



REPORT TO SHAREHOLDERS

FOR THE 6 MONTHS
TO 30 SEPTEMBER 2021



COOKS GLOBAL FOODS LIMITED

CHAIRMAN'S REPORT

Financial result for the six months ended 30th September 2021 (1H 2021) (Unaudited)

Key Highlights (Continuing Operations)

NZ\$000's	1 H 2021	1 H 2020	Change (\$)
Total Revenue & other Income	4,002	1,641	2,361
Operating Profit / Loss	626	(679)	1,305
Profit / (Loss) before tax	128	(1,041)	1,169
Operating Cash Flows	1,419	568	851

Directors are delighted to report that Cooks Global Foods Limited (CGF) has earned an Operating Profit of \$626,000 from Continuing Operations for the 6 months ended 30th September 2021. This result is especially pleasing given the fact that Covid-19 restrictions were in place in the core markets of UK & Ireland for much of the period.

Revenue growth reflects the first stages of the recovery from the impact of Covid-19 as CGF's core markets recover and include the benefits of Triple Two acquisition for the full six months. The company added a net 11 outlets to the franchised network during the 6-month period. This included 14 openings and three planned closures.

The revenue amount includes one off fees from newly opened stores including for design, property search, project management and fees earned from a company owned entity that provides contracting and store fit out services. Revenue is also earned from recurring revenue streams such as royalties and supplier incentives. Revenue for 1H 2021 includes \$337,000 of Covid-19 subsidies.

The Operating Profit of \$626,000 shows the impact of the sales recovery, the new store development program, and the benefits of the restructuring of the business to focus on core activities and reduce costs. The acquisition of Triple Two has contributed positively to the period as the company implemented its store growth plan.

Profit before tax from Continuing Operations of \$128,000 compared to prior year loss of \$1,041,000 & Operating Cash Flows of \$1,419,000 compared to prior year of \$568,000.

Overall store numbers at the end of September were 103

OUTLOOK

Directors are confident about the prospects for the business in the year ahead. The impact of Covid-19 has shown the resilience of the business model which is focused on franchising outlets with franchisees as local business owners being an important part of their local communities. Store sales trends have shown positive results as the various trading restrictions have been eased and there is confidence that this will continue.

Restructuring initiatives instituted over recent years have delivered real benefits in the first half of the FY22 financial year and further benefits will be realised in the second half and beyond.

The Board expects the store opening program to continue in the long term although it is expected that the level of new store openings will reduce from the first half of FY22 that reflected the stages of the Covid opening up in the UK and included an element of deferred activity from late 2020 and the first quarter of 2021.

Directors are encouraged by the progress being made in terms of the operational aspects of the business and have determined that it is now appropriate to address the Balance Sheet structure and to improve the cost structure further by reducing funding costs and to facilitate these objectives the Board intends to undertake a capital raise in the near term with the objective to raise funds to retire debt and provide capital for business growth & development as discussed below.

CAPITAL RAISE

The Company intends to shortly undertake a renounceable rights issue of one new share for every two held at an issue price of 3 cents per share for those shareholders holding shares at 5pm on 6 December 2021. In addition, the directors plan to place the shortfall in the rights issue with investors at the same price as the rights issue. Cooks is seeking to

raise up to \$8 million through the rights issue and anticipated shortfall placement, although Cooks reserves the rights to accept additional subscriptions.

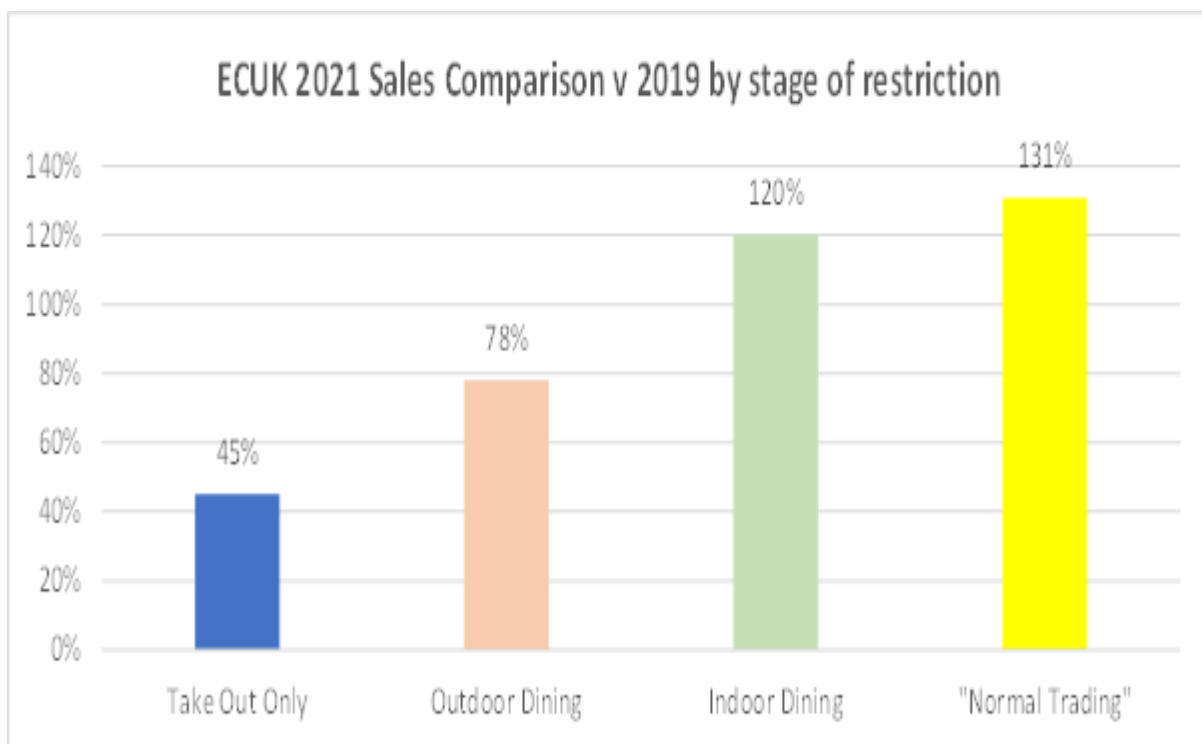
Further details of the capital raise will be announced to the market in due course, with a rights offer document and information memorandum expected to be available around 7 December 2021.

BUSINESS PERFORMANCE

THE UNITED KINGDOM

ESQUIRES BRAND

UK store numbers were 47 at the end of September. Coffee store sales for the six months were up 11.7% on the pre covid period April – September 2019. Transactions down 16% and the average transaction value up 33%. During the period there was a gradual re-opening at various stages of restriction with normal trading options available from 19th July. The graph below shows the net sales value comparisons to 2019 by the various levels of restriction.

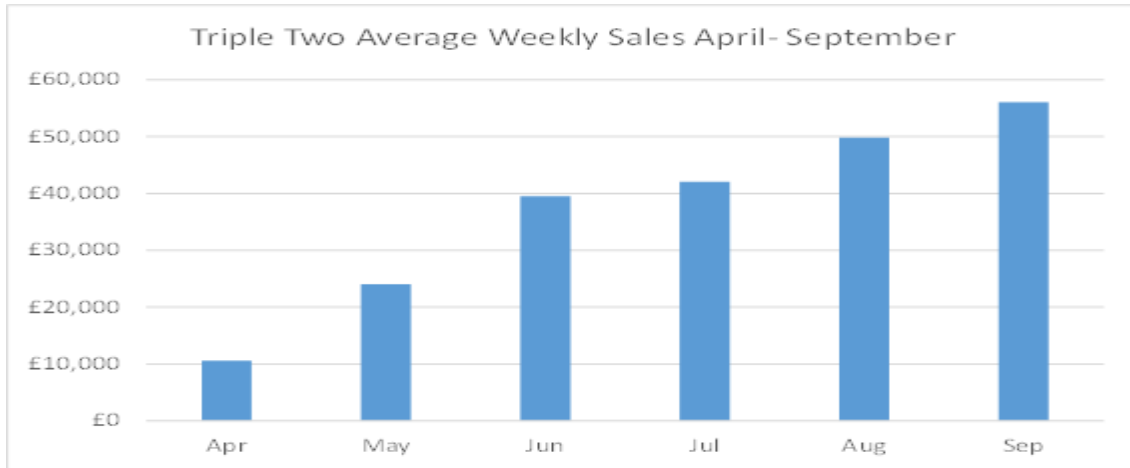


Stores reopened at various times during the period in relation to the restrictions and the nature of the outlet and its ability to trade. Malls were particularly affected by closures. The temporary VAT rate of 5% applied for the period to the end of September when the rate was lifted to 12.5% and from 31st March 2022 it is intended that the rate will return to 20%.

ECUK has a strategy to operate with local people acting as Regional Developers who are responsible for all aspects of their regions and to date it has sold 3 regions of the available 11. It is pleasing to advise that an agreement has been reached in principle to sell an additional 2 regions (East Midlands & London) to an existing Regional Developer with the agreement being effective in Q1 2022. Legal agreements are currently being prepared.

TRIPLE TWO BRAND

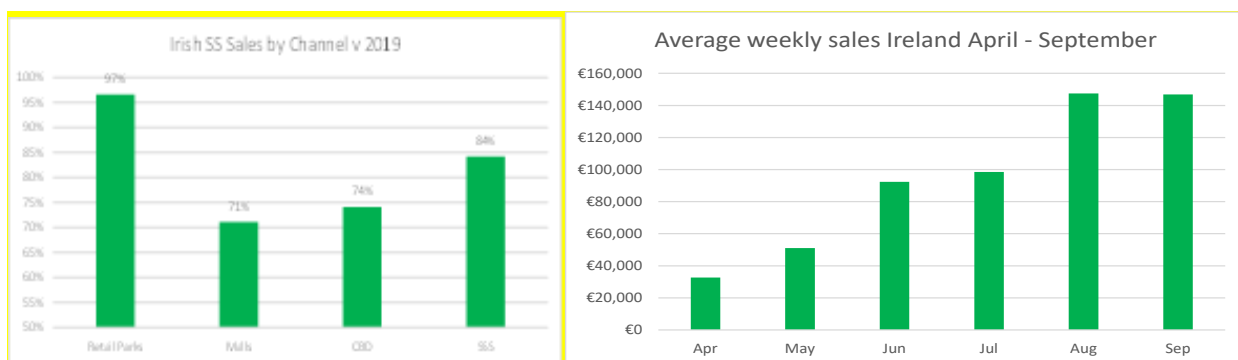
Triple Two joined the group on 19th June 2020. At the end of September 2021 there were 20 stores operating. The brand expects to have more than 25 stores open by the end of March 2022. Comparative sales with 2019 are not available however the trend graph below shows the average weekly sales trends during the year to date.



The acquisition price for the Triple Two business includes an earn out formula based on actual profit performance of Triple Two business for the period until 31st December 2022. The figure for contingent consideration as shown in the Balance Sheet is an estimate based on management projections and is subject to change given the nature of the market and environment it is not possible to make a fully reliable estimate at this time. The Board intends to review the contingent consideration at the end of the FY22 financial year and will update the projections in the full year accounts. No adjustment has been made to either figure in these accounts. The earn out calculations for the 2020 calendar year period have not yet been finalised with the vendors but this process is expected to be concluded before the end of the year.

IRELAND

The graph below shows the financial year same store sales v 2019 for same stores (stores that are open currently and that were operating in 2019). It can be seen how the Malls & CBD locations continue to be impacted by the Covid-19 situation with workers still not returning to the CBD and tourists not returning and tourism is now not anticipated to recover until the northern hemisphere spring and summer period. Despite these challenges the Irish business sales are growing as the graph below illustrates.



The Irish Government extended the restrictions on indoor dining and other Covid related controls until mid- February 2022.

GLOBAL

Sales in the Middle East, Pakistan & Indonesia have reflected the various government lockdowns that are being lifted depending on the local environment. We are encouraged by the general feedback from our Master Franchisee partners and in particular the Saudi Arabian business is expanding with new outlets in Jeddah and Mecca being recently opened and the company was awarded a concession in the new airport being established in Jeddah.

CORPORATE COSTS

Corporate cash costs reduced during the year as the benefits of the restructuring and staff and related cost savings have been realised. Like many others the company now does not have a permanent office but collaborates with its Financial Services provider VCFO using their office facilities as part of the arrangement. This along with permanent staffing re-alignment has put the company on a sound footing.

SUMMARY

The company is encouraged by the performance in the first half of FY22 given the environment where various forms of restrictions were in place for more than half the period in the UK and all of the period in Ireland and Directors believe that the company is well positioned with a resilient business model as we look to the balance of FY22 to continue the recovery and into FY23 and beyond where we are optimistic that the industry will resume its positive growth trajectory.

The CGF model is based on a franchised network and is very scalable in a capital light manner and we believe that we are now at a point with the focus on core markets that we have critical mass with an ability to grow.

The new corporate overhead cost structure is now fully implemented from the first half of FY22 and the cost reductions along with the enhanced scale from the Triple Two acquisition and growth in UK & Ireland have put the company in a solid position to deliver positive results going forward assuming that the Covid-19 related trading patterns continue in today's more normal pattern.

The Board are confident that based on a successful capital raise & no significant impacts of Covid-19 moving forward we foresee a continued increased profitability in a sustainable & increasing manner.

APPENDIX

The following are Non-GAAP reporting metrics which are used in this update:

Network (Store) Sales

Total store sales are the aggregate of sales of all Esquires branded coffee stores, whether franchised or owned, across the company's global brand network. Cooks derives income from its franchised stores from franchise related fees, primarily related to these sales levels as well as store sales for those stores directly owned by the company. Total network store sales, therefore, have a correlation to the portion of revenue earned by Cooks Global Foods relating to recurring franchise fees. However, they are not and should not be confused with the revenue of Cooks Global Foods which is reported in its financial statements as the two do not directly correlate.

Same Store Sales

Same store sales are the aggregate of all coffee stores, whether franchised or owned across the company's global brand network that have been operational for at least a full two-year period for the purposes of like-for-like comparison between current and prior periods. The metric measures the improvement in existing store sales within the brand network, excluding new stores opened in the previous 24 months. Same store sales are not the same as revenue in the financial statements for Cooks Global Foods group but can indicate stable revenue growth in the brand network. This comparative data will be available for Triple Two stores from FY23 onwards.

Constant Currency Network Store Sales

All references to sales and transaction values in this report are constant currency. This means prior year figures are converted at the same exchange rate as the current year to eliminate the effects of foreign exchange rate fluctuations.

Transactions

Transactions relate to the total individual transactions, which occur within coffee stores, whether franchised or owned. A transaction is defined as a single financial transaction for food, beverage or product that is processed through the point-of-sale system within a coffee store.

Average Transaction Value

Average transaction values are derived by dividing total coffee store sales by total transactions recorded over the period.

Total (Store) network

All stores whether owned or franchised, which operate under a brand owned by companies within the Cooks Global Foods Group.

Cooks Global Foods Limited
Unaudited Condensed Interim Statement of Comprehensive Income
For the six months ended 30 September 2021

	30 September 2021 \$'000	30 September 2020 \$'000	
	Notes		
Continuing operations			
Revenue	3,665	1,641	
Other income	337	-	
Raw materials and consumables used	(857)	(138)	
Depreciation and amortisation	(30)	(80)	
Property related costs	(91)	(220)	
Employee costs	(1,328)	(881)	
Other expenses	(1,070)	(1,001)	
Operating profit/(loss)	626	(679)	
Finance costs	(498)	(362)	
Profit/(Loss) before income tax	128	(1,041)	
Income tax (expense)/credit	-	-	
Profit/(Loss) for the year from continuing operations	128	(1,041)	
Net profit/(loss) for the year from discontinued operations	(69)	(166)	
Net profit/ (loss) for the year	59	(1,207)	
Loss attributable to:			
- Shareholders of the parent	59	(1,221)	
- non-controlling interests	-	14	
	59	(1,207)	
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation reserve	(48)	172	
Other comprehensive income/(loss) after tax	(48)	172	
Total comprehensive income/(loss) for the year	11	(1,035)	
Attributable to:			
- Shareholders of the parent	11	(1,049)	
- non-controlling interests	-	14	
	11	(1,035)	
Total comprehensive income/(loss) for the year attributable to Shareholders of the parent arises from:			
- Continuing operations	80	(869)	
- Discontinued operations	(69)	(166)	
	11	(1,035)	
Profit/(Loss) per share:			
Basic and diluted profit/(loss) per share (New Zealand Cents) from continuing and discontinued operations:	2	0.01	(0.42)
Basic and diluted profit/(loss) per share (New Zealand Cents) from continuing operations:	2	0.02	(0.42)
Basic and diluted profit/(loss) per share (New Zealand Cents) from discontinued operations:	2	(0.01)	-

The attached notes form part of, and are to be read in conjunction with these financial statements

Cooks Global Foods Limited
Unaudited Condensed Interim Statement of Change in Equity
For the six months ended 30 September 2021

		Attributable to Equity holders of the Company						
		Share Capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated Profit /(Loss)	Total	Non- controlling Interest	Total Equity
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Balance at 1 April 2020	45,549	150	2,401	(53,758)	(5,658)	(53)	(5,711)
	Comprehensive income/(loss) for the year							
	Loss for the year	-	-	-	(2,545)	(2,545)	-	(2,545)
	Other comprehensive income							
	Items that may be subsequently reclassified to profit or loss:							
	Change in foreign currency translation reserve	-	58	-	-	58	-	58
	Total comprehensive income/(loss) for the year	-	58	-	(2,545)	(2,487)	-	(2,487)
	Transactions with owners of the Company							
	Ordinary shares to be issued	6,671	-	-	-	6,671	-	6,671
	Change in share based payment reserve	-	-	-	-	-	-	-
	Changed ownership interests of the parent and the NCI	-	-	-	(53)	(53)	53	-
	Option to purchase own shares	-	-	-	(194)	(194)	-	(194)
	Total contributions by owners of the Company	6,671	-	-	(247)	6,424	53	6,477
	Balance at 31 March 2021	52,220	208	2,401	(56,550)	(1,721)	-	(1,721)
	Balance at 1 April 2021	52,220	208	2,401	(56,550)	(1,721)	-	(1,721)
	Comprehensive income/(loss) for the year							
	Gain/Loss for the year	-	-	-	59	59	-	59
	Other comprehensive income							
	Items that may be subsequently reclassified to profit or loss:							
	Change in foreign currency translation reserve	-	(48)	-	-	(48)	-	(48)
	Change in revaluation reserve for Share Capital	-	-	-	-	-	-	-
	Total comprehensive income/(loss) for the year	-	(48)	-	59	10	-	10
	Transactions with owners of the Company							
	Issue of ordinary shares	(251)	-	-	-	(251)	-	(251)
	Changed ownership interests of the parent and the NCI	-	-	-	-	-	-	-
	Option to purchase own shares	-	-	-	-	-	-	-
	Change in share based payment reserve	-	-	-	-	-	-	-
	Total contributions by owners of the Company	(251)	-	-	-	(251)	-	(251)
	Balance at 30 September 2021	51,969	160	2,401	(56,491)	(1,962)	-	(1,962)

The attached notes form part of, and are to be read in conjunction with these financial statement

Cooks Global Foods Limited
Unaudited Condensed Interim Statement of Financial Position
For the six months ended 30 September 2021

	Notes	30 September 2021 \$'000	31 March 2021 \$'000
Assets			
Current Assets			
Cash and cash equivalents		1,235	886
Trade and other receivables		3,556	4,615
Inventories		40	-
Lease receivables		2,626	2,085
Other current assets		991	1,274
Assets classified as held-for-sale		28	29
Current Assets		8,476	8,889
Non-Current Assets			
Property, plant and equipment		214	78
Right-of-use assets		88	715
Lease receivables		16,348	16,198
Goodwill		11,715	11,569
Intangible assets		7,700	7,495
Other non-current financial assets		15	15
Non-Current Assets		36,080	36,070
Total Assets		44,556	44,959
Liabilities			
Current Liabilities			
Trade and other payables		6,437	5,401
Deferred Revenue		897	5,196
Lease liabilities		1,809	1,941
Contingent Consideration		6,675	6,431
Borrowings and other liabilities		1,595	4,150
Current Liabilities		17,414	23,119
Non-Current Liabilities			
Deferred Revenue		3,901	1,760
Lease liabilities		17,335	17,138
Deferred tax liabilities		1,293	1,306
Borrowings and other liabilities		6,575	3,357
Non-Current Liabilities		29,104	23,561
Total Liabilities		46,518	46,680
Net Assets/(Liabilities)		(1,962)	(1,721)
Equity			
Share capital	4	51,969	52,220
Accumulated profit/(loss)		(56,491)	(56,550)
Foreign currency translation reserve		160	208
Share based equity reserve		2,401	2,401
Equity attributable to owners of the parent		(1,962)	(1,721)
Non-controlling interests		-	-
Total Equity		(1,962)	(1,721)

The attached notes form part of, and are to be read in conjunction with these financial statements.

Cooks Global Foods Limited
Unaudited Condensed Interim Statement of Cash Flows
For the six months ended 30 September 2021

	30-Sep 2021	31-Mar 2021
Notes	\$'000	\$'000
Operating activities		
<i>Cash was provided from:</i>		
Receipts from customers	4,276	4,242
<i>Cash was applied to:</i>		
Interest cost	(443)	(210)
Payments to suppliers & employees	(2,415)	(3,995)
Net cash provided from/(applied to) operating activities	<u>1,419</u>	<u>36</u>
Investing activities		
<i>Cash was provided from:</i>		
Finance income	-	-
Disposal of discontinued operation, net of cash disposed of	-	158
Acquisition of subsidiary, net of cash acquired	-	451
<i>Cash was applied to:</i>		
Net cash disposed on de-recognition	-	-
Purchase of property, plant and equipment	1	(103)
Acquisition of intangible assets	-	-
Payment for funds owed for business acquisitions	-	-
Net cash provided from/(applied to) investing activities	<u>1</u>	<u>506</u>
Financing activities		
<i>Cash was provided from:</i>		
Proceeds from borrowings	792	1,651
Proceeds from share issue	-	-
<i>Cash was applied to:</i>		
Principal elements of lease payments	(1,542)	(736)
Repayment of borrowings	(321)	(846)
Capital raising costs	-	-
Interest paid	-	-
Net cash provided from/(applied to) financing activities	<u>(1,071)</u>	<u>69</u>
Net increase/(decrease) in cash and cash equivalents held	348	611
Cash & cash equivalents at beginning of the year	886	255
Effect of exchange rate changes on foreign currency balances	-	19
Cash & cash equivalents at end of the year	<u>1,235</u>	<u>886</u>
Composition of cash and cash equivalents:		
Bank balances	1,235	886
Overdraft balances	-	-
	<u>1,235</u>	<u>886</u>

The attached notes form part of, and are to be read in conjunction with these financial statements.

Cooks Global Foods Limited
Unaudited Condensed Interim Statement of Cash Flows
For the six months ended 30 September 2021

The following is a reconciliation between loss after taxation for the period shown in the statement of comprehensive income and net cash flows from operating activities.

	30-Sep	31-Mar
	2021	2021
	\$'000	\$'000
Profit/(Loss) after tax	59	(2,545)
Items classified as investing/financing		
Interest received	-	-
Interest cost		
Capital raising cost	-	-
Add non-cash items:		
Deferred tax		
Depreciation and amortisation	30	819
Share based payment reserve movement		
Impairment loss	-	48
Net foreign exchange (losses)/gains	48	(370)
Impairment of other assets		
Provision for doubtful debt		
Fair value (gains)/losses on non-current financial assets at fair value through profit or loss		
Share of losses of associate	-	-
Impairment of investment in associate	-	-
Net exchange differences		
Share based payments		
Warranty recoveries		
Add/(Less) movements in assets/liabilities:		
Inventories	(21)	34
Trade and other receivables	(162)	(5,514)
Lease receivables	-	-
Other short-term assets	283	651
Trade payables	1,037	1,410
Lease liabilities		
Contract liabilities	138	5,553
Other liabilities	7	(50)
Assets classified as held-for-sale	-	-
Net cash flow applied to operating activities	<u>1,419</u>	<u>36</u>

The attached notes form part of, and are to be read in conjunction with these financial statements.

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

Management currently identifies the Group's products and service lines in various geographical locations as its operating segments.

The franchise coffee store business, operating under the Esquires brand, covers geographic segments in the UK, Ireland and Global (covering the NZ Franchise trading entity and all regions owned by third party Master Franchisees). Principal income streams for the franchise business are royalties, coffee product and other retail sales, design and other franchise fees. The supply segment represents the supply of tea/coffee/beverages (through the Scarborough Fair business) and facilitates trade between China and New Zealand and other countries (using its Crux Products business).

Segment information for the reporting period is as follows:

Continuing operations

30 September 2021	Global franchising & design	UK franchising	Middle East franchising & retail	Europe franchising & retail	Triple Two	Supply	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Global operational splits								
Revenue	70	796	50	434	2,293	23	-	3,665
Other income	-	81	-	54	122	-	80	337
Raw materials and consumables used	-	(1)	-	(1)	(856)	-	-	(857)
Depreciation and amortisation	-	(20)	-	(3)	(6)	-	(2)	(30)
Impairment Loss	-	-	-	-	-	-	-	-
Property related costs	-	(10)	-	(14)	(65)	-	(1)	(91)
Employee costs	-	(288)	-	(185)	(655)	-	(200)	(1,328)
Other expenses	(1)	(199)	-	(172)	(354)	-	(344)	(1,070)
Operating profit/(loss)	69	358	50	113	480	23	(466)	627
Finance costs	2	(2)	(11)	(2)	(1)	(0)	(484)	(498)
Profit/(Loss) before income tax	71	356	38	111	479	23	(950)	128
Profit/(Loss) for the year from continuing operations	71	356	38	111	479	23	(950)	128
Non-current assets								
Intangible assets	20	4,868	-	21	1	-	2,789	7,700
Property, plant and equipment	1	26	-	28	84	-	5	143
Goodwill	-	11,715	-	-	-	-	-	11,715

Discontinued operations

30 September 2021	UK retail	Supply	Total
	\$'000	\$'000	\$'000
Global operational splits			
Revenue	287	-	287
Other income	11	0	11
Raw materials and consumables used	(79)	(0)	(79)
Depreciation and amortisation	-	-	-
Impairment Loss	-	-	-
Property related costs	(83)	-	(83)
Employee costs	(154)	-	(154)
Other expenses	(50)	-	(50)
Operating profit/(loss)	(68)	(0)	(68)
Finance costs	(0)	(0)	(1)
Profit/(Loss) before income tax	(68)	(0)	(69)
Profit/(Loss) for the year from continuing operations	(68)	(0)	(69)
Non-current assets			
Intangible assets	-	-	-
Property, plant and equipment	71	-	71

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

30 September 2020	Continuing operations						Total \$'000
	Global franchising & design \$'000	UK franchising \$'000	Middle East franchising & retail \$'000	Europe franchising & retail \$'000	Supply \$'000	Corporate \$'000	
Global operational splits							
Revenue	68	1,160	(6)	350	22	47	1,641
Other income	-	-	-	-	-	-	-
Raw materials and consumables used	-	(138)	-	-	-	-	(138)
Depreciation and amortisation	(5)	(31)	-	(3)	-	(41)	(80)
Property related costs	-	(196)	-	(13)	-	(11)	(220)
Net foreign exchange (losses)/gains	(29)	-	-	-	-	-	(29)
Employee costs	(76)	(460)	-	(168)	(8)	(169)	(881)
Other expenses	(91)	(433)	-	(219)	-	(258)	(1,002)
Operating (loss)/profit	(133)	(98)	(6)	(53)	14	(432)	(709)
Finance costs	-	(4)	-	(1)	-	(328)	(333)
Share of net loss of associate accounted for using the equity method	-	-	-	-	-	-	-
Loss before income tax	(133)	(102)	(6)	(54)	14	(760)	(1,041)
Income tax (expense)/credit	-	-	-	-	-	-	-
Loss for the year from continuing operations	(133)	(102)	(6)	(54)	14	(760)	(1,041)
Non-current assets							
Intangible assets	42	845	-	467	-	1,481	2,835
Property, plant and equipment	13	453	-	25	-	19	510

30 September 2020	Discontinued operations			
	UK retail \$'000	USA franchising & retail \$'000	Supply \$'000	Total \$'000
Global operational splits				
Revenue	157	-	121	278
Other income	-	-	95	95
Raw materials and consumables used	(44)	-	(126)	(170)
Depreciation and amortisation	(215)	-	-	(215)
Property related costs	4	-	-	4
Net foreign exchange (losses)/gains	-	-	3	3
Employee costs	(63)	-	(4)	(67)
Other expenses	(46)	4	6	(36)
Operating (loss)/profit	(207)	4	95	(108)
Finance costs	(57)	-	(1)	(58)
Share of net loss of associate accounted for using the equity method	-	-	-	-
Loss before income tax	(264)	4	94	(166)
Income tax (expense)/credit	-	-	-	-
Loss for the year from discontinued operations	(264)	4	94	(166)
Non-current assets				
Intangible assets	-	-	-	-
Assets held for Sale	379	-	43	422

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

1. General information

Cooks Global Foods Limited (“Company” or “Parent”), together with its subsidiaries (the “Group”) operate in the food and beverage industry.

The Company is a limited liability company incorporated and domiciled in New Zealand and is listed on the NZX Main Market board of the New Zealand stock exchange.

Statutory base

The Company is registered under the Companies Act 1993 and is a FMC reporting entity under part 7 of the Financial Markets Conduct Act 2013.

Reporting framework

The unaudited interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (“IFRS”) and other applicable New Zealand Reporting Standards as appropriate for profit-oriented entities. The financial statements comply with IFRS. These policies have been consistently applied to all periods presented, unless otherwise noted.

These financial statements for the six months ended 30 September 2021 have been prepared in accordance with NZ IAS 34, Interim Financial Reporting and should be read in conjunction with the financial statements published in the Annual Report for the year ended 31 March 2021. They also comply with the International Accounting Standard 34 interim Financial Reporting (IAS 34).

2. Changes in significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2021. The Group has not applied any standards, amendments and interpretations that are not yet effective.

3. Profit / Loss per share

Basic profit / loss per share is calculated by dividing the profit / loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the period.

Diluted profit / loss per share is determined by dividing the loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of any dilutive potential ordinary shares.

Net tangible assets per share is determined by dividing the net asset value of the Group, adjusted by the intangible assets, and the number of shares issued at the end of the period.

As the condition subject to the EBITDA has not been met at the period ended 30 September 2021, the company didn't include the contingently issuable shares in the calculations of the Basis EPS nor Diluted EPS.

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

	30-Sep-21	31-Mar-20
Weighted average ordinary shares issued	602,412,181	602,412,181
Weighted average potentially dilutive options issued	-	-
Basic and diluted profit/(loss) per share (New Zealand Cents) from continuing and discontinued operations:	0.01	(0.42)
Basic and diluted profit/(loss) per share (New Zealand Cents) from continuing operations:	0.02	(0.42)
Basic and diluted profit/(loss) per share (New Zealand Cents) from discontinued operations:	-	-
Net tangible assets per share (New Zealand Cents)	(3.55)	(3.45)

4. Share Capital

The share capital of Cooks Global Foods Limited consists of issued ordinary shares, each share representing one vote at the company's shareholder meetings. The par value is nil (2021: nil). All shares are equally eligible to receive dividends and the repayment of capital.

Movements of share capital	30-Sep-21	31-Mar-21
	No. of	No. of
	Shares	Shares
<i>Number of Shares issued:</i>		
Ordinary shares opening balance	627,833,831	525,979,949
Ordinary shares issued	-	101,853,882
Ordinary shares bought back on-market and cancelled	-	-
Total ordinary shares authorised at 30 September	627,833,831	627,833,831

At 30 September 2021, \$nil of the ordinary share capital is unpaid (31 March 2021: \$nil).

5. Related party transactions

The Group's related parties include the directors and senior management personnel of the Group and any associated parties as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Keith Jackson is a director of Cooks Investment Holdings Limited, Jackson & Associates Limited, Ascension Capital and Weihai Station Limited and a trustee of Nikau Trust.

Mike Hutcheson is a director of Image Centre Limited and Lighthouse Ventures Holdings Limited.

Peihuan Wang is a director of Jiayayue Holding Group Limited and Weihai Station Limited.

Tony McVerry is a director of Esquires Coffee Houses Ireland Limited.

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

Aiden Keegan is a director of Esquires Coffee UK Limited.

Graham Hodgetts is a director of Triple Two Coffee Holdings Limited.

Sezan Walker is a director of Triple Two Coffee Holdings Limited.

David Hodgetts is a director of Triple Two Coffee Holdings Limited.

Alistair Tillen is a director of Triple Two Coffee Holdings Limited.

Transactions with related parties

	30-Sep 2021 \$'000	31-Mar 2021 \$'000
<i>Purchases of goods and services</i>		
Purchase of management services	-	100
Property rental agreement with related party	-	-
Purchase of other services	-	-
<i>Interest paid to related parties</i>	216	202
<i>Other transactions</i>		
Related party receivables	-	-
Subscriptions for new ordinary shares	-	-
Funding loans advanced by related parties	70	717
Subscriptions for ordinary shares to be issued	-	-

Balances outstanding with related parties

	30-Sep 2021 \$'000	31-Mar 2020 \$'000
<i>Outstanding balances arising from purchases of goods and services</i>		
Entities controlled by key management personnel	676	556
Other related parties		

Loans to/from related parties

Loans to related parties

Beginning of the year	-	-
Loans advanced	-	-
Satisfaction of related party receivables	-	-
Loan reduction	-	-
End of period	<hr/> -	<hr/> -

Loans and other payables to related parties

Beginning of the year	3,793	2,894
Loans advanced	70	100
Reclassification from/(to) other liabilities	-	(80)
Other liability to related parties from business acquisitions	-	650

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

Satisfaction of related party receivables	-	-
Net foreign exchange effects	(21)	52
Interest charged	214	379
Interest paid	(216)	(202)
End of period	<u>3,840</u>	<u>3,793</u>

Director transactions

	30-Sep	31-Mar
	2021	2021
	\$'000	\$'000
Directors fees	40	80
Salaries, wages and contractor payments	352	333
	<u>392</u>	<u>413</u>

6. Capital Commitments, Contingent Liabilities

There were no capital commitments as at 30 September 2021 (31 March 2021: \$nil).

There were no changes in capital commitments, contingent liabilities and contingent assets that would require disclosure for the six months ended 30 September 2021 (31 March 2021: \$nil).

7. Going Concern

The Group reported a profit from continuing operations of \$128,000 (2020: loss of \$1,041,000) and operating cash inflows of \$1,419,000 (2020: cash inflows of \$568,000) for the six-month period to 30 September 2021.

As at 30 September 2021 the Group has reported Net Liabilities of \$1,962,000 (2020: Net Liabilities of \$75,000) and current liabilities exceed current assets by an amount of \$8,937,000 (2020: \$5,217,000).

The ability of the Group to pay its debts as they fall due and to realise their assets and extinguish their liabilities in the normal course of business at the amounts stated in the consolidated financial statements has been considered by the Directors in the adoption of the going concern assumption during the preparation of these financial statements.

The Directors forecast that the Group can manage its cash flow requirements at levels appropriate to meet its cash commitments for the foreseeable future being a period of at least 12 months from the date of authorisation of these consolidated financial statements. In reaching this conclusion, the Directors have considered the achievability of the plans and assumptions underlying those forecasts. The key assumptions include:

- Opening new stores in the United Kingdom & Ireland in FY22 and beyond
- Government restrictions in UK & Ireland have eased, and this is leading to increased economic activity.
- Group's ability to successfully conclude present discussions regarding the roll-over of existing debt
- Group's ability to raise debt or equity funds as part of an overall strategy to re-gear the balance sheet as part of the capital raising that is planned

The ability of related parties of Keith Jackson to continue to provide funding as required, and market conditions which the Group operates in, including impacts of Covid-19.

The Directors have reasonable expectation that the Group has sufficient headroom in its cash resources and shareholder support to allow the Group to continue to operate for the foreseeable future or alternatively it can manage its working capital requirements to create additional required headroom.

Any significant departure from the above assumptions may cast significant doubt over the ability to continue as a going concern for the foreseeable future.

Cooks Global Foods Limited
Notes to and forming part of the Unaudited Interim Financial Statements
For the six months ended 30 September 2021

Whilst the Directors acknowledge that there are capital raising, credit, exchange and liquidity risks in the global economic market in which the Group operates, they are confident that additional capital or funding will be sourced by the Group. In particular, the Directors received a confirmation from related parties of Keith Jackson, that they will continue to financially support the Group for the foreseeable future. They note the Group has a track record of obtaining financial support from cornerstone investors and related parties and, where necessary, negotiating the deferment of debt repayments.

The Directors are also confident that operating cash flows will continue to improve as a result of the recovery from the various government imposed restrictions related to Covid-19, restructuring activities that have been undertaken, most recently with the sale of the Scarborough Fair business in NZ plus the disposal of assets held for sale in the UK, along with reductions in corporate office costs, the acquisition of Triple Two in the United Kingdom, to reduce the extent of cash outflow and improve profitability.

The Directors continue to consider other opportunities to further improve the Group's cash position which include discussing collaborations with partners overseas, negotiations with potential strategic equity partners, investigating new facility lines, ongoing discussions in the UK and Ireland relating to potential acquisitions, rationalising the business wherever possible to concentrate on core business activity and greater focus on improving existing core business activities.

After considering all available information, the Directors have concluded that there are reasonable grounds to believe that the forecasts and plans are achievable, the Group will be able to pay its debts as and when they become due and payable, there is sufficient headroom in available cash resources, and the basis of preparation of the financial report on a going concern basis is appropriate.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meets its debts as and when they fall due.

8. Business Combination completed in prior period

TRIPLE TWO ACQUISITION

On 19th June 2020, CGF acquired 100% of the issued shares in Triple Two Coffee Holdings Limited for the consideration of 102 million CGF shares. The sale and purchase agreement contains an earn out provision whereby the vendors can increase their consideration when results in any of the calendar years of 2020 to 2022 are in excess of the performance in the base year which was 2019. Further details are discussed in section (ii) below.

Triple Two Coffee had 20 franchised cafes in the UK as at the end of September 2021 and has been one of the more highly recruited franchises in the UK since the start of 2019. Triple Two currently operate across a number of regions in the UK, with the initial flagship store opening in Swindon in August 2016. The acquisition has increased the group's market share and provided economies of scale.

Contingent consideration

There is an earn out provision whereby Triple Two can increase their consideration by improving on the performance in the base year which was calendar year 2019 and in any calendar year from 2020 to 2022. The estimated consideration is based on the forecasted results budgeted EBITDA from the calendar years 2021 and 2022.

The Directors have determined that no adjustment will be made to contingent consideration for the half year accounts to 30 September 2021. Given there is uncertainty in the market and with COVID restrictions continuing around the world, the Directors have determined that a full analysis of the consideration be determined at year-end when there is more certainty around the performance of the business unit. Specific to the terms around the consideration is EBITDA performance to the calendar year-end 31 December 2021 and 2022, which at this time cannot be determined for reliable use and distribution to the market.

9. Subsequent Events

There were no material events subsequent to the end of the six-month period ended 30 September 2021 that would require disclosure.

Company Directory

Company number:	2089337
Year of incorporation:	2008
Registered office:	Level 1, 96 St Georges Bay Road Parnell, Auckland, 1052
Nature of business:	Food & beverage industry
Directors:	Graeme Keith Jackson Michael George Rae Hutcheson Peihuan Wang Paul Valentine Mark Elliott Qiang Kui
Solicitors:	Duncan Cotterill Wellington
Bankers:	ANZ Bank, Auckland
Auditors:	Williams Buck Audit (NZ) Limited
Share registry:	Link Market Services Limited Auckland