

Cosi, Inc.
Consolidated Balance Sheets ("Unaudited")
As of June 29, 2015 and December 29, 2014
(dollars in thousands)

	June 29, 2015	December 29, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,934	\$ 21,053
Credit card receivable	791	507
Accounts receivable, net of allowances of \$201 and \$118, respectively	826	581
Inventories	960	825
Prepaid expenses and other current assets	1,959	1,279
Total Current Assets	18,470	24,245
Furniture and fixtures, equipment and leasehold improvements, net	11,979	7,308
Notes receivable, net of allowances of \$675 and \$450, respectively	326	551
Intangible assets, net	2,945	-
Goodwill	9,600	-
Restricted cash	5,000	-
Other assets	1,372	1,327
Total Assets	49,692	33,431
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable	\$ 1,803	\$ 1,519
Accrued expenses	7,729	9,336
Deferred franchise revenue	-	18
Current portion of other long-term liabilities	346	177
Current portion of other long-term debt	527	-
Total current liabilities	10,405	11,050
Deferred franchise revenue	1,733	6,623
Other liabilities, net of current portion	1,720	1,724
Long-term debt, net	10,880	1,663
Total Liabilities	24,738	21,060
Stockholder's equity:		
Common stock - \$0.01 par value, 100,000,000 shares authorized, 48,104,677 and 38,410,196 shares issued and outstanding, respectively	480	383
Additional paid-in capital	343,930	323,256
Treasury stock, 59,886 shares at cost	(1,198)	(1,198)
Accumulated deficit	(318,258)	(310,070)
Total stockholder's equity	24,954	12,371
Total liabilities and stockholder's equity	49,692	33,431

The accompanying notes are an integral part of these consolidated financial statements.

Cosi, Inc.
Consolidated Statements of Operations (Unaudited)
For the Three and Six Month Periods Ended June 29, 2015 and June 30, 2014
(dollars in thousands, except share and per share data)

	Three Months Ended	
	June 29, 2015 (Restated)	June 30, 2014
Revenues:		
Restaurant net sales	\$ 24,027	\$ 20,007
Franchise fees and royalties	422	663
Total revenues	24,449	20,670
Costs and expenses:		
Cost of food and beverage	6,514	5,122
Restaurant labor and related benefits	8,588	7,432
Occupancy and other restaurant operating expenses	8,532	7,078
Operating costs and expenses	23,634	19,632
General and administrative and pre-opening expenses	3,181	3,685
Depreciation and amortization	846	601
Provision for losses on asset impairments and disposals	-	120
Closed store costs expense	52	95
Lease termination expense	142	1,174
Loss (gain) on sale of fixed assets	-	(50)
Total costs and expenses	27,855	25,257
Operating loss	(3,406)	(4,587)
Other income (expense):		
Interest, net	(313)	(239)
Debt issuance and discount amortization	(165)	-
Other income (expense)	10	12
Total other income	(468)	(227)
Net loss	\$ (3,874)	\$ (4,814)
Per Share Data:		
Loss per share, basic and diluted	\$ (0.08)	\$ (0.27)
Weighted average shares outstanding basic and diluted:	45,726,432	18,148,966

	Three Months Ended		Six Months Ended	
	June 29, 2015	June 30, 2014	June 29, 2015	June 30, 2014
Revenues:				
Restaurant net sales	98.3 %	96.8 %	97.3 %	96.6 %
Franchise fees and royalties	1.7	3.2	2.7	3.4
Total revenue	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Cost and expenses:				
Cost of food and beverage (1)	27.1	25.6	27.5	25.3
Restaurant labor and related benefits (1)	35.7	37.1	38.0	38.5
Occupancy and other restaurant operating expenses (1)	35.5	35.4	36.8	37.3
	<u>98.4</u>	<u>98.1</u>	<u>102.4</u>	<u>101.1</u>
General and administrative expenses	13.0	17.8	13.7	15.5
Depreciation and amortization	3.5	2.9	3.4	3.2
Provision for losses on asset impairments and disposals	-	0.6	-	0.3
Closed store costs expense	0.2	0.5	-	0.2
Lease termination expense	0.6	5.7	0.5	3.0
Loss (gain) on sale of fixed assets	-	(0.2)	-	(0.1)
Total costs and expenses	<u>113.9</u>	<u>122.2</u>	<u>117.2</u>	<u>119.8</u>
Operating loss	<u>(13.9)</u>	<u>(22.2)</u>	<u>(17.2)</u>	<u>(19.8)</u>
Other income (expense)				
Interest, net	(1.3)	(1.2)	(1.3)	(0.6)
Debt issuance amortization	(0.7)	-	(0.8)	-
Other income	-	0.1	-	0.1
Total other income (expense)	<u>(2.0)</u>	<u>(1.1)</u>	<u>(2.1)</u>	<u>(0.5)</u>
Net loss	<u>(15.8) %</u>	<u>(23.3) %</u>	<u>(19.3) %</u>	<u>(20.3) %</u>

(1) Expressed as a percentage of restaurant net sales versus all other items expressed as a percentage of total revenues.

For the Three Months Ended

	June 29, 2015			June 30, 2014		
	Company- Owned	Franchise	Total	Company- Owned	Franchise	Total
Restaurants at beginning of period	63	49	112	72	49	121
Franchise-owned converted to Company-owned	16	16	-	-	-	-
New restaurants opened	-	1	1	-	1	1
Restaurants permanently closed	1	2	3	6	2	8
Restaurants at end of period	<u>78</u>	<u>32</u>	<u>110</u>	<u>66</u>	<u>48</u>	<u>114</u>

For the Six Months Ended

	June 29, 2015			June 30, 2014		
	Company- Owned	Franchise	Total	Company- Owned	Franchise	Total
Restaurants at beginning of period	64	47	111	70	52	122
Franchise-owned converted to Company-owned	16	16	-	2	2	-
New restaurants opened	-	3	3	-	1	1
Restaurants permanently closed	2	2	4	6	3	9
Restaurants at end of period	<u>78</u>	<u>32</u>	<u>110</u>	<u>66</u>	<u>48</u>	<u>114</u>