



## **CHAIRMAN'S STATEMENT - FOR THE 3 MONTH PERIOD ENDED DECEMBER 31, 2020**

CinemaONE was pleased to welcome back patrons to its fully operational multiplex at One Woodbrook Place in mid December for the Warner Brothers release of *Wonder Woman 1984*. After nine months of closure due to the Covid-19 pandemic, CinemaONE's Digicel IMAX and 4DX theatres re-opened to the public on December 18<sup>th</sup> and 16<sup>th</sup> respectively. The Company was encouraged that occupancies for all of its theatre formats were on par with historical performances, once adjusted for Covid-19 seating restrictions, which is an indicator that audiences still enjoy a true big screen cinematic movie experience.

The seating adjustments for Covid-19 comprise Government's mandate, in the interest of public safety, of a 50% seating capacity limitation and forced closure at 10PM, which collectively limit showtimes and reduce available seat inventory by approximately -68% versus comparative historical periods. In this context, for the first two weeks of full reopening which ended December 31<sup>st</sup>, CinemaONE moderately outperformed these Covid-19 seating constraints as attendance was -60% below the average for the comparative historical period. CinemaONE was also encouraged by the per capita spending patterns since reopening which were on par with historical patterns, despite the Company's inability to sell alcoholic beverages in its Gemstone theatre format due to the Covid-19 restrictions.

Perhaps the most positive news during Q1 and the month of December was the onset of the rollout of approved Covid-19 vaccinations on a global scale. The Entertainment Industry is generally of the view that increasing immunization programs internationally will drive the opening of more cinemas in key markets such as the US, Canada and Europe, trigger the more consistent release of blockbuster movie content from all movie studios and accelerate the growing confidence of movie goers. As the recovery from Covid-19 ensues, CinemaONE is focused on:

- building long term guest confidence through the consistent application of Covid-19 safety protocols and unique offerings such as private screenings
- improving operational efficiencies with a concerted effort to match staff headcount and overhead costs with reduced attendance expectations
- adhering to prudent financial management with a focus on liquidity management
- taking a measured and disciplined approach to future renovations and new construction.

While CinemaONE's comparative quarterly financials were adversely distorted as a result of forced closure periods for the majority of the Q1 period ended December 31, 2020, the Company successfully managed its liquidity, working capital and general Balance Sheet fundamentals. As such, CinemaONE is positioned to rebound in tandem with the global



entertainment sector's recovery as vaccine dissemination rapidly expands internationally and locally given recent government projections for Q2. The Company therefore looks forward to welcoming back more patrons for the increasing supply of new movies and especially the blockbuster titles such as Warner Brothers' *King Kong vs. Godzilla* and Disney's *Raya and the Dragon* as well as Disney's *Black Widow* in the near term.

A handwritten signature in black ink, appearing to read "Brian Jahra". The signature is fluid and cursive, with a large initial "B" and "J".

Brian Jahra  
Chairman  
CinemaONE Limited  
February 10, 2021



**INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTH PERIOD ENDED  
DECEMBER 31, 2020**

STATEMENT OF FINANCIAL POSITION	THREE MONTHS ENDED DECEMBER 31, 2020	THREE MONTHS ENDED DECEMBER 31, 2019	TWELVE MONTHS ENDED SEPTEMBER 30, 2020
	UNAUDITED	UNAUDITED	AUDITED
<b>Assets</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	65,277,552	59,057,327	65,655,495
Right-of-Use Assets	6,313,448	9,138,350	6,417,819
Due from related parties	3,146,043	-	3,115,792
<b>Total Non-current Assets</b>	<b>74,737,042</b>	<b>68,195,677</b>	<b>75,189,106</b>
<b>Current assets</b>			
Cash and cash equivalents	3,176,132	13,156,419	3,104,068
Other Current Assets	3,744,029	5,984,362	3,782,464
<b>Total Current Assets</b>	<b>6,920,161</b>	<b>19,140,781</b>	<b>6,886,532</b>
<b>Total Assets</b>	<b>81,657,203</b>	<b>87,336,458</b>	<b>82,075,638</b>
<b>Equity &amp; Liabilities</b>			
Paid/Issued Share Capital	32,579,503	32,579,503	32,579,503
Retained earnings	(4,124,136)	3,005,600	(3,059,284)
<b>Total Equity</b>	<b>28,455,367</b>	<b>35,585,102</b>	<b>29,520,219</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Borrowings	42,230,194	38,975,133	41,571,789
Lease Liability	6,759,369	8,561,620	6,827,400
Other	2,181,468	1,310,960	2,193,692
<b>Total Non-current Liabilities</b>	<b>51,171,030</b>	<b>48,847,713</b>	<b>50,592,881</b>
<b>Current Liabilities</b>			
Borrowings	146,352	860,352	143,270
Lease Liability	328,649	904,347	347,492
Other	1,555,805	1,138,944	1,472,776
<b>Total Current liabilities</b>	<b>2,030,806</b>	<b>2,903,643</b>	<b>1,963,538</b>
<b>Total Equity &amp; Liabilities</b>	<b>81,657,203</b>	<b>87,336,458</b>	<b>82,076,638</b>

STATEMENT OF COMPREHENSIVE INCOME	THREE MONTHS ENDED DECEMBER 31, 2020	THREE MONTHS ENDED DECEMBER 31, 2019	TWELVE MONTHS ENDED SEPTEMBER 30, 2020
	UNAUDITED	UNAUDITED	AUDITED
<b>Net Revenue</b>	630,519	3,626,135	6,003,954
Cost of Sales	(140,547)	(1,216,471)	(2,221,279)
<b>Gross Profit</b>	<b>489,972</b>	<b>2,409,664</b>	<b>3,782,675</b>
Operating expenses	(1,633,676)	(1,854,283)	(8,248,506)
<b>Operating profit</b>	<b>(1,143,704)</b>	<b>555,381</b>	<b>(4,465,831)</b>
Interest expense	(269,290)	(347,048)	(1,271,237)
Other Income			514,769
<b>Profit/(Loss) before Tax</b>	<b>(1,412,993)</b>	<b>208,332</b>	<b>(5,222,299)</b>
Tax	348,142	(20,833)	299,437
<b>Profit/(Loss) after Tax</b>	<b>(1,064,852)</b>	<b>187,499</b>	<b>(4,922,862)</b>

# CINEMAONE

## INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTH PERIOD ENDED DECEMBER 31, 2020

STATEMENT OF CHANGES IN EQUITY	THREE MONTHS ENDED DECEMBER 31, 2020	THREE MONTHS ENDED DECEMBER 31, 2019	TWELVE MONTHS ENDED SEPTEMBER 30, 2020
	UNAUDITED	UNAUDITED	AUDITED
<b>Total Opening Balance</b>	<b>29,520,219</b>	<b>36,154,916</b>	<b>34,443,080</b>
IFRS 16 Accumulated Restatement	-	(757,313)	-
Total Comprehensive Income	(1,064,852)	187,499	(4,922,861)
<b>Balance as at End of Period</b>	<b>28,455,367</b>	<b>35,585,102</b>	<b>29,520,219</b>

STATEMENT OF CASH FLOWS	THREE MONTHS ENDED DECEMBER 31, 2020	THREE MONTHS ENDED DECEMBER 31, 2019	TWELVE MONTHS ENDED SEPTEMBER 30, 2020
	UNAUDITED	UNAUDITED	AUDITED
<b>Profit/(loss) before taxation</b>	(1,412,993)	208,332	(5,222,299)
<b>Adjustments for non-cash items &amp; changes in working capital</b>			
Depreciation	1,065,920	1,081,994	4,295,303
Other Adjustments for non-cash items & working capital	987,638	(2,026,823)	2,365,407
<b>Cash generated from operations</b>	<b>640,565</b>	<b>(736,497)</b>	<b>1,438,411</b>
Taxation paid	(25,859)	(13,530)	(135,929)
<b>Net cash generated from operating activities</b>	<b>614,706</b>	<b>(750,027)</b>	<b>1,302,482</b>
<b>Net cash used in investing activities</b>	<b>(542,642)</b>	<b>(7,031,280)</b>	<b>(16,261,554)</b>
Proceeds from loans	-	40,200,000	38,725,139
Repayment of loans and borrowings	-	(19,703,490)	(19,383,258)
Interest paid	-	(288,507)	(1,045,739)
Net share issue expenses	-	-	(962,725)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>20,208,003</b>	<b>17,333,417</b>
Net (decrease) / increase in cash and cash equivalents	72,064	12,426,696	2,374,345
Cash and cash equivalents at the beginning of the period	3,104,067	729,722	729,722
Cash and cash equivalents at the end of the period	3,176,131	13,156,419	3,104,067

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE (3) MONTH PERIOD ENDED DECEMBER 31, 2020

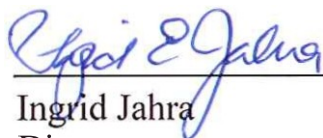
The accompanying notes are an integral part to these financial statements.

#### 1) Basis of Accounting

These condensed financial statements have been prepared by Management in accordance with International Financial Reporting Standards.

#### 2) Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are consistent with those used in the audited financial statements as at September 30, 2020.

  
Ingrid Jahra  
Director

  
Brian Jahra  
Chairman