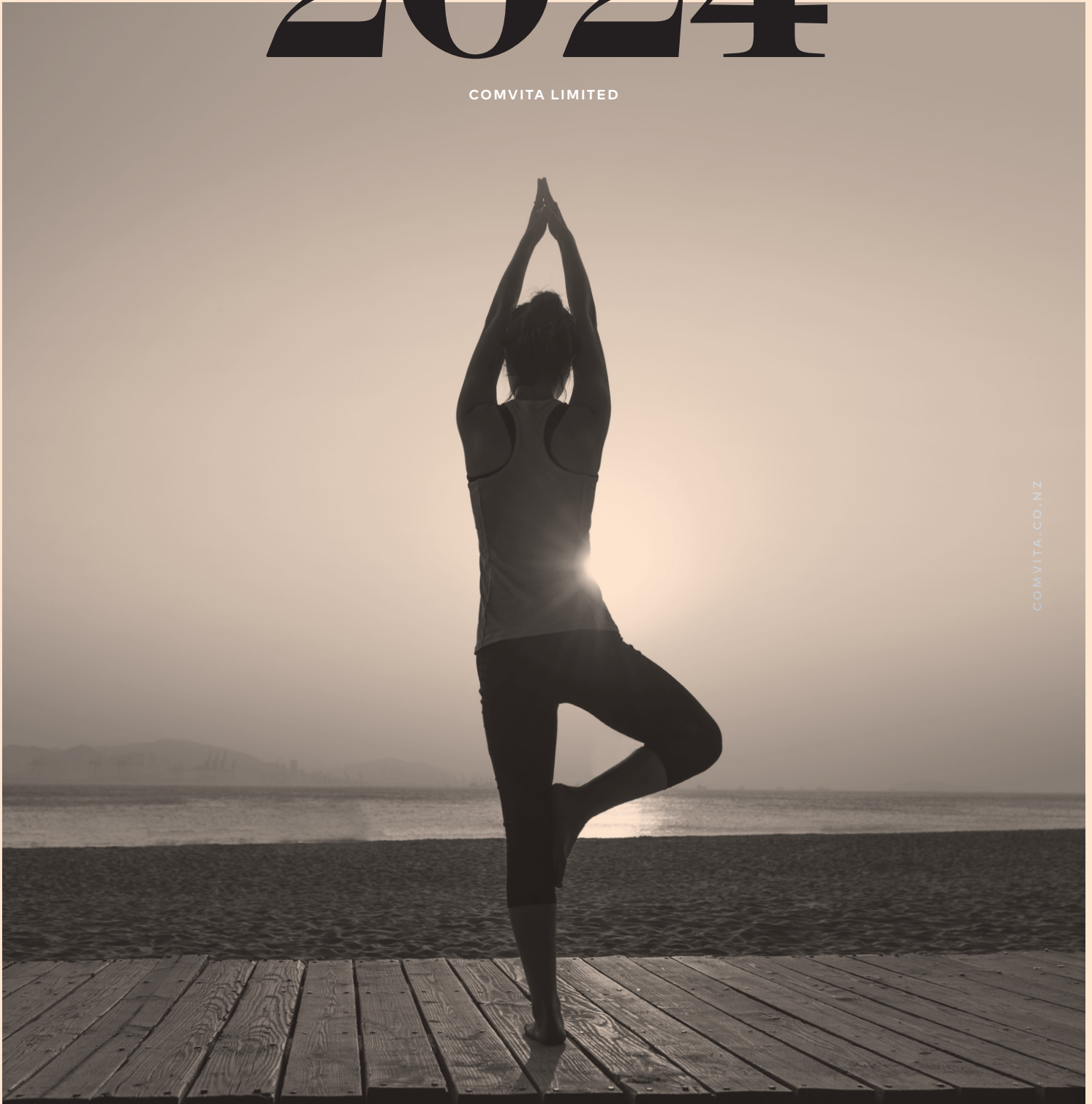


INTERIM FINANCIAL STATEMENTS

2024

COMVITA LIMITED



COMVITA.CO.NZ



INTERIM FINANCIAL STATEMENTS

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INTERIM STATEMENTS

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DIRECTORS' DECLARATION

In the opinion of the directors of Comvita Limited, the condensed interim financial statements and the notes, on pages 3 to 19:

- comply with New Zealand generally accepted accounting practice and fairly state the financial position of the Group as at 31 December 2023 and the results of their operations and cash flows for the period ended on that date
- have been prepared using appropriate accounting policies which, unless otherwise stated, have been consistently applied 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.

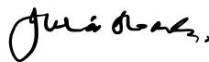
The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial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

The Directors are pleased to present the financial statements of Comvita Limited for the period ended 31 December 2023.

For and on behalf of the Board of Directors:



Brett Hewlett
20 February 2024



Julia Hoare
20 February 2024

INTERIM

INCOME STATEMENT

For the six months ended		31 December 2023	31 December 2022
<i>In thousands of New Zealand dollars</i>	Note	Unaudited	Unaudited
Revenue		103,365	112,130
Cost of sales		(41,189)	(42,750)
Gross profit		62,176	69,380
Other income	2	2,666	638
Marketing expenses		(13,977)	(15,510)
Selling and distribution expenses		(29,472)	(25,655)
Administrative and other operating expenses		(15,959)	(16,695)
Software development expenses *		(3,360)	(593)
Operating profit before financing costs		2,074	11,565
Finance income	8	182	326
Finance expenses	8	(5,747)	(5,838)
Net finance expenses		(5,565)	(5,512)
Impairment of loan to equity accounted investee	11	(136)	-
Share of loss of equity accounted investees	11	(547)	(264)
(Loss)/profit before income tax		(4,174)	5,789
Income tax benefit/(expense)		979	(1,624)
(Loss)/profit for the period		(3,195)	4,165
Earnings per share:			
Basic earnings per share (NZ cents)	4	(4.56)	5.97
Diluted earnings per share (NZ cents)	4	(4.51)	5.91
EBITDA**	18	6,116	13,430

* Expenditure in relation to the implementation of the Group ERP system.

**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 18.

The notes on pages 9 to 19 are an integral part of these financial statements

INTERIM

STATEMENT OF COMPREHENSIVE INCOME
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For the six months ended	31 December 2023	31 December 2022
In thousands of New Zealand dollars	Unaudited	Unaudited
(Loss)/profit for the period	(3,195)	4,165
<i>Items that are or may be reclassified subsequently to the income statement</i>		
Foreign currency translation differences for foreign operations	(1,535)	(2,009)
Foreign currency translation differences for equity accounted investees	(284)	(91)
Effective portion of changes in fair value of cash flow hedges	3,916	6,183
Foreign investor tax credits	51	51
Income tax on these items	(825)	(1,298)
Income and expenses recognised directly in other comprehensive income	1,323	2,836
Total comprehensive (loss)/income for the period	(1,872)	7,001

The notes on pages 9 to 19 are an integral part of these financial statements

INTERIM

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

In thousands of New Zealand dollars

	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total
Balance at 1 July 2022	199,677	(1,992)	(4,564)	34,869	227,990
<i>Total comprehensive income for the period</i>					
Profit after tax for the period	-	-	-	4,165	4,165
<i>Other comprehensive income (net of tax)</i>					
Foreign investor tax credits receive	-	-	-	51	51
Foreign currency translation differences for EAI (note 11)	-	(91)	-	-	(91)
Foreign currency translation differences for foreign operations	-	(1,576)	-	-	(1,576)
Effective portion of changes in fair value of cash flow hedges	-	-	4,452	-	4,452
Total other comprehensive income for the period	-	(1,667)	4,452	51	2,836
Total comprehensive income for the period	-	(1,667)	4,452	4,216	7,001
<i>Transactions with owners, recorded directly in equity</i>					
Share based payments	-	-	-	427	427
Purchase of treasury stock	(322)	-	-	-	(322)
Redemption of ordinary shares – employee share scheme	(4)	-	-	-	(4)
Dividends paid (note 5)	-	-	-	(2,158)	(2,158)
Total transactions with owners	(326)	-	-	(1,731)	(2,057)
Balance at 31 December 2022	199,351	(3,659)	(112)	37,354	232,934
Balance at 1 July 2023	199,351	(2,656)	(584)	43,209	239,320
<i>Total comprehensive income for the period</i>					
Profit after tax for the period	-	-	-	(3,195)	(3,195)
<i>Other comprehensive income (net of tax)</i>					
Foreign investor tax credits received	-	-	-	51	51
Foreign currency translation differences for EAI (note 11)	-	(284)	-	-	(284)
Foreign currency translation differences for foreign operations	-	(1,264)	-	-	(1,264)
Effective portion of changes in fair value of cash flow hedges	-	-	2,820	-	2,820
Total other comprehensive income for the period	-	(1,548)	2,820	51	1,323
Total comprehensive income for the period	-	(1,548)	2,820	(3,144)	(1,872)
<i>Transactions with owners, recorded directly in equity</i>					
Share based payments	-	-	-	515	515
Dividends paid (note 5)	-	-	-	(2,172)	(2,172)
Total transactions with owners	-	-	-	(1,657)	(1,657)
Balance at 31 December 2023	199,351	(4,204)	2,236	38,408	235,791

The notes on pages 9 to 19 are an integral part of these financial statements

INTERIM

STATEMENT OF FINANCIAL POSITION

As at		December 2023	December 2022	June 2023
<i>In thousands of New Zealand dollars</i>	Note	Unaudited	Unaudited	Audited
Assets				
Property, plant and equipment		75,851	72,203	72,873
Intangible assets and goodwill		51,947	41,530	41,754
Right of use assets		19,771	12,968	14,407
Biological assets		4,431	4,277	4,437
Investments	11	12,822	10,610	10,234
Loans to equity accounted investees	11	5,242	5,298	6,058
Deferred tax asset		4,750	4,063	4,545
Total non-current assets		174,814	150,949	154,308
Inventory	9	143,405	145,844	136,088
Trade receivables		40,145	35,315	39,373
Sundry receivables	10	16,308	13,631	17,354
Cash and cash equivalents	7	12,910	12,471	11,554
Derivatives	12	3,127	-	48
Tax receivable		771	645	41
Total current assets		216,666	207,906	204,458
Total assets		391,480	358,855	358,766
Equity				
Issued capital		199,351	199,351	199,351
Retained earnings		38,408	37,354	43,209
Reserves		(1,968)	(3,771)	(3,240)
Total equity		235,791	232,934	239,320
Liabilities				
Loans and borrowings	6	98,726	75,750	64,940
Trade and other payables		295	274	288
Lease liability		16,444	10,181	11,972
Deferred tax liability		1,353	1,631	1,509
Total non-current liabilities		116,818	87,836	78,709
Trade and other payables		32,682	31,754	34,319
Lease liability		4,425	3,587	3,386
Tax payable		1,764	2,610	2,195
Derivatives	12	-	134	837
Total current liabilities		38,871	38,085	40,737
Total liabilities		155,689	125,921	119,446
Total equity and liabilities		391,480	358,855	358,766

The notes on pages 9 to 19 are an integral part of these financial statements

INTERIM

STATEMENT OF CASH FLOWS

For the six months ended		31 December 2023	31 December 2022
<i>In thousands of New Zealand dollars</i>	Notes	Unaudited	Unaudited
Receipts from customers		97,467	100,333
Receipts from insurance proceeds		5,741	-
Payments to suppliers and employees		(107,926)	(117,549)
Taxation paid		(1,392)	(1,390)
Net cash flows from operating activities	3	(6,110)	(18,606)
Investment in equity accounted investees - net		(2,482)	-
Loans to equity accounted investees	11	(136)	(33)
Acquisition of Honeyworld	17	(7,294)	-
Interest from related parties		21	21
Payment for the purchase of property, plant and equipment		(5,584)	(9,725)
Payment for the purchase of biological assets		-	(421)
Receipt from disposal of property, plant and equipment		-	84
Payment for the purchase of intangibles		(1,713)	(2,128)
Net cash flows from investing activities		(17,188)	(12,202)
Redemption of ordinary shares		-	(4)
Purchase of treasury stock		-	(322)
Repayment of lease liabilities		(2,570)	(1,993)
Proceeds from loans and borrowings		33,786	32,450
Payment of dividends	5	(2,172)	(2,158)
Interest received		9	189
Interest paid		(4,159)	(2,317)
Net cash flows from financing activities		24,894	25,845
Net increase in cash and cash equivalents		1,596	(4,963)
Cash and cash equivalents at the beginning of the period		11,554	17,756
Effect of exchange rate fluctuations on cash held		(240)	(322)
Cash and cash equivalents at the end of the period		12,910	12,471
Represented as:			
Cash and cash equivalents	7	12,910	12,471
Total		12,910	12,471

The notes on pages 9 to 19 are an integral part of these financial statements

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

REPORTING 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 condensed interim financial statements of the Group for the six months ended 31 December 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 as appropriate for profit-oriented entities.

The condensed interim financial statements were approved by the Board of Directors on 20 February 2024.

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. Fair values have been determined for measurement and/or disclosure purposes on the same basis as those applied by the Group in the financial statements as at and for the year ended 30 June 2023.

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 condensed interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires 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.

In preparing these condensed interim financial statements, the significant judgements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2023.

SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. The condensed interim financial statements have been prepared using the same accounting policies, and should be read in conjunction with, the annual financial statements for the year ended 30 June 2023.

Where applicable, presentation for comparatives have been changed to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification. Refer to note 3 following a change in classification of interest income and expense in the statement of cash flows.



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 six months to 31 December 2023 and 31 December 2022 unaudited

In thousands of New Zealand dollars

Contribution Segments	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
Revenue	45,007	51,916	19,255	18,074	19,213	12,925	13,029	20,699	2,159	2,530	98,663	106,144	4,702	5,986	103,365	112,130
Contribution	8,482	13,066	6,216	6,326	2,600	3,314	2,298	6,977	(36)	7	19,560	29,690	141	1,155	19,701	30,845
Non attributable (other corporate expenses)															(20,429)	(19,918)
Financial income and expenses (note 8) CODM															(5,565)	(5,512)
Other income															2,666	638
Share of loss of equity accounted investees (note 11)															(547)	(264)
Net (loss)/profit before tax															(4,174)	5,789

Figures in the tables reflect information regularly reported to the Chief Operating Decision Maker (CODM) on those key segments. Segment results that are reported to the CODM 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. OTHER INCOME

A significant item in other income (\$2 million) relates to the business interruption and material damage portion of the Cyclone Gabrielle insurance claim. 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. Full details are disclosed in the 30 June 2023 annual financial statements. The insurance claim is ongoing at reporting date.

03. OPERATING CASH FLOW

Reconciliation of the profit for the period with the net cash from operating activities

<i>In thousands of New Zealand dollars</i>	Note	31 December 2023	31 December 2022
		Unaudited	Unaudited
(Loss)/profit for the period		(3,195)	4,165
<i>Adjustments for:</i>			
Depreciation		5,144	4,449
Amortisation		1,115	1,161
Share based payments		515	427
Impairment of loan to equity accounted investee	11	136	-
Share of losses of equity accounted investees	11	547	264
Profit adjusted for non-cash items		4,262	10,466
<i>Items related to investing and financing activities:</i>			
Interest - net		3,977	2,128
Acquisition of Honeyworld - inventory	17	2,529	-
Acquisition of Honeyworld – deferred/contingent consideration	17	(5,420)	-
Net loss/(gain) on disposal of property, plant & equipment		120	(171)
Change in trade payables		452	(234)
<i>Movement in working capital items:</i>			
Change in inventories		(7,317)	(13,687)
Change in trade receivables		(772)	(7,497)
Change in sundry debtors and prepayments		1,064	(2,087)
Change in trade and other payables		(1,630)	(6,031)
Change in tax receivable		(1,161)	(28)
Change in deferred tax		(361)	1,463
Movement in working capital items from foreign currency translation reserve		(917)	(1,489)
<i>Other movements:</i>			
Movement of deferred tax in equity		(825)	(1,298)
Foreign investor tax credits		51	51
Foreign currency reserve		(162)	(192)
Net cash from operating activities		(6,110)	(18,606)

In the year ended 30 June 2023, the Group reclassified interest income and expense from operating activities to financing activities. The prior period has been restated accordingly.

04. EARNINGS PER SHARE

In thousands of shares

	31 December 2023 Unaudited	31 December 2022 Unaudited
Issued ordinary shares at the beginning of the period	69,893	69,731
Effect of shares issued during the period	164	71
Weighted average number of ordinary shares at the end of the period	70,057	69,802
Basic earnings per share (NZ cents)	(4.56)	5.97

In thousands of shares

Weighted average number of ordinary shares	70,057	69,802
Effect of stock entitlements issued	822	667
Weighted average number of diluted shares at the end of the period	70,879	70,469
Diluted earnings per share (NZ cents)	(4.51)	5.91

05. DISTRIBUTIONS

Dividends paid

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
<i>In thousands of New Zealand dollars</i>			
Final 2022 dividend (3.0 cents per share)	-	2,158	2,158
Interim 2023 dividend (2.5 cents per share)	-	-	1,803
Final 2023 dividend (3.0 cents per share)	2,172	-	-
Total	2,172	2,158	3,961

Subsequent event

On 20 February 2024, the Directors approved the payment of a fully imputed final dividend of \$702,000 (1 cent per share) to be paid on 24 April 2024. As the dividend was declared after balance date it has not been recognised as a liability in these financial statements.

06. BORROWINGS

Terms of borrowings

<i>In thousands of New Zealand dollars</i>	Facility	Currency	Nominal Interest rate	Maturity	Carrying Amount Unaudited 31 December 2023	Carrying Amount Unaudited 31 December 2022	Carrying Amount Audited 30 June 2023
Secured bank loan – Westpac NZ	20,000	NZD	4.35%	March 2023	-	20,000	-
Multi option credit line – Westpac NZ	72,500	NZD	3.30%	March 2023	-	55,750	-
Revolving credit facility – Westpac NZ / ANZ	44,000	NZD	7.35%	March 2025	35,200	-	15,500
Revolving credit facility – Westpac NZ / ANZ	35,000	NZD	7.49%	March 2026	35,000	-	35,000
Revolving credit facility – Westpac NZ / ANZ	35,000	NZD	7.69%	March 2027	29,000	-	15,000
Overdraft facility NZD – Westpac NZ	1,000	NZD	-	-	-	-	-
Deferred finance costs					(474)	-	(560)
Total borrowings – non-current					98,726	75,750	64,940

Covenants and security

The Group was in compliance with banking covenants during the period and as at 31 December 2023.

The \$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.

07. CASH AND CASH EQUIVALENTS

<i>In thousands of New Zealand dollars</i>	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Cash	12,910	12,471	11,554
Less debt - non-current	(98,726)	(75,750)	(64,940)
Net debt	(85,816)	(63,279)	(53,386)

08. FINANCE INCOME AND EXPENSES

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited
Interest income	182	326
Finance income	182	326
Interest expense on financial liabilities measured at amortised cost	(4,213)	(2,357)
Net foreign exchange loss	(1,534)	(3,481)
Finance expenses	(5,747)	(5,838)
Net finance expenses	(5,565)	(5,512)

09. INVENTORY

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Raw materials	68,892	89,006	82,426
Work in progress	4,514	4,011	6,104
Finished goods	69,999	52,827	47,558
Total inventory	143,405	145,844	136,088

Inventory written down during the period ended 31 December 2023 has been recognised within cost of goods sold - \$252,000 (31 December 2022: \$205,000).

10. SUNDRY RECEIVABLES

In thousands of New Zealand dollars

	Note	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Prepayments		7,711	8,021	6,380
Loan receivable – Leadership Team	14	2,835	2,796	2,817
Insurance proceeds receivable		1,707	-	5,280
Other receivables		4,055	2,814	2,877
Total sundry receivables		16,308	13,631	17,354

11. INVESTMENTS

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Equity accounted investees	12,814	10,602	10,226
Investment in unlisted shares	8	8	8
Total investments	12,822	10,610	10,234

11. INVESTMENTS (CONTINUED)

Investments in equity accounted investees comprises:

	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	32% (2022:20%)	31 July	Manufacturing, selling and distribution
Caravan Honey Company "Caravan Honey"	U.S.A	50%	31 December	Development and commercialisation of products

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.

During the period, Comvita agreed to loan Medibee an additional \$136,000 which was immediately impaired to nil.

Apiter

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

Carrying value of investment in equity accounted investees

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Balance at 1 July	10,226	10,957	10,957
Additional investment (Apiter)	3,420	-	-
Share of losses	(547)	(264)	(844)
Foreign exchange movements	(284)	(91)	113
Closing balance	12,814	10,602	10,226

Loans to equity accounted investees

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Loan and interest receivable			
Makino	4,053	4,159	3,939
Apiter	1,189	1,139	2,119
Total	5,242	5,298	6,058

11. INVESTMENTS (CONTINUED)

	31 December 2023 Unaudited	Interest Rate	31 December 2022 Unaudited	Interest Rate
Accrued interest				
Makino	115	7.56%	81	5.34%
Apiter	19	3.5%	17	3.5%
Total	134		98	

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
31 December 2023				
Makino	108	-	763	197
Apiter	-	32	-	-
31 December 2022				
Makino	81	-	1,457	876
Apiter	-	32	-	-

12. DERIVATIVES

In thousands of New Zealand dollars

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
Interest rate swaps asset/(liability)	18	70	48
Forward exchange contracts asset/(liability)	3,109	(204)	(837)
Total	3,127	(134)	(789)

13. 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.

	31 December 2023 Unaudited	31 December 2022 Unaudited
Employees in the LSPLS	8	8
Number of shares held	738,012	738,012
% of share capital	1.05%	1.06%

13. SHARE SCHEMES (CONTINUED)

Performance Share Rights Scheme

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

<i>In thousands</i>	31 December 2023 Unaudited Number of entitlements	31 December 2022 Unaudited Number of entitlements
Entitlements outstanding at beginning of period – July	872	458
Entitlements granted	372	607
Entitlements cancelled	(22)	-
Shares vested	(323)	(193)
Entitlements outstanding at end of year	899	872

Employee Share Scheme

In September 2022 the Company established an 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.

There are 156 (December 22: 164) employees in the CEES Scheme and the number of shares held is 56,700 (December 2022: 57,015).

14. RELATED PARTIES

Transactions with Leadership Team and Directors

<i>In thousands of New Zealand dollars</i>	31 December 2023 Unaudited	31 December 2022 Unaudited
Short term employee benefits	1,920	2,741
Share based payments	515	427
Total	2,435	3,168

Leadership Team loans:

<i>In thousands of New Zealand dollars</i>	31 December 2023 Unaudited	31 December 2022 Unaudited
Loan to CEO	450	450
Loans to Leadership Team – Leader Share Purchase & Loan scheme	2,385	2,307
Total	2,835	2,757

Directors and other key management personnel of the Company control 2.8% (30 June 2023: 2.6%, 31 December 2022: 2.8%) of the voting shares of the Company.

15. GROUP ENTITIES

The Group comprises of the Company and the following entities:

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

16. COMMITMENTS

At period end the Group was committed to \$2.8 million of capital expenditure (31 December 2022: \$4.3 million over 1 year) which will be paid over the next two years. The commitments relate to ERP implementation, mānuka forest costs and other capital projects.

17. BUSINESS COMBINATIONS

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

As of reporting date, the purchase price allocation is still in progress and there were no changes in the recognized amounts or range of outcomes for the contingent consideration disclosed in the 30 June 2023 financial statements.

18. 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

	31 December 2023 Unaudited	31 December 2022 Unaudited
Profit before tax	(4,174)	5,789
Add back: net finance cost	4,031	2,031
EBIT	(143)	7,820
Add back: depreciation and amortisation	6,259	5,610
EBITDA	6,116	13,430

19. SUBSEQUENT EVENTS

There are no subsequent events other than dividends declared (note 5).

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