

cooks

coffee company

ESQUIRES
THE ORGANIC COFFEE CO.

TRIPLE TWO
REAL FOOD, AWESOME COFFEE

Investor
Presentation

Cooks Coffee Company Introduction



Cooks Coffee Company is the fourth largest coffee focused café chain (behind Starbucks, Costa and Café Nero) and the largest solely franchisor focused café chain in the UK & Ireland.



Cooks owns the international IP and master franchising rights to the **Esquires Coffee** brand globally* and owns the UK-based **Triple Two** business one of the fastest-growing coffee focused brands in the UK market.



Cooks is building a business of ethical coffee brands with community spirit.



The **Cooks** franchise model promotes individual entrepreneurship and local community engagement.



Cooks growing estate currently comprises 111 stores including UK and Ireland and 7 other countries.



The strategy of the business is to build further scale through organic growth and synergistic acquisitions that will build scale.



Cooks is currently listed on the NZX (NZX: CCC) and will raise capital and list on the Aquis Exchange in London in Oct 2022

** (excluding Australia and New Zealand)*



Cooks Positioning

The company is building a group of ethical coffee chains with community spirit. The very specific USP's within this include but are not limited to:

Ethical Practices

- Certified Coffee, Fairtrade, Organic and Rainforest Alliance plus direct to farmer purchases.
- Focus on using and increasing the use of ethical and renewable packaging & design materials.

Localised community spirit

- Franchisees are local and own their own business.
- Bespoke offerings at individual outlets to meet local needs.
- Specialty coffee & delicious food locally sourced where practical.

The Directors believe **Cooks** provides a unique offering in the UK & Ireland.

Resilient Performance April - August 2022



ESQUIRES COFFEE UK

performing well April- August
FY22 v FY19 (Pre-Covid)

- ☛ Café sales were up 46.9%, & LFL stores were up 2.4% v 2019 pre Covid levels.
- ☛ Store sales were up 25.9% v 2021 & LFL sales were up 20.6%.
- ☛ 50 cafés in operation at 31st August 2022.

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now back to pre-Covid
trading patterns

- ☛ Longer periods of restriction in Ireland, normal trading resumed in mid-February 2022.
- ☛ Sales for April – August were up 135.4% of 2021 and 0.6% of 2019, LFL sales were up 135.9% & LFL stores were up 5.0% on 2019.
- ☛ 15 cafés in operation at March 2022.

TRIPLE TWO expanding rapidly

- ☛ Triple Two business was acquired in June 2020.
- ☛ Store sales for the period in 2022 were up 77.3% on 2021 and LFL sales were up 29.2%.
- ☛ The brand has grown from 9 cafés as at 1 April 2021 to 20 cafés at 31st August 2022 and plan on ending FY23 with 30 cafés.



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91
cafes

Esquires Coffee has 91 cafés across Western Europe with 50 in the UK, 15 in Ireland, 1 in Portugal and 25 in Middle East as at 31st September 2022.

The brand is positioned as premium mainstream and has a strong reputation for its organic coffee, contemporary food offering and its local franchisee ownership.

Its certified carbon neutral roastery has direct links to coffee farmers.

Delivery partnerships have been recently established with Just Eat, Deliveroo & Uber Eats.





TRIPLE TWO

REAL FOOD, AWESOME COFFEE

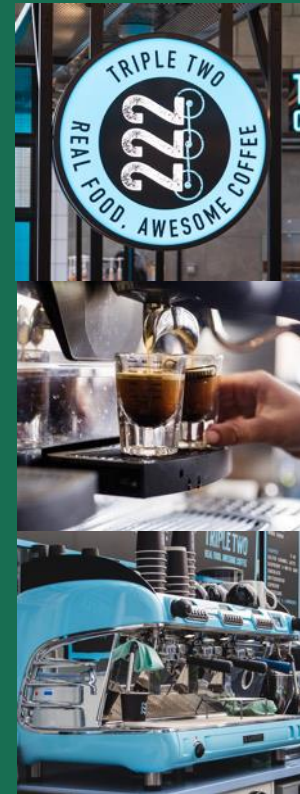
Triple Two has seen rapid expansion since being founded in 2016, starting with a kiosk in the Brunel Centre, Swindon.

Triple Two brand is positioned as a premium boutique coffee provider that offers a high quality of food offering.

Delivery partnerships with Deliveroo, Uber Eats, Just Eat and Too Good To Go.

Triple Two has rapid expansion plans, with a number of new locations identified.

In June 2020, **Triple Two** was acquired by **Cooks**. There were 20 franchised-operated **Triple Two** cafés as at 31st August 2022.



UK & Ireland Locations

As at the end of September 2022, **Cooks**' brands collectively had 111 cafés across the UK, Europe, the Middle East and South Asia and the company forecasts the number of cafés to grow to 211 by FY25.

Cooks had a total of 70 cafés in the UK making it the fourth largest coffee focused brand by number of cafés based on Allegra data.

Esquires Coffee has 15 cafes in Ireland

Triple Two has 20 cafés currently which has doubled in the last 12 months.



Franchised Regions



Cooks has 26 cafes operated by its Master Franchise partners in 7 countries. The strategy is to support the existing Master Franchise partners as they build their networks.

Saudi Arabia has 12 cafes and within the last 3 months has opened its second Drive Thru outlet, and in a prestigious location in the new airport terminal at the Jeddah Airport (pictured).

Kuwait 3 cafes

Bahrain 5 cafes

Jordan 1 cafe in Amman.

Pakistan 5 cafes in Pakistan, based in Karachi.

Portugal 1 cafe in Oporto

Indonesia 1 cafe



Expansion Opportunities

BRAND FORMAT OPTIONS

Café / Coffee Shop



Kiosk



Express



Mobile



Drive/Thru

▼ FUTURE OPTIONS FOR PARTNERS & CHANNELS ▼



Traditional F&B



Hotel / Destination



Small Office



Office / Catering



Convenience & Travel



Retail



Care



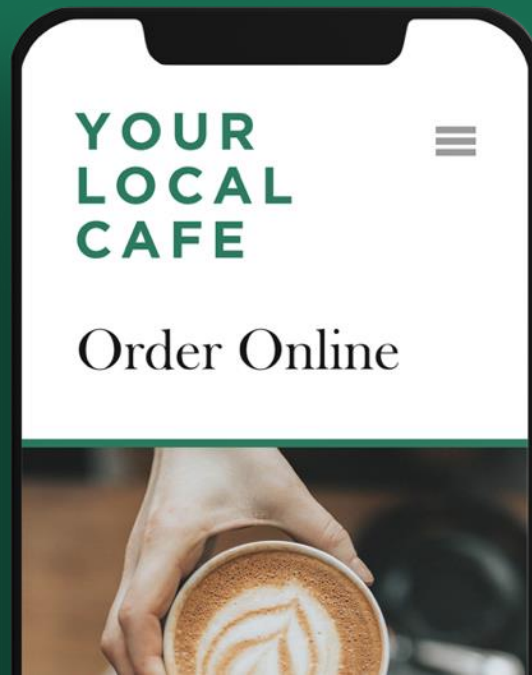
Education

Considerable opportunities for expansion of brand formats and channels via **organic development** of existing real estate footprint and via **acquisitions** of businesses already operating in channels currently not represented in the network.

Growth Plans

Working from home is driving growing demand outside of city centres.

**More, bigger,
& better cafes.**



There is a significant opportunity to expand the cafe footprint under the existing brands

- **Triple Two** is rapidly expanding and has been identified by IGD in its coffee sector report of June 2021 as being one of the 7 “Rising Stars” of the UK Café market. The brand has doubled its footprint in the last year and has a strong pipeline of new cafes.
- Increasing pace of net openings of as the property market offers greater availability as the industry emerges from the pandemic.
- **Cooks** existing 70 cafes in the UK represents less than 1% of the branded café market & the opportunity to grow share is significant. In Ireland, the share of 654 branded outlets is 2.3% currently.
- Acquisition and rebranding of existing independent cafes.

Grow existing outlets via additional transactions & spend

- Extended trading into the evening using existing cafe base and extending the food & alcohol offerings.
- Continue to build the food offering to support additional dayparts sales grow the overall sales.
- Build delivery service and click & collect throughout the network.
- Expand APP loyalty membership and develop a more personalised approach to marketing.
- Build the digital channels including delivery and click & collect.

UK Dual listing

Cooks will list on the AQUIS market based in London

High quality advisers are assisting.

- **Link Market Services** will provide the registry and are establishing a “Depository Interest” Register to mirror the NZ register.
- **VSA Capital** is an international investment banking and broking firm, with offices in London & Shanghai, providing corporate finance, advisory and capital markets services to private and public growth companies.
- **IFC Advisory are** advising on the investor relations activity. IFC are London based and provide combination of skills covering corporate finance and financial PR coupled with investor access at the institutional, and high net-worth and retail level
- **DAC Beachcroft** providing legal advice for the dual listing. They are an international firm with offices around the world & have more than 2,500 staff and over 1,100 lawyers. In NZ they have an alliance with Wotton & Kearney

The AQUIS Market (AQSE)

- AQSE is home to **nearly 90 primary market securities** as well as over 600 stocks registered for trading on its secondary market (AQSE Trading).
- Its parent company Aquis Exchange is the seventh-largest stock exchange group by traded value in Europe and trades over 1,800 securities in 14 markets.

Historical Financial Results

In FY22 the business has recovered well post Covid lockdowns.

Positive EBITDA shows recovery to the pre-Covid improving trend following period of restructuring & simplification of the business.

Capital raised during FY22 has been used to reduce debt, and reduce interest cost.

Debtors, creditors and deferred revenue initially increased following the addition of the **Triple Two** business in FY21. FY22 reflects a more normal structure as one off integration factors were concluded.

Current Liabilities for FY21 included the provision for earn-out consideration as part of the acquisition of **Triple Two**. This has now been concluded and the balance written back with greater certainty as the earn out period is almost completed. There was a consequential revision of the Goodwill provision.

Significant increase in Net Assets from FY20 onward are due to the impact of changes in the IFRS 15 & 16 accounting standards relating to the treatment of leases.

Summary Statement of Financial Performance				
FYE 31 March NZ\$'000s	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual
Revenue - Continuing Op's	6,039	4,202	2,727	7,821
EBITDA	(3,393)	480	(909)	814
<i>EBITDA Margin</i>	<i>(56.2%)</i>	<i>11.4%</i>	<i>(33.3%)</i>	<i>10.4%</i>
EBIT	(3,657)	(222)	(1,728)	233
<i>EBIT Margin</i>	<i>(60.6%)</i>	<i>(5.3%)</i>	<i>(63.4%)</i>	<i>3.0%</i>
Finance Costs				
Finance Costs	753	687	892	881
Impairment of Investment in Associate	-	2,520	-	5,893
Share of Net Loss of Associate	399	168	-	
Reduction of Contingent Consideration Payable				(6,431)
NPBT for Continuing Op's	(4,809)	(3,597)	(2,620)	(200)
Tax Expense / (Credit)	4	(7)	(80)	(110)
NPAT for Continuing Op's	(4,813)	(3,590)	(2,540)	(90)
NPAT for Discontinued Op's	-	(1,593)	(7)	(348)
Other Income/(Loss)	725	(99)	58	(120)
Net Profit/(Loss) After Tax	(4,088)	(5,282)	(2,489)	(558)
<i>NPAT %</i>	<i>(67.7%)</i>	<i>(125.7%)</i>	<i>(91.3%)</i>	<i>(7.1%)</i>

Summary Statement of Financial Position				
As at 31 March NZ\$'000s	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual
Debtors	296	951	4,615	1,244
Lease Receivables	-	1,670	2,085	2,755
Other Current Assets	980	1,083	1,303	606
Creditors	(4,565)	(3,996)	(5,401)	(4,518)
Current Deferred Revenue	-	(211)	(5,196)	(1,119)
Other Current Liabilities	(185)	-	(7,073)	(627)
Net Working Capital	(3,474)	(503)	(9,667)	(1,659)
Intangible Assets	2,842	2,840	19,064	12,719
Fixed Assets	787	2,613	793	1,792
Lease Receivables	-	16,653	16,198	16,488
Other Non Current Assets	2,703	15	15	15
Total Non Current Assets	6,332	22,121	36,070	31,014
Total Non Current Liabilities	1,146	1,192	3,066	3,084
Total Net Operating Assets	1,712	20,426	23,337	26,271
Total Capital Employed				
Overdraft/(Cash)	(302)	(255)	(886)	(1,156)
Debt	5,713	5,522	6,865	3,883
Lease Liabilities	-	20,870	19,079	21,146
Net Debt	5,411	26,137	25,058	23,873
Equity	(3,699)	(5,711)	(1,721)	2,398
Total Capital Employed	1,712	20,426	23,337	26,271

Business Operations

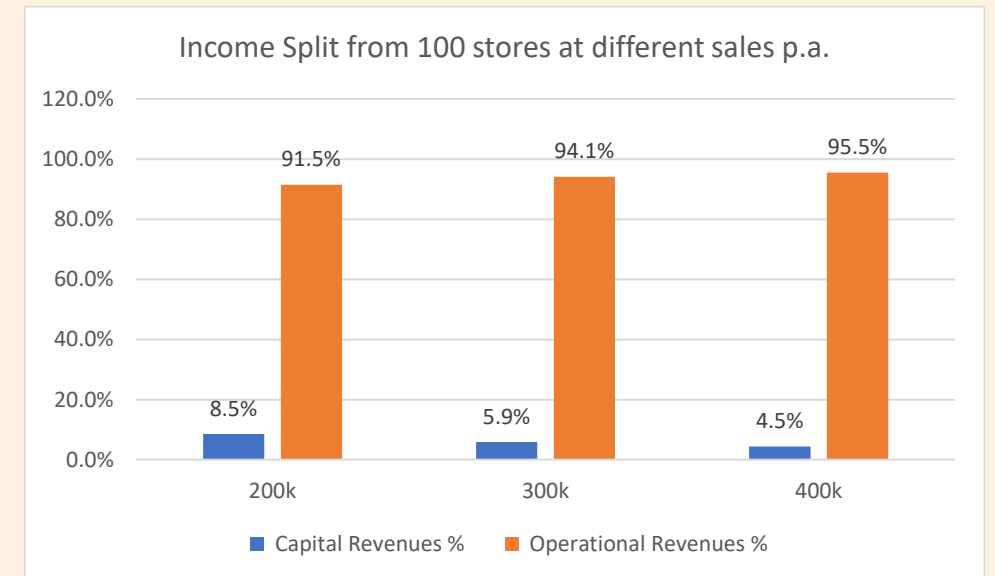
The Key sources of Revenue for Cooks are:

Recurring Operational Revenues:

- Royalties
- Marketing Fees that are used to support the brand
- Supplier incentives

Capital Revenues:

- Sale of café franchises
- Sale of regions in the UK (ECUK)
- Property Search
- Project Management Fees
- Design Fees
- Construction & Fit Out Fees



The above chart illustrates the trends between recurring revenue growing as the café numbers increase and the proportion of one-off revenue reducing a 10 year period at various sales levels per store per annum

Company Management



Keith Jackson
Executive Chairman



Craig Brown
Chief Financial Officer



Aiden Keegan
*Managing Director,
Great Britain*



Tony McVerry
*Managing Director,
Ireland and Europe*

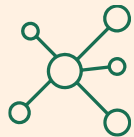


David Hodgetts
*Managing Director,
Triple Two Coffee*

Summary



Cooks Coffee is the fourth largest coffee focused chain and the largest solely franchisor focused café chain in the UK & Ireland.



Expanding the footprint of the **Esquires** and **Triple Two** business with major focus on the core business of building the store network in the UK and Ireland.



Cooks is building a business of “ethical coffee chains with community spirit” – based around the current **Esquires** and **Triple Two** brands, with further complementary acquisitions planned.



Recovering from the Covid-19 period and benefitting from the increasing trend to working from home.



Expanding revenue streams within existing café estate to include click and collect, greater loyalty use with the branded APPS, delivery options and new product offerings.



Capital raising to complete near term acquisitions, build the existing network and enhance digital functionality and growth.



Dual listing on the Aquis Exchange in Q4 2022 alongside existing listing in New Zealand.

Resolutions

1 Re-election of Paul Elliott

that Paul Elliott, who retires in accordance with NZX Listing Rule 2.7.1, and being eligible for re-election, be re-elected as a director of the Company.

2 Re-election of Peihuan Wang

that Peihuan Wang, who retires in accordance with NZX Listing Rule 2.7.1, and being eligible for re-election, be re-elected as a director of the Company.

3 Re-election of Qiang Kui

that Qiang Kui, who retires in accordance with NZX Listing Rule 2.7.1, and being eligible for re-election, be re-elected as a director of the Company.

4 Confirm appointment of Michael Ambrose

that the appointment of Michael Ambrose as a director of the Company by unanimous resolution of the Board be confirmed in accordance with clause 17.5 of the Company's Constitution.

5 Auditors

that the Board is authorised to fix the auditor's remuneration.

Proxies

Resolutions	FOR		AGAINST		DISCRETIONARY	
	Votes	Percentage	Votes	Percentage	Votes	Percentage
1	31,645,806	88.47%	3,716	0.01%	4,120,397	11.52%
2	31,299,230	87.50%	6,016	0.02%	4,465,397	12.48%
3	11,087,503	31.00%	20,217,489	56.52%	4,465,397	12.48%
4	31,515,895	88.93%	1,154	0.00%	3,920,397	11.06%
5	31,648,915	88.48%	901	0.00%	4,120,397	11.52%

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Contact Details:

thank you

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