



Hamburg, June 29, 2017

Balzac Coffee agrees to be acquired by Espresso House

The owners of Balzac Coffee announced today that they have entered into an agreement for Espresso House to acquire the company. Existing management will continue to operate the company.

Balzac Coffee, founded in Hamburg in 1998, is one of Germany's premier gourmet coffee outlets/brands, serving customers with high-quality Barista handcrafted coffee from 43 retail locations. Espresso House has become one of the leading coffee shops in the Nordics, serving over 90,000 guests per day across over 310 shops. With support from Espresso House, Balzac Coffee will have a clear focus on continued growth and expansion in Germany. The company will continue to operate from its headquarters in Hamburg under its existing management team. Espresso House intends to pay for the transaction using existing cash and available facilities.

Klaus Droste, Chairman of Balzac Coffee's Advisory Board and a major shareholder said: "We are very excited about this next chapter in Balzac's rich history, which started in 1998, when Vanessa Kullmann founded the company in Hamburg. It is clear that Espresso House shares our deep commitment to hospitality and world-class coffee and espresso, and culturally will be the right fit for our company and our employees as we pursue further growth throughout Germany and continue to provide an unparalleled coffee experience."

"We are thrilled to have Balzac Coffee join our portfolio of leading premium coffee retailers across Europe," said John Nylen, CEO of Espresso House "Balzac has emerged as the leading branded coffee shop chain in Germany, represented in key locations with strong brand identity and impressive culture. Together with Balzac's accomplished management team, we are excited to serve as a strategic partner to accelerate the Company's growth throughout the region."

Espresso House is one of the leading branded coffee shop chains in the Nordics and currently operates over 310 retail locations across Sweden, Norway, Finland and Denmark.



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Balzac Coffee is a leading German coffee shop brand, founded by sisters Vanessa Kullmann and Natalia Preston. Established as a single shop in the Colonnades in the center of Hamburg, Germany in 1998, the brand has grown to 43 locations across Germany today. Inspired by the French writer Honoré de Balzac's obsession with coffee, Balzac Coffee and its over 500 employees have pioneered Germany's to-go coffee market, offering world-class coffee, espresso and food products. Inspired by a stay in the USA, they developed the idea of a completely new coffee bar concept in Germany - challenging and individual. At the same time they also made the coffee "in hand" in Germany fit for society and thus prepared the way for the "To-Go" mentality.

Espresso House is one of the leading branded coffee shop chains in the Nordics, established by Charles and Elisabet Asker in Lund, Sweden in 1996. Inspired by Italian coffee culture and the American cafe tradition, Espresso House is today the largest coffee shop chain in the Nordics with over 310 coffee shops across Sweden, Norway, Finland and Denmark. Espresso House is majority owned by JAB Holding Company.