CINEMAONE

CONDENSED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED DECEMBER 31, 2019

CHAIRMAN'S STATEMENT

CinemaONE ("the Company") completed the first quarter (Q1) Fiscal 2020 period with a reasonably strong performance of Disney's *Star Wars: the Rise of Skywalker*. However, the results were moderately off the combined results of two blockbuster titles in the previous year's Q1 movie slate which included both Marvel's *Venom* and DC Comics' *Aquaman.*

Overall, CinemaONE achieved revenue of $3.6M for the Q1 Fiscal 2020 three (3) month period (2019: $3.8M) representing a 5% decline over the previous year's Q1 performance. The Company adopted IFRS 16 during the Q1 2020 period, which resulted in the reclassification of its operating leases and the associated reduction in operating expenses, but increases in lease related interest expense. As such, Operating Profit increased by 9% to $.6M (2019: $.5M) while Pretax Profit and Net Profit were relatively flat at $.2M (2019 $.2M).

The adoption of IFRS 16 also impacted CinemaONE's Financial Position in Q1 Fiscal 2020 with Right-of-Use Assets associated with the Company's long term cinema venue leases augmenting the Company's asset base by $9.1M. In addition, the consummation of TT$40M in long term debt financing from Guardian Group Trust Limited (GGTL) resulted in a 35% increase in the Company's asset base to $87.3M (2019 $64.5M).

The enhanced liquidity from GGTL's debt financing will enable the Company to complete the first phase of its strategic expansion with the launch of its second multiplex site in Gulf City Mall, where construction is rapidly advancing and the Company has set a target opening in Q3 Fiscal 2020. We look forward to a heightened movie slate over the next two quarters with the anticipated blockbusters of James Bond *in No Time To Die*, the Avenger *Black Widow*, and *Wonder Woman 1984*.

Brian Jahra
Chairman
February 14, 2020

STATEMENT OF COMPREHENSIVE INCOME	AS AT DEC. 31, 2019 (3 MONTHS)	AS AT DEC. 31, 2018 (3 MONTHS)	AS AT SEPT. 30, 2019 (12 MONTHS)
	UNAUDITED	UNAUDITED	AUDITED
Net Revenue	3,626,135	3,805,974	18,346,090
Cost of Sales	(1,216,471)	(1,322,244)	(7,541,968)
Gross Profit	**2,409,664**	**2,483,730**	**10,804,122**
Operating expenses	(1,854,283)	(1,976,151)	(8,373,301)
Operating profit	**555,381**	**507,579**	**2,430,821**
Interest expense	(347,048)	(281,988)	(1,313,653)
Profit/(Loss) before Tax	**208,332**	**225,591**	**1,117,168**
Tax	(20,833)	(22,559)	(182,118)
Profit/(Loss) after Tax	**187,499**	**203,032**	**935,050**

STATEMENT OF FINANCIAL POSITION	AS AT DEC. 31, 2019 (3 MONTHS)	AS AT DEC. 31, 2018 (3 MONTHS)	AS AT SEPT. 30, 2019 (12 MONTHS)
Assets	UNAUDITED	UNAUDITED	AUDITED
Property Plant and Equipment	59,057,327	54,306,388	53,882,890
Right-of-Use Assets	9,138,350	-	-
Current assets	19,140,781	10,177,811	5,721,650
Total Assets	**87,336,458**	**64,484,199**	**59,604,540**
Equity & Liabilities			
Paid/Issued Share Capital	32,579,503	32,861,296	32,579,503
Retained earnings	3,005,600	2,843,396	3,575,413
Total Equity	**35,585,102**	**35,704,691**	**36,154,916**
Liabilities			
Non-current Liabilities			
Borrowings	38,975,133	21,489,933	16,121,233
Lease Liability	8,561,620	-	-
Other	1,310,960	1,153,858	1,310,960
Total Non-current Liabilities	**48,847,713**	**22,643,791**	**17,432,193**
Current Liabilities			
Borrowings	860,352	3,369,616	4,104,685
Lease Liability	904,347	-	-
Other	1,138,944	2,766,100	1,912,746
Total Current liabilities	**2,903,643**	**6,135,716**	**6,017,431**
Total Equity & Liabilities	**87,336,458**	**64,484,199**	**59,604,540**

STATEMENT OF CHANGES IN EQUITY	AS AT DEC. 31, 2019 (3 MONTHS)	AS AT DEC. 31, 2018 (3 MONTHS)	AS AT SEPT. 30, 2019 (12 MONTHS)
	UNAUDITED	UNAUDITED	AUDITED
Ordinary Shares	19,026,432	19,116,263	19,026,432
New share issue	14,441,680	-	-
Retained Earnings	3,575,413	2,640,363	2,640,363
New share issue expense	(888,609)	(89,831)	-
Total Opening Balance	**36,154,916**	**21,666,795**	**21,666,795**
IFRS 16 Accumulated Restatement	(757,313)	-	-
Ordinary Dividends Paid	-	-	
New share issue	-	14,441,680	14,441,680
New share issue expense	-	(606,816)	(888,609)
Total Comprehensive Income	187,499	203,032	935,050
Balance as at End of Period	**35,585,102**	**35,704,691**	**36,154,916**

STATEMENT OF CASH FLOWS	AS AT DEC. 31, 2019 (3 MONTHS)	AS AT DEC. 31, 2018 (3 MONTHS)	AS AT SEPT. 30, 2019 (12 MONTHS)
	UNAUDITED	UNAUDITED	AUDITED
Profit/(loss) before taxation	208,332	225,591	1,117,168
Adjustment for non-cash items & changes in working capital	(944,829)	130,306	2,077,253
Cash generated from operations	(736,497)	355,897	3,194,421
Taxation paid	(13,530)	(8,528)	(223,791)
Net cash generated from operating activities	(750,027)	347,369	2,970,630
Net cash used in investing activities	(7,031,280)	(2,214,136)	(3,894,535)
Proceeds from loans	40,200,000	-	-
Proceeds from IPO financing	-	14,441,680	14,441,680
Debt amortization	(19,703,490)	(7,681,457)	(12,066,954)
Interest paid	(288,507)	(413,719)	(1,153,298)
Net share issue expenses	-	-	(805,629)
Net cash used in financing activities	20,208,004	6,346,503	415,799
Net (decrease) / increase in cash and cash equivalents	12,426,697	4,479,736	(508,106)
Cash and cash equivalents at the beginning of the period	729,722	404,494	1,237,828
Cash and cash equivalents at the end of the period	13,156,419	4,884,231	729,722

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE (3) MONTH PERIOD ENDED DECEMBER 31, 2019

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 polices adopted in the preparation of these financial statements are consistent with those used in the audited financial statements as at September 30, 2019.

3) IFRS 16

CinemaONE has adopted IFRS 16 in Fiscal 2020 using the retrospective approach on transition, recognising leases at the carried forward value had the leases been treated as such from inception, without restatement of comparative figures. On adoption of IFRS 16, CinemaONE recognised right-of-useassets and lease liabilities in relation to its cinema venues. These had previously been classified as operating leases. The difference between the right-of-use assets and lease liabilities on transition is an adjustment to retained earnings.

Brain Jahra
Chairman

Ingrid Jahra
Director