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VELKÁ PECKA S. R. O.
PRAGUE

R E P O R T

**ON THE AUDIT
OF FINANCIAL STATEMENTS
AS AT 30 APRIL 2020**



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- **Independent Auditor's Report**
- **Annual Report for the period 01.05.2019 – 30.04.2020**
- **Financial Statements for the period 01.05.2019 – 30.04.2020**

The electronic version of this document can be deemed as reliable and legally binding only if accompanied by a qualified auditor's certificate. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders

VELKÁ PECKA s. r. o.

Limited liability company with registered capital of CZK 344.878,00

Registered Address: Sokolovská 100/94, Karlín, 186 00 Praha 8

Company Identification Number (IČ): 030 24 130

Auditor's Opinion

We have audited the accompanying financial statements of VELKÁ PECKA s. r. o. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, showing a balance sheet total of 979 748 thds. CZK and a profit of 38 136 thds. CZK. These financial statements comprise the balance sheet as at 30 April 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 April 2020 and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information presented in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. Managing Director is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material aspects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgements made on the basis of the other information.

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Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material aspects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, that the other information does not contain any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Managing Director (hereinafter also "Company's statutory body") for the Financial Statements

Company's statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing in the notes to the financial statements, as applicable, matters related to going concern and using the going concern basis of accounting unless the Company's statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's statutory body in the notes to the financial statements.

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- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's statutory body regarding, among other matters, the planned scope and timing of the audit and our significant audit findings, including any significant deficiencies identified in the internal controls.

Grant Thornton Audit s.r.o.

Audit Firm

Praha 1, Jindřišská 16

Licence No. 085

Prague on August 12, 2020

Ing. Leoš Horváth
Auditor, Licence No. 2013
Proxy

Ing. Petra Kopsová
Auditor, Licence No. 2459

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VELKÁ PECKA s.r.o.

Annual report for the accounting period

1 May 2019 – 30 April 2020



Contents

**Annual Report (Report on relations of related parties including) for the period 01.05.2019
– 30.04.2020**

Financial Statements for the period 01.05.2019 – 30.04.2020

1. Introduction

In compliance with the requirements of Section 21 of Act No. 563/1991 of Coll. on accounting, the Company's executive director submits this annual report of Velká Pecka s.r.o. (hereinafter as the "Company") for the accounting period of 1 May 2019 – 30 April 2020.

2. Basic information about the Company

Business name:	VELKÁ PECKA s.r.o.
Registered office:	Sokolovská 100/94, Karlín, 186 00 Prague 8
IN:	03024130
TIN:	CZ03024130
Incorporation and registration date:	21 May 2014
Legal form:	Limited liability company
File number:	C 226550 kept by the Municipal Court in Prague
Line of business:	Production, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act.

3. Time period from 1 May 2019 to 30 April 2020

During the year 2019, the Company achieved a 68% year-on-year increase in revenues from sold merchandise and a 1% profit in revenues. The following three major events occurred during this time period:

- **The start of the operation of the Hungarian subsidiary KIFLI was the Company's first foreign expansion.** The Company managed to build up the company's structure, including the warehouse and logistics, in just six months as planned; in November 2019, the customers received their first ordered merchandise. During the following six months of operation, i.e. by the end of April 2020, 75 000 orders were delivered.
- **The COVID-19 epidemic**, which has spread throughout the world, including in the Czech Republic, has pushed people out of brick-and-mortar stores due to concerns about, and an increased risk of, infection. The current situation has forced people to buy groceries online, including those who have had never done it before. This put an enormous burden on the Company's operation and systems, including website, but it was also a great opportunity for further growth. Three new services were launched in a record time - Rohlík Bistro that delivered shock-frozen meals in cooperation with renowned restaurants, Suchý Rohlík that delivered non-perishable food throughout the entire Czech Republic and Turbo Rohlík that delivered small purchases to selected locations within 90 minutes. After the state of emergency ended, the Rohlík Bistro service became part of a permanent offer on Rohlik.cz thanks to its great popularity among customers. The two other services (Suchý Rohlík and Turbo Rohlík) served well the people in the Czech Republic during the most critical time period by making it possible for them to order

food from the safety of their home and also helped the Company to map the shopping behavior of its customers across all regions. The Company will thus continue to focus on expanding its full offer of fresh and non-perishable food to other regions of the Czech Republic, knowing now its customers' needs and expectations.

- **The acquisition of My Food Wholesales s.r.o.** was successfully completed in April 2020. It concerned the acquisition of part of the Sklizeno Group - My Food Wholesales s.r.o., which became a 100% owned subsidiary of Velká pecka s.r.o. The Company thus acquires the Freshbedýnky service, own production, catering, gastronomy and wholesale, which shortens the distribution channel to farmers. Cooperation with farmers and local producers has been one of the key pillars of the Rohlik.cz service since its foundation. It makes it possible to deliver high-quality and fresh products to customers in a record time (from the farmer to the customer in just six hours) and to support the development of the Czech countryside - it ensures regular sales to farmers and supports their development.

Other news since May 2020:

The Company cares about the environment and has several initiatives that are environment-friendly:

* In the separate section **Zachraň jídlo** (Save Food) of our online supermarket, we offer food with a short expiration date at much lower prices. Our customers thus have an opportunity to help us minimize food waste and like to end their purchase in this section. Rohlík throws away 4 times less food than regular food chains.

* Thanks to the green ticket symbol by available time slots, our customer can join his "neighbor," which means the address in close vicinity from which another customer ordered his purchase. This makes the delivery **more efficient and environment-friendly**.

* The Rohlík fleet comprises of over three 300 vehicles that run on **CNG**. One vehicle delivers on average 11 purchases during one trip. The Company is also testing four electric cars, each of which can deliver the same number of purchases during one trip and generates zero emissions.

* As part of its social responsibility, the Company started its new service **Otoč obal (Reusable Packaging)** symbolically on International Environment Day on 5 June 2019. It is an ecological sale of dairy and non-perishable food, selected health and beauty products and pet food in reusable packaging.

* The Company keeps trying **to reduce the number of paper bags**. In addition, every Rohlík bag has a certificate, which guarantees that no forests had been plundered for its production.

Rohlík loves good food and does all it can to bring Czech people the best food made in the Czech Republic. Rohlík joined forces with popular producers and suppliers and has been offering its customers a truly uncompromising brand of its own food, **Rohlík.cz Bez kompromisu (Rohlík.cz Without Compromise)**, since April 2020. It includes 74 products from different categories - dairy products, sausages, shock-frozen dishes from renowned restaurants as well as non-perishable products. Furthermore, the Company intends to expand its own line to carry several products in each product category.



- In August 2019, the Company introduced a new idea for its three-year-old **children's club Rohlíček**. The club for families with children saves maximum time for family activities and its main attraction is a 2% discount in the form of cashback, or a 5% discount if the club members use Twisto payment, free delivery and points for various children's activities, such as admission to water parks, animal farms, etc.
- The Company expanded its self-service boxes, **Rohlík Delivery Points, to the public**. After the 10-month existence of non-public Rohlík Points, the Company opened in September 2019 its first public Rohlík Points in the shopping malls Westfield Chodov and Černý Most Centrum. The advantage of such delivery points is that people can purchase merchandise worth 100 CZK and over and receive it within 2 hours.

4. Expected growth of the Company

Between 1 May 2020 and 30 April 2021, the Company wants to increase its storage capacity: 1 / by opening a second warehouse in Horní Počernice, Prague, in the fall of 2020, which will be used for deliveries on the right bank of the Vltava River in Prague and other new regions , 2 / by opening a new warehouse with double capacity in Brno in the fall of 2020.

In June 2020, the Company entered the Bulgarian market by acquiring a minority share in Convenience AD in Sofia, Bulgaria. EBag is the number one on the online food market in Bulgaria. It is a market leader with a very good reputation. Bulgaria will thus become the second country of the Company's foreign expansion.

By the end of 2020, the Company wants to reach another milestone of its foreign expansion, i.e. to enter the Austrian market through the new company Gurkerl.at with a warehouse in Vienna. And in 2021, the Company will expand to Germany - its customer service will be provided in Germany under the brand Knuspr.de.

Rohlik.cz clearly wants to continue as a customer-oriented company with the highest level of customer service. In June 2020, the Company will propose a new Premium service to increase its base of loyal regular customers. The new Premium service will provide a lot of benefits, a discount on the brand Bez kompromisu and exclusive products for Premium customers.

5. Ecology

The Company is not aware of any negative impact of its business on the environment.

6. Research and development

The Company is not engaged in research and development as defined in Section 34 et seq. of Act No. 586/1992 of Coll.

7. Affiliate branch abroad

The Company has no affiliate abroad.

8. Events after the balance sheet date

All significant events after the balance sheet date are listed under Subsequent Events in the attachment to the financial statements for the time period of 1 May 2019 – 30 April 2020.

9. Acquisition of own shares or stakes

No own shares were acquired during the accounting period.

10. Activities in labor-law relations

Velká pecka s.r.o.'s labor-law relations are in compliance with effective labor laws.

Signature of the statutory body:

Position Executive Director

Name Tomáš Čupr

Signature

.....

Date

10 August 2020



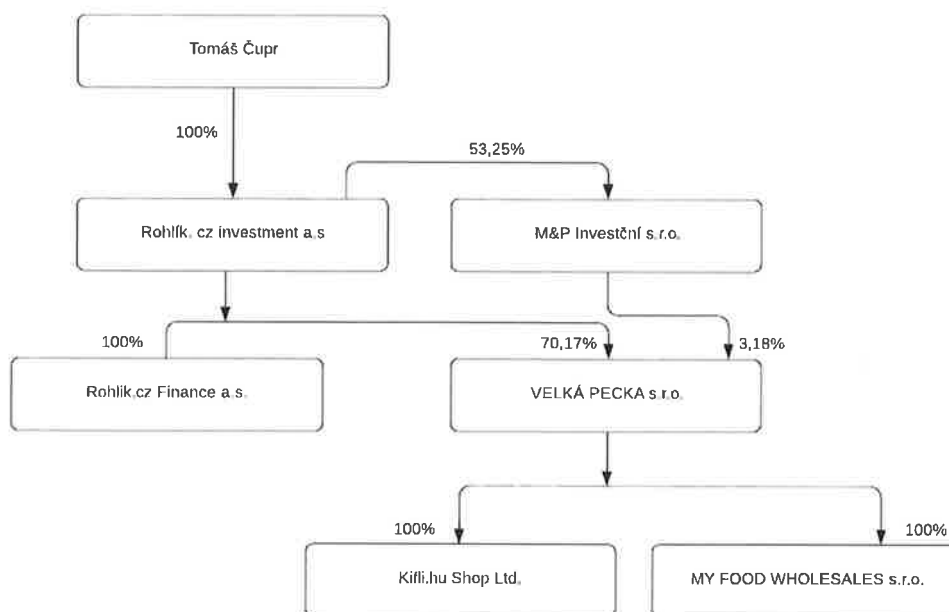
1. STRUCTURE OF THE RELATIONS BETWEEN THE CONTROLLING ENTITIES AND THE CONTROLLED ENTITY AND BETWEEN THE CONTROLLED ENTITY AND THE ENTITIES CONTROLLED BY THE SAME PERSON

VELKÁ PECKA s.r.o. (hereinafter as the "Company") is a limited liability company that was incorporated on 21 May 2014 and is domiciled at Sokolovská 100/94, 186 00 Prague 8 - Karlín, Czech Republic, IN: 030 24 130. Its main line of business is the operation of an online supermarket.

As of 30 April 2020, Tomáš Čupr was the Company's executive director.

Executive Director Tomáš Čupr is also a sole shareholder and the statutory director of Rohlik.cz investment, a.s., a majority shareholder of the Company.

2. STRUCTURE OF THE RELATIONS BETWEEN THE CONTROLLING ENTITY AND THE ENTITIES CONTROLLED BY THE SAME ENTITY



Tomáš Čupr also performs functions in companies outside the aforesaid group, in particular he is the statutory director, chairman of the Board of Directors and sole shareholder of Bizthusiasm, a.s., the statutory director and chairman of the Board of Directors of Rohlik.cz Finance a.s. and Grocery Revolution Group, a.s., the executive director and sole partner of Čutora s.r.o., EnCorv GP s.r.o. and ENERN RE Development s.r.o. and a member of the Board of Directors of the Association for Electronic Commerce, z.s. With his 100% share in Bizthusiasm, a.s. he controls one man show a.s. and YCG & Co. s.r.o.

3. ROLE OF THE CONTROLLED COMPANY

The Company operates the e-shop www.rohlik.cz that sells food, health and beauty products, office supplies and other products.

4. METHOD AND MEANS OF CONTROL

With its 70.17% of the registered capital, the partner Rohlik.cz investment, a.s. has a controlling influence.

5. OVERVIEW OF NEGOTIATIONS AND AGREEMENTS

An overview of negotiations that took place during the last accounting period at the request or in the interest of the controlling entity or the entities controlled by the controlling entity, provided that such negotiations concerned assets exceeding 10% of the Company's equity reported in the last financial statements and an overview of agreements between the Company and the controlling entity or between the Company and the entities controlled by the same controlling person:

On 29 March 2016, the Company and Čutora s.r.o. signed a consulting services agreement, based on which services worth 8 741 thousand CZK were provided during the past economic year.

On 1 April 2019, the Company and Rohlik.cz Finance a.s. signed a legal services agreement, based on which legal services worth 1 360 000 CZK were provided during the past economic year.

On 29 October 2019, the Company and Rohlik.cz investment a.s. signed a loan agreement for the amount of 30 000 thousand CZK.

On 14 January 2020, the Company and Rohlik.cz investment a.s. signed a loan agreement for the amount of 30 000 thousand CZK.

On 26 March 2020, the Company and Rohlik.cz investment a.s. signed an agreement on a voluntary additional contribution of 148 307 thousand CZK in excess to the Company's registered capital.

There is a declaration of the assumption of the contribution obligation by Rohlik.cz investment a.s. from 26 March 2020 to increase the Company's registered capital by 12 thousand CZK in accordance with the Notarial Record from 26 March 2020.

On 25 November 2019, the Company and M&P Investiční s.r.o. signed a debt waiver agreement; the debt concerned penalty interest.

On 29 July 2019, the Company and Kifli.hu Shop Ltd. signed a loan agreement for the amount of 30 000 thousand CZK.

On 1 November 2019, the Company and Kifli.hu Shop Ltd. signed a loan agreement for the amount of 90 000 thousand CZK.

Another partner assigned to the Company a receivable of 88 000 thousand CZK due from MY FOOD WHOLESALERS s.r.o.

On 17 April 2020, the Company signed a master acquisition agreement, in which MY FOOD WHOLESALERS s.r.o. is a third party.

On 24 April 2020, the Company and MY FOOD WHOLESALERS s.r.o. signed an agreement on a voluntary additional contribution of 87 714 thousand CZK in excess to the Company's registered capital.

As part of its regular business, the Company purchased from MY FOOD WHOLESALERS s.r.o. merchandise worth 147 291 thousand CZK during the past economic year.

6. EVALUATION of whether or not the Company suffered any loss and evaluation of its settlement

The Company did not suffer any loss as a result of the negotiations and agreements specified in Items 5 and 6 of this report on relations. The prices used in the transactions between associated entities correspond to the prices that would be used between independent entities under the same or similar conditions.

7. EVALUATION OF ADVANTAGES AND DISADVANTAGES from the relations between the controlling entity and the Company and between the Company and the entities controlled by the same controlling entity

The incorporation of the Company into the business group, the structure of which is specified above in this report on relations, does not give the Company any major advantages or disadvantages.

The Company's executive director declares that he has prepared this report on relations based on available information about the relations between the Company and the controlling entities and between the Company and other entities controlled by the controlling entities pursuant to Section 82 et seq. of the Business Corporations Act for the accounting period starting on 1 May 2019 and ending on 30 April 2020.

Date 10.08.2020

Signature

Tomáš Čupr, Executive Director



**Financial statements
for the year ended 30.04.2020**



Name of accountancy unit: VELKÁ PECKA s.r.o.
Seat: Sokolovská 100/94
Karlín, Praha 8
18600
Identif. Code: 03024130

Compiled on: 10.8.2020

Components of the Financial Statements:

Balance Sheet
Profit and Loss Statement
Cash Flow Statement
Notes to the Financial Statements



Name of statutory body or individual, who is an accounting unit:	Signature
Tomáš Čupr	
Person responsible for financial statements (Name)	Signature
Jan Rataj	

VELKA PECKA, s.r.o. as at 30 April 2020

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year 30 April 2020			Prior year 30 April 2019
		Gross	Allowances	Net	Net
TOTAL ASSETS		1 090 296	-110 648	979 748	264 554
A.	STOCK SUBSCRIPTION RECEIVABLE			0	
B.	FIXED ASSETS	497 278	-110 170	387 108	75 459
B. I.	Intangible fixed assets	110 186	-57 859	52 327	26 567
B. I. 1.	Research and development			0	
2.	Valuable rights	106 764	-56 716	50 048	26 018
1.	Software	106 764	-56 716	50 048	26 018
2.	Other valuable rights				
3.	Goodwill	1 143	-1 143		89
4.	Other intangible fixed assets				
5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	2 279		2 279	460
1.	Advances granted for intangible fixed assets				
2.	Intangible fixed assets in progress	2 279		2 279	460
B. II.	Tangible fixed assets	187 406	-52 311	135 095	48 890
B. II. 1.	Land and structures	88	-13	75	78
1.	Land			0	
2.	Structures	88	-13	75	78
2.	Movable assets and sets of movable assets	137 102	-52 298	84 804	46 774
3.	Gain or loss on revaluation of acquired property				
4.	Other tangible fixed assets				
1.	Perennial crops				
2.	Livestock				
3.	Miscellaneous tangible fixed assets				
5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	50 216		50 216	1 798
1.	Advances granted for tangible fixed assets				1 798
2.	Tangible fixed assets in progress	50 216		50 216	
B. III.	Long term investments	100 606	0	100 000	242
B. III. 1.	Interests – controlled or controlling entity	87 956		87 956	242
2.	Loans and borrowings – controlled or controlling entity	89 033		99 033	
3.	Interests – significant influence	12 697		12 697	
4.	Loans and borrowings – significant influence				
5.	Other long-term securities and interests				
6.	Loans and borrowings – other				
7.	Other long-term investments				
1.	Miscellaneous long-term investments			0	
2.	Advances granted for long-term investments			0	
C.	CURRENT ASSETS	573 591	-378	573 213	175 784
C. I.	Inventories	228 487	0	228 487	64 137
C. I. 1.	Materials	10 212		10 212	2 743
2.	Work in progress and semi-finished production			0	
3.	Finished products and goods	218 275		218 275	61 394
1.	Finished products			0	
2.	Goods	218 275		218 275	61 394
4.	Livestock				
5.	Advances granted for inventories				
C. II.	Receivables	199 786	-378	199 408	48 914
C. II. 1.	Long-term receivables	10 461	0	10 461	7 235
1.	Trade receivables				
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Deferred tax asset				
5.	Other receivables	10 461		10 461	7 235
5.1.	Receivables from partners			0	
5.2.	Long-term advances granted	10 461		10 461	7 235
5.3.	Unbilled revenue				
5.4.	Miscellaneous receivables				
C. II. 2.	Short-term receivables	189 325	-378	188 947	41 679
1.	Trade receivables	62 888	-378	62 510	14 670
2.	Receivables – controlled or controlling entity	88 000		88 000	
3.	Receivables – significant influence			0	
4.	Other receivables	38 437		38 437	27 009
4.1.	Receivables from partners				1 785
4.2.	Social security and health insurance				
4.3.	Due from government – tax receivables	8 745		8 745	5 432
4.4.	Short-term advances granted	9 790		9 790	2 726
4.5.	Unbilled revenue	17 024		17 024	16 156
4.6.	Miscellaneous receivables	2 878		2 878	910
C. III.	Short-term financial assets	0	0	0	0
1.	Interests – controlled or controlling entity			0	
2.	Other short-term financial assets			0	
C. IV.	Cash	145 318	0	145 318	62 713
1.	Cash in hand	1 437		1 437	771
2.	Cash at bank	143 881		143 881	61 942
D.	Prepaid expenses and accrued income	19 427	0	19 427	13 331
D. 1.	Prepaid expenses	19 427		19 427	13 331
2.	Prepaid expenses (specific-purpose expenses)				
3.	Accrued income				

VELKA PECKA, s.r.o. as at 30 April 2020

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year 30 April 2020	Prior year 30 April 2019
TOTAL EQUITY & LIABILITIES		979 748	264 654
A.	EQUITY	265 614	-10 622
A. I.	Basic capital	345	323
A. I. 1.	Registered capital	345	323
2.	Own ownership interests (-)		
3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	498 123	260 145
A. II. 1.	Share premium		
2.	Capital funds	498 123	260 145
1.	Other capital funds	498 123	260 145
2.	Gain or loss on revaluation of assets and liabilities (+/-)		
3.	Gain or loss on revaluation upon corporate transformation (+/-)		
4.	Differences arising on corporate transformation (+/-)		
5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit	0	0
A. III. 1.	Other reserves		
2.	Statutory and other reserves		
A. IV.	Profit (loss) brought forward (+/-)	-270 990	-271 098
IV. 1.	Retained earnings		
2.	Accumulated loss (-)	-270 990	-271 098
3.	Other profit (loss) brought forward (+/-)		
A. V.	Profit (loss) for the year (+/-)	38 136	108
A. VI.	Approved decision on advances for profit distribution (-)	0	0
B. + C.	PROVISIONS AND LIABILITIES	700 930	272 216
B.	Provisions	10 702	3 448
B. 1.	Provision for pensions and similar obligations		
2.	Provision for corporate income tax		
3.	Provisions recognized under special legislation		
4.	Other provisions	10 702	3 448
C.	Liabilities	690 228	268 768
C. I.	Long-term liabilities	17 500	0
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions	17 500	
3.	Long-term advances received		
4.	Trade payables		
5.	Long-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Deferred tax liability		
9.	Other liabilities		
1.	Liabilities to partners		
2.	Unbilled deliveries		
3.	Miscellaneous liabilities		
C. II.	Current liabilities	672 728	268 768
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		
3.	Short-term advances received	802	908
4.	Trade payables	523 206	229 873
5.	Short-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Other liabilities	148 720	37 987
1.	Liabilities to partners		11
2.	Short-term borrowings		
3.	Liabilities to employees	17 267	8 121
4.	Liabilities arising from social security and health insurance	9 376	4 738
5.	Due to government – taxes and subsidies	3 920	1 616
6.	Unbilled deliveries	114 634	23 016
7.	Miscellaneous liabilities	3 523	485
D.	Accruals and deferred income	13 204	2 860
D. 1.	Accruals		40
2.	Deferred income	13 204	2 820

VELKA PECKA s.r.o. for the year ended 30 April 2020

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

		Current year 30 April 2020	Prior year 30 April 2019
I.	Revenue from sale of finished products and services	172 379	77 631
II.	Revenue from sale of goods	4 005 351	2 399 080
A.	Production-related consumption	3 791 000	2 306 235
A.1.	Cost of goods sold	2 758 651	1 685 506
A.2.	Consumption of material and energy	106 281	71 244
A.3.	Services	926 068	549 485
B.	Change in inventory produced internally (+/-)	0	0
C.	Own work capitalized (-)	0	0
D.	Personnel expenses	256 769	142 687
D.1.	Wages and salaries	195 046	107 902
D.2.	Social security and health insurance costs and other costs	61 723	34 785
D.2.1.	Social security and health insurance costs	60 124	34 577
D.2.2.	Other costs	1 599	188
E.	Value adjustments in respect of operating activities	50 710	27 404
E.1.	Value adjustments in respect of intangible and tangible fixed assets	50 571	27 461
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	50 571	27 461
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary		
E.2.	Value adjustments in respect of inventory		3
E.3.	Value adjustments in respect of receivables	139	
III.	Other operating income	32 004	45 301
III.1.	Income from sale of fixed assets	25	2
III.2.	Income from sale of materials	715	323
III.3.	Miscellaneous operating income	31 264	44 976
F.	Other operating expenses	47 504	28 175
F.1.	Net book value of fixed assets sold	16	
F.2.	Net book value of materials sold		
F.3.	Taxes and charges relating to operations	72	260
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	7 254	1 549
F.5.	Miscellaneous operating expenses	40 162	24 366
*	Profit or loss on operating activities (+/-)	63 751	19 471
IV.	Income from long-term investments - interests	0	0
IV.1.	Income from interests in subsidiaries or parents		
IV.2.	Other income from interests		
G.	Cost of interests sold	0	0
V.	Income from other long-term investments	0	0
V.1.	Income from other long-term investments - subsidiaries or parents		
V.2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments	0	0
VI.	Interest receivable and similar income	1 330	962
VI.1.	Interest receivable and similar income - subsidiaries or parents	1 330	962
VI.2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities	0	0
J.	Interest payable and similar expenses	2 168	4 857
J.1.	Interest payable and similar expenses - subsidiaries or parents	2 168	4 857
J.2.	Other interest payable and similar expenses		
VII.	Other finance income	1 313	130
K.	Other finance cost	26 090	15 598
*	Profit or loss on financial activities (+/-)	-25 615	-19 363
**	Profit or loss before taxation (+/-)	38 136	108
L.	Income tax	0	0
L.1.	Income tax due		
L.2.	Income tax deferred (+/-)		
**	Profit or loss after taxation (+/-)	38 136	108
M.	Transfer of share of profit or loss to partners (+/-)	0	0
***	Profit or loss for the year (+/-)	38 136	108
*	Net turnover	4 212 377	2 523 104

VELKA PECKA s.r.o. for the year ended 30 April 2020
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

CASH FLOW STATEMENT

		Current year 30 April 2020	Prior year 30 April 2019
Cash flows from operating activities			
Z	Profit or loss on ordinary activities before taxation (+/-)	38 138	108
A 1	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	88 794	32 908
A 1. 1	Depreciation and amortization of fixed assets and write-off of receivables	50 571	27 461
A 1. 2	Change in allowances	139	3
A 1. 3	Change in provisions	7 254	1 550
A 1. 4	Foreign exchange differences		
A 1. 5	(Gain)/Loss on disposal of fixed assets	-8	-1
A 1. 6	Interest expense and interest income	838	3 895
A 1. 7	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)		
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	96 030	33 016
A 2	Change in non-cash components of working capital	179 451	-28 828
A 2. 1	Change in inventory	-164 111	-20 507
A 2. 2	Change in trade receivables	-48 218	-3 100
A 2. 3	Change in other receivables and in prepaid expenses and unbilled revenue	-22 535	-19 541
A 2. 4	Change in trade payables	293 333	76 578
A 2. 5	Change in other payables, and in accruals and deferred income	120 982	-62 058
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	276 381	4 388
A 3 1.	Interest paid	-2 168	-4 857
A 4. 1.	Income Tax paid		
A ***	Net cash provided by (used in) operating activities	274 213	-469
Cash flows from investing activities			
B 1. 1.	Purchase of fixed assets	-362 238	-60 838
B 2. 1.	Proceeds from sale of fixed assets	25	2
B 3. 1.	Loans granted	1 785	13 389
B 4. 1.	Interest received	1 330	962
B 5. 1.	Dividends received		
B ***	Net cash provided by (used in) investing activities	-359 098	-46 285
Cash flows from financing activities			
C 1.	Change in long-term liabilities, and long-term and short-term loans	17 489	-371
C 2. 1.	Effect of other changes in equity on cash	13	
C 2. 2.	Profit shares paid		
C 2. 3.	Effect of other changes in own capital on cash	149 988	50 000
C ***	Net cash provided by (used in) financing activities	167 490	49 629
F.	Net increase (decrease) in cash	82 605	-2 875
P.	Cash and cash equivalents at beginning of year	82 713	69 838
R.	Cash and cash equivalents at end of year	145 318	62 713

VELKÁ PECKA s.r.o.

Financial statements as of 30 April 2020

1. DESCRIPTION OF THE COMPANY

VELKÁ PECKA s.r.o. (hereinafter as the "Company") is a limited liability company that was incorporated on 21 May 2014 and is domiciled at Sokolovská 100/94, 186 00 Prague 8 - Karlín, Czech Republic, IN: 030 24 130. Its main line of business is the operation of an online supermarket.

During the economic year, there were some changes in the Commercial Register – changes in the shares of some partners – see Item 10 – Equity.

As of 30 April 2020, Tomáš Čupr was the Company's executive director.

2. BASIC POINTS OF DEPARTURE FOR PREPARING FINANCIAL STATEMENTS

The attached financial statements were prepared in compliance with the Accounting Act and its implementing notice effective for the years 2019 and 2020.

3. GENERAL ACCOUNTING POLICIES

The Company prepared the 2020 financial statements, using the following methods of valuation:

a) Intangible fixed assets

Intangible fixed assets are valued at acquisition cost which includes the cost of their acquisition cost and acquisition-related expenses.

Goodwill was created as a difference between the valuation of purchased assets and the total of their revaluation.

Intangible fixed assets worth over 5 thousand CZK are amortized as an expense based on their estimated useful life.

Amortization

Amortization is calculated based on the acquisition cost and estimated useful life of the given asset. Estimated useful life is as follows:

	Number of months
Software	18 – 60
Goodwill	180

Amortization is reported in the profit and loss account under "adjustments to intangible and tangible fixed assets – permanent."

The cost of technical improvement of software acquired from a third party is capitalized, increases the acquisition cost of software and extends the residual time of amortization. The cost of software maintenance is recognized as an expense.

b) Tangible fixed assets

Tangible fixed assets are valued at acquisition cost that includes the cost of their acquisition, freight and other acquisition-related expenses.

Tangible fixed assets worth over 3 thousand CZK are depreciated over their economic useful life.

The cost of technical improvement of tangible fixed assets increases their acquisition cost. Repairs and maintenance are recognized as an expense.

Depreciation

Depreciation is calculated based on the acquisition cost and estimated useful life of the relevant asset. Estimated useful life is as follows:

	Number of years
Constructions	30
Mobile phones, tablets, notebooks, scanners	2 - 3
Fork-lift trucks	3
Cooling boxes, refrigerators, shelves	5 or 10
Groups of shelves and cooling equipment	3 or 5
Vehicles	5
Fixtures	2 - 3

Depreciation is reported in the profit and loss account under "adjustments to intangible and tangible fixed assets – permanent."

c) Long-term financial assets

Long-term financial assets include in particular loans and credits with maturity over one year and ownership interests (shares) with controlling or substantial influence.

Shares are valued at acquisition cost that includes the cost of their acquisition and direct acquisition-related expenses, e.g. fees and commissions.

Individual long-term financial assets are revalued as of the balance sheet date as follows:

- Ownership interests representing a participation in a controlled entity or in an entity under substantial influence are valued at acquisition cost.

In the case of a decrease in the book value of long-term financial assets, which are not revalued as of the end of the balance sheet date, the difference is considered a temporary decrease and is recognized as an adjustment.

d) Short-term financial assets

Short-term financial assets include valuables, cash and money in bank accounts. Receivables, which are paid by customers by the balance sheet date and credited to the Company's bank account at the beginning of the next accounting period, are reported as of the balance sheet date as receivables.

e) Inventory

Purchased inventory is valued at acquisition cost, using the "first-in, first-out" method (FIFO – the first price for valuation of an inventory increase is used as the first price for valuation of an inventory decrease. The acquisition cost of inventory includes the cost of its acquisition and acquisition-related expenses (in particular freight, the cost of assemblage, supplier bonuses, etc.).

A potential adjustment to merchandise represents the value of unsellable inventory as of the financial statement date that was not derecognized until the following accounting period.

f) Receivables

Receivables are valued at face value. The value of doubtful receivables is decreased through adjustments to their realizable value and recognized as an expense.

g) Equity

The Company's registered capital is reported in the amount registered in the Commercial Register of the Municipal Court. Other capital funds include monetary contributions exceeding the value of the registered capital.

h) Not-own funds

The Company creates provisions for losses and risks in the case that the title, amount and timing can be estimated with high probability and the accrual and matching principles are observed.

Long-term and short-term payables are reported at face value. Other payables include customer credit payables (in 2019).

i) Lease

The Company recognizes leased assets by expensing lease payments and capitalizing the relevant value of the leased asset when the lease agreement expires and the purchase option is exercised. Lease payments paid in advance are accrued.

j) Foreign currency transactions

Assets and liabilities acquired in a foreign currency are valued in Czech Crowns, using the exchange rate effective as of the day of their acquisition; as of the balance sheet date, monetary items were valued, using the exchange rate announced by the Czech National Bank and effective as of 30 June.

Realized and non-realized exchange rate gains and losses are recognized as a financial revenue or a financial expense of the current year.

k) Estimates

When preparing the financial statement, the Company's management is required to use estimates and assumptions that have an impact on the assets and liabilities reported as of the financial statement date and on the revenues and expenses reported for the given accounting period. The Company's management made these estimates and assumptions based on all available relevant information. However, estimates by nature may differ in the future from the actual situation.

l) Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis, i.e. in the time period to which they belong.

The technical improvement of leased assets is accrued during the term of the lease agreement, provided that the lessor did not give its consent to its write-off.

Revenues include in particular revenues from sold merchandise and revenues from transport.

Expenses include in particular the cost of sold merchandise, the cost of storing and the cost of merchandise distribution to customers.

m) Income tax

The income tax expense is calculated based on the effective tax rate and book profit increased or decreased by permanently and temporarily non-deductible expenses and non-taxed revenues (e.g. additions and deductions of other provisions and adjustments, the cost of entertainment, the difference between book and tax write-offs, etc.). Items decreasing the tax base (donations), deductible items (tax loss, the cost of research and development projects) and income tax allowances are taken into account as well.

The deferred tax payable reflects the tax impact of temporary differences between the net value of assets and liabilities for accounting purposes and the determination of the income tax base taking into consideration the realization period.

n) Subsequent events

The impact of events that occurred between the balance sheet day and the financial statement day is reflected in accounting reports in the case that these events provided additional information about the facts that existed as of the balance sheet date.

The consequences of events that occurred between the balance sheet date and the financial statement date and reflect facts that occurred after the balance sheet date are described in the attachment to the financial statements, but are not shown in financial reports.

During the time of preparation of these financial statements, various measures are being implemented in the Czech Republic and worldwide in connection with the fight against the spread of COVID-19 caused by the coronavirus SARS-CoV-2. These measures may also have a direct or indirect impact on the future economic situation of the Company and on the valuation of assets and liabilities. As it is currently impossible to estimate what kind of measures will be in place and how long they will last, the specific impact cannot be reliably determined at this time. However, based on an evaluation of all currently available information, the Company's management believes that the Company's going concern assumption will not be compromised and therefore it is still appropriate to use this assumption in preparing the financial statements. There is currently no significant uncertainty about this assumption. All currently available information concerning our evaluation of the possible impact of the aforesaid measures is provided in the attachment to the financial statements.

4. FIXED ASSETS

a) Intangible fixed assets (in thousands of CZK)

ACQUISITION COST

	Beginning balance	Additions	Disposals	Ending balance
Software	57 426	49 338	-	106 764
Goodwill	1 073	-	70	1 143
Intangible assets in progress	460	2 279	-460	2 279
Total 2020	58 959	51 617	-390	110 186
Total 2019	36 527	22 423	0	58 959

ACCUMULATED AMORTIZATION

	Beginning balance	Amortization	Disposals	Ending balance	Book value
Software	-31 408	-25 308	0	-56 716	50 048
Goodwill	-984	-89	-70	-1 143	0
Intangible assets in progress	0	-	-	0	2 279
Total 2020	-32 392	-25 397	-70	-57 859	52 327
Total 2019	-18 419	-13 974	-13 974	-32 392	26 567

b) Tangible fixed assets (in thousands of CZK)

ACQUISITION COST

	Beginning balance	Additions	Disposals	Ending balance
Constructions	88	-	-	88
Machinery, devices and equipment	54 006	41 948	0	95 954
Vehicles	2 172	-	-312	1 860
Other tangible fixed assets	18 076	21 314	-102	39 288
Tangible fixed assets in progress, advances	1 798	50 216	-1 798	50 216
Total 2020	76 140	63 262	-2 212	187 406
Total 2019	40 355	36 168	-2 181	74 342

Financial statements as of 30 April 2020

ACCUMULATED DEPRECIATION

	Beginning balance	Depreciation	Disposals	Ending balance	Book value
Constructions	-10	-3	-	-13	75
Machinery, devices and equipment	-17 565	-14954	-	-32 519	63 435
Vehicles	-1 678	-494	312	-1 860	0
Other tangible fixed assets	-8 237	-9 784	102	-17 919	21 369
Total 2020	-27 490	-25 235	414	-52 311	84 879
Total 2019	-16 182	-13 493	2 181	-27 490	46 852

5. LONG-TERM FINANCIAL ASSETS

Statement of long-term financial assets (in thousands of CZK):

	1 May 2018	Additions	30 April 2019	Additions	Disposals	30 April 2020
Shares – controlled entity	-	242	242	87 714	-	87 956
Loans and credits – controlled entity	-	-	0	99 033	-	99 033
Shares – substantial influence	-	-	0	12 697	-	12 697
Total	0	242	242	199 444	0	199 686

Shares – controlled entity as of 30 April 2020 (in thousands of CZK):

Name and legal form	Kifii.hu Shop Kft.	MY FOOD WHOLESALLES s.r.o.
Registered office	Budapest, Nagytétényi út 109	Türkova 2319, Prague 4
Share in %	100%	100%
Total assets	95 379	132 117
Equity	-64 974	4 390
Registered capital and capital funds	230	1
Unpaid loss from previous years	-92	-2 228
Loss of current year	-65 112	6 617
Data source	non-audited financial statements as of 30 April 2020*)	non-audited interim FS as of 30 April 2020
Accounting period	1 May – 30 April	1 January, – 31 December
Share price	242	87 714

*) data in thousands of HUP converted, using the CNB's exchange rate effective as of 30 April 2020

Financial statements as of 30 April 2020

Loans and credits – controlled entity as of 30 April 2020 (in thousands of CZK):

Name and legal form	Kifli.hu Shop Kft.	Kifli.hu Shop Kft.	Total
Registered office	Budapest, Nagytétényi út 109	Budapest, Nagytétényi út 109	
Principal as of 30 April 2020 in thousands of CZK	30 000	68 115	98 115
Interest as of 30 April 2020 in thousands of CZK	0	918	918
Maturity	29.07.2026	31.10.2021	

The Company's management's evaluation concerning a possible impairment of the share:

Kifli.hu Shop Kft was incorporated in April 2019 and its operation was launched in October 2019. The company needed an initial capital of 128 million CZK in the form of loans. Kifli.hu Shop Kft shows steady expected growth in revenues and expects a turning point in the following economic year. The Company's management has concluded that it is not necessary to decrease the value as of 30 April 2020. Thanks to the good development, it has been decided to capitalize the entire loans in the following period (see Item 25). Kifli.hu Shop Kft is part of the strategy to expand to Europe.

MY FOOD WHOLESALERS s.r.o. was incorporated in April 2019 by separating wholesale, production and gastronomic facility from the Sklizeno group. The acquisition by the Company was completed in April 2020. MY FOOD WHOLESALERS s.r.o. is perceived as a great opportunity to get a significant boost in wholesale and B2B business. MY FOOD WHOLESALERS s.r.o. has shown stable revenues since its incorporation; the company expects revenues growth and positive EBITDA in the following economic year. The Company's management has concluded that it is not necessary to decrease the value as of 30 April 2020.

Shares – substantial influence as of 30 April 2020 (in thousands of CZK):

Name and legal form	Zdravá lednice s.r.o.
Registered office	Türkova 2319, Prague 4
Share in %	40%
Total assets	7 333
Equity	6 300
Registered capital and capital funds	9 220
Unpaid loss from previous years	-2 643
Loss of current year	-277
Data source	Non-audited FS as of 30 April 2020
Accounting period	01.01. - 31.12.
Share price	12 697

Financial statements as of 30 April 2020

The Company's management's evaluation concerning a possible impairment of the share:

Zdravá lednice s.r.o. was incorporated in August 2016. As of 30 April 2020, the Company held a 40% share in Zdravá lednice. On 9 June 2020, the Company increased its share in Zdravá lednice to 44.85% (see Item 25). Zdravá lednice s.r.o. makes intelligent refrigerators, shows a very fast growth in revenues and expects the same growth in the following year. The Company's management has concluded that it is not necessary to decrease the value as of 30 April 2020.

6. INVENTORY

The valuation of unused, obsolete and damaged inventory is decreased to its sale price on the adjustments account that is shown in column "adjustments" of the attached balance sheet.

7. RECEIVABLES

As of 30 April 2020 and 30 April 2019, the Company showed long-term deposits of 10 461 thousand CZK and 7 235 thousand CZK mostly due from the storage lessors.

Trade receivables:

	2020	2019
Issued invoices	35 151	10 257
E-shop sales to individuals*)	25 694	3 697
Other	2 043	916
Total	62 888	14 870

*) see Item 3d

Trade receivables past due for more than 180 days amounted to 505 thousand CZK as of 30 April 2020 and to 514 thousand CZK as of 30 April 2019.

The Company did not write off any bad receivables in 2020.

Receivables from controlled entities comprise of a receivable of 88 000 thousand CZK due from MY FOOD WHOLESALERS s.r.o., which was assigned to the Company by another partner. The receivable is due in April 2021.

Other receivables include loans provided to third parties (2 085 thousand CZK) and different receivables from employees.

Estimated receivables include in particular cash back from merchandise suppliers.

8. ADJUSTMENTS

Adjustments reflect a temporary decrease in the value of assets (see Items 5 and 6).

Changes in adjustments accounts (in thousands of CZK):

9

The financial statements include a balance sheet, profit and loss account and cash flow statement.

Financial statements as of 30 April 2020

Adjustments to:	Balance as of 30 April 2019	Additions	Deductions	Balance as of 30 April 2020
Inventory	239	-	-239	-
Receivables	-	378	-	378

9. SHORT-TERM FINANCIAL ASSETS

As of 30 April 2020, the Company had the following balance on accounts with limited disposal (in thousands of CZK):

Reserve accounts with 21 500 thousand CZK kept in UniCredit Bank Czech Republic a Slovakia, a.s. serve as guarantees for issued bank guarantees for merchandise purchased from suppliers (see Item 17).

10. OTHER ASSETS

Deferred expenses include in particular prepaid warehouse or office rent, warehouse remodeling, insurance and advertising costs and are recognized as expenses in the time period to which they belong.

11. EQUITY

Statement of equity changes (in thousands of CZK):

	1 January.2018	Increase	Decrease	Balance as of 30 April 2019	Increase	Decrease	Balance as of 30 April 2020
Registered capital *)	323		-	323	22	-	345
Other capital funds	210 145	50 000	0	260 145	237 978	-	498 123
Unpaid loss from previous years	-169 267	-101 831	-	-271 098	108	-	-270 990
Profit/loss of the current accounting period	-101 831	108	101 831	108	38 136	-108	38 136
Total	-60 630	-51 723	101 831	-10 522	276 244	-108	265 614

*) A lien was set up to the shares of the majority shareholder Rohlik.cz investment a.s. in favor of bondholders and J & T BANKA, based on the agreement on a lien set up to the shares from 24 January 2019 concluded between Rohlik.cz investment a.s., with its registered office at Pobřežní 394/12, Prague 8 and the attaching creditor to ensure the proper and timely settlement of all secured debts incurred from 18 January 2019 to 31 January 2033 and amounting to 2,331,000 thousand CZK.

Types of share (in pcs) and their trend:

	1 January 2018	Increase	Decrease	Balance as of 30 April 2019	Increase	Decrease	Balance as of 30 April 2020
Special shares A	122 646			122 646		-28 469	94 177
Ordinary shares	190 104			190 104			190 104
Preferential shares A	7 206			7 206	14 373		21 579
Preferential shares	3 219			3 219	7 330	28 469	39 018
Total	323 175	0	0	323 175	21 703	0	344 878

The Company's registered capital consists of shares fully subscribed and paid up.

Partner	1 May 2019		change 2019/2020	30 April 2020	
	contribution	share on registered capital		contribution	share on registered capital
Rohlik.cz investment a.s.	230	71%	12	242	70%
Etern Chili s.r.o.	42	13%		42	12%
MITON Teleport s.r.o.	37	11%		37	11%
M&P investiční s.r.o.	11	3%		11	3%
Brno Investment Group s.r.o.	3	1%	10	13	4%
Total	323	100.00%	22	345	100.00%

Other capital funds comprise in particular of additional contributions in excess to the registered capital.

Other capital funds were increased during 2020 by 237 978 thousand CZK through the shareholders' additional contributions in excess to the registered capital, which were partially compensated by a receivable acquired from an associated company – see Item 7.

During 2019, the shareholders increased additional contributions in excess to the registered capital by 50 000 thousand CZK. The remaining receivable of 1 696 thousand CZK from the increase in other capital funds through additional contributions in excess to the registered capital is shown in the balance sheet as of 30 April 2020 as a receivable from partners and was due on 30 April 2019.

The Company's General Meeting held on 27 September 2019 approved the aforesaid transfer of the 2019 profit and loss to the account of unpaid loss of previous years.

As of the financial statement date, there was no decision about the 2020 profit.

12. PROVISIONS

Changes in provisions accounts (in thousands of CZK):

Provisions	Balance as of 30 April 2019	Additions	Deductions	Balance as of 30 April 2020
Other	3 448	18 521	- 11 267	10 702

Other provisions are made for employees' unused vacation and customers' unused loyalty credits.

13. LONG-TERM PAYABLES – PAYABLES TO CREDIT INSTITUTIONS

Long-term payables due to credit institutions are payables that stem from a received long-term credit due in September 2023. The credit is secured with a blank promissory note issued in favor of the bank.

14. SHORT-TERM PAYABLES

As of 30 April 2020 and 30 April 2019, the Company showed short-term trade payables that were more than 180 days past due and amounted to 403 thousand CZK and 14 thousand CZK.

The Company's social security and health insurance payables amounted to 9 376 thousand CZK as of 30 April 2020 and to 4 738 thousand CZK as of 30 April 2019 and were due the following month.

The Company has no payables to partners as of the balance sheet date.

Estimated payables include in particular non-invoiced cost of merchandise preparation and delivery.

15. OTHER LIABILITIES

Deferred revenues include in particular premium membership accruals that are recognized as revenues in the time period to which they belong.

16. INCOME TAX

The Company calculated the deferred tax as follows (in thousands of CZK):

Deferred tax items	2020		2019	
	Deferred tax receivable	Deferred tax payable	Deferred tax receivable	Deferred tax payable
Difference between book and tax residual price of fixed assets		481		630
Other temporary differences:				
Adjustments to inventory or receivables	72	-	45	-
Provisions	2 033	-	525	-
Tax loss from previous years *)	29 204	-	46 139	-
Total	31 309	481	46 709	630
Net	30 828		46 079	

*) the calculated tax loss includes a preliminary 2020 corporate income tax.

Due to precautionary reasons, the Company did not recognize the deferred tax receivable of 30 828 thousand CZK as of 30 April 2020 and the deferred tax receivable of 46 079 thousand CZK as of 30 April 2019.

17. LEASE

12

The financial statements include a balance sheet, profit and loss account and cash flow statement.

Financial statements as of 30 April 2020

The Company's assets leased in the form of operational lease or short-term lease as of 30 April 2020 (in thousands of CZK):

Description	Lease term	Lease payments in 2020	Lease payments in 2019
Cars	2-3	49 641	35 594
Fork-lift trucks	5-6	5 170	2 204
Total		54 811	37 798

The Company has leased fixed assets that are not carried on balance sheet accounts (see Item 3h).

The operational lease agreements concluded as of the balance sheet date show monthly payments of 2 976 thousand CZK.

18. RECEIVED AND PROVIDED GUARANTEES – PAYABLES NOT REPORTED IN THE BALANCE SHEET

As of the balance sheet date, the Company was using a line of credit in the amount of CZK 25 000 thousand CZK for providing payment guarantees to suppliers as well as a line of credit in the amount of 1 237 thousand EUR to provide rent guarantees. After the balance sheet date, the lines of credit were reduced and extended - the line of credit for guarantees in CZK until 30 June 2021 and the line of credit for guarantees in EUR until 19 September 2020. The lines of credit are secured with assigned receivables from deposits in reserve accounts kept by the same banking institution.

The Company has provided a patronage declaration to the lessors of the warehouse of the subsidiary in Hungary and a guarantee to the lessor of the vehicle fleet of the subsidiary in Hungary.

19. RECEIVABLES AND PAYABLES DUE AFTER MORE THAN FIVE YEARS

The Company shows a receivable from a provided loan due after more than five years - see Item 5. The Company does not show any other receivables or payables due after more than five years.

20. REVENUES

The Company's revenues from ordinary activity (in thousands of the CZK):

	2020	2019
Revenues from sold merchandise	4 005 351	2 399 080
Revenues from merchandise delivery	39 136	26 070
Revenues from sold services	133 243	51 561
Total revenues	4 177 730	2 476 711

All of the Company's revenues from merchandise in 2020 were generated in the CR.

21. PERSONNEL EXPENSES

Financial statements as of 30 April 2020

The Company's personnel expenses (in thousands of CZK):

	2020		2019	
	Total number of employees	Management	Total number of employees	Management
Average number of employees	313	1	161	1
Wages and salaries	190 144	4 902	107 455	447
Social security and health insurance	59 208	916	34 425	152
Social expenses	1 599	-	188	-
Total personnel expenses	250 951	5 818	142 068	599

22. INFORMATION ABOUT ASSOCIATED ENTITIES

In 2020 and 2019, the members of statutory bodies and managers received no loan, guarantee, advance payments or other benefits.

Executive Director Tomáš Čupr is a sole shareholder and the statutory director of Rohlik.cz investment, a.s. and a sole partner and the executive director of Čutora s.r.o.

The cost of consultations invoiced to the Company by Čutora s.r.o. amounted to 8 741 thousand CZK in 2020 and to 4 228 thousand CZK in 2019.

Receivables from partners amounted to 0 thousand CZK as of 30 April 2020 and to 1 785 thousand CZK as of 30 April 2019 (see Item 10).

23. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The majority shareholder of the Company, Rohlik.cz investment a.s., Pobřežní 394/12, Karlín, 186 00 Prague 8, prepares the consolidated financial statements of the closest group to which the Company belongs. These financial statements are posted at <https://www.rohlik.cz/dluhopisy>.

24. SIGNIFICANT ITEMS FROM THE INCOME AND LOSS ACCOUNT

In 2020 and 2019, services include in particular freight and the cost of marketing, storing and IT.

Remuneration of the statutory auditor amounted to 360 thousand CZK both as of 30 April 2020 and as of 30 April 2019.

Other operating revenues include in particular revenues from customers' tips and stocktaking surpluses.

Other operating expenses include in particular shortages and damages from operation, discrepancies discovered during stocktaking and received merchandise corrections.

25. GOING CONCERN

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The financial statements include a balance sheet, profit and loss account and cash flow statement.

Financial statements as of 30 April 2020

The financial statements as of 30 April 2020 were prepared based on the going concern assumption.

The COVID-19 epidemic, which has spread throughout the world, including in the Czech Republic, has pushed people out of brick-and-mortar stores due to concerns about, and an increased risk of, infection. The current situation has forced people to buy groceries online, including those who have had never done it before. This put an enormous burden on the Company's operation and systems, including website, but it was also a great opportunity for further growth. Three new services were launched in a record time - Rohlík Bistro that delivered shock-frozen meals in cooperation with renowned restaurants, Suchý Rohlík that delivered non-perishable food throughout the entire Czech Republic and Turbo Rohlík that delivered small purchases to selected locations within 90 minutes. After the state of emergency ended, the Rohlík Bistro service became part of a permanent offer on Rohlík.cz thanks to its great popularity among customers. The two other services (Suchý Rohlík and Turbo Rohlík) served well the people in the Czech Republic during the most critical time period by making it possible for them to order food from the safety of their home and also helped the Company to map the shopping behavior of its customers across all regions. The Company will thus continue to focus on expanding its full offer of fresh and non-perishable food to other regions of the Czech Republic, knowing now its customers' needs and expectations.

26. POST BALANCE SHEET DATE EVENTS

Based on the share purchase agreement, the Company acquired 3 945 shares in Convenience AD, with its registered office in Bulgaria, as of 14 July 2020.

Based on the General Meeting's decision from 9 June 2020 to increase the registered capital and to assume the contribution obligation, the Company's share in Zdravá lednice increased from 40% to 44.85%.

On 22 May 2020, the Company founded Gurkerl.at GmbH in Austria, in which it holds a 100% share, and provided a patronage declaration to the lessors of the warehouse of this subsidiary.

On 2 June 2020, the Company purchased INOS 20-006 GmbH in Germany, in which it holds a 100% share. The name of the company was changed to Grosser Kern GmbH on 2 June 2020.

Based on the sole owner's decision from 10 August 2020, the equity of Kifli.hu Shop Kft, in which the Company has a 100% share, was increased by capitalization of the provided loans of 122 602 thousand CZK and 300 thousand EUR.

Based on the agreement on the assumption of the undertaking of the shareholder Rohlík.cz investment a.s.'s obligation to provide an additional contribution in excess to the Company's registered capital from 10 August 2020, additional contributions of 129 188 thousand CZK were made to the Company's other capital funds.