



Second Cup Announces Closing of Debt Exchange Transaction with SPE Finance LLC

MISSISSAUGA, ON, August 10, 2017 /CNW/ - The Second Cup Ltd. (TSX: SCU) (Second Cup or the Company) is pleased to announce that it has closed its previously-announced debt exchange transaction with SPE Finance LLC (SPE) and its four shareholders.

SPE, an affiliate of Serruya Private Equity, and its shareholders have exchanged SPE's \$8.0 million secured term loan for a total of 4,210,528 common shares of Second Cup at a price of \$1.90 per common share in full satisfaction of the term loan. After giving effect to the debt exchange, each of the four SPE shareholders now holds approximately 6.9% of the outstanding common shares of Second Cup (including common shares currently held by them), or approximately 7.2% assuming the exercise of the warrants distributed to them.

After completing this transaction, Second Cup is now debt-free with approximately \$3 million in cash and close to \$1 million in reduced annual expenses. This provides Second Cup with a much improved financial foundation, upon which to build for the future.

Second Cup is also pleased to announce that Michael Serruya and Aaron Serruya have been appointed to the board of directors of the Company as the nominees of the SPE Shareholders.

About Second Cup Coffee Co.TM

Founded in 1975, The Second Cup Ltd. is a Canadian specialty coffee retailer operating over 290 franchised and company-owned cafes in Canada. The Company's vision is to be the coffee brand most passionately committed to quality and innovation. For more information, please visit www.secondcup.com or find the Company on Facebook and Twitter.

For further information: Ba Linh Le, Chief Financial Officer, (905) 362-1827 or investor@secondcup.com.

About Serruya Private Equity

Serruya Private Equity Inc. (SPE) is a Toronto-area based, family managed group that invests capital in a broad range of asset classes, with an emphasis on retail and real estate. SPE's principals have a heritage of experience developing brands and its affiliates currently include global brands Yogen Frusz, Pinkberry and Swensens, with over one billion dollars of worldwide system revenue.

For more information please contact info@serruyaequity.com

Forward-looking information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect," "intend", "plan", "will", "may" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the benefits of the debt exchange and the impact of the debt exchange on the Company's strategic plan and transformation. The forward-looking statements in this news release are based on certain assumptions, including that the Company will be able to execute its plan, including store growth in traditional and non-traditional channels. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the Company's annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances.