "It really brought home the great work Save the Kiwi are doing and how proud we are to be part of their determination to improve our kiwi population." When old enough, the hatchlings are relocated to protected reserves where they can live the rest of their days without fear of predators.

THRIVING COMMUNITIES

SAVING THE WILD

Jamie Joseph, Founder of Saving the Wild, one of the Maasai female participants and Carlos Zevallos

> "Visiting Kenya was a true career highlight. I have kept in contact with those I trained and hearing about the bees producing an impressive 620 pots of honey, despite tough conditions, is incredibly inspiring. Being part of living out our purpose and the Harmony Plan at Comvita has been life changing for both myself and the Maasai community."

CARLOS ZEVALLOS, HEAD OF APICULTURE DEVELOPMENT NZ

GLOBAL IMPACT

Comvita has been a major sponsor of Saving the Wild since 2020, supporting the protection of endangered wildlife.

The Kimana Sanctuary in Kenya, Africa, provides a crucial corridor for animals to traverse between Amboseli National Park and the Chyulu Hills and Tsavo protected areas.

We established the Saving the Wild Beekeeping Project the following year to help reinforce the boundaries of this wildlife passageway while also generating positive social outcomes for local Maasai communities.

In late 2022, Carlos Zevallos, Head of Apiary Development for Comvita, travelled to Kenya to partner directly with local beekeepers to support the programme on the ground and share his extensive beekeeping knowledge.

Saving the Wild WOMEN is now up and running, with beekeeping and business mentoring under way for up to 8 female participants, so they can become self-sufficient in apiculture. The women are currently responsible for 100 colonised hives, and all proceeds from honey sales will be reinvested to support educational outcomes for the Maasai community.

Saving the Wild WOMEN.

TIME TO HEAL

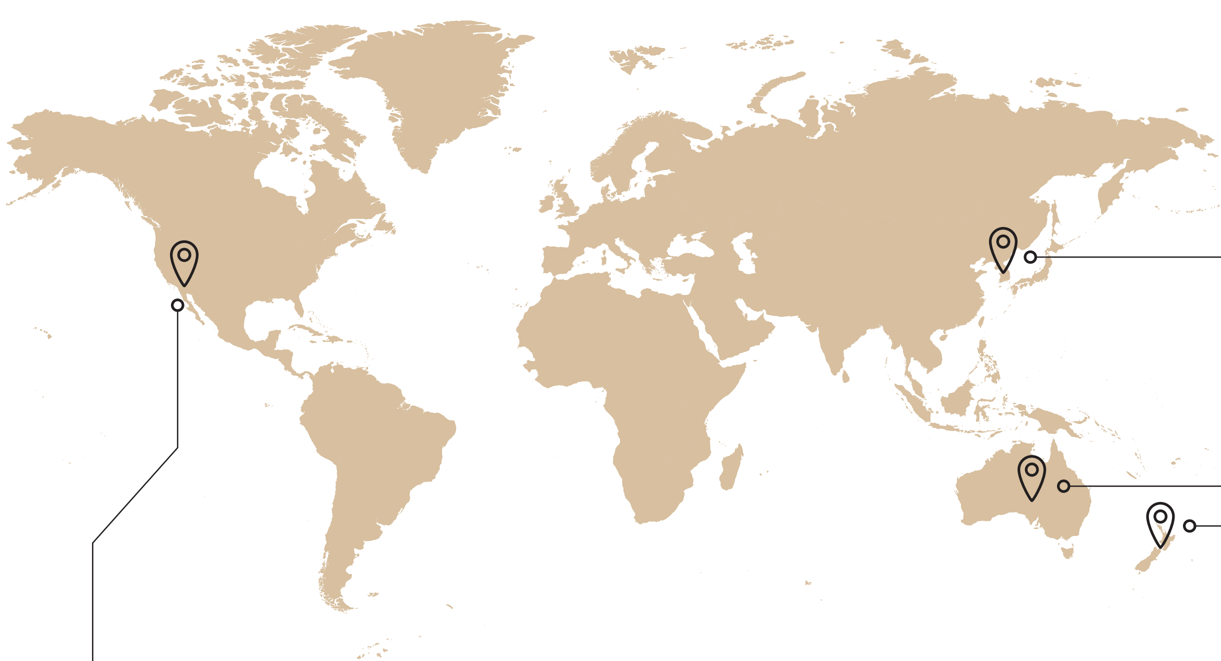
BUILDING

OUR LEGACY

Our Time to Heal Day is an opportunity for our team to come together. We encourage all our people to give back to the communities in which we operate, investing our time and expertise to lend voluntary support to initiatives that positively impact the quality of life and help build thriving communities and playing our part in situations of nature in need.

In FY23, we completed 1,008 hours of volunteer service in our Aotearoa New Zealand communities.

We look forward to building this programme globally over the next year so that we can make an even greater impact.



UNITED STATES | **Community garden restoration**

The United States team volunteered at Mesa Harmony Garden in Santa Barbara, planting native Californian plants. Before tree planting, we worked together to clear brush using wheelbarrows and craft gopher baskets to protect the plants from the feisty animals. We had a Garden tour to see their local bees, avocado, sapote, and persimmon trees. With close ties to the local food bank, the Garden regularly donates all their harvested fruit. It was a fantastic team-building experience, and I can't wait for the next one!

Heather Coalwell, Accounting Coordinator, USA

GLOBAL IMPACT

4	1,008	15
COUNTRIES	HOURS OF COMVITA VOLUNTEERS' TIME TO HEAL DAYS	PĀTAKA KAI COMMUNITY PANTRIES BUILT FOR LOCAL COMMUNITIES

KOREA | **Plogging**

Our Korean team had a rewarding day restoring Cheonggyecheon Stream. Split into two teams, we enjoyed cleaning streets along a three-kilometer stretch of streamside. This experience heightened our environmental awareness and we hope also inspired passersby. A fantastic day had by all, embracing the Comvita Harmony Plan!

Wonhee Han, Brand Manager, Korea

AUSTRALIA | **Rewilding**

Our Australian team dedicated their day to revitalising our eroded creek and ridding the native bushland of invasive weeds. It's such a great feeling to have this renovation project up and running again, knowing we have the support of Comvita to make a difference is amazing. It may only be a small area in the scheme of things, but it's now a beacon of hope for the precious wildlife that call this area home.

Aaron Prior, Operations Manager – Comvita Olive, Australia

AOTEAROA NEW ZEALAND | **Huria Marae**

Our Production team members spent their Time to Heal Day volunteering at Huria Marae. For me, it was incredibly special to be welcomed onto the beautiful Marae by members of their Iwi. Pitching in at the kitchen to prepare kai (food) for the less fortunate whānau (families) in the Tauranga Moana community was a humbling experience, and it was heartwarming to see smiles on their faces as they enjoyed the kai.

Alazae Davis Peters, Warehouse operator, New Zealand

FOOD PANTRY

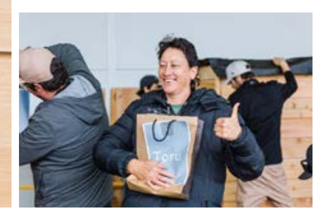
PĀTAKA KAI

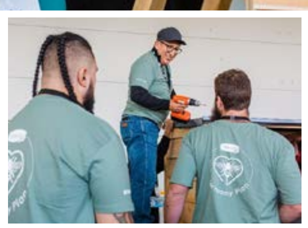
During our Comvita Hive Gathering in May 2023, 220 Aotearoa New Zealand team members helped build 15 Pātaka Kai community pantries for food donation to communities across the North Island. This project aims to address the pressing issues of food insecurity and food resilience while fostering community wellbeing. We are thrilled to be installing these beautiful Pātaka Kai into their permanent homes across the North Island in early FY24.

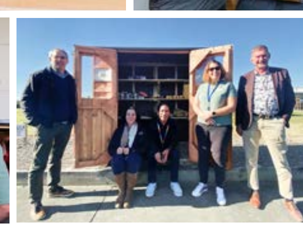
It's been gratifying to be able to combine my professional expertise and hobby in the effort to construct 15 Pātaka Kai for our local communities. By coming together during our Hive Gathering, not only were we able to have fun constructing the Pātaka and brainstorming the community impact; every single person involved on the day can say they've helped to build infrastructure enabling stronger communities.

Tom Petchell, Project Engineer, Pātaka kai (NZ)

Comvita team helping to build 15 Pātaka Kai community pantries for food donation to communities across the North Island.







MATERIALITY

ASSESSMENT

STAKEHOLDER ENGAGEMENT AND PROCESS TO DETERMINE MATERIAL TOPICS

During 2022, we undertook a formal and full stakeholder engagement process and materiality assessment to identify, understand and prioritise the economic, social and environmental topics that are most material to our stakeholder groups.

We engaged and considered the views of those who can have a significant impact on our business or on whom we can have a significant potential impact as the result of our activities. Stakeholder participants were identified using the methodology outlined in AccountAbility's AA1000 Stakeholder Engagement Standard 2015 – the most widely applied global stakeholder engagement standard.

Topics were identified through an interview process, and the topic list was checked against other compilations of material topics, sustainability frameworks and indices and also previous Comvita work.

Each resulting topic was evaluated against stakeholder importance and business impact. Stakeholder importance was assessed using a follow-up survey. Business impact was evaluated by a group of our senior leaders by overlaying the Comvita value creation model. The final materiality matrix was prepared based on the results from the survey and the business impact assessment.

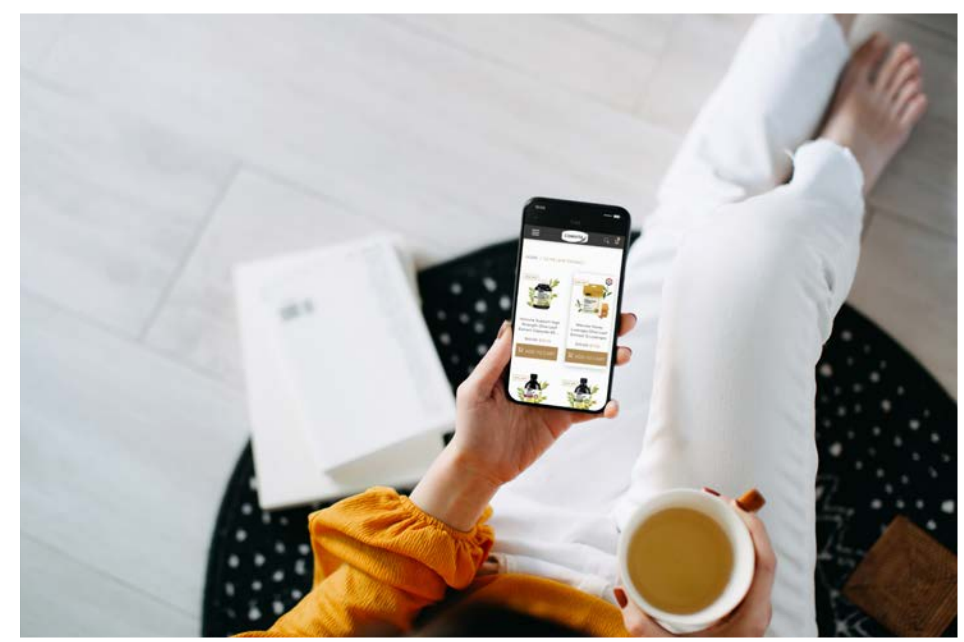
For FY23, we also conducted an internal review of the material topics identified during 2022 and their relative priority. Consideration was given to regulatory, sustainability framework and reporting standard developments as well as relevant external and internal factors. This included GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022, which will apply to Comvita as an apiculture business for the reporting period ending 30 June 2024 and subsequent reporting periods. The adjustments made are set out in the table below.

We will go through a full stakeholder engagement process and material topics review and adjustment during FY24. This will be in line with the new stakeholder engagement process that we are in the process of finalising.

OUR IDENTIFIED KEY STAKEHOLDER GROUPS

The stakeholder groups identified as part of the 2022 materiality assessment are:

- Investors/shareholders
- Founder and Comvita Board
- Global customers
- Aotearoa New Zealand industry
- Iwi
- Local business community
- Suppliers and business partners
- Government
- Employees.



Management commentary
(no financial statements)

Our materiality assessment

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
1	**Product quality**	Providing safe, high-quality products for Comvita customers world-wide.	Consumer health and appeal from safe and efficacious products. Drives increased loyalty and purchase.	• Global Quality Policy in place. • Audited quality management system. • Testing of all honey and Propolis, with clear specifications for raw materials and packaging. • Monitoring, managing and responding to instances of non-compliance and customer complaints.	SDG 16: Peace, Justice and Strong Institutions
2	**Consumer focus and affinity**	Delivering for customers and consumers in a way that meets their needs and inspires them to join the Comvita movement.	Business financial performance in short and longer term Improved health outcomes and satisfaction for consumers.	• Global customer service centres. • Measurement of consumer engagement via digital and other direct channels. • Project-specific customer and consumer research when appropriate. • Continuous improvement based on feedback received via various channels.	SDG 8: Decent Work and Economic Growth SDG 17: Partnerships
3	**Employee value proposition and engagement**	Supporting our people through health, safety and wellbeing. Providing a learning and growth culture, enabling evolving capability requirements, and a workplace that mirrors diversity and inclusiveness.	Staff health, satisfaction, and marketability. Business performance and productivity and innovation from attraction, retention, and performance of healthy and diverse workforce.	• Comprehensive approach to providing a safe and healthy workplace for employees and contractors on site through health and safety management system. This includes a focus on continuous improvement. • Dedicated Health and Safety Lead and team, with oversight by the Safety and Performance Committee who monitor performance regularly. • Health and safety review reports are agenda items at all Board meetings and supported by external health and safety governance training. • Employee engagement and eNPS measured through Our Voice survey to assess progress against targets. • Global onboarding and online training courses plus relevant external training to advance skills. • Diversity goals in place and supported analysis of key metrics across different regions and demographic groups.	SDG 3: Good Health and Well-Being SDG 4: Quality Education SDG 5V Gender Equality
4	**Ethical conduct and sustainable supply chain**	Being accountable for our end-to-end global supply chain, including ensuring third-party partners are ethical, sustainable and transparent in their delivery.	Negative social and environmental impacts from suppliers' activities. Risk of damage to our reputation and customer appeal.	• Sustainable Procurement Policy supported by legal agreements and Supplier Code of Conduct and pre-screening of significant suppliers. • Honey supplier declarations required.	SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 16: Peace, Justice and Strong Institutions
5	**Sustainable financial performance**	Ensuring sustainable financial performance and growth to underpin our ability to deliver a positive impact for all stakeholders.	Economic benefits and social returns from financial results benefiting investors, staff, suppliers and other stakeholder groups. Enables investment in other positive impact initiatives.	• Gross profit, marketing investment, EBITDA and net debt targets supported by underlying business plan. • Reported publicly yearly and half yearly and at high level monthly to internal stakeholders.	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation, and Infrastructure
6 (8 FY22)	**Climate change management and action**	Adapting to and mitigating impacts of physical and transition risks from climate change, including carbon reduction.	Risks of physical impacts from changing climate and transition impacts as we move to a low-carbon economy with associated demands on the business.	• Established goals to be carbon neutral by 2025 and science-based carbon-based reduction targets, including net zero. • Developing carbon reduction plan to support emissions reduction targets. • Established Sustainability Governance Group, which meets regularly and monitors key metrics. • Compliance reporting through to Audit and Risk Committee alongside Harmony Plan updates to Safety and Performance Committee.	SDG 3: Good Health and Well-Being SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 14: Life Below Water SDG 15: Life on Land

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
7 (6 FY22)	**Biodiversity**	Proactive consideration, application and investment to encourage greater biodiversity.	Ecosystem health – water quality, aquatic and land biodiversity, toxicity impacts from Mānuka forests and sugar cane production.	• Established Mānuka planting targets. • Completed biodiversity research studies in conjunction with Plant & Food Research, providing scientific data to support benefits of regeneration. • Future extension of pest control efforts.	SDG 15: Life on Land
8 (7 FY22)	**Bee welfare**	Serving as champions for bees and bee welfare by directly supporting bee health and wellbeing.	Ecosystem benefits from bees as pollinators and the foundation of our supply chain.	• Employ experienced branch managers to ensure optimal management of our hives and bees in line with best practice. • Monitoring in place for hive loss targets. • Implemented Bee Welfare Code internally and now rolling this out externally. • Bee rescue programme and dedicated role for public education.	SDG 15: Life on Land
9	**Circular economy and waste**	Taking a comprehensive approach to minimisation of waste and recycling, including end-of-life options within product design.	Reduce use of virgin materials, production impacts and waste pollution.	• All packaging will be 100% recyclable, reusable and compostable by 2025. • Developed bespoke material circularity index model to baseline against for future improvement. • Established waste reduction and recyclable percentage targets and supporting initiatives.	SDG 12: Responsible Consumption and Production

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
10	**Mānuka and broader sector leadership**	Stepping up to progressively lead improvement in standards and sustainability outcomes within the industry.	Wider economic and social benefits to community as well as Comvita from successful and sustainable Aotearoa New Zealand apiculture industry.	• Provide industry leadership, research, education and support commensurate with our role as the largest Mānuka honey company in Aotearoa New Zealand. • Key contributions include Mānuka honey IP support through UMFHA and Apiculture New Zealand membership and other industry education and support.	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation, and Infrastructure SDG 17: Partnerships
11	**Collaboration and partnerships**	Encouraging the development of stronger communities and relationships with local communities and Māori.	Community and environmental wellbeing.	• Impact created by partnering with other like-minded stakeholders aligned with our purpose and Harmony Plan goals. • 1% EBITDA community impact investment. • Time to Heal Day implementation. • Our approach, strategy and results are reviewed by the Safety and Performance Committee.	SDG 11: Sustainable Cities and Communities

Management commentary
(no financial statements)

KEEPING US

FOCUSSED

OUR BOARD

YAWEN WU – DIRECTOR

BOB MAJOR – INDEPENDENT DIRECTOR, CHAIR OF SAFETY AND PERFORMANCE COMMITTEE

JULIA HOARE – INDEPENDENT DIRECTOR

DAVID BANFIELD – MANAGING DIRECTOR

BRETT HEWLETT – INDEPENDENT DIRECTOR, CHAIR

BRIDGET COATES – INDEPENDENT DIRECTOR

LUKE BUNT – INDEPENDENT DIRECTOR, CHAIR OF AUDIT AND RISK COMMITTEE

GUANGPING ZHU – DIRECTOR

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

BUILDING OUR

BUSINESS

OUR LEADERSHIP TEAM

DR JACKIE EVANS – CHIEF SCIENCE OFFICER

NIGEL GREENWOOD – CHIEF FINANCIAL OFFICER

DAVID BANFIELD – CHIEF EXECUTIVE OFFICER

ANDY CHEN – REGIONAL CHIEF EXECUTIVE OFFICER APAC

HOLLY BROWN – CHIEF DIGITAL AND MARKETING OFFICER

ADRIAN BARR – CHIEF BUSINESS DEVELOPMENT OFFICER

KIRSTY DENT – ACTING CHIEF PURPOSE & TRANSFORMATION OFFICER

JESSICA SANDERS – EXECUTIVE ASSISTANT

CHRIS FRANCE – CHIEF TECHNOLOGY OFFICER

TRACY BROWN – CHIEF OPERATIONS OFFICER

Management commentary
(no financial statements)

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.

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 22 August 2023. The full statement is available to view at www.comvita.co.nz.

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 22 August 2023, 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
	Director and Officer Remuneration Policy

Further detail

Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the financial statements supplied with, and as part of, the Annual Report.

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 the company's the company'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 company's 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 the company'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 2023, 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 2023 are detailed in the statutory information section at the back of the 2023 financial statements.

Management commentary
(no 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 does 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 five of the eight Directors as at 30 June 2023 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 2023 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 (years)
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	
Brett Hewlett	10	10	2	2	5	5	4	4	6
Luke Bunt	10	9	2	2	5	5	–	–	9
Sarah Kennedy	7[5]	7	1	1	–	–	3	3	–
Bob Major	10	9	2	2	-	-	4	4	4
Zhu Guangping	10	7[6]	2	2	–	–	–	–	4
David Banfield	10	10	2	2	–	–	–	–	2
Yawen Wu	10	10[7]	2	2	–	–	–	–	2
Bridget Coates	10	10	2	2	4	4	1	1	2
Julia Hoare	3[8]	3	1	1	1	1	–	–	<1

1. Zhu Guangping and 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 Committee has no casting vote.
5. Sarah Kennedy resigned effective 1 March 2023.
6. Zhu Guangping joined two of these meetings late due to the time zone differences.
7. Yawen Wu's alternative Ching Ho Luk attended nine of these meetings on her behalf and joined one meeting late due to the time zone differences.
8. Julia Hoare was appointed Director effective 1 March 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 2023 (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)	8 (8)
Female	3 (3) 38%	1 (1)	1 (1)	4 (5)
Gender diverse	0 (0) 0%	0 (0)	0 (0)	0 (0)
Age				
Under 30 years	0 0%			
30–50 years	1 13%			
Over 50 years	7 87%			
Executive	1	0	0	
Non-executive	7	3	3	
Independent	5	3	3	
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 1 x British ethnicity 3 x female	1 x female	1 x female	
Stakeholder representation	None	None	None	

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 56-57.

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.

Management commentary
(no financial statements)

In the reporting year, the Directors undertook sustainability reporting training on climate risk management and the Aotearoa New Zealand Climate Standards presented by Deloitte.

Comvita has also supported future Directors, with Institute of Directors observer Jerome Ng's term ending in February 2023.

Independence of Directors (Recommendations 2.8, 2.9 and 2.10)

The majority of the Board are independent Directors and the Chair is independent. The Chair and the CEO positions are not held by the same person.

It is viewed that the Chairs of the Audit and Risk and the Safety and Performance Committees 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. Committee members are appointed from members of the Board for an initial two-year term, with re-appointment 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 currently comprises Luke Bunt (Chair), Brett Hewlett and Julia Hoare and met five times during the period. For FY23, all Committee members were independent and non-executive Directors. The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others, the management of business risks facing the organisation 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 reports) and recommend to the Board their adoption of (or otherwise).

Safety and Performance Committee (Recommendations 3.3 and 3.4)

The Safety and Performance Committee currently comprises of Bob Major (Chair), Brett Hewlett and Bridget Coates. The Committee met four times during the period.

For FY23, all Committee members were independent and non-executive Directors. The Committee provides oversight to health and safety by ensuing 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, who is then supported by the Sustainability Lead 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 the company's website.

Charters and policies (Recommendation 4.2)

Key corporate governance documents are available on the company'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 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. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed with reference to Global Reporting Initiative Standards (GRI). This report links disclosed information to the GRI indicators as Comvita journeys towards reporting in accordance with GRI.

Comvita's consolidated financial statements and GHG inventory report are subject to independent external assurance. It is Comvita's intention that the rest of its sustainability reporting is also subject to assurance in the future. 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 is currently undertaking a project to build on and leverage its existing sustainability reporting framework in preparation for the release of its first climate statement under the new Aotearoa New Zealand Climate Standards. This is expected to be issued as at 30 June 2023. Comvita prepared its first GHG emissions report with an assurance report as at 30 June 2022, which will be mandatory under the climate standards by 2025.

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 financial statements.

Senior executive remuneration (Recommendation 5.2)

For FY23, 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.

Management commentary (no financial statements)

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 FY23 was $633,000. Subject to Board approval, for FY23, 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 FY23, the Chief Executive Officer was also entitled to a long-term incentive in the form of performance share rights (with on-target earnings of $316,500). In relation to performance share rights achievements in FY23, 40,848 shares vested to the Chief Executive Officer in FY23, being one-third of the long-term incentives granted by the Board.

Annual remuneration ratios:

1:12 = highest paid employee to median annual remuneration of all other employees

1:3.8 = 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 has carried out a robust risk assessment process, described in the following paragraphs. The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks through monthly Board reporting of the risk register. Further detail on the role and responsibilities of the Audit and Risk Committee in relation to risk management is set out in the Audit and Risk Committee Charter.

Business risks

The Chief Executive Officer and leadership team are required to regularly identify the major risks affecting the business. These major risks are included in a risk management register. Strategies are consistently being developed to mitigate these risks. Significant risks are discussed at each Board meeting or as required. Comvita maintains insurance policies that it considers adequate to meet the insurable risks of the Group. Exposure to any foreign exchange risk is managed in accordance with policies laid down by the Directors.

As risk assessment is a dynamic environment and often commercially sensitive, Comvita reports on the most significant of these under its continuous disclosure obligations to the NZX market and in the Annual Report.

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 2023 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.

Risk monitoring

The Board reviews Comvita's risk management policies and processes, and the leadership team provides an updated risk assessment profile to each meeting of the Board.

The Safety and Performance Committee reviews human resource management risks.

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 62-65.

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 auditor 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 auditor 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 2022 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditors 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 has engaged a communications agency 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. At Comvita's Annual Shareholders' Meeting in September 2022, the shareholders approved the revocation and adoption of a new Constitution (99.03% voted for this).

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.

Management commentary
(no financial statements)

ADDITIONAL

GRI DISCLOSURE

1. ADDITIONAL GRI DISCLOSURES

1.1. Reporting entity

Comvita Limited is a company domiciled in Aotearoa New Zealand, and registered under the Companies Act 1993 and listed on the NZX. 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, United States, United Kingdom, and the Netherlands.

The sustainability reporting in this Annual Report includes Comvita Limited and its subsidiaries (together referred to as the Group). All the entities in Comvita's financial reporting are also included in its sustainability reporting. Reporting on the Group's interest in equity accounted investees is included in the GHG inventory only.

The sustainability reporting in this Annual Report is for the period 1 July 2022 to 30 June 2023, which aligns with the financial reporting period. Comvita publishes all its reports on an annual basis. The publication date is 22 August 2023.

1.2. Contact point

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

1.3. Restatements of information

There have been no significant restatements of information made from previous reporting periods. Some minor restatements have been made for Comvita's GHG inventory for reasons of completeness.

1.4. External assurance

Comvita's consolidated financial statements and GHG inventory report are subject to independent external assurance. It is Comvita's intention to have the rest of its sustainability reporting also subject to assurance in the future.

- Comvita's consolidated financial statements independent auditor's report.
- Comvita's greenhouse gas inventory report independent auditor's report.

The organisations who conduct the audit comply with the relevant independence and ethical requirements and there were no impairments of their independence for the purposes of the engagements.

1.5. Activities, value chain and other relationships

The principal activities of the Group are manufacturing and marketing quality nature health products, Apiary ownership and native forest management. Comvita operates within the premium health and wellness sector.

Comvita produces premium Mānuka honey and other bee-related and olive leaf extract health products. Its products are sold in China, Hong Kong SAR, South Korea, Japan, and other South East Asian markets. It also sells products in Aotearoa New Zealand, Australia, United States, Canada, United Kingdom and across Europe and Middle East.

Our supply chain includes partnerships and agreements with landowners for forest planting and/or placement of hives; external honey and Propolis suppliers; packaging, raw materials and external manufacturers for the production of products; freight and logistics providers; and sales and marketing activity. Comvita's products are sold through various channels, including D2C through ecommerce platforms and Comvita's own retail stores as well as through a network of major retailers, wholesalers, and distributors depending on the market.

Other relevant relationships include our membership of industry bodies such as UMFHA and Apiculture New Zealand. We value our relationship with Tapuika hapū.

There are no significant changes in the above compared to the previous reporting period.

1.6. Employees

EMPLOYEES FY23 (FTE)

	Total	Male	Female	ANZ	Asia	North America	EMEA
Total number of employees	559	183	386	260	283	9	7
Permanent employees	504	174	330	235	253	9	7
Temporary employees	17	5	12	15	2	0	0
Non-guaranteed hours employees	38	4	34	10	28	0	0
Full-time employees	511	177	344	225		9	5
Part-time employees	10	2	8	10	0	0	2

1.7. Workers who are not employees

During FY23, we have had 43 workers who are not employees doing work for Comvita. The most common type was sales promoters (32) who are contracted through an agency for regulatory reasons in China. The remainder are independent contractors or contracted through an agency and perform consultancy, 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 (FY22).

1.8. Policy commitments and implementation

Commitment	Description	Strategic and operational integration	Implementation and responsibility	Communications and training
Ethical behaviour, prevention of modern slavery and human trafficking	Commitment to ethical business practices, upholding the company values, outlines legal and equitable duties, behavioural expectations and the process for reporting and investigating violations of the code.	Alignment to our purpose, moral and ethical obligations	Code of Ethics – Chief Purpose & Transformation Officer	Global onboarding, accessible to all staff on the company's intranet and the company's website
Diversity and inclusion	Commitment to an inclusive culture, diversity in employment, inclusion and engagement of individuals at all levels of the organisation.	Journey to Best Employer, better representation of the diversity of our stakeholders and markets	Diversity, Equity and Inclusivity Policy – Chief Purpose & Transformation Officer	Global onboarding, training module via e-learning platform, accessible to all staff on the company's intranet and the company's website
Community investment %	Commitment to spend at least 1% EBITDA on community partnerships. Commitment approved by Board of Directors.	Community partnerships strategy, global partners	Partnering with appropriate organisations – Chief Purpose & Transformation Officer	Annual Report and market presentations, global onboarding and internal sustainability course for all staff
Carbon neutral by 2025	Commitment approved by Board of Directors.	Business plan goals and GHG inventory reporting	Supplier Code of Conduct significant supplier pre-screening – Chief Purpose & Transformation Officer supported by Sustainability team	Annual Report and market presentations, GHG inventory report global onboarding and internal sustainability course for all staff
Science-based emissions reduction targets, including net zero	Global targets In line with Science-based Targets initiative. Approved by CEO. Targets to be verified, published and reported on annually.	Business plan goals and GHG inventory reporting	Supplier Code of Conduct, significant supplier pre-screening – Chief Purpose & Transformation Officer supported by Sustainability team	Annual Report and market presentations, GHG inventory report global onboarding and internal sustainability course for all staff

1.9. Processes to remediate negative impacts

Comvita's stakeholder engagement process allows for receiving, actioning, and reporting on complaints from stakeholders. This is in the process of being reviewed. Any complaints are taken seriously and actioned by the relevant senior manager within the business.

1.10. Mechanisms for seeking advice and raising concerns

Comvita has a formal process through the Comvita Speak Up (Whistleblowing) Policy that outlines the process for raising concerns and advice, and an internal grievance procedure.

1.11. Compliance with laws and regulations

Comvita had no significant instances of non-compliance with laws and regulations, and therefore no corresponding monetary fines or sanctions during the reporting period.

1.12. 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
Australian and New Zealand Chamber of Commerce in Japan	Japan
British Brands Group	United Kingdom
Health Food Manufacturers' Association	United Kingdom

1.13. 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.

1.14. Stakeholder engagement purpose and process

The purpose of our assessment of stakeholder engagement at Comvita is to ensure we know, understand and consider the needs of our stakeholder groups when making decisions. This is a requirement for the Comvita Board under Comvita's Constitution. The results are used to inform our strategy and business plan, for monitoring progress and reporting, and for guiding stakeholder communication.

During 2022, we undertook a formal and full stakeholder engagement process and materiality assessment to identify, understand and prioritise the economic, social and environmental topics that are most material to Comvita's stakeholder groups.

We engaged and considered the views of those who can have a significant impact on our business or on whom we can have a significant potential impact as the result of our activities. Stakeholder participants were identified using the methodology outlined in AccountAbility's AA1000 Stakeholder Engagement Standard 2015 – the most widely applied global stakeholder engagement standard.

Topics were identified through an interview process, and the topic list was checked against other compilations of material topics, sustainability frameworks and indices and previous Comvita work. Each resulting topic was evaluated against stakeholder importance and business impact. Stakeholder importance was assessed using a follow-up survey. Business impact was evaluated by a group of Comvita senior leaders by overlaying the Comvita value creation model. A pairwise comparison of each material topic was then utilised to come up with a final ranking. The final materiality matrix was prepared based on the results from the survey and the business impact assessment.

Comvita is in the process of developing a new stakeholder engagement process to ensure meaningful engagement with our stakeholder groups. This will use a variety of tools, formal and planned, as well as more informal and dynamic methods, to better inform the development of our material topics. It will be overlayed with a greater focus on impacts and how they are integrated into the business to guide metrics, targets, activity, and reporting.

Management commentary
(no financial statements)

1.15. Health and safety management system and performance

Comvita has a global health and safety management system in place. This is legally compliant with the Health and Safety at Work Act 2015. Comvita prioritises, and is committed to, keeping our employees and staff safe from harm. Our health and safety management system covers all workers and subcontractors globally performing activities for the business.

Comvita facilitates workers' access to non-occupational medical and healthcare services through its Thrive Wellbeing programme and otherwise. Globally, we provide our new employees with welcome packs of our products supporting their wellbeing and immunity, and monthly, we provide care packs containing the same. To support our teams' ongoing wellbeing and health depending on their location, and the specific government support offered by location we also provide on-site health checks, health insurance, life and trauma insurance, free doctor consultations, flu vaccinations and EAP counselling.

To support our teams in managing their work/life balance we also provide flexible working arrangements and give all our team globally a day off on their birthday and a Time to Heal Day where they can connect with environmental projects or communities in need with a volunteer day off.

Management of work-related injuries and work-related hazards

The key health and safety measures reported include LTIFR, TRIFR, MVIFR, safety maturity assessment and lead indicators of near-miss and hazard reporting. Fatalities from work-related injury are thankfully zero.

The work-related hazards that pose a risk of high-consequence injury 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. Mobile plant-related injuries contributed to our high-consequence injuries during FY23. As a result of two high-consequence (lost-time injury) events in FY23 that occurred involving mobile plant, further controls have been implemented and are monitored in accordance with our risk management processes.

1.16. Learning and skills development

Employee development and growth is a key focus for Comvita. The learning strategy is built around the principle of 70/20/10, and through ongoing transformation activities and continuous improvement, we have enabled upskilling, stretch assignments and internal mobility. A variety of learning activations have been rolled out in FY23, including financial literacy, diversity, equity and inclusivity, digital literacy and fundamentals of leadership, which have been delivered in multiple different ways, including through e-learning globally. Supporting our te ao Māori journey, 45 team members across three cohorts have been learning te reo Māori. External learning opportunities are also provided to further support talent development through MBAs, degrees and diplomas, short courses and conference attendance.

Transition support

Through the retirement programme activated in FY23, three employees have utilised the benefit of reduced hours and retirement planning. The addition of this programme has encouraged open conversations leading to planned retirement and retention of key skills moving forward in different capacities. Transition support has also been offered where necessary to support continued employment.

1.17. Diversity, equity and inclusion

Gender as specified by employees themselves.

Diversity by age

	25 and under	26–35	36–49	50 and over
Governance body – Board	0%	0%	13%	88%
Leadership team	0%	0%	40%	60%
Senior people leaders	0%	9%	65%	26%
People leaders	0%	18%	64%	18%
Other staff	5%	25%	43%	28%

Diversity by ethnicity

	Māori	Asian	European	Other
Governance body – Board		25	75	
Leadership team		10	90	
Senior people leaders	3	18	76	3
People leaders	10	44	32	14
Not people leaders	5	60	21	14

Female representation

	FY23
Female percentage of global team	67%
Females on the Board	38%
Females in leadership positions	35%
Females in junior and mid-level leadership roles	42%
Females in top management positions (maximum of two levels from CEO)	23%

Ratio of salary of females to males

By location	Ratio salary FY23
Leadership team	0.69:1
Australia and Aotearoa New Zealand	0.93:1
Asia	0.72:1
North America	0.52:1
EMEA	0.71:1

Level of leadership	Ratio salary FY23
Leadership team	0.69:1
Senior leadership positions	0.8:1
Junior and mid-level leadership roles	0.95:1

1.18. Regeneration and restoration

HABITATS PROTECTED AND RESTORED

		2017–2019	FY21 (2020 planting)	FY22 (2021 planting)	FY23 (2022 planting)
Native Mānuka hectares planted since 2017	Annual	2,940	1,218	1,017	
	Cumulative	2,940	4,158	5,175	5,778
Hectares under predator management		0	0	1,671	1,671

Management commentary
(no financial statements)

1.19. Circularity and waste

MATERIALS USED BY WEIGHT – TONNES

	TOTAL		NON-RENEWABLE		RENEWABLE	
	FY22	**FY23**	**FY22**	**FY23**	**FY22**	**FY23**
Cardboard and paper	263.00	277.13	–	–	263.00	277.13
PET	166.26	187.65	166.26	187.65	–	–
Metal	72.55	55.30	72.55	55.30	–	–
PP	55.60	53.77	55.60	53.77	–	–
LDPE	54.63	39.24	54.63	39.24	–	–
Glass	0.32	35.54	–	–	0.32	35.54
rPET	–	2.35	–	2.35	–	–
HDPE	3.03	1.14	3.03	1.14	–	–
Laminated plastic	9.14	0.60	9.14	0.60	–	–
Silica	0.77	0.41	0.77	0.41	–	–
TOTAL	**625.29**	**653.11**	**361.98**	**340.44**	**263.31**	**312.67**

RECYCLED INPUT MATERIALS USED – % TO MANUFACTURE PRIMARY PRODUCTS

FY22	FY23
8.8%	9.9%

WASTE GENERATED – TONNES

	WASTE GENERATED		WASTE DIVERTED FROM DISPOSAL		WASTE DIRECTED TO DISPOSAL	
	FY22	**FY23**	**FY22**	**FY23**	**FY22**	**FY23**
Cardboard paper	15.08	19.05	15.08	18.72	–	0.33
Concrete	0.99	–	0.99	–	–	–
Glass	0.18	0.12	0.18	0.12	–	–
Green waste	0.03	0.10	0.03	0.10	–	–
Hazardous	20.01	0.02	0.02	0.01	19.99	0.02
Mixed commercial	101.82	107.84	1.15	1.08	100.67	106.76
Plastic	2.88	3.03	2.88	2.83	–	0.20
Steel	71.95	141.24	71.95	141.24	–	–
Wood	63.52	12.98	0.08	6.49	63.44	6.49
Organic matter	–	0.69	–	–	–	0.69
TOTAL	**276.46**	**285.07**	**92.36**	**170.59**	**184.10**	**114.48**

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS – TONNES

	ON SITE		OFF SITE		TOTAL	
	FY22	**FY23**	**FY22**	**FY23**	**FY22**	**FY23**
Hazardous waste						
Preparation for reuse	0.00	0.00	0.00	0.00	0.00	0.00
Recycling	0.00	0.00	0.02	0.01	0.02	0.01
Other recovery operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					**0.02**	**0.01**
Non-hazardous waste						
Preparation for reuse	0.08	0.10	0.00	0.00	0.08	0.10
Recycling	0.00	0.00	92.26	170.48	92.26	170.48
Other recovery operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					**92.34**	**170.58**
Waste prevented						
Waste prevented					**92.36**	**170.59**

WASTE DIVERTED TO DISPOSAL BY DISPOSAL OPERATIONS – TONNES

	ONSITE				TOTAL	
	FY22	**FY23**	**FY22**	**FY23**	**FY22**	**FY23**
Hazardous waste						
Incineration (with energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00
Incineration (without energy recovery)	63.44*	7.38*	0.00	0.00	63.44	7.38
Landfilling	0.00	0.00	19.99	0.01	19.99	0.01
Other disposal operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					**83.43**	**7.39**
Non-hazardous aste						
Incineration (with energy recovery)	0.00	0.00	0.10	0.01	0.10	0.01
Incineration (without energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00
Landfilling	0.00	0.00	100.58	107.07	100.58	107.07
Other disposal operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					**100.67**	**107.09**

Note: includes Comvita hives destroyed in accordance with biosecurity (National American Foulbrood Pest Management Plan) Order 1998, which requires that hives with American foulbrood be destroyed by burning or deep burial at an approved site.

Management commentary
(no financial statements)

1.20. Investment in communities

INVESTMENT IN COMMUNITY PARTNERSHIPS NZ$ TARGET 1% EBITDA

	FY22	FY23
% EBITDA	1%	1%

PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY SUPPORT PROGRAMMES

FY22	FY23
50%	67%

Calculated based on number of staff in different regions, excluding China sales promoters. Includes Harmony partnerships and Time to Heal contributions.

GRI STANDARDS

CONTENT INDEX

Comvita Limited has reported the information cited in this GRI content index for the period of 1 July 2022 to 30 June 2023 with reference to the GRI Standards.

GRI 1: Foudation 2021 has been used.

Note that where three years of data has not been provided, this is an omission due to information being unavailable for FY21.

GRI Standard	Disclosure	Page #s	Comment
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	92	
	2-2 Entities included in the organization's sustainability reporting	92	
	2-3 Reporting period, frequency and contact point	92	
	2-4 Restatements of information	92	
	2-5 External assurance	92	
	2-6 Activities, value chain and other business relationships	92	
	2-7 Employees	93	
	2-8 Workers who are not employees	93	
	2-9 Governance structure and composition	88-89	Also refer Comvita Financial Statements, Statutory Information, pgs 40-45. 2-9 c. vii. information unavailable as as not been collected. Will be reported on in FY24.
	2-10 Nomination and selection of the highest governance body	85-88	Also refer www.comvita.co.nz/Investor, Corporate Governance, Diversity and Inclusion Policy.
	2-11 Chair of the highest governance body	88	
	2-12 Role of the highest governance body in overseeing the management of impacts	88-89	
	2-13 Delegation of responsibility for managing impacts	88-89	
	2-14 Role of the highest governance body in sustainability reporting	88-89	Also refer www.comvita.co.nz/investor, Corporate Governance, Audit and Risk Committee Charter and Safety and Performance Committee Charter

Management commentary
(no financial statements)

GRI Standard	Disclosure	Page #s	Comment
GRI 2: General Disclosures 2021 continued	2-15 Conflicts of interest	85-86	Also refer Comvita Financial Statements, Statutory Information, pgs 40-45.
	2-16 Communication of critical concerns	90	2-16 b. not disclosed due to confidentiality constraints and concerns.
	2-17 Collective knowledge of the highest governance body	87-88	
	2-18 Evaluation of the performance of the highest governance body		Information unavailable as Comvita does not currently complete such evaluations. Evaluation framework will be developed and reported on in future periods.
	2-19 Remuneration policies	89-90	
	2-20 Process to determine remuneration	88-89	
	2-21 Annual total compensation ratio	90	
	2-22 Statement on sustainable development strategy	52-53	
	2-23 Policy commitments	94	
	2-24 Embedding policy commitments	94	Also refer other sections of this Annul Review.
	2-25 Processes to remediate negative impacts	95	
	2-26 Mechanisms for seeking advice and raising concerns	95	
	2-27 Compliance with laws and regulations	95	
	2-28 Membership associations	95	
	2-29 Approach to stakeholder engagement	77, 95	
	2-30 Collective bargaining agreements	95	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	77, 95	
	3-2 List of material topics	78-81	
	3-3 Management of material topics	78-81	Also refer other sections of this Annual Report as referenced below.

GRI Standard	Disclosure	Page #s	Comment
Sector Standard Disclosures			
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	13.1 Emissions	69, 79	Disclosure 13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.1.5, 13.1.6 (partial). 13.1.7, 13.1.8 not applicable as not significant for Comvita. Non-GRI: Aotearoa New Zealand Scope 1 and 2 emissions, removals (annual and cumulative). Also refer Comvita GHG Inventory Report FY23.
	13.2 Climate adaptation and resilience		Disclosure 13.2.1, 13.2.2 (partial). Refer Comvita Financial Statements. Notes to the Financial Statements, pg 10.
	13.3 Biodiversity	70-71, 80, 97	Disclosure 13.3.1, 13.3.3, 13.3.4, 13.3.2, 13.3.5 not applicable as not relevant for Comvita.
	13.4 Natural ecosystem conversion		Not applicable as not identified as material topic.
	13.5 Soil health		Not applicable as not identified as material topic.
	13.6 Pesticides use		Not applicable as not material topic.
	13.7 Water and effluents		Not applicable as not identified as material topic.
	13.8 Waste	68, 80, 98-99	Disclosure 13.8.1, 13.8.3, 13.8.5, 13.8.6. Disclosure 13.8.2, 13.8.3 not applicable as not identified as material topic.
	13.9 Food security		Not applicable as not identified as material topic
	13.10 Food safety	27, 78	Disclosures 13.10.1, 13.10.3, 13.10.4, 13.10.5. Disclosure 13.10.1 not applicable as not material topic. Non-GR: Number of customer complaints.
	13.11 Animal health and welfare	66-67, 80	Disclosure 13.11.1. Disclosure 13.11.2, 13.11.3 not applicable as not relevant for Comvita. Non-GRI: Number of bees rescued.
	13.12 Local communities	72-76, 81, 100	Disclosure 13.12.1, 13.12.2 Disclosure 13.12.3 not applicable as not relevant Disclosure for Comvita. Non-GRI: Investment in community partnerships.
	13.13 Land and resource rights		Not applicable as not identified as material topic.
	13.14 Rights of indigenous peoples		Not applicable as not identified as material topic.

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GRI Standard	Disclosure	Page #s	Comment
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 continued	13.15 Non-discrimination and equal opportunity	56-59, 78, 96-97	Disclosure 13.15.1, 13.15.2, 13.15.3. Disclosure 13.15.4, 13.5.5 not applicable as not identified as material topic.
	13.16 Forced or compulsory labour		Not applicable as not identified as material topic.
	13.17 Child labor		Not applicable as not identified as material topic.
	13.18 Freedom of association and collective bargaining		Not applicable as not identified as material topic.
	13.19 Occupational health and safety	62-65, 78, 96	Disclosure 13.19.1, 13.19.2, 13.19.7, 13.19.10, 13.19.11. Disclosure 13.19.3, 13.19.4, 13.19.5, 13.19.6, 13.19.8, 13.19.9 not applicable as not identified as material topic. Non-GRI: Safety maturity index.
	13.20 Employment practices		Not applicable as not identified as material topic.
	13.21 Living income and living wage		Not applicable as not identified as material topic.
MATERIAL TOPIC DISCLOSURES			
Product Quality			
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 78	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	27	
N/A	Non-GRI: Number of customer complaints per 1,000 units sold	27	
N/A	Non-GRI: Number of independent audits and certifications	27	
Consumer Focus and Affinity			
GRI 3: Topics 2021	3-3 Management of material topics	48-49, 78	
N/A	Non-GRI: Consumer NPS Score	48	Metric recalculated for FY22 and FY23 due to previous formula inconsistency.
N/A	Non-GRI: % increase in registered use:rs	49	

GRI Standard	Disclosure	Page #s	Comment
Employee Value Proposition and Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	56-65, 78, 96	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62-65, 96	
	403-6 Promotion of worker health	64-65, 96	
	403-9 Work-related injuries	63	
	403-10 Work-related ill health	96	
N/A	Non-GRI: Safety maturity index	63	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	56-57, 96	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	57, 96-97	
	405-2 Ratio of basic salary and remuneration of women to men	97	
N/A	Non-GRI: Net promoter score	56	
Ethical Conduct and Sustainable Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	68, 79	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	68	Information incomplete – partial disclosure only. Significant supplier pre-screening will bre rolled out in FY4.
	308-2 Negative environmental impacts in the supply chain and actions taken		Information incomplete. Work in progress and will be disclosed in FY24.
Sustainable Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 28-31, 79	Also refer Comvita Financial Statements FY23.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	28-31	Also refer Comvita Financial Statements FY23. Information incomplete – partial disclosure. Payments to government by country information not available. To be calculated for future periods.

Management commentary
(no financial statements)

GRI Standard	Disclosure	Page #s	Comment
Climate Action			
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 79	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		Information incomplete as still work progress. Will be disclosed in FY24. Refer Comvita Financial Statements. Notes to the Financial Statements, pg 10.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	68-69	Also refer Comvita GHG Inventory Report FY23.
	305-2 Energy indirect (Scope 2) GHG emissions	68-69	Also refer Comvita GHG Inventory Report FY23.
	305-3 Other indirect (Scope 3) GHG emissions	68-69	Also refer Comvita GHG Inventory Report FY23.
	305-4 GHG emissions intensity	68-69	Also refer Comvita GHG Inventory Report FY23.
	305-5 Reduction of GHG emissions	68-69	Information incomplete as still work in progress. Will be disclosed in FY24.
N/A	Non-GRI: Aotearoa New Zealand Scope 1 and 2 emissions		Also refer Comvita GHG Inventory Report FY23.
N/A	Non-GRI: Removals since establishment	69	Also refer Comvita GHG Inventory Report FY23.
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	70-71, 80, 97	
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	70-71	
	304-3 Habitats protected or restored	71, 97	
Bee Welfare			
GRI 3: Material Topics 2021	3-3 Management of material topics	66-67, 80	
N/A	Non-GRI: Number of bees rescued	67	

GRI Standard	Disclosure	Page #s	Comment
Circular Economy and Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	68, 80, 98-99	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	98	
	301-2 Recycled input materials used	98	
	301-3 Reclaimed products and their packaging materials	N/A	Information unavailable as cannot source for every item of packaging. Timing to be confirmed.
N/A	Non-GRI: % recyclable, reusable or compostable	68	
GRI 306: Waste 2020	306-3 Waste generated	68, 98	
	306-4 Waste diverted from disposal	68, 99	
	306-5 Waste directed to disposal	68, 99	
Mānuka Honey and Broader Sector Leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 81	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	27	
Collaboration and Partnerships			
GRI 3: Material Topics 2021	3-3 Management of material topics	72-76, 81, 100	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72-76, 100	Calculated based on percentage of staff who have participated in Time to Heal Days.
N/A	Non-GRI: Investment in Harmony partnerships	72-76, 100	

Management commentary
(no financial statements)

MORE DETAILS

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COMVITA BOARD OF DIRECTORS

—

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Guangping Zhu
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Management commentary
(no financial statements)

BUILDING A

Better

BUSINESS

ANNUAL REPORT

COMVITA.CO.NZ

2023

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Management commentary
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FINANCIAL STATEMENTS

2023

COMVITA LIMITED

COMVITA®

Financial statements

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' DECLARATION

In the opinion of the Directors of Comvita Limited, the financial statements and the notes, on pages 4 to 35:

- comply with New Zealand generally accepted accounting practice and fairly reflect the financial position of the Group as at 30 June 2023 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 2023.

For and on behalf of the Board of Directors:

Brett Hewlett	Luke Bunt
21 August 2023	21 August 2023

CONSOLIDATED

INCOME STATEMENT

For the year ended *In thousands of New Zealand dollars*	Note	**30 June 2023**	**30 June 2022**
Revenue	2	234,195	208,909
Cost of sales		(98,435)	(82,909)
Gross profit		135,760	126,000
Other income	3	12,177	1,943
Marketing expenses		(30,509)	(28,062)
Selling and distribution expenses		(54,484)	(47,362)
Administrative and other operating expenses	5	(36,140)	(32,370)
Software development expenses		(2,884)	-
Operating profit before financing costs		23,920	20,149
Finance income	14	314	290
Finance expenses	14	(10,384)	(3,127)
Net finance expenses		(10,070)	(2,837)
Share of loss of equity accounted investees	23	(844)	(187)
Profit before income tax		13,006	17,125
Income tax expense	7	(1,944)	(4,341)
Profit for the year		**11,062**	**12,784**
Earnings per share:			
Basic earnings per share (NZ cents)	10	15.84	18.24
Diluted earnings per share (NZ cents)	10	15.66	18.13
EBITDA	8	30,623	30,083

*EBITDA 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 to profit before tax is provided in note 8.

The notes on pages 9 to 35 are an integral part of these condensed interim financial statements

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CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended		**30 June 2023**	**30 June 2022**
In thousands of New Zealand dollars	Note		
Profit for the year		11,062	12,784
Items that are or may be reclassified subsequently to the income statement			
Foreign currency translation differences for foreign operations		(862)	3,233
Foreign currency translation differences for equity accounted investees		113	(46)
Effective portion of changes in fair value of cash flow hedges		5,528	(4,657)
Foreign investor tax credits		93	109
Income tax on these items	7	(1,463)	987
Income and expenses recognised directly in other comprehensive income		3,409	(374)
Total comprehensive income for the year		**14,471**	**12,410**

The notes on pages 9 to 35 are an integral part of these financial statements

CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023 *In thousands of New Zealand dollars*	**Share capital**	**Foreign currency translation reserve**	**Hedging reserve**	**Retained earnings**	**Total**
Balance at 30 June 2021	**201,839**	**(4,862)**	**(1,211)**	**26,114**	**221,880**
Total comprehensive income for the year					
Profit for the year	-	-	-	12,784	12,784
Other comprehensive income (net of tax)					
Foreign currency translation differences for equity accounted investees (note 23)	-	(46)	-	-	(46)
Foreign currency translation differences for foreign operations	-	2,916	-	-	2,916
Foreign investor tax credits	-	-	-	109	109
Effective portion of changes in fair value of cash flow hedges	-	-	(3,353)	-	(3,353)
Total other comprehensive income	-	2,870	(3,353)	109	(374)
Total comprehensive income for the year	-	**2,870**	**(3,353)**	**12,893**	**12,410**
Transactions with owners, recorded directly in equity					
Share based payment	-	-	-	601	601
Acquisition of treasury stock	(2,992)	-	-	-	(2,992)
Issue of ordinary shares – Supplier share scheme	541	-	-	(37)	504
Issue of ordinary shares – Performance share rights scheme (note 29)	299	-	-	-	299
Redemption of ordinary shares related to share schemes	(10)	-	-	-	(10)
Dividends paid (note 11)	-	-	-	(4,702)	(4,702)
Total transactions with owners	(2,162)	-	-	(4,138)	(6,300)
Balance at 30 June 2022	**199,677**	**(1,992)**	**(4,564)**	**34,869**	**227,990**
Total comprehensive income for the year					
Profit for the year	-	-	-	11,062	11,062
Other comprehensive income (net of tax)					
Foreign currency translation differences for equity accounted investees (note 23)	-	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 payment	-	-	-	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**

The notes on pages 9 to 35 are an integral part of these financial statements

CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023		**2023**	**2022**
In thousands of New Zealand dollars	Note		
Assets			
Property, plant and equipment	19	72,873	64,968
Intangible assets and goodwill	20	41,754	40,402
Right of use assets	24	14,407	12,112
Biological assets	22	4,437	3,878
Investments	23	10,234	10,965
Loans to equity accounted investees	23	6,058	5,188
Derivatives	25	48	-
Deferred tax asset	7	4,545	5,759
Total non-current assets		**154,356**	**143,272**
Inventory	15	136,088	132,157
Trade receivables	16	39,373	27,818
Sundry receivables	17	17,354	11,526
Cash and cash equivalents	13	11,554	17,756
Tax receivable	7	41	251
Total current assets		**204,410**	**189,508**
Total assets		**358,766**	**332,780**
Equity			
Issued capital		199,351	199,677
Retained earnings		43,209	34,869
Reserves		(3,240)	(6,556)
Total equity		**239,320**	**227,990**
Liabilities			
Loans and borrowings	12	64,940	43,300
Trade and other payables	18	288	267
Lease liability		11,972	9,431
Deferred tax liability	7	1,509	1,864
Total non-current liabilities		**78,709**	**54,862**
Trade and other payables	18	34,319	37,792
Lease liability		3,386	3,373
Tax payable	7	2,195	2,244
Derivatives	25	837	6,519
Total current liabilities		**40,737**	**49,928**
Total liabilities		**119,446**	**104,790**
Total equity and liabilities		**358,766**	**332,780**

The notes on pages 9 to 35 are an integral part of these financial statements

CONSOLIDATED

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023 *In thousands of New Zealand dollars*	Note	**2023**	**2022**
Receipts from customers		223,849	208,080
Receipts from insurance proceeds	3	5,480	-
Payments to suppliers and employees		(219,068)	(200,884)
Taxation paid		(2,178)	(1,836)
Net cash flows from operating activities	4	**8,083**	**5,360**
Consideration paid for the acquisition of investee		-	(5,092)
Loans to equity accounted investees		(593)	198
Receipt of dividend from equity accounted investee		-	745
Interest from related parties		38	45
Payment for the purchase of property, plant and equipment		(16,601)	(5,451)
Payment for the purchase of biological assets		(538)	-
Receipt for the disposal of property, plant and equipment		237	335
Payment for the purchase of intangibles		(3,297)	(3,997)
Net cash flows from investing activities		**(20,754)**	**(13,217)**
Redemption of ordinary shares		(4)	(10)
Purchase of treasury stock		(322)	(2,992)
Repayment of lease liabilities		(4,898)	(3,862)
Proceeds from loans and borrowings		21,640	22,450
Payment of dividends		(3,961)	(4,702)
Interest received		17	5
Interest paid		(5,740)	(2,535)
Net cash flows from financing activities		**6,732**	**8,354**
Net increase in cash and cash equivalents		**(5,939)**	**497**
Cash and cash equivalents at the beginning of the year		17,756	16,267
Effect of exchange rate fluctuations on cash held		(263)	992
Cash and cash equivalents at the end of the year		**11,554**	**17,756**
Represented as:			
Cash and cash equivalents	13	11,554	17,756
Total		**11,554**	**17,756**

The notes on pages 9 to 35 are an integral part of these financial statements

NOTES TO
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 2023 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 21 August 2023.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments, 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 20)
- Measurement of recoverability of cash generating units (note 21)
- Valuation of biological assets (note 22)
- Valuation of equity accounted investments (note 23)
- Recoverability of deferred tax assets (note 7)
- Insurance proceeds receivable (note 3)

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 and are designated by a shaded area.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING THE PERIOD

Cloud computing arrangements

In March 2021 the International Financial Reporting Interpretations Committee (IFRIC) finalised its interpretation of the application of IAS 38 Intangible Assets to configuration and customisation costs incurred in Software-as-a-Service (SaaS) arrangements. The decision was ratified by the International Accounting Standards Board (IASB) in April 2021.

SaaS arrangements are cloud computing applications where the underlying software and associated infrastructure are hosted by a service provider, independent of the Group. The costs to configure, customise and implement a SaaS arrangement may be recognised as an intangible asset when the application is controlled by the Group. Control requires the Group to have the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits. Configuration and customisation costs of SaaS arrangements meeting this criteria are to be capitalised and amortised over the useful life of the software.

SaaS arrangements which are not controlled by the Group do not constitute intangible software assets. All distinct configuration, customisation and implementation costs are to be expensed as incurred. These expenses are categorised as software development expenses in the income statement.

These financial statements reflect the impact of the IFRS Interpretation Committee's decisions on accounting for SAAS arrangements. In the year ended 30 June 2023 software additions recognised as an intangible asset materially relate to customised software code where Comvita retains control of the code and its future benefits.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING THE PERIOD

Climate related standards

In December 2022, The External Reporting Board ('XRB') of New Zealand issued Aotearoa New Zealand Climate Standards, a new climate-related disclosure framework. Three new standards were issued: NZ CS 1 Climate-related Disclosures, NZ CS 2 Adoption of Climate-related Disclosures, and NZ CRDC Climate-related Disclosures Concepts. The standards are aligned to the International Task Force on Climate-related Disclosures ('TCFD') disclosure framework which focuses on governance, strategy, risk management, and metrics and targets.

The Group is currently undertaking a project to build on and leverage its existing sustainability reporting framework in preparation for the release of its first climate statement under these new standards. This is expected to be issued by the Group as at 30 June 2024. The group prepared its first Greenhouse gas emissions report with an assurance report as at 30 June 2022.

There are no other new standards that are not yet effective that would be expected to have a material impact on the Group, in the current or future reporting periods, and foreseeable future transactions.

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 Asian markets excluding Greater China

North America: Revenue and related costs of our North American 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**	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Contribution Segments																
Revenue	109,005	96,924	40,770	34,696	31,771	27,337	35,608	31,793	5,862	5,124	223,016	195,874	11,179	13,035	234,195	208,909
Contribution	26,813	22,958	11,573	11,211	8,291	6,585	8,868	8,414	604	83	56,149	49,251	1,992	1,441	58,141	50,692
Non attributable (other corporate expenses)															(46,398)	(32,486)
Other income (note 3)															12,177	1,943
Financial income and expenses (note 14)															(10,070)	(2,837)
Share of loss of equity accounted investees (note 23)															(844)	(187)
Net profit before tax															**13,006**	**17,125**

Geographical segments

In thousands of New Zealand dollars	**30 June 2023** Revenue	**30 June 2023** Non-current assets	**30 June 2022** Revenue	**30 June 2022** Non-current assets
Greater China	109,005	37,050	96,924	37,398
ANZ	41,266	108,100	35,742	97,278
Rest of Asia	31,771	578	27,339	334
North America	45,480	359	42,423	130
EMEA	5,862	190	5,124	141
Other countries	811	8,079	1,357	7,991
Total	**234,195**	**154,356**	**208,909**	**143,272**

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	**2023 30 June**	**2022 30 June**
Insurance proceeds	10,962	-
Government grants	949	1,331
Government subsidies	106	270
Gain on disposal of property, plant and equipment	-	110
Change in fair value of biological assets (bees and olive leaf)	32	48
Other	128	184
Total other income	**12,177**	**1,943**

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 Hawke's Bay facility suffered extensive damage due to Cyclone Gabrielle, a catastrophic weather event in the North Island of New Zealand. The Group moved operational facilities to an alternative Group site where operations continued. However, the Group's insurance assessors concluded that the fixed assets, biological assets and inventory at this site were irrecoverable.

The Group maintains a comprehensive insurance program that covers various risks, including material damage, vehicle, business interruption and general liability. The insurance proceeds to date for Cyclone Gabrielle relate to the Group's material damage and vehicle policies.

The following table provides a breakdown of financial impact of the weather event:

In thousands of New Zealand dollars	Note	**2023 30 June**
Cash proceeds received to date		5,480
Insurance proceeds receivable	17	5,280
Loss on disposal of property, plant and equipment	5	(2,548)
Inventory disposals	15	(3,681)
Net profit before tax impact		**4,531**

As at 30 June 2023, the Group has identified a contingent asset in relation to the Cyclone Gabrielle insurance claim. Management, in consultation with its insurance advisors, consider it probable there will be further insurance proceeds receivable as part of the Group's material damage and business interruption policy. As at reporting date, the financial impact cannot yet be reliably estimated.

03. OTHER INCOME (continued)

Insurance proceeds are recognised 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 realisable 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	**2023 30 June**	**2022 30 June**
Profit for the year		11,062	12,784
Adjustments for:			
Depreciation		9,910	8,707
Amortisation	20	2,280	2,006
Share based payments		972	899
Supplier share scheme – inventory purchase		-	504
Fair value gain in biological assets		(32)	(48)
Share of loss equity accounted investees	23	844	187
Profit adjusted for non-cash items		**25,036**	**25,039**
Items related to investing and financing activities:			
Interest - net		5,427	2,245
Net loss/(gain) on disposal of property, plant & equipment		2,505	(110)
Change in trade payables		934	(1,291)
Movement in working capital items:			
Change in inventories		(3,931)	(31,149)
Change in trade receivables		(11,555)	(4,295)
Change in sundry debtors and prepayments		(5,784)	(3,095)
Change in trade and other payables		(4,340)	12,781
Change in employee benefits		888	356
Change in tax payable		161	277
Change in deferred tax		859	1,352
Change in working capital items from foreign currency translation reserve		(774)	2,027
Other movements:			
Movement of deferred tax in equity		(1,289)	987
Foreign investor tax credits		93	109
Foreign currency reserve		(147)	127
Net cash from operating activities		**8,083**	**5,360**

During the year, the Group reclassified interest income and expense from operating activities to financing activities. The prior year has been restated accordingly.

05. EXPENSES

Administration expenses

The following items of expenditure are included in administrative expenses:

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Auditors' remuneration:		
To KPMG for audit services (i)	411	369
To KPMG for tax services (ii)	5	107
To Mercer & Hole (UK auditors)	24	25
Doubtful debts recovered	(178)	(112)
Bad debts written off	187	92
Net loss on property, plant and equipment disposals (iii)	2,505	-
Restructure costs	164	113
Directors fees	605	592
Directors – other costs	18	18
Other legal and professional expenses	628	444

(i) Audit services include fee for 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
(ii) Tax services is for tax compliance and advisory work
(iii) $2,548,000 of this net loss relates to Cyclone Gabrielle property, plant and equipment disposals (note 3)

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	2023 30 June	2022 30 June
Wages and salaries	46,824	40,275
KiwiSaver – employer contribution	919	698
Movement in long-service leave provision	21	(271)
Equity settled share based payment transactions (note 29)	972	687
Total personnel expenses	**48,736**	**41,389**

07. TAX

Tax expense

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Profit for the year	11,062	12,784
Total income tax expense	1,944	4,341
Net profit before tax	13,006	17,125
Tax at 28% NZ company tax rate	3,642	4,795
Tax effect of overseas income	(638)	(284)
Non-deductible or non-assessable items	(715)	285
Other	(169)	-
Prior period adjustments	(176)	(455)
Total income tax expense	**1,944**	**4,341**

07. TAX (continued)

Tax expense is represented by:

Current tax	2,374	1,685
Deferred tax	(430)	2,656
Total income tax expense	**1,944**	**4,341**
Imputation credits available	**5,580**	**6,934**

Deferred tax

In thousands of New Zealand dollars	**As at 30 June 2023**	**Recognised directly in profit or loss**	**Recognised in other comprehensive income**	**Recognised directly in equity**	**As at 30 June 2022**
Property, plant & equipment	(2,516)	(958)	-	-	(1,558)
Intangible and biological assets	(1,406)	528	-	-	(1,934)
Inventory	3,438	394	-	-	3,044
Provisions and accruals	998	(519)	-	-	1,517
Derivatives	220	-	(1,548)	-	1,768
Other items	532	273	85	174	-
Investments	46	(78)	-	-	124
Tax losses	1,724	790	-	-	934
Net tax assets/(liabilities)	**3,036**	**430**	**(1,463)**	**174**	**3,895**

No deferred tax assets have been recognised in respect of certain intangible assets ($582,000), capital losses in Australia ($3,265,000) or losses on acquisition in the UK ($2,232,000).

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.

No deferred tax assets have been recognised in respect of certain intangible assets and capital losses in Australia or losses on acquisition in the UK.

08. SUPPLEMENTARY NON-GAAP INFORMATION – EBITDA

Earnings before interest, tax, depreciation, and amortisation (EBITDA) 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	**2023 30 June**	**2022 30 June**
Profit before tax	13,006	17,125
Add back: net finance cost	5,427	2,245
EBIT	**18,433**	**19,370**
Add back: depreciation and amortisation	12,190	10,713
EBITDA	**30,623**	**30,083**

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 Companies residual assets.

In thousands of shares	Note	**2023 30 June**	**2022 30 June**
On issue at beginning of the year		69,731	70,300
Share issue - employee share schemes	29	258	138
Acquisition of treasury stock		(96)	(854)
Supplier Partnership Group share scheme		-	147
Ordinary shares on issue at end of the year		**69,893**	**69,731**
Closing partly paid shares		-	363
Total shares including part paid at end of the year		**69,893**	**70,094**

Treasury Stock

In thousands of shares	**2023 30 June**	**2022 30 June**
Treasury stock at beginning of the year	654	2
Acquired on market	96	854
Issued - employee share schemes	(258)	(55)
Supplier Partnership Group share scheme	-	(147)
Total treasury stock at end of the year	**492**	**654**

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 Loan Scheme and a Performance Share Rights Scheme to ensure that the leadership team and staff incentives are aligned with our 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	2023 30 June	2022 30 June
Weighted average number of ordinary shares at the end of the year	69,847	70,087
Basic earnings per share (NZ cents)	15.84	18.24

In thousands of shares		
Weighted average number of diluted shares at end of the year	70,616	70,527
Diluted earnings per share (NZ cents)	15.66	18.13

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*	2023 30 June	2022 30 June
The following dividends were declared and paid by the Group:		
Final 2021 dividend (4.0 cents per share)	-	2,893
Interim 2022 dividend (2.5 cents per share)	-	1,809
Final 2022 dividend (3.0 cents per share)	2,158	-
Interim 2023 dividend (2.5 cents per share)	1,803	-
Total	**3,961**	**4,702**

Subsequent event

On 21 August 2023, the Directors approved the payment of a fully imputed final dividend of $2,097,000 (3 cents per share) to be paid on 26 October 2023. As the dividend was declared after balance date it has not been recognised as a liability in these financial statements.

12. BORROWINGS

Terms of borrowings

In thousands of New Zealand dollars	Facility Local Currency	Currency	Nominal Interest rate	Maturity	Carrying Amount 2023	Carrying Amount 2022
Secured bank loan – Westpac NZ	20,000	NZD	4.35%	July 2023	-	20,000
Multi option credit line – Westpac NZ	72,500	NZD	3.30%	July 2023	-	23,300
Revolving credit facility – Westpac NZ/ANZ	44,000	NZD	7.41%	March 2025	15,500	-
Revolving credit facility – Westpac NZ/ANZ	35,000	NZD	7.56%	March 2026	35,000	-
Revolving credit facility – Westpac NZ/ANZ	35,000	NZD	7.76%	March 2027	15,000	-
Overdraft facility NZD – Westpac NZ	1,000	NZD	-	-	-	-
Deferred finance costs					(560)	-
Total borrowings - non-current					**64,940**	**43,300**

On 27 March 2023, the Group executed a new NZD 114 million syndicated bank facility agreement with Westpac Bank and ANZ bank.

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

12. BORROWINGS (continued)

Covenants and security

The Group was in compliance with all banking covenants during the year and as at 30 June 2023.

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	**2023 30 June**	**2022 30 June**
Cash	11,554	17,756
Less debt - non-current	(64,940)	(43,300)
Net debt	**(53,386)**	**(25,544)**

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	**2023 30 June**	**2022 30 June**
Interest income	313	290
Dividend income	1	-
Finance income	**314**	**290**
Interest expense on financial liabilities measured at amortised cost	(5,740)	(2,535)
Net foreign exchange loss	(4,644)	(592)
Finance expenses	**(10,384)**	**(3,127)**
Net finance expenses	**(10,070)**	**(2,837)**

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 income statement in accordance with NZ IFRS 16.

WORKING CAPITAL

15. INVENTORY

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Raw materials	82,426	76,611
Work in progress	6,104	5,511
Finished goods	47,558	50,035
Total inventory	**136,088**	**132,157**

Inventory disposed of during the year has been recognised within cost of goods sold - $4,381,000 (2022: $522,000). $3,681,000 relates to Cyclone Gabrielle (note 3).

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. Standard costs are regularly reviewed. 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 22) is transferred to inventory at fair value, by reference to market prices for honey.

16. TRADE RECEIVABLES

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Gross receivable	39,543	28,166
Provision for doubtful and impaired receivables	(170)	(348)
Total trade receivables	**39,373**	**27,818**

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

In thousands of New Zealand dollars	Gross receivable 2023	Impairment 2023	Gross receivable 2022	Impairment 2022
Not past due	36,245	-	22,954	-
Past due 0-30 days	2,249	-	3,426	-
Past due 31-60 days	385	-	523	-
Past due 61-365 days	664	(170)	1,263	(348)
Total	**39,543**	**(170)**	**28,166**	**(348)**

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17. SUNDRY RECEIVABLES

In thousands of New Zealand dollars	Note	2023 30 June	2022 30 June
Loan receivable – Leadership Team	30	2,817	2,778
Prepayments		6,380	6,997
Insurance proceeds receivable	3	5,280	-
Other receivables		2,877	1,751
Total sundry receivables		**17,354**	**11,526**

18. TRADE AND OTHER PAYABLES

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Trade creditors	10,268	18,322
Accruals	16,946	13,298
Employee benefits	7,009	6,142
Director fee accruals	96	30
Trade and other payables - current	**34,319**	**37,792**
Employee benefits	288	267
Trade and other payables - non current	**288**	**267**

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 2021	**11,457**	**27,511**	**29,589**	**2,610**	**5,977**	**8,624**	**9,006**	**94,774**
Additions/transfers	(4)	648	1,205	332	-	15	3,989	6,185
Disposals	-	(187)	(236)	(247)	-	(315)	-	(985)
Effect of movements in exchange rates	68	48	98	13	185	344	2	758
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**
Accumulated Depreciation								
Balance at 30 June 2021	**-**	**(7,854)**	**(16,313)**	**(1,735)**	**(517)**	**(5,010)**	**-**	**(31,429)**
Depreciation	-	(1,113)	(2,016)	(291)	(67)	(1,190)	-	(4,677)
Disposals	-	29	196	230	-	305	-	760
Effect of movements in exchange rates	-	(20)	(63)	(6)	(20)	(309)	-	(418)
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)**
Carrying amount								
At 30 June 2021	11,457	19,657	13,276	875	5,460	3,614	9,006	63,345
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**

*$13.0 million 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 an comparative periods are as follows:

• Buildings	up to 50 years
• Plant and machinery	2 - 20 years
• Vehicles	4 -17 years
• Office equipment, furniture and fittings	2 - 15 years
• Bearer plants	20 - 100 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. INTANGIBLE ASSETS

In thousands of New Zealand dollars	Goodwill	Intellectual property and other intangible assets	Software*	Total
Cost				
Balance at 30 June 2021	**27,599**	**16,520**	**9,936**	**54,055**
	-			
Additions	-	324	4,232	4,556
Disposals	-	(11)	(5,908)	(5,919)
Effect of movements in exchange rates	(848)	859	38	49
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**
Accumulated Amortisation				
Balance at 30 June 2021	**-**	**(6,707)**	**(9,302)**	**(16,009)**
Amortisation	-	(1,263)	(743)	(2,006)
Disposals	-	11	5,930	5,941
Effect of movements in exchange rates	-	(237)	(28)	(265)
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)**
Carrying Amount				
At 30 June 2021	27,599	9,813	634	38,046
At 30 June 2022	26,751	9,496	4,155	40,402
At 30 June 2023	**27,432**	**8,183**	**6,139**	**41,754**

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

Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life 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.

20. INTANGIBLE ASSETS (continued)

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.

21. GOODWILL AND ASSET 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	**2023 30 June**	**2022 30 June**
Greater China	25,597	24,917
Apiaries	1,766	1,766
Other	68	68
Total goodwill	**27,431**	**26,751**

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 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.

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 financial budget and strategic plan approved by the Board of Directors. The key assumptions are:

	2023 30 June	**2022 30 June**
Annual revenue growth rate	4.7% to 17.3%	5.0% to 12.7%
Post tax discount rate	12.1%	11.3%
Terminal growth rate	2.0%	2.0%

Sensitivity to changes in key assumptions

	2023 30 June	**2022 30 June**
The recoverable amount exceeded the carrying value by	115,500	136,400
If projected earnings before interest and tax ("EBIT") is reduced by 10% year on year, the recoverable amount exceeds the carrying value by	89,000	115,200
The post-tax discount rate for nil recoverable value is	30.6%	33.3%

21. GOODWILL AND ASSET 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, and projections based on actual operating results, budget and strategic plan.
The key assumptions are:

	2023 30 June	**2022 30 June**
Annual revenue growth	0% to 35.9%	0% to 21.9%
Post tax discount rate	10.9%	10.7%
Terminal growth rate	2.0%	2.0%

Sensitivity to changes in key assumptions

In thousands of New Zealand dollars	**2023 30 June**	**2022 30 June**
The recoverable amount exceeded the carryings value by	28,320	23,762
If projected earnings before interest and tax ("EBIT") is reduced by 10% year on year, the recoverable amount exceeds the carrying value by	22,288	18,354
The post - tax discount rate for nil recoverable value is	17.5%	16.6%

22. BIOLOGICAL ASSETS

In thousands of New Zealand dollars	**2023 30 June**	**2022 30 June**
Bees	3,854	3,315
Olive leaf	583	563
Total biological assets	**4,437**	**3,878**

Bees *In thousands of New Zealand dollars*	**2023 30 June**	**2022 30 June**
Balance at beginning of the year	3,315	3,305
Fair value increase	304	348
Net movement in operational hives	235	(338)
Balance at the end of the year	**3,854**	**3,315**

22. BIOLOGICAL ASSETS (continued)

Number of operational hives	2023 30 June	2022 30 June
Balance at beginning of the year	17,553	19,667
Net movement in operational hives	1,312	(2,114)
Balance at the end of the year	**18,865**	**17,553**
Value per hive	**$178**	**$160**

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.

23. INVESTMENTS

Investments

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Equity accounted investees	10,226	10,957
Investment in unlisted shares	8	8
Total investments	**10,234**	**10,965**

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.

Investment in equity accounted investees

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

23. INVESTMENTS (continued)

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 4,500,000 at balance date.

Carrying value of investment in equity accounted investees

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Balance at 1 July	**10,957**	**6,841**
Acquisition (Caravan Honey)	-	5,092
Share of loss	(844)	(187)
Dividends received	-	(743)
Foreign exchange movements	113	(46)
Balance at 30 June	**10,226**	**10,957**

Loans to equity accounted investees

In thousands of New Zealand dollars	Loan and interest receivable	Interest accrued	Interest rate
2023			
Makino	3,939	161	5.34%
Apiter	2,119	53	3.50%
	6,058	**214**	
2022			
Makino	4,079	161	5.34%
Apiter	1,109	23	3.50%
	5,188	**184**	

During the year, Comvita agreed to supply additional funding to Apiter in exchange for a planned future increase in ownership from 20% holding to 32% holding. The additional funding is to be 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 are completed in Uruguay, at which point the initial loan will convert to equity. At reporting date, the share issuance procedures are in progress. The USD 1,445,000 has been treated as a capital commitment (note 32).

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
2023				
Makino	13	-	1,457	42
Apiter	-	32	-	-
2022				
Makino	80	-	1,135	-
Apiter	-	32	323	-

24. 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 2021	**6,164**	**1,101**	**5,770**	**13,035**
Additions	1,952	635	666	3,253
Modifications	274	-	-	274
Disposals	(286)	(34)	-	(320)
Depreciation	(3,310)	(666)	(337)	(4,313)
Effect of movement in exchange rates	180	3	-	183
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
Disposals	-	(58)	-	(58)
Depreciation	(4,021)	(1,061)	(350)	(5,432)
Effect of movement in exchange rates	(35)	-	-	(35)
Balance at 30 June 2023	**4,487**	**3,512**	**6,408**	**14,407**

Amounts recognised in the income statement

	2023 30 June	2022 30 June
Interest on lease liabilities	639	320
Variable lease payments not included in the measurement of lease liabilities	5,274	4,957
Expenses relating to short-term leases	594	582
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	26	22

Lease liabilities

As at 30 June 2023, the weighted average rate applied was 6.3%. Total cash outflow for right of use leases for the year ended 30 June 2023 was $5.6 million (2022: $4.3m).

Maturity analysis - contractual undiscounted cash flow

Non-cancellable lease rentals ae payable as follows:

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Less than one year	2,741	4,287
Between one and five years	6,688	5,352
Greater than five years	7,053	3,918
Total	**16,482**	**13,557**

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.

FINANCIAL RISK

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.

25. 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	**2023 30 June**	**2022 30 June**
Forward exchange contracts (liability)	(837)	(6,469)

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

In thousands of New Zealand dollars

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

30 June 2022	**RMB**	**AUD**	**GBP**	**HKD**	**USD**	**Other**
Trade receivables	12,742	3,520	523	554	1,613	1,813
Trade and other payables	(2,033)	(1,913)	(425)	(1,208)	(1,800)	(970)
Gross statement of financial position exposure	10,709	1,607	98	(654)	(187)	843
Forward exchange contracts - nominal amount	44,337	8,028	1,785	7,825	41,640	3,181

25. MARKET RISK (continued)

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.

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	**2023 30 June**	**2022 30 June**
Interest rate swaps asset/(liability)	48	(50)

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 2023 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 $778,000 (30 June 2022: $464,000).

26. 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 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)**
30 June 2022				
Borrowings	(46,582)	(1,638)	(44,944)	-
Trade and other payables	(38,059)	(38,059)	-	-
Derivatives - inflow	101,065	56,940	38,038	6,087
Derivatives - outflow	(107,764)	(61,230)	(40,233)	(6,301)
Total	**(91,340)**	**(43,987)**	**(47,139)**	**(214)**

27. 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	**2023 30 June**	**2022 30 June**
Australia	6,015	3,692
China	13,366	12,658
New Zealand	15,298	6,933
United States	636	1,580
EMEA	438	1,129
Hong Kong	668	554
Other regions	2,952	1,272
Total	**39,373**	**27,818**

Trade receivable 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.

28. 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

29. 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.

	2023 30 June	**2022 30 June**
Employees in the LSPLS	8	8
Number of shares held	738,012	738,012
% of share capital	1.05%	1.05%

Performance Share Rights Scheme

Comvita Limited has a Performance Share Rights ("PSR") 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	**2023 Number of entitlements**	**2022 Number of entitlements**
Entitlements outstanding at beginning of year	458	147
Entitlements granted	607	387
Entitlements cancelled	-	(23)
Shares vested	(193)	(53)
Entitlements outstanding at end of year	**872**	**458**

Employee Share Scheme

In September 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 Trustees shall be paid to the employee.

There are 164 employees in the CEES Scheme and the number of shares held is 57,015.

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.

30. RELATED PARTIES

Transactions with Leadership Team and Directors

Leadership Team and Director compensation comprised:

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Director fees	605	592
Short term employee benefits	5,424	4,965
KiwiSaver employer contribution	186	154
Share based payments	972	686
Total	**7,187**	**6,397**

Leadership Team loans:

In thousands of New Zealand dollars	2023 30 June	2022 30 June
Loan to CEO	450	450
Loans to Leadership Team – Leader Share Purchase & Loan scheme (note 29)	2,367	2,328
Total	**2,817**	**2,778**

At 30 June 2023 Directors and other Leadership Team personnel of the Company control 2.6% (2022: 2.5%) of the voting shares of the Company.

31. 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%
Medibee Limited	New Zealand	100%
Comvita Taiwan Limited	New Zealand	100%
Bee & Herbal New Zealand Limited	New Zealand	100%
Comvita Landowner Share Scheme Trustee Limited	New Zealand	100%
Kyoto Forests of New Zealand 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%
Greenlife (New Zealand) Product 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 Leaf Australia Pty Limited	Australia	100%
Olive Products Australia Pty Limited	Australia	100%
Comvita IP Pty Limited	Australia	100%
Comvita Health 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.

32. COMMITMENTS

At year end the Group was committed to $6.4 million of capital expenditure (2022: $6.0 million over 1 year) which will be paid over the next year. The commitments relates to digital transformation, ERP implementation, other capital projects and further investment in an equity accounted investment (note 23).

33. SUBSEQUENT EVENTS

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 will be 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:

- Initial cash payment of SGD 6,100,000, which includes consideration of SGD 2,100,000 for inventory purchased.
- Deferred amount of SGD 2,500,000 is payable once all employee conditions are met and assets are legally transferred to the Group.
- SGD 2,000,000 of contingent consideration is based on the achievement of specific performance targets and is payable in 2024 and 2025, split evenly over two years.

Fair value of identifiable assets and liabilities

The fair value of identifiable assets acquired and liabilities have not been finalised at reporting date and are subject to purchase price allocation. The net assets purchased include inventory, registered intellectual property, assumed employee liabilities, goodwill and other intangible assets.

Goodwill

In the event that the consideration transferred is in excess of the fair value of the net identifiable assets acquired, the excess amount will be recognised as goodwill. The net identifiable assets will be determined upon completion of a purchase price allocation valuation. Any goodwill is not expected to be deductible for tax purposes.

Other subsequent events

There are no other subsequent events other than dividends declared (note 11).

KPMG

Independent Auditor's Report

To the shareholders of Comvita Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Comvita Limited (the 'Company') and its subsidiaries (the 'Group') on pages 4 to 35 present fairly, in all material respects:

i. the Group's financial position as at 30 June 2023 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 and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 30 June 2023;

— the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including a summary of significant accounting policies.

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 the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('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 also provided other services to the Group in relation to 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.

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 statutory 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 of the Financial Statements. The Group has $27.4m of goodwill relating to three cash generating units (CGU's): — Greater China; — Apiaries; and — Other. The process of performing an impairment assessment is inherently judgemental as it involves the use of unobservable, forward looking assumptions and data. 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: — Projected earnings before interest and tax (EBIT); and — Post tax discount rates. As disclosed in Note 21 of the financial statements, the recoverable amounts of each CGU have varying level of sensitivity to the respective assumptions applied by the Group.	Our audit procedures included the following, amongst others: — 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; — We assessed the value in use models (VIU) for each CGU considering the methodology adopted in the discounted cash flow valuation models against the requirements of the applicable financial reporting standards; — We considered the consistency of assumptions in individual VIU models with the overall Group 5 year forecast to ensure appropriate and consistent cash flows reported. Analysed the future cash flow forecasts used and determined whether they are reasonable based on the implementation of the strategic plan and historical achievements; — We utilised valuation specialists to challenge key judgements, which included the post tax discount rates applied and terminal growth rates, through comparison to market data and industry research; — We performed sensitivity analysis on key cash flow forecast assumptions, post tax discount rates and terminal growth, to understand the impact of reasonable possible changes in key assumptions in various scenarios; — We performed testing to compare the calculated recoverable values to the associated carrying amounts, and assessed whether any impairment expense is to be recognised; and — We considered and reviewed appropriateness, sufficiency and clarity of required disclosures included in the Group financial statements. — We challenged management on whether the market capitalisation of the Group is an indicator of impairment and subsequently used our own valuation specialists to challenge management's

KPMG

The key audit matter	How the matter was addressed in our audit
The market capitalisation deficit that exists at balance date is an indicator of impairment.	assessment of appropriate maintainable earnings and earnings multiple applied in their impairment test. We did not identify any material misstatements in relation to the impairment of non-current assets or the related disclosure.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the Group's Financial Statements and Annual Report. Other information comprises the information included in the Group's Financial Statements and Annual Report, but does not include the consolidated financial statements and our Independent Auditor's Report thereon. 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. 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, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;

— implementing 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; and

— assessing the ability 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 are 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 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 these consolidated financial statements.

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

http://www.xrb.govt.nz/standards-for-assurance-practitioners/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 Trevor Newland.

For and on behalf of

KPMG

KPMG
Tauranga

21 August 2023

STATUTORY INFORMATION

GENERAL DISCLOSURES

Principal activity

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

Dividend

On 21 August 2023, the Directors approved the payment of a fully imputed final dividend of $2,097,000 (3 cents per share) to be paid on 26 October 2023.

Donations

During the year the Group made cash donations of $282,000 (2022: $279,000). The Company also made donations of products to charitable organisations.

DIRECTOR DISCLOSURES

Directors' remuneration for the year ended 30 June 2023

In thousands of New Zealand dollars	**Base Fee**	**Committee Fee**	**Total**
BD Hewlett	130	-	130
LNE Bunt	65	33	98
SJ Kennedy (resigned 1 March 2023)	43	22	65
B Major	65	17	82
Z Guangping	65	-	65
Y Wu	65	-	65
B Coates	65	10	75
J Hoare (appointed 1 March 2023)	22	3	25
D Banfield	-	-	-
Total	**520**	**85**	**605**

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

Management commentary
(no financial statements)

DIRECTOR DISCLOSURES (continued)

Interests register

Directors have disclosed the following directorships held by them excluding family companies and companies with no association to their appointment as director of the Company or any companies in the Group:

B MAJOR

Director – Comvita Limited
Chairman – Gibb Holdings (Nelson) Ltd
Chairman – High Value Nutrition National Science Challenge
Chairman – Go Global Avocado Primary Growth Partnership
Chairman – Armer Group Advisory Board
Deputy Chairman – Hautupua General Partner Ltd
Deputy Chairman – Miro Trading General Partner Ltd
Managing Director and Shareholder – Sinotearoa Ltd
Director – BioVittoria Ltd
Director – BioVittoria Investments Ltd
Director – Dairy Holdings Limited
Committee Member – Oriens Capital Investment Committee

LNE BUNT

Director – Comvita Limited
Chairman – Heat Treatments Limited

B COATES

Director – Comvita Limited
Chairman – Toitu Tahua: Centre for Sustainable Finance
Chairman – Fonterra Sustainability - Advisory Panel
Chairman – Real Estate Institute of New Zealand (until 1 December 2022)
Chairman – 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)
Advisory Board Member - Global from Day One Fund (until 31 March 2023)

Z GUANGPING*

Director – Comvita Limited

J HOARE

Director - Comvita Ltd
Director - Meridian Energy Limited
Director - Port of Tauranga Limited
Director - Auckland Airport Limited
Director - A2 Milk Company Limited (until 30 June 2023)
Director - Mercury Energy Limited

BD HEWLETT

Chairman – Comvita Limited
Director – Quayside Holdings Limited
Director – Quayside Properties Limited
Director - Quayside Securities Limited

Y WU*

Director – Comvita Limited
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

D BANFIELD

Managing Director and CEO – Comvita Limited plus various subsidiaries of Comvita Limited

* 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 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 2023

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 Food (China) Limited	D Banfield*	A Chen*	G Zhu
Comvita Food (Hainan) Co. Limited	D Banfield*	A Chen*	T Brown*
Comvita Health Pty Limited **	D Banfield*	M Tobin	
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*	R Shida*	
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	
Comvita Taiwan Limited	D Banfield*		
Comvita UK Limited	D Banfield*		
Comvita USA, Inc	D Banfield*	A Barr*	
Green Life (New Zealand) Product Limited**	D Banfield*	A Chen*	
Kyoto Forest of New Zealand Product Limited**	D Banfield*		
Medibee Limited**	D Banfield*		
Medihoney (Europe) Ltd	D Banfield*		
Medihoney Pty Ltd	D Banfield*	M Tobin	
New Zealand Natural Foods Limited	D Banfield*		
Olive Leaf Australia Pty Limited**	D Banfield*	M Tobin	
Olive Products Australia Pty Limited	D Banfield*	M Tobin	
Comvita Europe B.V	D Banfield*	R Bosland*	

* *denotes an executive of a Group Company*
** *Dormant entities wound down during FY23*
*** *Comvita Malaysia Sdn Bhd incorporated on 19 December 2022 and Comvita Singapore incorporated on 28 February 2023*
**** *Luke Bunt and Sarah Kennedy ceased to be Directors on 1 September 2022 and David Banfield and Holly Brown appointed on 1 September 2022*

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
LNE Bunt	Beneficially owned	30,000	100,500	-	-
J Hoare	Beneficially owned	-	-	6,000	19,763
D Banfield	Beneficially owned	28,162	85,598	40,848	-*

*D Banfield received three 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 2023:

Director	Relevant Interest	30 June 2023	30 June 2022
LNE Bunt	Beneficially owned	40,000	70,000
B Major	Beneficially owned	35,810	35,810
BD Hewlett	Beneficially owned	400,926	400,926
B Coates	Beneficially owned	20,000	20,000
J Hoare	Beneficially owned	6,000	-
D Banfield*	Beneficially owned	546,078	533,392
Total		**1,048,814**	**1,060,128**

* D Banfield also had 353,376 of outstanding Performance Share Rights at 30 June 2023.

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.

EMPLOYEE REMUNERATION DISCLOSURES

Employees' remuneration

During the year ended 30 June 2023 the following numbers of employees received remuneration of at least $100,000.

	Number of employees
$100,000 to $110,000	7
$110,000 to $120,000	4
$120,000 to $130,000	11
$130,000 to $140,000	11
$140,000 to $150,000	8
$150,000 to $160,000	4
$160,000 to $170,000	6
$170,000 to $180,000	3
$180,000 to $190,000	4
$190,000 to $200,000	2
$200,000 to $210,000	1
$210,000 to $220,000	6
$220,000 to $230,000	2
$240,000 to $250,000	4
$260,000 to $270,000	2
$270,000 to $280,000	2
$290,000 to $300,000	1
$300,000 to $310,000	1
$340,000 to $350,000	1
$360,000 to $370,000	1
$410,000 to $420,000	1
$420,000 to $430,000	1
$430,000 to $440,000	1
$440,000 to $450,000	1
$490,000 to $500,000	1
$560,000 to $570,000	1
$660,000 to $670,000	1
$990,000 to $1,000,000	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 1 August 2023

Category	No of shareholders	Shares held	Percentage of shareholders	Percentage of shares
Up to 1,000 shares	1,095	557,013	37.95%	0.80%
1,001 – 5,000 shares	1,130	2,864,123	39.15%	4.10%
5,001 – 10,000 shares	312	2,293,996	10.81%	3.28%
10,001 – 100,000 shares	306	7,683,004	10.60%	10.99%
100,001 shares or more	43	56,495,610	1.49%	80.83%
Total	**2,886***	**69,893,746**	**100%**	**100%**

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

Top 20 shareholders as at 1 August 2023

Shareholder	Shares held	Percentage of shares
Li Wang	8,552,736	12.24%
National Nominees New Zealand Limited	5,013,152	7.17%
China Resources Enterprise Limited	4,582,000	6.56%
Custodial Services Limited	4,513,692	6.46%
Kauri NZ Investments Limited	3,558,077	5.09%
Accident Compensation Corporation	3,484,397	4.99%
Alan John Bougen & Lynda Ann Bougen & Graeme William Elvin	2,297,550	3.29%
HSBC Nominees (New Zealand) Limited	2,197,316	3.14%
Bnp Paribas Nominees NZ Limited	2,018,381	2.89%
Junxian Li	1,881,110	2.69%
Li Sun	1,410,000	2.02%
New Zealand Permanent Trustees Limited	1,275,000	1.82%
Robert Bertram Tait & Jane Gibbons Tait & Ian James Craig	1,139,553	1.63%
Kevin Glen Douglas & Michelle Mckenney Douglas	1,007,005	1.44%
Maori Investments Limited	1,000,000	1.43%
JBWERE (Nz) Nominees Limited	898,152	1.29%
New Zealand Depository Nominee	819,136	1.17%
Forsyth Barr Custodians Limited	803,538	1.15%
Citibank Nominees (Nz) Ltd	779,625	1.12%
Masfen Securities Limited	734,010	1.05%
Other	21,929,316	31.36%
Total ordinary shares	69,893,746	100.00%

Substantial security holders as at 30 June 2023

Shareholder	Shares held	Percentage of shares
Li Wang	8,552,736	12.24%
China Resources Enterprise Limited	4,582,000	6.56%
Milford Asset Management Limited	4,844,748	6.93%
Kauri NZ Investments Limited	3,558,077	5.09%

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Management commentary
(no financial statements)