

# COOKS

GLOBAL FOODS LTD.



ANNUAL  
SHAREHOLDERS'  
MEETING

2016

7<sup>TH</sup> SEPTEMBER 2016

# DISCLAIMER

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# AGENDA

- 1 Executive Chairman's introduction
- 2 Presentation to shareholders
- 3 Business of the annual shareholders meeting
  - Shareholder discussion
  - Resolutions
    - Re-election of Directors
    - Auditor's Remuneration
  - Other business



**EXECUTIVE  
CHAIRMAN'S  
INTRODUCTION**

# HIGHLIGHTS OF FISCAL YEAR 2016

 **39%** STORE NUMBERS

YEAR-ON-YEAR INCREASE IN COOKS GLOBAL FOODS SALES TO \$12.4 MILLION AS ESQUIRES NETWORK SALES LIFT ROYALTIES, COFFEE, PRODUCT AND OTHER RETAIL SALES AND MASTER FRANCHISE AND DESIGN FEES

 **\$39.1** MILLION<sup>1</sup>

22% YEAR-ON-YEAR INCREASE IN ESQUIRES COFFEE STORE NETWORK SALES

**\$9** MILLION

EQUITY RAISING INTRODUCES STRATEGIC INVESTORS WITH INTERESTS ALIGNED WITH SHAREHOLDERS

**\$4.1** MILLION

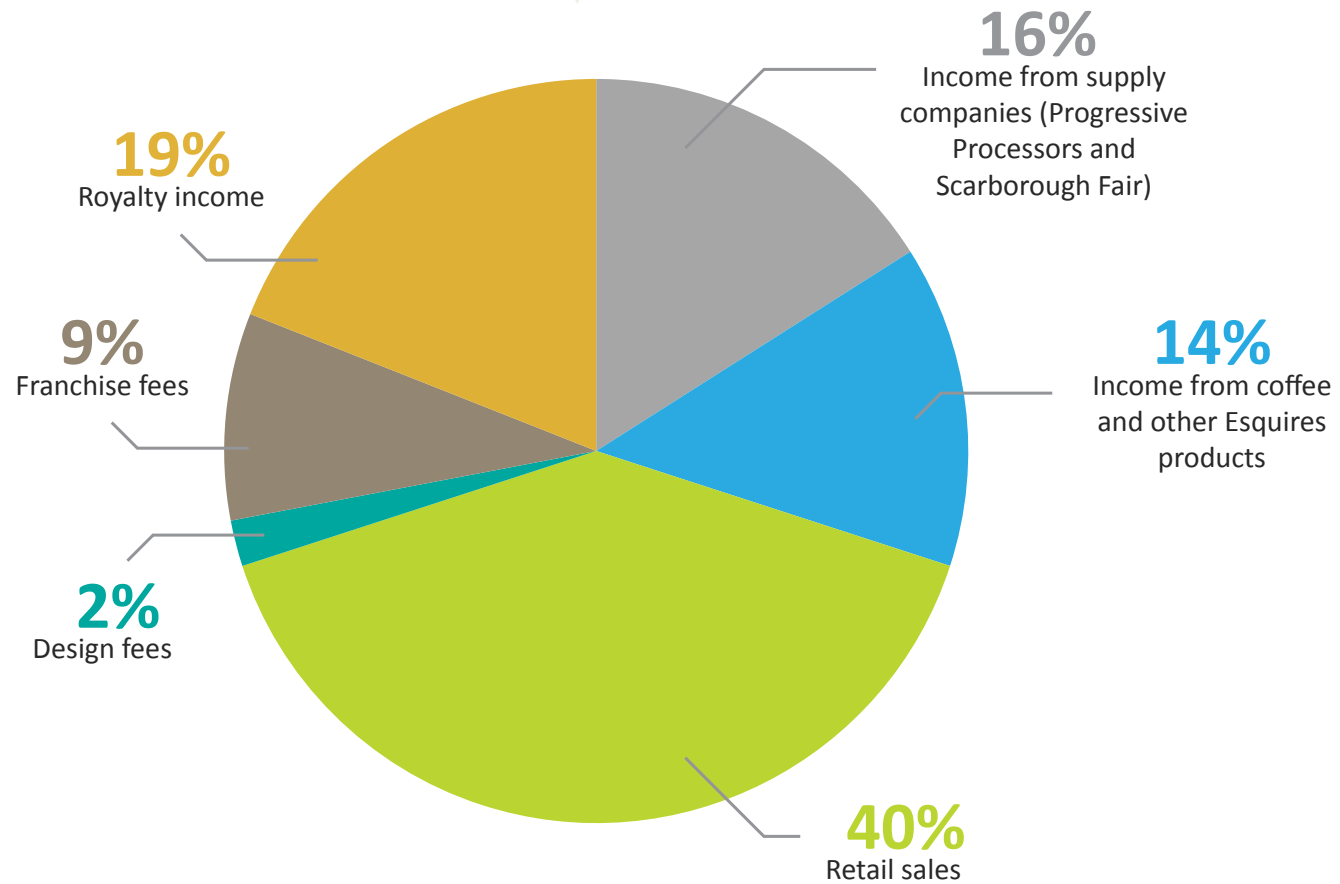
EBITDAA<sup>2</sup> LOSSES REFLECTING A FULL-YEAR OF INVESTMENT IN THE CHINESE OPERATION

<sup>1</sup> All references to Esquires Coffee store network financial performance are expressed in constant currency terms, where the prior year's figures are expressed in the currencies prevailing in the current financial year.a

<sup>2</sup> Earnings or losses before interest, tax, depreciation, amortisation, foreign exchange gains and losses and abnormal items. EBITDAA is a NON-GAAP measure of financial performance. It is reconciled to the GAAP measure of financial performance of net profit before tax. More details please refer to appendix.

# HOW WE GENERATE REVENUE

FY16 REVENUE SOURCES



# CONSOLIDATED FINANCIAL STATEMENT

- ▲ CHINA RESULTS LESS THAN 3 MONTHS FOR FY15 WHEREAS FULL YEAR FOR FY 16. EXCLUDING CHINA RESULTS SHOWS LIKE FOR LIKE COMPARISON FOR REST OF THE GROUP.
- ▲ TOTAL REVENUE GROWTH 39% OVER PRIOR YEAR.
- ▲ 33% OF TOTAL REVENUE RELATING TO RECURRING FRANCHISE INCOME STREAMS (ROYALTIES AND BRANDED PRODUCT SALES)
- ▲ 40% OF TOTAL REVENUE COMES FROM COMPANY OWNED STORE SALES
- ▲ RESTRUCTURING COSTS IN FY16 WILL SEE REDUCED HEAD OFFICE COST IN SUBSEQUENT YEARS WITH MORE EFFECTIVE MANAGEMENT STRUCTURE.

## COOKS GLOBAL FOODS PROJECTIONS

ACTUAL FY15 & FY16

Y/E 31 MARCH	FY15 A (NZ\$,000)	FY16 A (NZ\$,000)
SALES REVENUE	8,931	12,294
GROSS MARGIN	6,346	8,149
EXPENSES	8,893	12,315
EBITDAA	(2,547)	(4,166)
CHINA*	(468)	(2,620)
GROUP NORMALISED	(2,079)	(1,546)

# BALANCE SHEET

- ▲ **GEARING (NET DEBT TO NET DEBT AND EQUITY) DECLINED TO 19%.**
- ▲ **ISSUED \$9 MILLION IN NEW EQUITY.**
- ▲ **AS AT YEAR END, THE COMPANY'S CASH POSITION WAS \$3.7 MILLION.**
- ▲ **WE CONTINUE TO ENJOY A STRONG RELATIONSHIP WITH THE GROUP'S STRATEGIC INVESTORS**
- ▲ **CONTINUE TO EXPLORE A RANGE OF OPTIONS TO FUND THE SIGNIFICANT OPPORTUNITIES WE SEE FOR THE ESQUIRES COFFEE BRAND**

## CONSOLIDATED FINANCIAL STATEMENT

As at 31st MARCH	FY15 (000')	FY16 (000')
CURRENT ASSETS	9,174	9,801
NON-CURRENT ASSETS	11,399	11,151
CURRENT LIABILITIES	11,368	10,043
NON-CURRENT LIABILITIES	810	1,262
SHAREHOLDER FUNDS	8,395	9,647



# OUR COMPANIES

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*great coffee helps™*

## OUR VISION

To be the world's leading Organic and Fairtrade coffee retailer.

## STRATEGY

Cooks has three elements to its core growth strategy:

Growing the Esquires brand in its existing markets;

Growing the Esquires brand in strategically important new markets; and

Growing a competitive supply chain



PROGRESSIVE PROCESSORS LTD



# ESQUIRES AS THE CORE BUSINESS

## THE BRAND



**ORGANIC AND 100% FAIRTRADE**



**ARTISAN & AUTHENTIC**



**REFLECTS NEW ZEALAND'S CULTURE & HERITAGE**



**NATURAL & ENVIRONMENTALLY RESPONSIBLE**



**SUSTAINABLE & ETHICALLY SOURCED**



**LOCAL PERSONALITY & COMMUNITY FOCUSED**

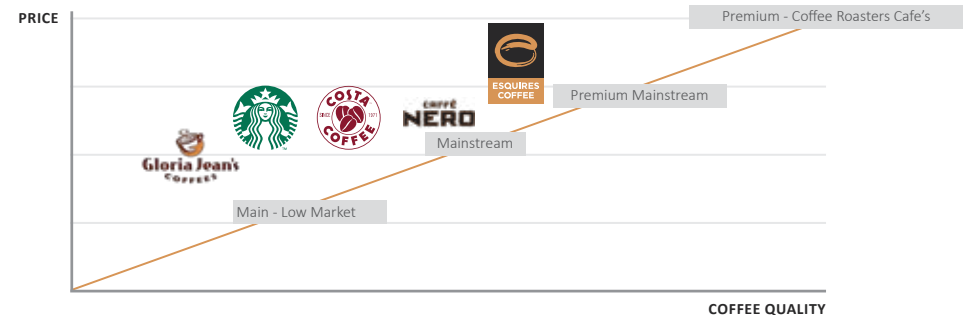
## DOUBLE CERTIFICATIONS

Esquires coffee beans come from certified fair-trade and organic farms in Peru, Honduras, Indonesia and Ethiopia, roasted in Scotland and New Zealand.

Esquires and Scarborough Fair also source 100% fair trade and organic tea from Sri Lanka.

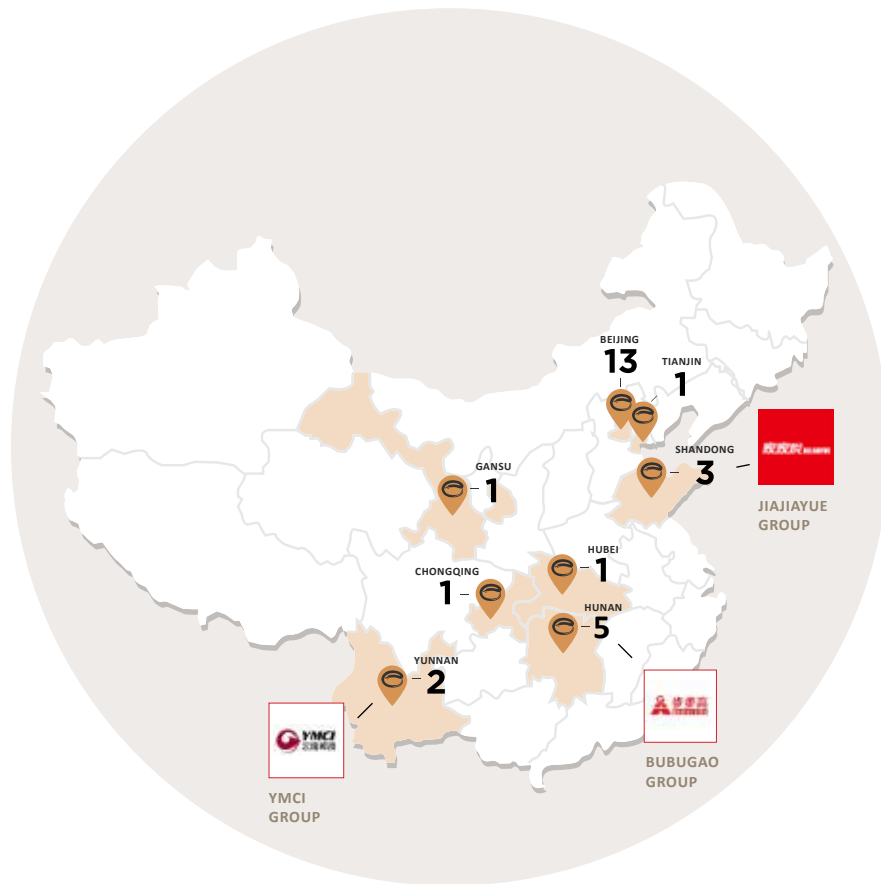


## OUR MARKET POSITIONING



# ESQUIRES CHINA

▲ CHINA GENERATED 16% OF ESQUIRES SALES IN THE FINANCIAL YEAR 2016.



Strong collaborations with local partners keep growing

## JIAJIAYUE GROUP

- Top 30 Chinese Retail Chain. Over 600 supermarkets, plus convenience stores, hotels and commercial real estate
- Over 30,000 staff. 2014 Sales over CNY ¥10 billion, NZ\$2.4 billion.
- Own a sheep and beef farm at Port Waikato.
- Partner with Esquires China since 2012, to build 50 stores in Shandong.

## BUBUGAO GROUP (BETTER LIFE)

- Top 30 Chinese Retail Chain
- Over 472 supermarkets, plus convenience stores, hotels, shopping malls and commercial real estate.
- Over 60,000 staff
- 2014 Sales over CNY ¥27 billion, NZ\$6.5 billion
- Partner with Esquires China since May 2015, aims to build 30 stores in Hunan, 5 stores are trading as of August 2016

## YMCI GROUP

- YunNan Metropolitan Construction Investment Group. Ltd (YMCI) China-based real estate development company, investments in HK and the UK.
- Principally engaged in the real estate distribution, land primary development and property management.
- Owned by Yunnan Provincial government.
- Market Capital CNY 7.9 billion / NZ\$1.9 billion.

# ESQUIRES IRELAND

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- ▲ IRELAND GENERATED 22% OF ESQUIRES SALES IN THE FINANCIAL YEAR 2016.
- ▲ STORE NUMBERS HAVE GROWN TO 9 FROM 5 A YEAR EARLIER.
- ▲ IN FISCAL YEAR 2016, 4 NEW STORES WERE OPENED IN MULLINGAR, NAVAN, GALWAY AND O'CONNELL STREET, DUBLIN'S LEADING RETAIL PRECINCT. 2 MORE NEW STORES OPENED IN CURRENT FINANCIAL YEAR.
- ▲ THE IRISH BUSINESS OFFERS A BROADER FOOD SERVICE THAN THE REST OF THE ESQUIRES COFFEE NETWORK.



**MULLINGAR**  
Ireland



**NAVAN**  
Ireland



**GALWAY**  
Ireland



**O'CONNELL STREET**  
Dublin, Ireland

# ESQUIRES GREAT BRITAIN

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- ▲ GREAT BRITAIN GENERATED 39% OF ESQUIRES SALES IN THE FINANCIAL YEAR 2016.
- ▲ SALES FROM THE 12 REBRANDED STORES HAVE BEEN VERY ENCOURAGING, SHOWING AVERAGE 9% SALES GROWTH OVER THE PRIOR YEAR. SIMILAR NUMBER OF STORES TO BE REBRANDED IN CURRENT FINANCIAL YEAR.
- ▲ STRONG DEMAND FROM PROSPECTIVE FRANCHISEES AND IDENTIFIED MULTIPLE SITES FOR STRONG NEW STORE DEVELOPMENT IN THE CURRENT FINANCIAL YEAR.



WINDSOR  
UK

# ESQUIRES MIDDLE EAST

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- ▲ MIDDLE EAST GENERATED 21% OF ESQUIRES SALES IN THE FINANCIAL YEAR 2016.
- ▲ GROWTH IN SALES BY 33% IN FISCAL YEAR 2016 DUE TO THE OPENING OF NEW STORES IN SAUDI ARABIA, KUWAIT AND OTHER COUNTRIES, AS WELL AS IMPROVEMENTS IN STORE PERFORMANCE.
- ▲ THE FASTEST GROWING REGION INTERNATIONALLY DURING 2015.
- ▲ TWO STORES AT JEDDAH AIRPORT SAUDI ARABIA, HAVE THE HIGHEST FOOT TRAFFIC OF THE ESQUIRES NETWORK.

# ESQUIRES REST OF THE WORLD

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- ▲ TWO STORES IN INDONESIA ARE OFFICIALLY TRADING.
- ▲ THREE STORES IN ALBERTA, CANADA ARE NOW IN THE NETWORK.

# ESQUIRES

## STRONG FY17 Q1 YOY GROWTH

TOTAL NETWORK	30 JUNE 2016	30 JUNE 2015	CHANGE
Esquires Coffee Store sales**	NZ\$10,402,975	NZ\$9,185,537	13%
Transactions	1,057,351	958,387	10%
Average transaction value**	NZ\$9.84	NZ\$9.58	3%
Store numbers	88	72	22%
SAME STORE	30 JUNE 2016	30 JUNE 2015	CHANGE
Esquires Coffee Store sales**	NZ\$8,370,240	NZ\$8,207,314	2%
Transactions	854,306	867,435	-2%
Average transaction value**	NZ\$9.80	NZ\$9.46	4%

\*Includes contribution of three Canadian stores from July 2015

\*\*Constant currency figures use the conversion rate in the prior year as used in the current year to remove foreign exchange fluctuations.



# ESQUIRES KEY GROWTH FACTORS

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YEAR TO DATE PERFORMANCE COMPARED TO SAME PERIOD PRIOR FISCAL YEAR



**STORE NUMBERS**

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AS OF 31 AUGUST 2016



**SALES**

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AS OF 21 AUGUST 2016



**TRANSACTIONS**

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AS OF 21 AUGUST 2016

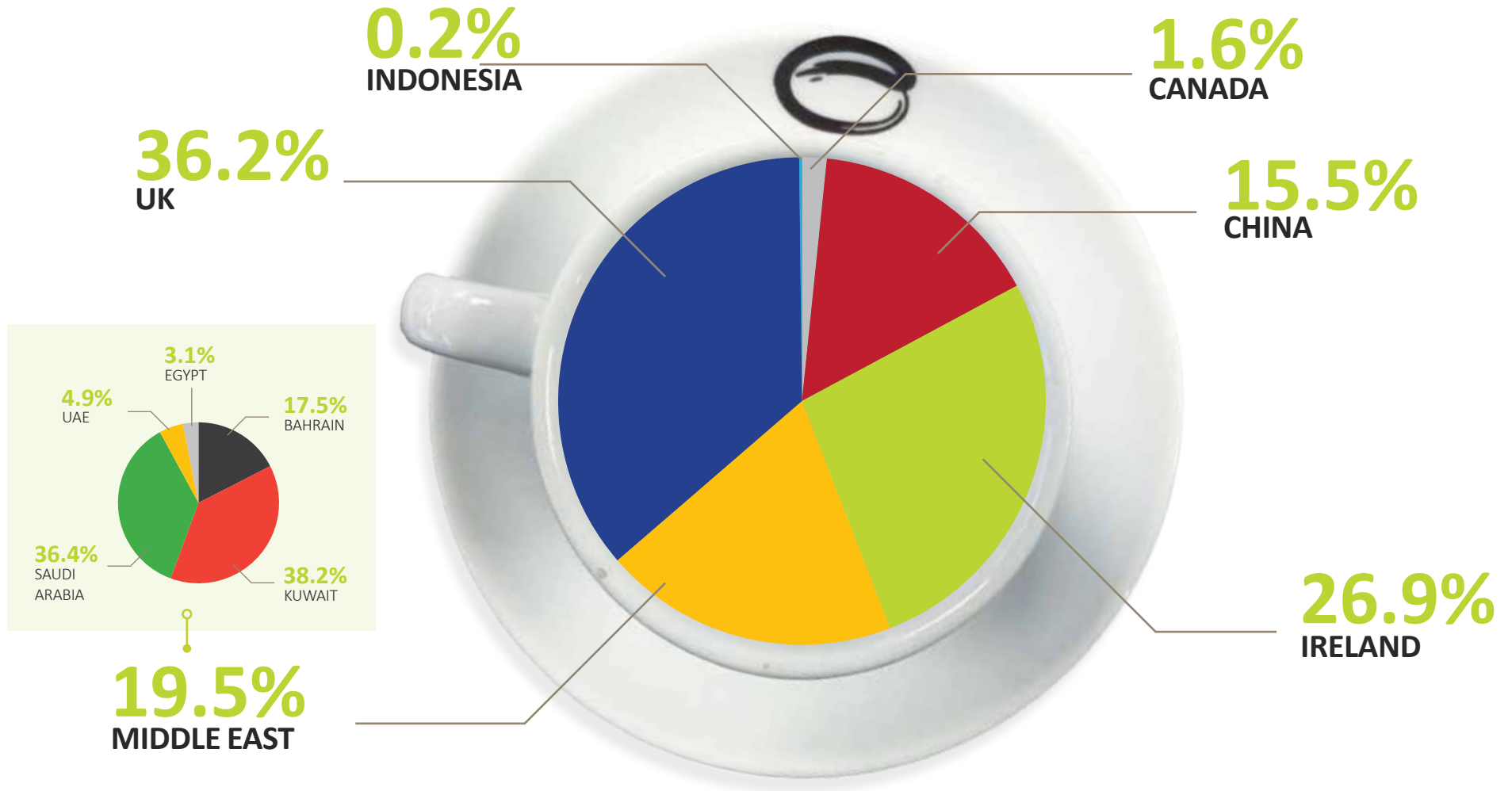


**AVERAGE TRANSACTION VALUE**

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AS OF 21 AUGUST 2016

# ESQUIRES REVENUE BREAKDOWN



FROM APRIL 2016 TO 21 AUGUST 2016

# NEW STORES

7 STORES OPENED SINCE APRIL 2016



**DELOITTE TOWER**  
Chongqing, China



**MEIXIHU MALL**  
Hunan, China



**KILBARRACK**  
Dublin, Ireland



**BUCKINGHAM**  
England



**BLACKROCK MALL**  
Dublin, Ireland

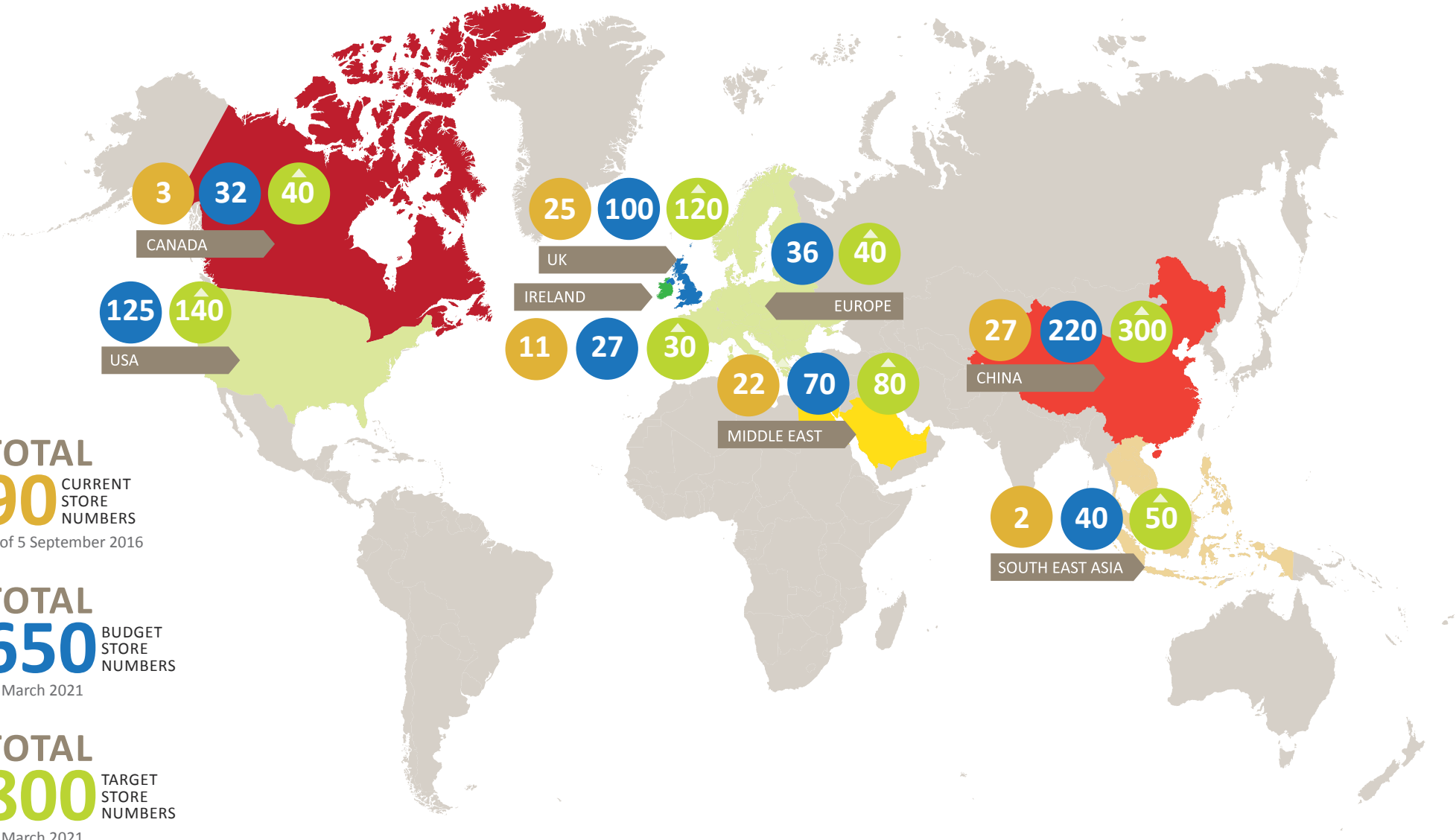


**AL ROSHAN MALL**  
Jeddah  
Saudi Arabia



**BUBUGAO MALL (HY)**  
Hunan, China

# CONTINUING TO EXPAND OUR GLOBAL PRESENCE



**TOTAL**  
**90** CURRENT STORE NUMBERS  
 as of 5 September 2016

**TOTAL**  
**650** BUDGET STORE NUMBERS  
 by March 2021

**TOTAL**  
**800** TARGET STORE NUMBERS  
 by March 2021

NOTE: REGIONS SUCH AS INDIA, AUSTRALIA/ NEW ZEALAND AND CENTRAL & SOUTH AMERICA NOT SPECIFICALLY IDENTIFIED TO DATE.

# OUR SUPPLY CHAINS

## PROGRESSIVE PROCESSORS LTD

AFTER ONLINE PRESENCE AND BRAND UPGRADE, PPL WILL FOCUS ON NEW PRODUCT DEVELOPMENT IN CURRENT FISCAL YEAR.



IN THE PAST YEAR, SCARBOROUGH FAIR OPTIMISED ITS SUPPLY CHAIN, LOGISTICS AND DISTRIBUTION IN NEW ZEALAND AND AUSTRALIA, AND ARE ACTIVELY DEVELOPING NEW PRODUCTS FOR A WIDER RETAIL, OFFICE MARKET, AND FOOD SERVICE MARKET.



**WHOLE  
PEELED**  
GREEN  
KIWIFRUIT



KIWIFRUIT  
**PUREE**  
Seed in or out (Current  
trend for seed in - using  
whole food)



GREEN  
KIWIFRUIT  
**SMOOTHIE  
BASE**



GOLD  
KIWIFRUIT  
**SMOOTHIE  
BASE**



**FRESH**  
ASPARGUS



# OUR OTHER BUSINESSES



CRUX PRODUCTS LTD IS A NEW ZEALAND BASED JV TRADING ENTITY WHICH SPECIALIZES IN BUILDING STRATEGIC RELATIONSHIPS BETWEEN NEW ZEALAND SUPPLIERS AND CHINESE RETAIL NETWORKS; AS WELL AS BRINGING CHINESE PRODUCTS TO NEW ZEALAND RETAIL PARTNERS.



DESIGN ENVIRONMENTS PROVIDE NATIONAL AND GLOBAL RETAILERS WITH PROFESSIONAL AND INNOVATIVE RETAIL AND HOSPITALITY DESIGN SOLUTIONS.



JJY Chairman Wang Peihuan and Crux's Business Development Manager Tony Wang



# CURRENT SHAREHOLDING STRUCTURE

GRAEME KEITH JACKSON CONTROLLED

**34%**  
140,504,423.5

COOKS INVESTMENT HOLDING LIMITED

**25%**  
103,330,704.5

GRAEME KEITH JACKSON

**9%**  
37,173,719

SHANDONG JIAJIAYUE INVESTMENTS

**25%**  
103,330,704.5

OTHERS

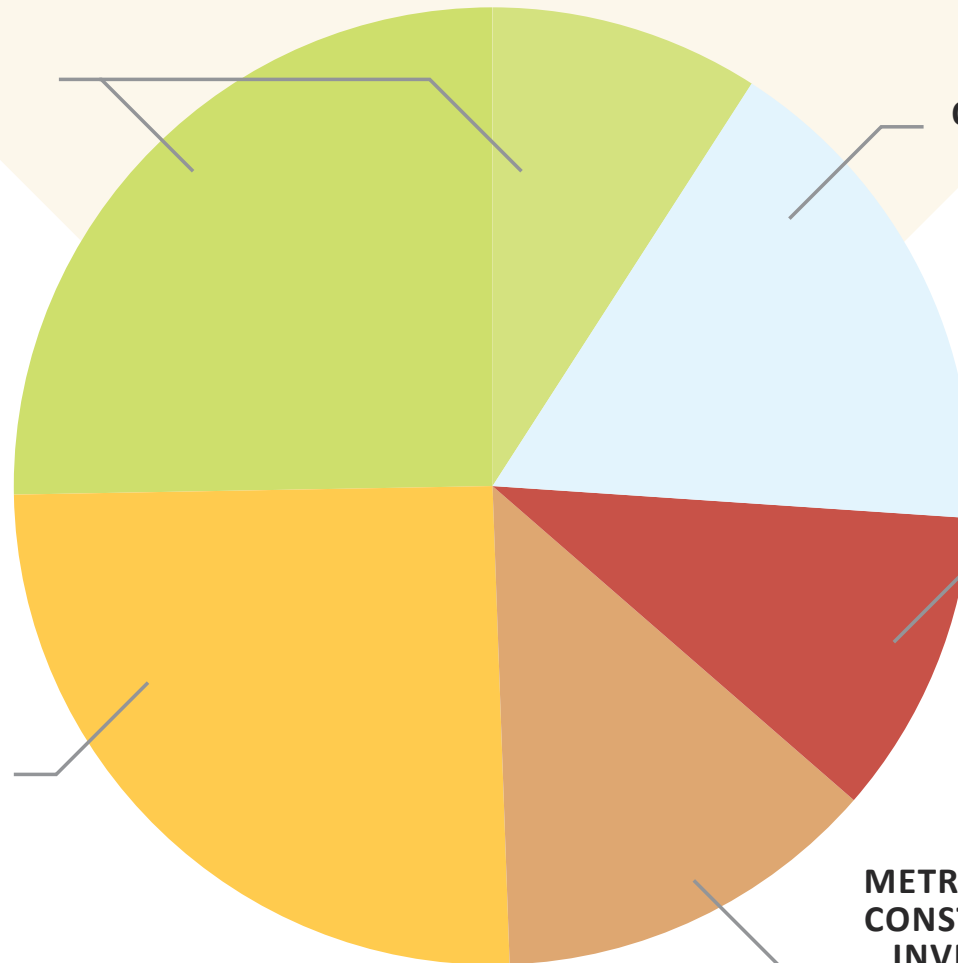
**17%**  
32,890,456

ADG INVESTMENTS LIMITED

**11%**  
42,199,758

YUNNAN METROPOLITAN CONSTRUCTION INVESTMENTS

**13%**  
53,290,600



# BOARD OF DIRECTORS



**KEITH  
JACKSON**

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EXECUTIVE CHAIRMAN



**PEIHUAN  
WANG**

---

DIRECTOR  
*SHANDONG JIAJIAYUE  
INVESTMENTS*



**HUI  
ZHE**

---

DIRECTOR  
*YUNNAN  
METROPOLITAN  
CONSTRUCTION  
INVESTMENTS*



**ANDREW  
KERSLAKE**

---

DIRECTOR



**MIKE  
HUTCHESON**

---

INDEPENDENT  
DIRECTOR



# SENIOR MANAGEMENT

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**CRAIG BROWN**  
CHIEF FINANCIAL OFFICER



**DOUG WILLIAMSON**  
MANAGING DIRECTOR  
– GREAT BRITAIN



**TONY MCVERRY**  
MANAGING DIRECTOR  
– IRELAND



**ELLEN ZHANG**  
MANAGING DIRECTOR  
– CHINA



**MICHELLE BRICK**  
MANAGING DIRECTOR  
– CANADA



**CHRIS JOSEPH**  
INTERNATIONAL FRANCHISE  
SUPPORT



**JOHN MACDONALD**  
DESIGN & BRAND MANAGER



**SHANE MOATES**  
MARKETS & CHANNELS



**ALI SHACKELL**  
HR MANAGER



**NIC MCCLEAN**  
LOGISTICS



**PETER WUDY**  
BUSINESS DEVELOPMENT



**HAIPING NIU**  
DIGITAL & COMMUNICATION

# MARKET CAPITALISATION

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NUMBER OF  
SHAREHOLDERS

**553**



NUMBER OF  
SHARES ON ISSUE

**412,666,151**



LATEST PRICE

**9CPS**



MARKET  
CAPITALISATION

**\$37**MILLION

Note: As of 5th of September 2016



## LOOKING AHEAD

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ESQUIRES IS  
FORECASTING  
TO GROW STORE  
NUMBERS TO 800

CONTINUED  
ROLLOUT OF  
ESQUIRES STORES  
AND REBRANDING

GROWING OUR  
SUPPLY CHAIN  
AND DEVELOPING  
DIGITAL  
MARKETING  
TO ENHANCE  
CUSTOMER  
EXPERIENCE

POTENTIAL TO  
ACCELERATE  
CRITICAL MASS  
(GROWTH,  
PROFITABILITY  
AND CASH  
POSITIVE STATUS)  
BY STRATEGIC  
INVESTMENTS IN  
SPV OR OTHER  
SUITABLE VEHICLE

# SHAREHOLDER DISCUSSION

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**Q & A**

# RESOLUTION

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graph TD; A((RE-ELECTION OF DIRECTORS)) --- B((AUDITORS REMUNERATION))
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**RE-ELECTION  
OF DIRECTORS**

**AUDITORS  
REMUNERATION**

# RESOLUTION ONE

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## **RE-ELECTION OF KEITH JACKSON**

As an ordinary resolution, that Graeme Keith Jackson who retires by rotation in accordance with the Company's constitution and NZAX Listing Rule 3.2.6, and being eligible for re-election, be re-elected as a director of the Company.

# RESOLUTION ONE

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## RE-ELECTION OF KEITH JACKSON

As an ordinary resolution, that Graeme Keith Jackson who retires by rotation in accordance with the Company's constitution and NZAX Listing Rule 3.2.6, and being eligible for re-election, be re-elected as a director of the Company.

PROXIES	FOR	AGAINST	DISCRETIONARY
VOTES	215,060,775	0	220,132
PERCENTAGE	99.90%	0%	0.10%

# RESOLUTION TWO

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## RE-ELECTION OF ZHE HUI

As an ordinary resolution, that Zhe Hui, who was appointed a Director by the Board effective 29 April 2016, retires in accordance with the Company's constitution and Listing Rule 3.2.3, and being eligible for re-election, be re-elected as a Director of the Company.



# RESOLUTION TWO

---

## RE-ELECTION OF ZHE HUI

As an ordinary resolution, that Zhe Hui, who was appointed a Director by the Board effective 29 April 2016, retires in accordance with the Company's constitution and Listing Rule 3.2.3, and being eligible for re-election, be re-elected as a Director of the Company.

PROXIES	FOR	AGAINST	DISCRETIONARY
VOTES	215,060,775	0	220,132
PERCENTAGE	99.90%	0%	0.10%

# RESOLUTION THREE

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## RE-ELECTION OF PEIHUAN WANG

As an ordinary resolution, that Peihuan Wang, who was appointed a Director by the Board effective 29 April 2016, retires in accordance with the Company's constitution and Listing Rule 3.2.3, and being eligible for re-election, be re-elected as a Director of the Company.

# RESOLUTION THREE

---

## RE-ELECTION OF PEIHUAN WANG

As an ordinary resolution, that Peihuan Wang, who was appointed a Director by the Board effective 29 April 2016, retires in accordance with the Company's constitution and Listing Rule 3.2.3, and being eligible for re-election, be re-elected as a Director of the Company.

PROXIES	FOR	AGAINST	DISCRETIONARY
VOTES	215,060,775	0	220,132
PERCENTAGE	99.90%	0%	0.10%

# RESOLUTION FOUR

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## **AUDITORS**

As an ordinary resolution, that the Board is authorised to fix the auditor's remuneration.

# RESOLUTION FOUR

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## AUDITORS

As an ordinary resolution, that the Board is authorised to fix the auditor's remuneration.

PROXIES	FOR	AGAINST	DISCRETIONARY
VOTES	215,060,775	0	220,132
PERCENTAGE	99.90%	0%	0.10%

The image features a minimalist design with a white background. A solid olive-green diagonal line runs from the top-left towards the bottom-right. A vertical olive-green line is positioned on the left side. A dashed olive-green line runs parallel to the diagonal line, starting from the left edge and ending at the bottom edge. In the top-left corner, there is a solid brown triangular shape. Centered in the white space is the text "MEETING CLOSED" in a bold, sans-serif font. "MEETING" is colored olive green, and "CLOSED" is colored dark grey.

**MEETING**  
**CLOSED**

# APPENDIX

## NON-GAAP FINANCIAL INFORMATION

Cooks Global Foods' standard profit measure prepared under New Zealand GAAP is net profit before tax (NPBT). Cooks Global Foods has used a non-GAAP profit measure of earnings (or losses) before interest, tax, depreciation, amortisation, foreign exchange gains and losses and abnormals (EBITDAA), when discussing financial performance in this Annual Report. The directors and management believe this measure provides useful information as it is used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this Annual Report may not be comparable with those that other companies report and should not be viewed in isolation from, or considered as a substitute for, measures reported by Cooks Global Foods in accordance with NZ IFRS.

12 months to 31 March	Unaudited March 2016 \$'000	Unaudited March 2015 \$'000
<b>Loss after tax attributable to shareholders of parent</b>	<b>(7,942)</b>	<b>(4,419)</b>
Add back: income tax expense	29	-
<b>Reported net loss before tax</b>	<b>(7,913)</b>	<b>(4,419)</b>
Add back: finance costs	510	217
<b>Operating loss</b>	<b>(7,403)</b>	<b>(4,202)</b>
Add back: Depreciation and amortisation	417	857
<b>Operating loss before depreciation and amortisation</b>	<b>(6,896)</b>	<b>(3,345)</b>
Add back:		
Exchange loss/(gain)	(146)	8
Abnormal items		
-Restructuring cost	1,359	-
-Acquisition & Capital related costs	393	360
-Share-based incentive schemes	713	-
-Impairment of Intangible Assets	501	430
<b>EBITDAA</b>	<b>(4,166)</b>	<b>(2,547)</b>

# FOR FURTHER INFORMATION

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COMPANY NUMBER  
**2089337**

YEAR OF  
INCORPORATION  
**2008**

REGISTERED OFFICE  
**LEVEL 5,  
3 CITY ROAD  
AUCKLAND 1010**

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INVESTORS  
**+64 21 702 509**

EMAIL  
**INFO@  
COOKSGLOBALFOODS.  
COM**

DIRECTORS  
**GRAEME (KEITH)  
JACKSON  
PEIHUAN WANG  
HUI ZHE  
MICHAEL HUTCHESON  
ANDREW KERSLAKE**

SOLICITORS  
**DUNCAN COTTERILL  
WELLINGTON**

AUDITORS  
**PRICEWATERHOUSE-  
COOPERS  
AUCKLAND**

BANKERS  
**ANZ BANK,  
AUCKLAND**

SHARE REGISTRY  
**LINK MARKET  
SERVICES LIMITED  
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