



**NZX Announcement**

19 June 2020

### **Acquisition of Triple Two Coffee**

Cooks Global Foods Limited (NZX:CGF) is pleased to advise that it has today closed an agreement to acquire Triple Two Coffee Holdings Limited in the United Kingdom.

### **About Triple Two**

Triple Two Coffee franchises 13 cafes in the UK and has been one of the most highly recruited franchises in the UK since the start of 2019. Triple Two currently operate across a number of regions in the UK, with the initial flagship store opening in Swindon in August 2016. They now have several sites trading in major towns, cities and shopping centres across the UK, such as London, Colchester, Oxford, Cheltenham, Cirencester and Hove. Due to the demand the brand has seen, there is currently a pipeline of 15 sites expected to open by the end of 2020, despite the COVID 19 pandemic, the next being in Manchester.

Triple Two originated from seeing an opportunity in the market to create a brand where customers can enjoy quality coffee alongside freshly prepared grab and go style food in a relaxing, modern and unique environment.

David Hodgetts, Co-Founder and Managing Director of Triple Two Coffee commented on the acquisition by Cooks Global Foods.

“The board of Directors have been working with the Cooks Global Foods board for 12 months to secure this transaction. All through this period the chemistry between the 2 organisations has been exceptional and a major reason this was completed even during these challenging COVID 19 times.”

“The Triple Two board recognised the strong synergies between the organisations which together make a fabulous combined business. The exciting brand of Triple Two now has the backing of a larger organisation from the industry which will enable us to go from strength to strength with part of the acquisition ensuring that all the Directors will continue driving the business for years to come.”

“The Triple Two model is to create a business that gives customers an experience where they can get great coffee and fantastic food. We will also look to accelerate our focus in our 'cafe bar' style sites, retail range, online coffee subscriptions and international expansion, with our first unit in Paris anticipated to still open this year.”

More information can be seen on the website [www.tripletwocoffee.com](http://www.tripletwocoffee.com).

### **Purchase Price**

The purchase price for Triple Two Coffee is 7.25 times the highest EBITDA achieved by Triple Two Coffee in any of the calendar years of 2019, 2020, 2021 or 2022 (subject to working capital adjustments).

In 2019 Triple Two Coffee achieved an EBITDA of NZD\$1.029m representing a base purchase price of NZ\$7.464m. 90% of this base purchase price has been settled today through an issue of 101,853,883 ordinary shares in CGF at an issue price of \$0.0655 per share. A capital change notice accompanies this announcement.

EBITDA will be calculated for each calendar year going forward and any increases in the purchase price will be payable to the vendors in cash on or around 31 March of the year following. Only in limited circumstances will any further CGF shares be issued towards the purchase price.

The management team of Triple Two will remain in the Triple Two business to drive its growth and expansion into continental Europe. The management team have agreed to not sell or dispose of the CGF shares they have received for a period of twelve months from completion. This applies to approximately 95% of the shares issued today.

### **Benefits of the Acquisition**

This acquisition complements CGF's existing Esquires core business in the United Kingdom taking the number of stores owned or franchised to 57 today.

CGF Chairman Keith Jackson commented that: "Triple Two has seen strong growth through attractive branding, a well-developed franchise system and an excellent management team. This acquisition lifts our scale in the United Kingdom and enhances our growth prospects for Europe through our preferred franchising model"

"While all retail operators have been affected by the COVID-19 pandemic, which will weigh on earnings this year, there has been generous UK Government support and neither CGF nor Triple Two has needed to permanently close any cafés during the pandemic. We believe this acquisition positions us strongly for growth as the retail environment emerges from the effects of the pandemic"

### **Contact:**

Keith Jackson

Executive Chairman

Tel: +64 9 304 0567 ext. 714.

Email: [keith.jackson@cooksglobalfoods.com](mailto:keith.jackson@cooksglobalfoods.com)

### **About Cooks Global Foods**

CGF operates in world markets and is listed on the NZX 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). CGF currently operates or franchises Esquires Coffee outlets in the United Kingdom, Ireland, Portugal, Bahrain, Kuwait, Syria, Saudi Arabia, Jordan, Pakistan, Indonesia, Canada and China. For more information visit: <https://www.cooksglobalfoods.com>.