



## **The Second Cup Ltd. Announces \$8 Million Secured Term Loan with Affiliate of Serruya Private Equity**

MISSISSAUGA, ON, December 5, 2016 /CNW/ - The Second Cup Ltd. (TSX: SCU) announced today that it has entered into a 4 year, \$8 million secured term loan with SPE Finance LLC, an affiliate of Serruya Private Equity (SPE). Proceeds from the term loan will be used to repay the Company's existing \$6 million credit facility and for general corporate purposes.

This term loan carries an interest rate of 10% and includes warrants to purchase up to 600,000 common shares at a strike price of \$2.75 per share. In addition, the Company has agreed to nominate a nominee from SPE to sit on its board of directors

"We considered a number of alternatives along with the special committee and we are very pleased to have selected Serruya Private Equity," said Ms. Barbara Mallon, Vice President of Finance and CFO. "This financing enhances our financial capacity to support the implementation of our strategic plan. The Serruya family has a tremendous track record in franchising and we look forward to benefiting from their expertise."

"We are excited to be investing with Second Cup, an iconic Canadian brand" said Michael Serruya, Managing Director at SPE. "This investment capitalizes on our experience and we look forward to helping to build Second Cup in the future."

The special committee has fulfilled its mandate and is no longer required. The Board of Directors will continue to pursue opportunities in the shareholders' best interests.

### **About Second Cup Coffee Co.<sup>TM</sup>**

Founded in 1975, The Second Cup Ltd. is a Canadian specialty coffee retailer operating over 295 franchised and company owned cafes. 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](http://www.secondcup.com) or find the company on Facebook and Twitter.

For further information: Barbara Mallon, Chief Financial Officer, (905) 362-1824 or [investor@secondcup.com](mailto:investor@secondcup.com).

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## **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](mailto: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 SPE credit facility and the facility's impact 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 implement its strategic plan prior to the maturity of the SPE credit facility. 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](http://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.*