

CINEMAONE

CONDENSED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED JUNE 30, 2019

CHAIRMAN'S STATEMENT

Bolstered by the epic blockbuster performance of Disney's *Avengers Endgame*, which surpassed the Company's previous record attendance for a single movie by over 30%, CinemaONE delivered strong results for the nine month period ended June 30, 2019, effectively accelerating past the exceptional results of *Black Panther* in 2018.

Overall, during the third quarter CinemaONE successfully reversed fiscal 2019's initial lag in Revenue to exceed the prior year nine month Revenue performance by 3%. In addition to *Avengers Endgame*, the Company reported noteworthy movie attendance for Lionsgate's *John Wick 3* and Disney's *Aladdin*. The Company's premium IMAX and 4DX formats were particularly popular during the quarterly period.

While CinemaONE's Gross Profit margin of 60% for the quarterly period was consistent with 2018's full year results, the Company managed operational cost reductions to deliver 26% growth in Operating Profits for the nine month period. Net Profit also increased by 13%.

Columbia Pictures' *Spiderman Far Away From Home*, Disney's *Lion King* and Warner Brothers' *IT Chapter 2* are likely stand outs for the fourth quarter and give management confidence that the Company will surpass top line results for 2018 while focusing on margin management to similarly deliver profitability enhancements.

To realize more significant growth expectations, the Company's Board remains focused on leveraging CinemaONE's strengthened Balance Sheet during the fourth quarter so as to consummate approved debt financing and to complete the Company's multiplex expansion efforts in Gulf City Mall, San Fernando which are underway.



Brian Jahra
Chairman
August 8, 2019

STATEMENT OF COMPREHENSIVE INCOME	NINE MONTHS ENDED JUNE 30, 2019	NINE MONTHS ENDED JUNE 30, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Net Revenue	14,165,374	13,813,424	17,369,545
Cost of Sales	(5,632,360)	(4,823,226)	(6,892,077)
Gross Profit	8,533,014	8,990,198	10,477,468
Operating expenses	(6,525,132)	(7,392,655)	(9,079,572)
Operating profit	2,007,882	1,597,543	1,397,896
Interest expense	(896,484)	(295,847)	(423,660)
Profit/(Loss) before Tax	1,111,398	1,301,696	974,236
Tax	(111,140)	(414,671)	414,680
Profit/(Loss) after Tax	1,000,259	887,025	1,388,916

STATEMENT OF FINANCIAL POSITION	NINE MONTHS ENDED JUNE 30, 2019	NINE MONTHS ENDED JUNE 30, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Assets			
Non-current assets	54,728,768	51,666,076	52,531,886
Current assets	7,656,790	4,019,309	4,982,573
Total Assets	62,385,558	55,685,384	57,514,459
Equity & Liabilities			
Paid/Issued Share Capital	32,662,879	19,116,263	19,026,432
Retained earnings	3,640,622	2,138,472	2,640,363
Total Equity	36,303,501	21,254,735	21,666,795
Non-current Liabilities			
Borrowings	17,752,532	26,878,953	26,533,739
Other	1,153,858	2,052,219	1,153,858
Total Non-current Liabilities	18,906,390	28,931,172	27,687,597
Current Liabilities			
Borrowings	4,373,665	5,015,912	5,759,133
Other	2,802,002	483,565	2,400,934
Total Current Liabilities	7,175,667	5,499,477	8,160,067
Total Equity & Liabilities	62,385,558	55,685,384	57,514,459

STATEMENT OF CHANGES IN EQUITY	NINE MONTHS ENDED JUNE 30, 2019	NINE MONTHS ENDED JUNE 30, 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)
Ordinary Dividends Paid	-	-	-
New share issue	14,441,680	-	-
New share issue expense (805,233)	-	-	(89,831)
Total Comprehensive Income	1,000,259	887,025	1,388,916
Balance as at June 30, 2019	36,303,501	21,254,735	21,666,795

STATEMENT OF CASH FLOWS	NINE MONTHS ENDED JUNE 30, 2019	NINE MONTHS ENDED JUNE 30, 2018	TWELVE MONTHS ENDED SEPT. 30, 2018
	Unaudited	Unaudited	Audited
Profit/(loss) before taxation	1,111,398	1,301,696	974,236
Adjustment for non-cash items & changes in working capital	1,691,958	1,045,182	798,943
Cash generated from operations	2,803,356	2,346,877	1,773,179
Taxation paid	(52,461)	(37,246)	(144,651)
Net cash generated from operating activities	2,750,895	2,309,631	1,628,527
Net cash used in investing activities	(3,698,548)	(6,220,148)	(8,243,254)
Proceeds from loans	-	4,456,541	8,899,523
Proceeds from IPO financing	14,441,680	-	-
Debt amortization	(10,615,317)	(846,223)	(3,300,480)
Interest paid	(845,817)	(840,450)	(1,680,918)
Dividends paid	-	-	-
Proceeds from sponsorship income	266,666	266,666	1,100,153
Net cash used in financing activities	(3,247,213)	3,036,534	5,018,277
Net (decrease) / increase in cash and cash equivalents	2,299,560	(873,983)	(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	2,704,055	1,126,961	404,494

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED JUNE 30, 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.



Brain Jahra
Chairman



Ingrid Jahra
Director