

CHAIRMAN'S REPORT FOR THE 9 MONTH PERIOD ENDED JUNE 30, 2022

Overview

I'm happy to report on the accelerated rebound of the cinema exhibition sector. The impressive Q3 performance of Disney/Marvel's *Dr. Strange in the Multiverse of Madness*, which attained US \$952M by the end of the period, propelled the global theatrical market to a 2022 calendar year cumulative box office total of US \$13.4 Billion.



CinemaONE Chairman Brian Jahra gives Loop News a tour of the new Gemstone theatres coming to South Trinidad. Image by Darlisa Ghouralal.

A most important global indicator was the collective performance of strong titles such as Paramount's *Top Gun Maverick* and Universal's *Jurassic World Dominion* in the month of June, which reduced the comparative monthly deficit to the pre-C19 average June box office performance in 2017-2019 to a mere -3%, and narrowed the 2022 calendar year's global box office gap to the pre-C19 3 year average to -35%.

In this context and supported by the full relaxation of all Safe Zone operating restrictions on April 4, 2022, CinemaONE continued to make significant progress in recovering from the effects of the pandemic. The Company demonstrated its positive trajectory by delivering its highest attendance in the pandemic era during the month of June coupled with box office revenue which even surpassed its pre-C19 3 year average by a marginal 2%. Overall, CinemaONE is extremely well-positioned to benefit from the ongoing resurgence of theatrical moviegoing and new opportunities.

Financial Performance

For the Q3 2022 period ended June 30, 2022, CinemaONE enjoyed a diverse range of compelling big screen movie releases from all its major studio partners. Since CinemaONE's reopening in Oct. 2021, Disney / Marvel's *Dr. Strange*, which was released in May 2022, has only been surpassed by Sony / Marvel's *Spiderman No Way Home*.

Overall, CinemaONE delivered the following improved results for the Q3 Nine Month period ended June 30, 2022:

Gross Revenue increased by 233% to TT \$7.4M (FY 2021 TT\$2.2M). Gross Profit increased by 190% to TT \$4.4M (FY 2021 TT \$1.5M) and the Company maintained a marginal Operating Profit of TT \$.4M versus the previous year's Operating Loss (FY 2021 TT -\$3.2M), while increasing EBITDA to TT \$2.5M versus a loss in the previous year period (FY 2021: TT \$-.01M). The December 2021 enactment of favorable new tax legislation for publicly listed SME's also significantly minimized Net Loss to TT -\$0.4M (FY 2021 TT -\$3.5M).



Future Outlook

The global and local trends give credence to the cinema industry's general sentiment that the big screen is back. Strong content recovery and the broad, generational appeal of titles such as *Top Gun Maverick* have injected needed enthusiasm and confidence in the industry. Indeed, *Top Gun Maverick* surprisingly emerged to become the highest earning Tom Cruise movie ever with a global box office of US \$1.35 Billion, and still counting, while recently catapulting to the 7th position on the all-time box office performance list for both the US and Canada.

Upcoming titles such as Viola Davis in the *Woman King* (Sept 2022), the Warner Brothers / DC Comics' release of *Black Adam* (Oct 2022) and the highly anticipated Disney / Marvel *Black Panther 2* (Nov. 2022) will likely drive audience demand for big screen entertainment. CinemaONE is poised to increasingly participate in the sector's rebound and growth.

Brian Jahra

Chairman

August 11, 2022

Sample Movie Slate: Calendar Year 2022 *(Local release dates may vary.)*Quarter 3

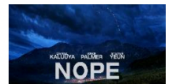
July 1



July 8



July 15



July 22



July 29



August 5



August 19



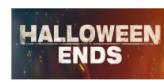
September 16



September 23



Re-Release September 23

Quarter 4

October 14



October 21



October 21



November 4



November 11



November 25



December 16



December 23



December 23



December 23

CINEMAONE

CONDENSED UNAUDITED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED JUNE 30, 2022

STATEMENT OF COMPREHENSIVE INCOME	9 MONTHS ENDED JUNE 30, 2022	9 MONTHS ENDED JUNE 30, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Gross Revenue	7,440,153	2,234,236	2,072,424
Cost of Sales	(3,044,545)	(716,888)	(1,111,636)
Gross Profit	4,395,608	1,517,348	960,788
Operating expenses	(3,985,502)	(4,728,541)	(7,429,171)
Operating profit	410,106	(3,211,193)	(6,468,383)
Interest expense	(1,344,661)	(1,056,542)	(1,859,131)
Other Income	109,094	-	261,283
Profit/(Loss) before Tax	(825,462)	(4,267,735)	(8,066,231)
Tax	377,471	770,149	1,068,748
Profit/(Loss) after Tax	(447,991)	(3,497,586)	(6,997,483)

STATEMENT OF FINANCIAL POSITION	9 MONTHS ENDED JUNE 30, 2022	9 MONTHS ENDED JUNE 30, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Assets			
Non-current assets			
Property Plant and Equipment	66,232,858	64,142,661	63,620,671
Deferred Tax Asset	3,160,141	1,282,858	3,160,141
Right-of-Use Assets	5,687,223	6,104,706	6,000,336
Due from related parties	2,994,924	3,060,520	2,900,897
Total Non-current Assets	78,075,147	74,590,745	75,682,045
Current assets			
Cash and cash equivalents	2,045,865	2,346,690	2,085,776
Other Current Assets	3,497,134	4,312,310	3,073,870
Total Current Assets	5,542,999	6,659,000	5,159,646
Total Assets	83,618,145	81,249,745	80,841,691
Equity & Liabilities			
Paid/Issued Share Capital	32,579,503	32,579,503	32,579,503
Retained earnings	(10,504,759)	(6,556,870)	(10,056,767)
Total Equity	22,074,744	26,022,633	22,522,736
Liabilities			
Non-current Liabilities			
Borrowings	38,883,148	38,752,511	38,752,511
Deferred Tax Liability	2,310,758	1,523,226	2,310,757
Shareholder Loans	1,042,775	724,514	670,942
Lease Liability	6,969,878	6,774,026	7,010,936
Accruals and Other Liabilities	7,664,911	4,810,556	5,493,503
Total Non-current Liabilities	56,871,469	52,584,833	54,238,649
Current Liabilities			
Borrowings	146,352	143,270	143,270
Lease Liability	375,282	328,649	375,282
Accruals and Other Liabilities	4,150,298	2,170,361	3,561,754
Total Current liabilities	4,671,932	2,642,280	4,080,306
Total Equity & Liabilities	83,618,145	81,249,745	80,841,691

STATEMENT OF CHANGES IN EQUITY	9 MONTHS ENDED JUNE 30, 2022	9 MONTHS ENDED JUNE 30, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Total Opening Balance	22,522,736	29,520,219	29,520,219
Total Comprehensive Income	(447,991)	(3,497,586)	(6,997,483)
Balance as at End of Period	22,074,744	26,022,633	22,522,736

STATEMENT OF CASH FLOWS	9 MONTHS ENDED JUNE 30, 2022	9 MONTHS ENDED JUNE 30, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Profit/(loss) before taxation	(825,462)	(4,267,735)	(8,066,231)
Adjustments for:			
Depreciation	2,132,264	3,197,759	4,263,678
Other changes in working capital	3,875,403	2,977,908	6,261,539
Cash generated from operations	5,182,205	1,907,932	2,458,986
Taxation paid	(11,221)	(10,639)	(21,658)
Net cash generated from operations	5,170,984	1,897,293	2,437,328
Net cash used in investing activities	(4,398,080)	(2,654,671)	(3,094,229)
Proceeds from loans	486,607	-	61,377
Repayment of loans and borrowings	(101,127)	-	(62,448)
Interest paid	(548,651)	-	(134,231)
Leases	(649,646)	-	(226,089)
Net cash used in financing activities	(812,817)	-	(361,391)
Net (decrease) / increase in cash	(39,912)	(757,378)	(1,018,292)
Cash and cash equivalents at the beginning of the period	2,085,776	3,104,067	3,104,067
Cash and cash equivalents at the end of the period	2,045,865	2,346,690	2,085,776

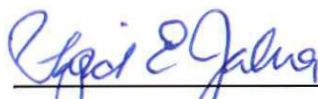
NOTES:

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, 2021.

3) **Sted Currency:** Trinidad and Tobago Dollars.


Ingrid Jahra
Director


Brian Jahra
Chairman