

CINEMAONE

CONDENSED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED MARCH 31, 2019

CHAIRMAN'S STATEMENT

In the second quarter 2019, CinemaONE enjoyed the acclaimed releases of both Warner Brothers / DC Comics' *Aquaman* and Disney / Marvel Studios' *Captain Marvel*. The performance of CinemaONE's new 4DX theatre was particularly noteworthy as many patrons were immersed in 4DX's unique scynchronization of environmental effects with the cinematic experience for the first time.

Both *Aquaman* and *Captain Marvel* assisted CinemaONE in narrowing the Prior Year Revenue gap which was reduced to (7%) as the Company generated Half Year Revenue of \$7.8M. Improved gross margins and operational efficiencies also assisted CinemaONE in significantly increasing its Operating Profit to over \$1.1M for the Half Year period. Despite higher interest charges, the Company delivered a 4% increase in Pretax Profit for the period.

Very strong market interest in Disney / Marvel Studios' *Avengers Endgame* drives the Company's confidence for a record third quarter. From a global perspective, following its late April release date, *Avengers Endgame* emerged as the first movie title in history to generate in excess of US \$2 Billion in global box office receipts after merely 11 days, demonstrating the vibrant state of the international cinema exhibition industry.

To further capitalize on continued international, regional and local movie demand, CinemaONE plans to accelerate its efforts to identify optimal sites for theatre development and to obtain suitable financing to propel the Company's strategic, long-term growth plans. In the short-term, the Company's Directors remain focused on opening CinemaONE's second site in Gulf City Mall in the final quarter of calendar year 2019.


Brian Jahra
Chairman
May 12, 2019

STATEMENT OF COMPREHENSIVE INCOME	SIX MONTHS ENDED MARCH 31, 2019	SIX MONTHS ENDED MARCH 31, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Net Revenue	7,848,544	8,474,540	17,369,545
Cost of Sales	(2,926,801)	(3,338,489)	(6,992,077)
Gross Profit	4,921,743	5,136,051	10,477,468
Operating expenses	(3,803,321)	(4,511,707)	(9,079,572)
Operating profit	1,118,422	624,344	1,397,896
Interest expense	(608,234)	(135,653)	(423,660)
Profit before Tax	510,188	488,691	974,236
Tax	(51,019)	(101,147)	414,680
Profit after Tax	459,169	387,544	1,388,916

STATEMENT OF FINANCIAL POSITION	SIX MONTHS ENDED MARCH 31, 2019	SIX MONTHS ENDED MARCH 31, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Assets			
Non-current assets	54,671,429	49,882,651	52,531,886
Current assets	7,462,289	6,500,188	4,982,573
Total Assets	62,133,718	56,382,839	57,514,459
Equity & Liabilities			
Paid/Issued Share Capital	32,662,878	19,116,262	19,026,432
Retained earnings	3,099,533	1,638,992	2,640,363
Total Equity	35,762,411	20,755,254	21,666,795
Non-current Liabilities			
Borrowings	18,684,051	26,517,484	26,533,739
Other	1,153,858	2,523,728	1,153,858
Total Non-current Liabilities	19,837,909	29,041,212	27,687,597
Current liabilities			
Borrowings	4,373,665	3,167,996	5,759,133
Other	2,159,733	3,418,377	2,400,934
Total Current Liabilities	6,533,398	6,586,373	8,160,067
Total Equity & Liabilities	62,133,718	56,382,839	57,514,459

STATEMENT OF CHANGES IN EQUITY	SIX MONTHS ENDED MARCH 31, 2019	SIX MONTHS ENDED MARCH 31, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Ordinary Shares	19,116,263	19,116,263	19,116,263
Preference Share Class B	-	2,500,000	2,500,000
Retained Earnings	2,640,363	1,251,447	1,251,447
New share issue expense	(89,831)	-	-
Total opening balance	21,666,795	22,867,710	22,867,710
Conversion of Preference Shares-Class B to shareholder loan	-	(2,500,000)	(2,500,000)
New share issue	14,441,680	-	-
New share issue expense	(805,233)	-	(89,831)
Total Comprehensive Income	459,169	387,544	1,388,916
Balance as at March 31, 2019	35,762,411	20,755,254	21,666,795

STATEMENT OF CASH FLOWS	SIX MONTHS ENDED MARCH 31, 2019	SIX MONTHS ENDED MARCH 31, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Profit/(loss) before taxation	510,188	488,691	974,236
Adjustment for non-cash items & changes in working capital	66,684	1,601,938	798,943
Cash generated from operations	576,872	2,090,629	1,773,179
Taxation paid	(52,461)	(37,246)	(144,651)
Net cash generated from operating activities	524,411	2,053,383	1,628,527
Net cash used in investing activities	(2,847,474)	(3,815,300)	(8,243,254)
Proceeds from loans	-	-	8,899,523
Proceeds from IPO financing	14,441,680	-	-
Debt amortization	(9,235,543)	(73,176)	(3,300,480)
Interest paid	(625,107)	-	(1,680,918)
Proceeds from sponsorship income	150,000	343,815	1,100,153
Net cash used in financing activities	4,731,030	3,127,180	5,018,277
Net (decrease) / increase in cash and cash equivalents	2,407,967	1,365,263	(1,596,450)
Cash and cash equivalents at the beginning of the year	404,494	2,000,944	2,000,944
Cash and cash equivalents at the end of the year	2,812,461	3,366,207	404,494

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED MARCH 31, 2019

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

1. Basis of Accounting

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

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are consistent with those used in the audited annual financial statements as at September 30, 2018.


Brian Jahra
Chairman


Ingrid Jahra
Director