



NZAX AND MEDIA RELEASE

15 August 2018

Cooks reaches conditional agreement to acquire Mojo Coffee Cartel

Cooks Global Foods (NZAX.CGF) is pleased to announce it has today entered into a conditional agreement to acquire 100% of the shares in Mojo Coffee Cartel (Mojo) in a transaction that values the business at \$19 million (subject to adjustments for net debt and movements in working capital), to be paid through a combination of cash and shares.

Cooks Executive Chairman Keith Jackson says the Mojo acquisition will be transformational.

“Mojo is a well-established, popular, profitable business with a highly-successful brand with a network of 36 cafes in Wellington and Auckland. It has the potential to boost our international growth ambitions, particularly in the US, where it has already established a strong presence in Chicago with increasing customer awareness and American’s developing taste for good coffee,” Mr Jackson said.

Following the acquisition, Mojo will retain its brand and people with Steve Gianoutsos, the co-founder of Mojo, and executives Katy Ellis and John Holloway joining Cooks’ senior management team while continuing to run the Mojo business. Cooks plans to focus on Mojo’s growth in the United States’ market and on driving its continued expansion there, initially in Chicago where Mojo has one existing store, a pantry and coffee roastery. It is intended that expansion in the US will be led by Steve Gianoutsos.

Steve Gianoutsos says the new deal represents an exciting opportunity for the Mojo family.

“Since we started Mojo in Wellington 15 years ago, it has grown significantly and is now a highly recognised brand synonymous with great coffee. This has largely been down to the people who work in Mojo stores and the great customer experience in our stores.

“Cooks’ international presence brings some great opportunities where staff may go and work in places like Ireland or the Middle East and Asia.

“For our staff in New Zealand they can expect to get the same Mojo development and training that they’ve come to enjoy as well as the creation of new roles. We aren’t planning any job losses for anyone in our Mojo family.

“Customers in our New Zealand stores can continue to expect the same great service, the same great coffee and the same great Mojo experience.

“We think Cooks is going to be really good for us in helping expand Mojo. Their experience in international markets and strategy to look globally is going to get our international

expansion really firing; it's something we've been pushing for some time. I've been working in the flagship Chicago store and we're going to look to push out into the US and beyond."

"Cooks record of having successfully established the Esquires Coffee Organic and Fairtrade brand around the world gives Mojo some strong experience to benefit from, it's going to be great working with them."

The acquisition, which is subject to the conditions being satisfied, will give Cooks a New Zealand presence and significantly enhance its scale. It will extend Cooks' global store network to 142 stores and accelerate its transition to generating positive cashflow.

Keith Jackson added: "We expect it to provide a lift to Cooks' earnings, free float, and market capitalisation. This, coupled with Cooks' well-signalled plan to move to the NZX Main Board, have the potential to increase our market liquidity and broaden the company's investor base. We are working hard to bring this transaction to fruition and are looking forward to Mojo joining the Cooks family of brands."

Concurrent with the acquisition, and in order to fund the cash component of the purchase price, Cooks intends to seek new capital. The pricing and structure for this capital raise is yet to be confirmed but will likely take the form of a renounceable rights issue. Cooks will make further announcements in this respect once a final decision is made.

Key Transaction Terms

Under the terms of the acquisition, Cooks will satisfy the purchase price by paying approximately NZ\$11.7 million in cash and by issuing approximately \$2 million of ordinary shares in Cooks to Mojo's shareholders (at an issue price yet to be determined). Cooks will assume debt in Mojo of up to \$5.3 million.

The acquisition is conditional on:

- (a) Cooks arranging finance of at least NZ\$11.7 million to purchase the shares in Mojo;
- (b) Mojo obtaining necessary change in control consents and agreeing a lease variation;
and
- (c) The Mojo group's audited consolidated financial statements for the 12 month period ended on 31 March 2018 being completed and in an acceptable form to the parties.

The conditions must be satisfied by 24 October 2018 (unless the parties agree otherwise). If the conditions are not satisfied by that date then either Cooks or Mojo can terminate the transaction.

The anticipated completion date of the acquisition is 31 October 2018.

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About Mojo Coffee Cartel:

Founded as a boutique roastery café in Wellington by Steve and Julie Gianoutsos in 2003, Mojo Coffee is now one of New Zealand's most experienced independent coffee roasters and café operators. Starting from humble beginnings on Wakefield Street, it has grown to now operate 36 cafes in New Zealand and a café, pantry and roastery in Chicago. It also has 4 licenced stores in Japan and 2 in China. For more information visit: www.mojo.coffee

About Cooks Global Foods:

Cooks Global Foods operates in world markets and is listed on the NZAX market operated by NZX Limited in New Zealand under the code CGF. It owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Cooks currently operates or franchises Esquires Coffee in Canada, the United Kingdom, Ireland, Bahrain, Kuwait, Saudi Arabia, UAE, Indonesia, Portugal, Romania, Pakistan, Jordan, and China. It also owns Scarborough Fair tea, and Grounded Coffee. For more information visit: www.cooksglobalfoods.com