



NZAX & Media Release

17 November 2016

Cooks Global Foods launches \$6 million capital raising

Planned issue of Redeemable Convertible Notes to Wholesale and Eligible investors¹; funds targeted to grow the Esquires Coffee network, primarily in China and extend the group's working capital facilities

Cooks Global Foods (NZAX:CGF) today launches a wholesale offer to raise \$6.0 million to fund the growth of its Esquires Coffee House network, primarily in China, and provide Cooks with working capital.

The company is seeking expressions of interest from Wholesale Investors and Eligible Investors to subscribe to minimum parcels of \$50,000 of Redeemable Convertible Notes (RCNs). The RCNs will pay a 9% per annum coupon for a term of three years and are redeemable for cash or convert into ordinary shares. An investor presentation setting out the key terms of the offer is attached.

Cooks, which owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide, excluding New Zealand and Australia, is seeking \$6.0 million through the offer, with the ability to accept over subscriptions of up to \$4.0 million.

Cooks Executive Chairman Keith Jackson said: "Esquires Coffee is enjoying vigorous growth as it benefits from strong regional partnerships and the evolution in café culture from international brands to artisan-style, independent and Fairtrade & Organic coffee specialists.

"In the year to 30 September 2016, the Esquires Coffee international store network grew constant currency² sales by 13.0% to \$20.4 million, up from \$18.0 million in the same period of the prior year. Esquires' international network sales are a leading indicator of the revenue Cooks generates from design fees (new stores) and recurring sales from royalties, coffee, product and other retail sales.

"With the support of the capital raised in this offer, we see significant opportunities to accelerate growth in the year ahead. In the year to 30 March 2017, we expect to extend our network to 100 stores from 90 stores at the end of September 2016.

¹ Please note disclaimer and details of investor eligibility on page two of this release

² To remove foreign exchange fluctuations, current and prior period sales and transaction values are calculated using a moving average exchange rate for the 12 months to 30 September 2016.

“Meanwhile, we are targeting the network to grow to 140 stores by the end of the 2018 financial year. We also expect the trading performance of the entire network to benefit from a programme of store refurbishment in line with Esquires’ Organic & Fairtrade brand values.

“We are particularly excited about the potential for Esquires in China, where we are supported by strong regional partners, including our 25% shareholder Jiayayue Group (JJY), our 13% shareholder Yunnan Metropolitan Construction and Investment Group (YMCI) as well as our joint venture partner in the Hunan province BuBuGao (Better Life Group, BBG).

“JJY and BBG, with whom we are developing Esquires Coffee Houses in joint venture arrangements, are both among the top 30 retailers in China. In total, they operate more than 1,000 supermarkets as well as shopping malls, convenience stores and hotels and they employ nearly 100,000 staff. YMCI, a 13% Cooks shareholder, is meanwhile a major property development concern, majority owned by the Yunnan Provincial government.

“In addition to providing capital, these partners are helping Cooks source properties for the Esquires network and providing the on-the-ground knowledge and contacts essential for success in China,” Mr Jackson said.

Offer timetable and key terms:

Security:	RCN in Cooks Global Foods Limited
Face value:	The RCNs have a face value of NZ\$1 each.
Offer size:	\$6 million with the ability to take oversubscriptions of up to \$4 million
Use of Funds:	To fund growth projects primarily in China and for working capital
Coupon:	9% per annum for 3 years
Minimum application:	50,000 RCN
Offer dates:	Opens 18th November 2016 and closes 16th December 2016
Ranking	Unsecured but rank ahead of ordinary shares

Wholesale and eligible investors can register interest at: <http://cooksfood.co.nz/cgf2016offer>

Disclaimer:

This investment opportunity is not an offer of financial products to retail investors for the purposes of the Financial Markets Conduct Act 2013 (“FMCA”). There is no product disclosure statement available. Accordingly, there are not the same disclosures or levels of protection available as under a retail, regulated offer. Any offer will only be made by way of an accepted Note Application Form (“Application”) provided that Cooks Global Foods Limited (“CGF”) is satisfied at its sole discretion that the proposed investor is a wholesale investor within the meaning of the FMCA; or otherwise comes within the requirements of Schedule One to the FMCA so that an offer of financial products to them shall not constitute a regulated offer under the FMCA. A term of the Application will be that wholesale investor safe harbour certificates (or other applicable certificates) will be required so that CGF can verify an investor’s status.

For further information:

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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 Houses in the United Kingdom, Ireland, Canada, the Middle East, South East Asia and China. Related businesses within the group include New Zealand-based supply companies Progressive Processors and Scarborough Fair, which supply product into both Esquires Coffee stores and other third party customers. For more information visit: www.cooksglobalfoods.com