

29 May 2025



Cooks Coffee Company Limited

This document covers Cooks Coffee Company Limited's unaudited financial results for the year ended 31 March 2025

A: Cooks Coffee Company Limited Preliminary announcement for the year ended 31 March 2025

Preliminary unaudited full year report on consolidated results (including the results for the previous corresponding year) in accordance with Listing Rule 3.5.1 are recorded below.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates, and is based on unaudited financial statements.

The accounting policies used in the preparation of these financial statements are consistent with those used in the interim statements for the six months ended 30 September 2024, and in the audited financial statements for the year ended 31 March 2024.

The Listed Issuer has a formally constituted Audit & Risk Committee of the Board of Directors.

B: Consolidated Statement of Financial Performance

	<u>Unaudited</u> <u>Mar-25</u> <u>\$NZ '000</u>	<u>Up / Down</u> <u>%</u>	<u>Unaudited</u> <u>Mar-24</u> <u>\$NZ '000</u>
Revenue	6,728	44.2%	4,667
Cost of sales	(176)	43.2%	(123)
Gross profit	6,552	44.2%	4,544
Operating expenses and staff costs	(5,431)	21.4%	(4,474)
Impairment loss on receivables	(106)	(20.1%)	(133)
Other income	252	(5.4%)	266
Operating profit/(loss) before depreciation and amortisation	1,267	524.0%	203
Depreciation expense	(117)	386.2%	(24)
Operating profit/(loss)	1,150	542.5%	179
Interest Income on leases	1,624	20.5%	1,347
Amortisation of intangible assets	-	-	-
Impairment of Goodwill	-	-	-
Finance costs on leases	(1,701)	26.2%	(1,347)
Finance costs on loans	(390)	(27.1%)	(535)
Share of profit/loss of joint ventures accounted for using the equity method	176	0.0%	-
Profit/(Loss) before income tax	859	(341.4%)	(356)
Income tax benefit/(expense)	-	0.0%	-
Net Profit/(Loss) for the year from continuing operations	859	(341.4%)	(356)
Net Profit/(Loss) for the year from discontinued operations	-	(100.0%)	(6,003)
Net Profit/(Loss) for the year	859	(113.5%)	(6,359)
Earnings Per Share (Cents per share):	1.33		(10.84)

C: Consolidated Statement of Financial Position

	<u>Unaudited</u> <u>Mar-25</u> <u>\$NZ '000</u>	<u>Up / Down</u> <u>%</u>	<u>Unaudited</u> <u>Mar-24</u> <u>\$NZ '000</u>
Assets			
Cash and cash equivalents	2,686		1,174
Trade and other receivables	1,879		1,718
Other current assets	696		918
Assets classified as held-for-sale	-		9
Property, plant and equipment	415		92
Right-of-use assets	2,449		-
Lease receivables	25,696		23,055
Other non-current assets	28		137

Total tangible assets

Goodwill

Intangible assets

Total assets**Liabilities**

Trade and other payables

Lease liabilities

Borrowings - Loans

Other liabilities

Deferred tax liabilities

Total liabilities**Net assets/(liabilities)****Equity**

Share capital

Accumulated losses

Foreign currency translation reserve

Share based equity reserve

Total equity attributable to equity holders of the Company

33,849	24.9%	27,103
0		-
2,831		2,831
36,680	22.5%	29,934
6,153		7,797
28,307		23,055
4,336		3,035
798		48
-		-
39,594	(16.7%)	33,935
(2,914)	27.2%	(4,001)

Cents**(8.87)****Cents****(11.39)****Net tangible assets per share****D: Statement of Changes in Equity****Profit/(Loss) for the period**

Net increase in issued share capital

Foreign currency translation reserve

Movements in equity for the period**Equity at start of the period**

Share based payment reserve

Equity at end of the period

<u>Unaudited</u> Mar-25 \$NZ '000	<u>Up / Down</u> %	<u>Unaudited</u> Mar-24 \$NZ '000
859	(631.5%)	(6,359)
461		500
(233)		1,097
1,087	(122.8%)	(4,762)
(4,001)		761
-		-
(2,914)	(27.2%)	(4,001)

E: Consolidated Statement of Cash Flows**Profit/(Loss) for the period****Add/(Less):**

Depreciation expense

Impairment loss on receivables

Net foreign exchange (losses)/gains

Revaluation of contingent consideration payable

Impairment of goodwill

Amortisation of intangible assets

Net movements in working capital

Loss on disposal of subsidiaries

Net cash flow from operating activities**Net cash flow from investing activities****Net cash flow from financing activities****Net (decrease)/increase in cash held****Opening bank balance**

Effect of exchange rate changes on foreign currency balances

Closing bank balance**Made up as follows:**

Cash and cash equivalents

<u>Unaudited</u> Mar-25 \$NZ '000	<u>Up / Down</u> %	<u>Unaudited</u> Mar-24 \$NZ '000
859	113.5%	(6,359)
117		24
106		133
14		29
-		-
-		-
-		-
(674)		1,984
0		5,262
422	(60.6%)	1,073
(440)	8893.6%	5
1,762	(604.9%)	(349)
1,745	139.3%	729
1,174		445
(233)		-
2,686		1,174
2,686	128.8%	1,174

F: Material Acquisition of Subsidiaries**N/A****G: Material Disposal of Subsidiaries****N/A**

H: Material Investment in Associate**N/A****I: Issued and Quoted Securities at End of Current Period**

Category of Securities Issued	Number	Quoted
ORDINARY SHARES:		
Total number of shares on issue	64,738,670	64,238,670
Shares issued during the current period	4,736,222	4,736,222
Shares converted from non-voting to voting during the current period	707,000	707,000
Shares cancelled during the current period	-	-
Shares bought back during the current period	-	-

On 31 March 2025, Cooks Coffee Company Limited has 64,238,670 quoted shares and 500,000 non-voting shares on issue.

J: Comments by Directors

- (a) Material factors affecting the revenues and expenses of the group for the current full year or half year

Refer to Commentary.

- (b) Significant trends or events since the end of the current full year or half year

Refer to Commentary.

- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed:

Nil

- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

- Treatment of Leases
- Revenue from Contracts with Customers
- Discontinued Operations
- Impairment of Assets
- Amortisation of Intangibles and Goodwill
- Contingent Consideration

NZ IFRS 16 "Leases"**a) As a lessee**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal or termination options. The assessment of whether the Group is reasonably certain to exercise such options impact the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, or the right-of-use asset in the case of a sublease. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Where the lease is classified as an operating lease, the Group recognises the lease payments from the operating lease as income on a straight-line basis.

NZ IFRS 15 "Revenue from Contracts with Customers"

Under NZ IFRS 15 Revenue from Contracts with Customers, revenue is recognised either at a point in time or over time, or when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Royalty income from Franchise or Master Franchise Agreements (MFAs)

The Group recognises royalty revenue derived from its Franchises and MFAs at a point in time, based on sales by Franchisees that are reported back to Company on a monthly basis for sales that occurred in that month.

Franchise fees

The Group recognises revenue derived from its Country & Regional franchise operations on a straight-line basis over a period of time that the franchise agreement is in place, which is generally 10 years. This is the period of time over which the performance obligation is satisfied. Payment is received upfront upon signing the franchise contract.

The transaction price includes a variable price consideration for the possible transfer of franchise rights. This is unknown until and if the transaction is completed. Given the high uncertainty of this transfer, the transaction price for franchise contracts is not adjusted for these transferred franchise rights. Revenue from the sale of individual café franchises is recognised over time.

The Group recognises Franchise Fees derived from the franchise agreement entered by Triple Two Coffee at the point in time when The Group recognises the Territory Fee over a period of time that the franchise agreement is in place, which is generally 10 years. This is the period of time over which the performance obligation is satisfied. Payment is received upon signing the franchise contract.

Revenue from Contracts with Suppliers

The Group recognises revenue derived from supplier contracts relating to coffee supply purchases over the period of the contract.

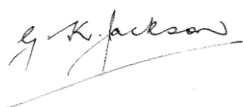
Regional Developer Agreements

The Group recognises revenue derived from regional development sales over the life of the contract, which is generally 10 years.

Other Revenue

Other revenue includes services to independent franchisees or third parties received by the Group.

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29 May 2025

(signed by) Authorised Officer of Listed Issuer

(date)