REPORT OF INDEPENDENT AUDITOR ON AUDIT OF FINANCIAL STATEMENTS AS AT 31 MARCH 2016

Accounting unit subject to audit of financial statements as at 31 March 2016:

COFFEE DAY CZ a.s.

Malátova 543/9

Praha 5 - Smíchov

Identification Number: 271 05 741

Audited period:

1 April 2015 to 31 March 2016

Report creation date:

18 May 2016

Recipient:

- management of the accounting unit,
- the report is intended for the shareholders of the accounting unit.

Audit firm:

CCS Audit, s.r.o., Konviktská 291/24, Prague 1, Certificate of the Chamber of Auditors of the Czech Republic No. 417

Auditor:

Ing. Marie Křivdová, Konviktská 291/24, Prague 1, Certificate of the Chamber of Auditors of the Czech Republic No. 2250

Number of pages: 3

Distribution list:

- 1 copy of the Auditor's Report is intended for the management of the accounting unit,
- 1 copy will be kept on file by the auditor.



Page Nr. 1 (in total 3 pages)

CCS Audit, s.r.o., Konviktská 291/24, Prague 1, Identification Number: 26754746

CCS Audit

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I. Subject and Scope of Audit

We have carried out the audit of the accompanying financial statements of COFFEE DAY CZ a.s., Identification Number: 271 05 741, which comprise the balance sheet as at 31 March 2016, the income statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes. Information about COFFEE DAY CZ a.s., Identification Number: 271 05 741, is presented in Note 1 to these financial statements.

II. Statutory Body's Responsibility for the Financial Statements

The statutory body of **COFFEE DAY CZ a.s., Identification Number: 271 05 741,** is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

III. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion IV.

In our opinion, the financial statements give a true and fair view of the financial position of COFFEE DAY CZ a.s., Identification Number: 271 05 741, as at 31 March 2016, and of its financial performance for the year then ended in accordance with Czech accounting regulations.

Other information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements the company COFFEE DAY CZ a.s., Identification Number: 271 05 741, does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information is not materially inconsistent with the financial statements the company COFFEE DAY CZ a.s., Identification Number: 271 05 741, or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

CCS Audit, s.r.o. Konviktská 291/24 110 00 Praha 1 c. oprávnění KAČR 417 IC: 26754746

ces audut, s.c.o.

CCS Audit, s.r.o.

Certificate of the Chamber of Auditors of the Czech Republic No. 417

Ing. Marie Křivdová

Certificate of the Chamber of Auditors

of the Czech Republic No. 2250

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BALANCE SHEET

asat...31.03.2016....

in thousands CZK

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Business name		
COFFEE DAY CZ	i La están eje koran	
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Registered office		
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			Cı	irrent accounting period	Previous account. paried	
ident.	ASSETS	line	Gross	Adjustments	Net	Nello
	TOTAL ASSETS A.+B.+C.+D.L	001	58 502	-40 084	18 438	15 428
		003	47 850	-39 339	8 511	6741
B.	The state of the s	040	47 640	-30 530	8 5 11	6 731
B:II.	A Company of the Comp	015	15 192	-10 431	4 761	2 141
B.II, Z.	Buildings and structures help (21) (-)081, (-)092AU Machinery, equipment, vehicles, flutures and fittings only 922, (-)082, (-)092AU	046	24 273	-23 152	1 121	1 236
3.11.3.	and the second s	040	102		102	102
B.II.6.	Other tangible fixed assets & try 029,032 (-)089, (-)092A0	กวก	775		775	0
B.It.7.	Tanglible fixed assets under construction acty p42, (1994	022	7 508	-5 756	1 752	2 252
B.H.9.	Valuation differences to acquired assets (+/-) usy (+/-j097, (+/-j097)	023	0		i i	10
B.UL.	Financial assets B.III.1++B.III.	noc	0		0	10
B.III;3,	Other securities and investments also 663, 055, 1-1986AL	031	0 8/1	-725	9.000	0 140
C.	CURRENT ASSETS CLOCAL-CARACTER CARACTER	032	1 295		1 291	1 261
C.I.	INVENTORIES CLI+CL	037	1 205		1 295	1 26
C.I.5.	Goods use 131, 132, 139, (-)10	030	4 973		4973	8 191
C.II.	Long-term raceivables C.fl.t+_+C.fl.	035	4 973		4 973	5 19:
C.II.5.	Long-term-advances aby 314AU, (-)39	048	2 391	-725	1 501	2 04
C III.	Short-term receivables C.III.1+ +C.III.	040	1 772	-695	1 077	79
C.III.1.	Trade receivables Gaty 311AU, 312AU, 313AU, 315AU, (-1391A)	055	505	-19	480	31:
C.III.7.	Short-lern advances (2) 314AU, (-)39	1	0	and the second s	يتعسمك مدرد ويويون بقدمة بالدينيويين	78
C.III.B.	Estimated accrued revenues		114	-11	103	14
C.III.9.	Other receivables, 335AÚ, 371AÚ, 373AÚ, 374AÚ, 375AÚ, 378AÚ, 378AÚ, 1-391Aí		1 152		1 15	63
C.IV.	Current financial assets C.IV.1++C.IV	7			20(
C.IV.1.	Cosh útty 211, 213, 26		200		95	Annual Control of the
C.IV.2.	Sank accounts účky 221AÚ, 26	1	952			
D.I.	Prepayments and accrued income 2.11+03		841		78	
D.I.1.	Prepaid expenses usty 35	3	780	and the same of th	6	
D.I.3.	Accrued income účty 38	066	61			

		PLES	line	Current accounting period	Previous account, period	
ident.	LIABILITIES			Net	Netto	
was was a series	TOTAL LIABILITIES AND EQUITY	A.+B.+C.	001	18 438	15 426	
٨.	Equity	A3+A.IL+A.IIL+A.IV.+A.V.1+A.V.2	002	46 894	-47 560 26 000	
Ail.	Subscribed capital	ALI+_+AIx	803	26 000	26 000 26 000	
4,1.1,	Subscribed capital	áčly 411 auto 491	004	26 000	26 000 38 674	
A.H.	Capital reserves	Allendalix	007	87 084	36 674 38 674	
4.II.2.	Other reserves	pēty 413	009	57 064	30 07 -	
A.III.	Reserves, indivisible reserve and other revenue reserves	A11.14. +A.10.X	014	400	409	
A.III.1.	Lagal reserve fund	1)61/421, 422	015	409		
A.IV.	Retained earnings	A.IV.1++A.IV.x	017	-112 843	-93 123	
A.IV.2.	Accumulated losses of previous years	úchy (-)429	019	-112 643	-93 123	
A,V.1	Profit / loss of current accounting period	ARTYS - A.1. A.HA.HA.IV -BCA.V.2	021	-10 424	-19 520	
8.	Liabilitles	B.1+B.H.8+M.B.W.	022	83 (8)	61 500	
	Provisions	811+_+81x	023	491	542	
B.I.4	Others provisions	ūčty 459AÚ	027	496	542	
B.(II).	SHORT-TERM LIABILITIES	8.III.1+ .+8.III.4	039	11 006	9 197	
B.III.1	Tracti payables	Geb 32 Tatu. 322, 325, 478au, 478au	040	8 389	4 413	
B.III.5.	Payables to employees	0A975, EEE, 131, 132, 179AU	044	1 330	1 059	
B.III.6.	Payables to social security and health insurance	38y 336AU. 479AU	045	628	599	
B.III.7:	Government - tax payables and subsidies	úch 341, 342, 343, 345, 348, 347	046	398	713	
6,N.8.	Short-term advances received	08ty 324, 475AU	047	14	22	
B.III.10.	Estimated accrued items	ich sheat	049	819	2 375	
B.III.11.	Other payables	DARTE DARTE DARTE DARTE DARTE DARTE WAS	050	78	16	
a.IV.	Bank loans and borrowings	B.W.1* *B.W.X	081	51 001	81 76 1	
B.IV.2.	Short-lerm bank loans	95ly 221AÚ, 231, 232AÚ, 861AÚ	053	51 001	51 761	
C.I.	Accruals and deferred incoms	CLI++CLX	055	879	1 480	
C.I.1.	Accrise expenses	ú2y 383	056	202	468	
C.1.2.	Deferred Income	úðly 384	057	677	1 021	

Date of compilet 04.05.2016	Signature of statutory bodytor natural person
Legal form ahalová spoločnosť	Ved Malhotra, člen představenstva
Entrepreneurial activity	
horinaká činnost	
Comment:	
The state of the s	

	PROFIT AND LOSS STATEMEN	T
	FRACTI AND LOSS STORY	gusiness name
	asat. 31.03.2016	COFFEE DAY CZ
	From 1/4/3016 To 31/3/2016	A.S. Carlos and A. Carlos and
	In thousands: CZK	Registered office
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Sheet.		

				Values in accou	in accounting period	
Ident.	PROFIT AND LOSS STATEMENT		tine -	Current accounting period	Previous account, period	
		6619 BD4	001	50 546	54 836	
	Sales of goods	909 504 2814 504	002	12 083	13 234	
	Costs all graduated		003	31 461	41 602	
• 	Sale margin	.A.1	1004	1318	1813	
l <u>.</u>	Production	43424242	005	1 518	1 613	
.1.	Product site service reverse	wty 801, 802	008	28:000	32 296	
3.	Consumption (TATE : INCLUDING)	A1474X	009	4 207	4 771	
1.1.	Constitution of malacal airc energy	00 y 00 40 50 50 50 50 50 50 50 50 50 50 50 50 50	810	24 492	27 464	
3,2.	Subvices	099311,512,513.818	011	11 282	10 980	
+	Velue added	1.4.4.4	012	\$2 500	23 789	
	Spilestate	015,455	013	16 404	17 515	
C.1.	Wagin softwarfer	Wily 627 574	018	5 550	5 658	
C.3,	Social security and resisting transcentions	<u> </u>	016	635	616	
C.4.	CUMER EXPLORATION	10 SER. SE	617	72	14	
D.	Faces and fields	08fy \$31,892,838		3 144	3 350	
E.	Copyright of an order of	PARTIES.	019	100	1 /33	
ili.	Proceeds on fixed assets and meteral	10.1.3 <u>40.3.</u>		114	1 133	
111.1.	Propedition sale of flood passis	NAMES .	020	76	0	
ijř.2,	Properties on pain of material	ucty 842	021	, and the second second	500	
F.	Not brook visite of from almosts and material solid	Easter.	022	9	609	
F.1,	Stall Spoon visiting of Expeditionals (ICM)	(dyse)	029	-1 173	-262	
G.	Charges in providences and equapments relating to containing as symmetric providences.	Mite San Tiefer In Volunteers (n. 1998)	025	330	1 353	
IV.	Other consuling licome	96ty 844, 846, 848	026	2 580	4 356	
H.	Direction states are seen	účly 543, 544, 845, 545, 843, 549		2 300	-18 390	
· #	Profit/loss from operating activities	Value added+III.+IV.+VC-EFE-F-Q-H-I	030		1 125	
N.	traccet appoint	bg/2425		1 323	609	
XI,	Other Spendal revenues:	uely 663, 687AU, 688	044	942	614	
 O.	Cities (enoticle) accesses	051/385 587AC 588 589		624	-1 13	
	Profit/loss from financial activities	VI +VII.+VIII.+IX.+XXI.+XIIIXIIIIIIIIOP.	048	4 008	-19 52d	
**	Profit/loss from ordinary activities	the state of the s	052	-18 824	-19 52	
***	Profit/loss for the period	***** T	060	110 424		
4984	Profit/ioss before tax	•	061	-10 424	-19 52	

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PROFIT AND LOSS STATEM	ENT	line	Current accounting partod	Previous account, period	
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Date of compilet 04.05.2018			statutory bodylor natural person	And the state of t	
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Comment:		ķ		en e	

CCS Audit, s.r.o. Konviktská 291/24 110 00 Praha 1 č. oprávnění KAČR 4 IČ: 26754746

CHA	NGES IN SHAREHOLDERS EQU	ITY
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	asal. 31.03.2016	COFFEE DAY CZ
	From 1.4.2015 To 21.3.2016	A STATE OF THE STA
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·		line.	Values in acco	And the second s
ldent.	CHANGES IN SHAREHOLDERS EQUITY	line	Current accounting period	Previous account, period
	E-Representation (complete in Companies in register with	ed (411)		
		001	26 000	26 000
.1,		004	28 000	28 000
.4.	Chaing balance C. Stownstee capital (A. 44.8), with constant	1252		
		UK99	20 000	28 000
3.1.	Opening balance A, +/- B.	014	26 000	26 000
C(6,	Closing balance A. +/- B. incl. (252) Cl. + C.5.			
	E (App deserve) (1-1)	019	409	409
E. 1.	Opening balance	022	208	406
.4.	Closing balance	U.L.		
	G. Gudil/ nostres (413)	1	38 674	21 110
G.1.	Opening balance uces 413	027	18 390	17 564
G.2.	INCIGES	028	L	30 57
G.4.	Closing balance	030	57 004	
	2 Double from an experience (All 8 - analytic		440.040	-93 123
J.1	Opening balance 65y 429 + 431	039	-112 643	-93 123
	(C Profit four for the period after to x			40.00
K.3.	Decrease	049	16 424	19 520
K.4.	Closing balance	050	-16 424	×19 520
n.4.	Spoils to board (seatth product of the K)			-
	2 20 20 20 20 20 20 20	051	47 560	-45 60
K.1.	Opening balance <u>C.1.+D.1.+E.1.+F.1.+G.1.+H.1.+J.1.+J.1.+K.1.</u>	052	18 390	
X.2.	Increase A2+82+C3,+D2+E2+E2+G2+H2+12+J2+J2+K2.	053	16 424	19 62
X.3.	Decrease A3+B3+C4+53+E5+F3+G3+H1+I3+J3+JI3+K3	054	-45 594	.47 88

Dale of compilat 94.95.2016	Signature of statutory bodytor natural person
Legal form Ricciava spolecnost	Ved Malhotra, člen představenstva
Entrepreneurial activity hostinské činnost	The second secon
Comment:	We have the second of the seco