



18 August 2025

Dear Shareholder

Today, Comvita announced that it has entered into a Scheme Implementation Agreement with Florenz Limited ("Florenz") under which Florenz has agreed to acquire all shares in Comvita by way of a court-approved scheme of arrangement ("Scheme") for a cash price of \$0.80 cents per share.

This letter provides a brief overview of the offer, the rationale for the Board's recommendation, the process and the next steps. Full details are available in the announcement on the NZX website under the code [CVT](#) and we encourage you to read this in full.

Offer details

Under the Scheme, Comvita shareholders will receive a cash price of \$0.80 cents per share, representing:

- An equity value of approximately \$56 million and an enterprise value of \$119 million
- A premium of 67% to Comvita's closing share price on 15 August 2025
- A premium of 56% to Comvita's 90-day VWAP

The Scheme is subject to shareholder approval, High Court approval, an Independent Adviser's Report concluding that the Scheme consideration is within or above the valuation range for Comvita shares, and other customary conditions.

The Board unanimously recommends shareholders vote in favour of the Scheme and intend to vote shares controlled by them in favour of the Scheme, in the absence of a Superior Proposal (as defined in the SIA) and subject to the Independent Adviser's Report concluding that the Scheme consideration is within or above its valuation range for Comvita shares.

Contextual challenges remain

We recognise that recent years have been challenging for Comvita and for you as a shareholder. The company has faced sustained pressure from structural changes in the Mānuka honey sector, softer market conditions, and the demands of a complex business turnaround, which have impacted performance. We know this has been reflected in Comvita's share price and in the uncertainty you may have felt about the company's direction.

The Board understands the impact this has had and the importance of delivering a clear, decisive path forward.

The Mānuka honey sector remains under pressure, with significant supply, economic uncertainty, price and demand fluctuations, and intense competition (including online). The environment is fragmented, with several participants under financial strain. Industry dynamics require consolidation at pace, but sector leadership demands capital strength, scale, and speed – resources not available to Comvita under its current capital structure.

Compounding these challenges, in recent years our strategy was founded on expectations of sustained market growth, supported by market insights showing that the best path to capture this was through building a premium brand to meet demand.

Significant capital was invested in brand equity, distribution reach, supply security and scientific credibility to position Comvita for this opportunity. A number of these investments did not meet their objectives or deliver expected returns. In parallel, market growth did not materialise at the expected pace, competition intensified and oversupply created additional headwinds, reducing profitability.



Comvita has taken urgent steps to reduce costs, simplify operations, and protect long-term brand strength – which are delivering early results – and our brand remains the category leader in key markets. However, these factors alone are not sufficient to strengthen the balance sheet or position the business for long-term sustainability.

Trading conditions in FY25 have remained challenging and, consistent with previous guidance, Comvita expects to report a significant loss for FY25 as well as a material write-down of the net assets as a result of impairment testing and provision against inventories.

Our lenders are providing short-term accommodation but have signalled that a longer-term solution – through debt repayment or potential strategic transactions – is required.

Against that backdrop, the Board – alongside its independent advisors, Craigs Investment Partners and Goldman Sachs – has acted with urgency to consider all strategic options available, including potential acquisitions by financial sponsors and strategic trade buyers, subordinated debt issuance and an equity capital raise. None would deliver the same transaction certainty, and several carried significant dilution or execution risk.

Transaction offers best option against alternatives considered

The Board unanimously supports the Florenz offer given the premium to recent trading, the greater certainty it provides amid sustained sector, structural and financial challenges and the liquidity it offers given historically low trading volumes.

In the absence of the Scheme, Comvita could pursue a capital raise or refinancing, but there is no certainty either would be successful and, in any event, would likely be on less favourable terms and with potential erosion of existing shareholder interests. Even if a capital raise or refinancing were successful, there would continue to be uncertainty around the time and extent to which the turnaround could be delivered compared to the defined outcome offered by the Scheme.

The Scheme accelerates a capital return to shareholders, mitigates the risks involved in executing Comvita's strategic plan over time, and offers a clear, logical alternative to the execution risk, capital constraints, and prolonged timeframes associated with a continued standalone strategy. It also provides shareholders with a full exit opportunity in a stock with historically low trading volumes, which the Board believes many shareholders will find attractive.

Florenz brings the capital strength and scale needed to operate in this environment and accelerate Comvita's growth under a consolidated model. They have expressed their commitment to our global team, growing Comvita's New Zealand operations, investing in our international markets and lifting the brand's profile on the world stage. They value the expertise within Comvita, our role as a flagship New Zealand brand and are proud to have the opportunity to keep this iconic company under New Zealand ownership.

Florenz has agreed a standstill on enforcement action with Comvita's banking syndicate through to the earlier of the Scheme becoming effective, the SIA being terminated or a bank terminating the standstill in accordance with its terms following a period of consultation with Florenz.

Comvita Board unanimous recommendation and voting intentions

The Board unanimously recommends shareholders vote in favour of the Scheme and intend to vote shares controlled by them in favour of the Scheme, in the absence of a Superior Proposal (as defined in the SIA) and subject to the Independent Adviser's Report concluding that the Scheme consideration is within or above its valuation range for Comvita shares.

China Resources Enterprise and Li Wang, Comvita's two largest shareholders who together own approximately 18.3% of Comvita shares on issue, are supportive of the transaction and have entered into voting commitments with Florenz pursuant to which they have agreed to vote all of their respective shares in favour of the Scheme, subject to the Independent Adviser concluding in its report that the \$0.80 cents per



share is within or above its valuation range for the Comvita shares and the Board continuing to be supportive of the Scheme.

In addition, we have confidentially appraised certain institutional shareholders, and they have advised that they are supportive of the offer being put forward to shareholders to consider.

What happens next

An Independent Adviser's Report is being prepared by Grant Samuel to assist shareholders in assessing the merits of the Scheme. The Scheme Booklet, containing this report, further details on the Scheme, and information on how to vote, is expected to be sent to shareholders in October 2025. This will ensure you have the appropriate information to properly exercise your vote in an informed manner. The shareholder meeting to consider the Scheme is expected to be held in November 2025. If all conditions are satisfied, the Scheme is expected to be implemented in December 2025.

At this stage, shareholders are not required to take any action. You should wait to receive and review the Scheme Booklet before deciding how to vote or making any decisions regarding your shareholding. We recommend you seek independent professional advice before making any decision.

The Board will continue to ensure shareholders are kept informed with clear, accurate information throughout this process.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bridget Coates".

Bridget Coates
Chair of the Board
Comvita Limited