



NZX Release

1 July 2021

2021 Annual Report Delay and Waiver

Cooks Global Foods Limited (**CGF**) advises that it has applied for, and been granted, a waiver from NZX Listing Rule 3.6.1. The effect of the waiver is to give CGF until Monday, 2 August 2021 to file its annual report which would have otherwise been due on 30 June 2021.

The principal operations of CGF are based in the United Kingdom, including Triple Two Holdings Limited (**Triple Two**) which CGF acquired in June 2020 and now comprises a significant part of the group's operations. The United Kingdom has continued to have restrictions applied due to the COVID-19 pandemic. Those restrictions have caused CGF to be unable to complete its audit in respect of Triple Two.

The inefficiencies caused by COVID restrictions have meant that the significant work needing to be completed on Triple Two's audited accounts has not been able to be completed by the reporting deadline.

In the United Kingdom, listed companies continue to have certain class relief from periodic reporting deadlines in recognition of the challenges that the COVID 19 pandemic presents to completing reporting requirements.

NZ RegCo has granted this waiver on the conditions that:

- CGF otherwise complies with NZX Listing Rule 3.6.1 on or before Monday, 2 August 2021.
- CGF makes a market announcement containing the information set out in this announcement.
- CGF releases an announcement to the market if the financial information in the CGF full year 2021 preliminary announcement is likely to be materially adjusted as a result of audit completion for Triple Two.
- CGF advises the market of its expected date for releasing its annual report and keeps the market informed of any expected change in that date.

CGF anticipates releasing its annual report on Friday, 23 July 2021.

Audit Adjustments

CGF anticipates that in its final audited financial statements there will be material adjustments to the preliminary announcement financial statements released on 31 May 2021:

- Revenue recognition for Triple Two. IFRS 15 regulates the timing of when revenue is recognised in the statement of profit or loss. IFRS 15 is being applied to Triple Two for the first time and it is expected that revenue will reduce following the final application of IFRS 15 requirements. This is a non-cash adjustment.
- Reclassification and presentation of the financial statements relating to business combination accounting for the acquisition of Triple Two. These are non-cash adjustments that are expected to be made to the statement of financial position to account for the Triple Two acquisition.

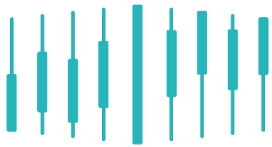
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NZ RegCo

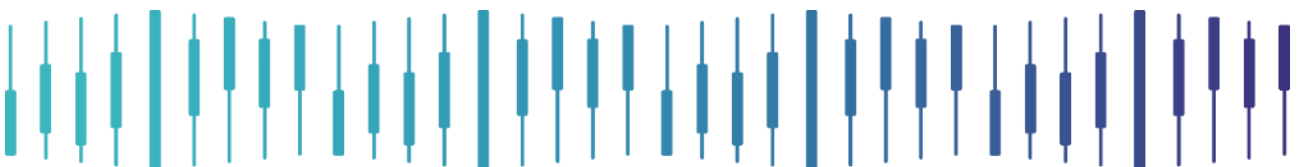
NZ'S LISTED
MARKET REGULATOR

01.07.2021

NZ RegCo Decision

Cooks Global Foods Limited (CGF)

Application for waiver from NZX Listing Rule 3.6.1



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The Rule to which this decision relates is set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 3.6.1

Decision

4. Subject to the conditions set out in paragraph five below, and on the basis that the information provided by Cooks Global Foods Limited (**CGF**) is complete and accurate in all material respects, NZX Regulation Limited (**NZ RegCo**) grants CGF a waiver from NZX Listing Rule 3.6.1 (**Rule**), to the extent that this Rule would otherwise require CGF to provide an annual report by 30 June 2021.
5. The waiver in paragraph four is provided on the conditions that:
 - a. on or before Monday, 2 August 2021, CGF:
 - i) prepares an annual report, which must contain all information required by all applicable laws and the Rules;
 - ii) delivers, subject to Rule 3.6.2, the annual report to NZX by release through MAP (including by URL link to the annual report on CGF's website); and
 - iii) makes the annual report available to each Quoted Financial Product Holder in accordance with Rule 3.6.3,
 - b. CGF releases a statement to NZX through MAP on 1 July 2021:
 - i) that contains an explanation of this waiver, the reasons for it and the conditions on which it is granted is disclosed in the announcement;
 - ii) to any extent that financial information in the CGF full year 2021 preliminary announcement is likely to be materially adjusted (as a result of audit completion for Triple Two), an announcement as to the particulars of those likely material adjustments to enable the market to understand and have notice of such material adjustments; and
 - iii) state when CGF expects to release its annual report for the period to 31 March 2021 to NZX through MAP. CGF must correct this statement if the expected release date changes.

Reasons

6. In coming to the decision to provide the waiver set out in paragraph four above, NZ RegCo has considered that:
 - a. The principal trading operations of CGF are situated in the United Kingdom which remains under lockdown restrictions due to COVID-19, creating practical difficulties in completing the accounting and audit processes for CGF's United Kingdom operations. Compounding those practical difficulties in completing that audit, CGF acquired the United Kingdom company, Triple Two Holdings Limited (**Triple Two**) in June 2020. Triple Two was previously a private company and its financial statements have not been audited before.

- b. The COVID-19 restrictions in the United Kingdom impaired the ability of the CGF group and United Kingdom-based auditors, and CGF's United Kingdom-based accountants, to physically work with Triple Two. CGF has been unable to send finance staff from New Zealand to support the audit work. This was compounded by significant inefficiencies due to the challenges of working remotely in differing time zones, which resulted in delays in the ability of CGF and Triple Two's accountants to provide necessary information to the United Kingdom auditors to complete the necessary audit work on time to meet the 30 June deadline for periodic reporting.
- c. The policy behind Rule 3.6.1 is to ensure that shareholders are provided with accurate, timely and reliable information about an Issuer.
- d. CGF submitted that despite the policy the waiver should be granted because:
 - i) it has no practical alternative to the waiver as its auditors have advised they are unable to complete its audit of Triple Two by 30 June 2021. Triple Two's results are material to the group financial performance and annual report, given the scope and scale of Triple Two's operations for the CGF group.
 - ii) CGF's auditor has investigated whether it could finalise the group audit with a disclaimer of opinion however, due to the materiality of Triple Two's results to the group financial results, an audit with a disclaimer of opinion could inadvertently result in misleading information being published to the market and poses a risk of confusing the market. If CGF were to release an annual report in this manner it would be unlikely to provide clear and reliable information.
 - iii) CGF will continue to keep the market informed throughout the waiver period until it has released its annual report in accordance with the condition at paragraph five above.
- e. NZ RegCo granted a class waiver last year as an acknowledgement of the practical difficulties that issuers faced in completing their periodic reporting obligations following the New Zealand lockdowns. Due to the COVID-19 restrictions in the United Kingdom faced by CGF's accountants and auditors in the United Kingdom and the materiality of the Triple Two acquisition, the policy of that class waiver still applies to CGF.
- f. The waiver is in line with other international regulatory decisions including in relation to the London Stock Exchange and the AIM Market in the United Kingdom, which have granted class relief to their listed and quoted issuers in 2021 to extend periodic reporting requirements to acknowledge the practical difficulties faced by issuers in meeting their reporting obligations under the United Kingdom COVID-19 restrictions.

Appendix One

1. CGF is a Listed Issuer with Equity Securities Quoted on the NZX Main Board.
2. CGF acquired Triple Two in June 2020. Triple Two franchises retail coffee outlets in the United Kingdom.
3. Triple Two has been a substantial component of the CGF financial performance for the year ended 31 March 2021 and is pervasive to the CGF group accounts as it represents over 50% of CGF's total assets.
4. Triple Two was previously a privately owned company and was not subject to audit or international financial reporting standards. Accordingly, CGF has had additional complexity involved with its 2021 financial year audit.
5. While CGF invested in extra resourcing with a view to meeting its periodic reporting deadline, including engaging a large United Kingdom accounting firm to provide accounting services to Triple Two, practical difficulties associated with the prevailing COVID-19 restrictions in the United Kingdom meant that CGF was unable to complete the audit of Triple Two for incorporation into the audited group financial statements and to release those audited financial statements to market on or before 30 June 2021.
6. Under United Kingdom COVID-19 lockdown restrictions, the auditors of Triple Two are currently working from home. Triple Two's external accountants were also unable to undertake site visits to compile relevant information to report to the auditors in the United Kingdom. This has led to delays in the process as the auditors and accountants would, in normal circumstances, spend time physically onsite to complete the audit process in an efficient manner. As the trading operations of CGF are materially offshore, foreign COVID-19 related restrictions offshore have had more of an effect on CGF than NZX listed issuers with predominantly domestic operations.
7. CGF intends to keep the market informed throughout the delay in its annual report to ensure that any material changes to its preliminary full year results are promptly released to market.

Appendix Two

Rule 3.6 Preparation and Delivery of Annual Reports

Rule 3.6.1 Each Issuer of a Quoted Equity Securities or Quoted Debt Securities must within three months after the end of each financial year:

- (a) Prepare an annual report, which must contain all information required by all applicable laws and these Rules, and
- (b) Deliver, subject to Rule 3.6.2, the annual report to:
 - i) NZX by release through MAP (including by URL link to the annual report on an Issuer's website) before or at the same time as it is made available to Quoted Financial Product holders, and
 - ii) Each Quoted Financial Product holder in accordance with Rule 3.6.3.