

The Second Cup Ltd.

Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS

The following table sets out selected IFRS and certain non-GAAP financial measures of the Company and should be read in conjunction with the Unaudited Condensed Interim Financial Statements of the Company for the 13 and 26 weeks ended June 27, 2015 and June 28, 2014.

(in thousands of Canadian dollars, except same café sales, number of cafés, per share amounts, and number of common shares.)	13 weeks ended		26 weeks ended	
	June 27, 2015	June 28, 2014	June 27, 2015	June 28, 2014
System sales of cafés ¹	\$43,715	\$45,829	\$86,890	\$89,759
Same café sales ¹	(3.2%)	(5.0%)	(2.2%)	(5.9%)
Number of cafés - end of period	337	357	337	357
Total revenue	\$9,420	\$6,435	\$18,434	\$13,059
Operating costs and expenses	\$9,427	\$6,824	\$18,372	\$13,221
Operating income (loss) ¹	(\$7)	(\$389)	\$62	(\$162)
EBITDA ¹	\$334	(\$113)	\$753	\$380
Net loss and comprehensive loss	(\$72)	(\$390)	(\$148)	(\$334)
Basic and diluted loss per share as reported	(\$0.01)	(\$0.04)	(\$0.01)	(\$0.03)
Total assets - end of period	\$50,457	\$74,434	\$50,457	\$74,434
Number of common shares issued and outstanding - end of period	12,830,945	9,903,045	12,830,945	9,903,045

¹See the section "Definitions and discussion on certain non-GAAP financial measures" for further analysis.