

**CHAIRMAN'S REPORT
FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2022**

Overview

The global cinema exhibition sector and CinemaONE delivered a significant rebound in Financial Year (FY) 2022 as Covid-19 (C19) restrictions waned and moviegoers demonstrated a willingness to return to the Big Screen. Sony's *Spiderman No Way Home* elevated to the highest grossing Spiderman film ever and the 6th highest grossing film of all time with US \$1.9B at the global box



office. Paramount's *Top Gun: Maverick* was another ostensible performer and has become the 11th highest grossing film of all time and the highest earning Tom Cruise movie ever with US \$1.5B from the Global Box Office.

CinemaONE similarly enjoyed a resurgence in moviegoing, particularly following the full relaxation of all government imposed C19 Safe Zone operating restrictions on April 4, 2022. Buttressed by the June releases of major blockbuster titles from multiple studios highlighted by Paramount's *Top Gun: Maverick*, Universal's *Jurassic World Dominion* and Disney's *Thor - Love and Thunder*, CinemaONE continued the positive trajectory highlighted by the Company's June achievement of its highest single month attendance in the pandemic era which even surpassed its pre-C19 historical 3 year average by a marginal 2% coupled with encouraging per patron metrics.

Financial Performance

I am happy to summarize the following improved financial performance for FY 2022. Gross Revenue increased by 388% to TT \$10.1M (FY 2021: TT\$2.1M). Gross Profit increased by 486% to TT \$5.6M (FY 2021: TT \$1.0M) and the Company significantly narrowed the Operating Loss to TT -\$0.02M, a near breakeven benchmark, versus the previous year's Operating Loss (FY 2021: TT -\$6.5M). Net Loss was similarly constrained to TT -\$1.4M (FY 2021: TT -\$7.0M). EBITDA positively rebounded by 315% to TT \$3.1M versus the previous year's negative result (FY 2021: TT -\$2.2M). The above results were achieved amidst C19 constraints for the entire first half of FY 2022. Overall, the Company's box office performance was -38% below the pre C19 historical 3 year average, which aligns with the cinema industry -34% box office deficit to the same pre C19 average as of September 2022.

Future Outlook

The cinema exhibition industry's recovery from the global C19 pandemic is still underway and is contingent upon the volume and appeal of new film content available, consumer sentiment around

movie-going and the continued cessation of government restrictions. The cinema industry is also adjusting to competition from streaming platforms, supply chain constraints, inflationary impacts and other macroeconomic factors.

However, in FY 2022, consumers reinforced their desire to see the newest movie releases in a larger-than-life cinematic environment which continues to propel CinemaONE towards an accelerated recovery.

CinemaONE's December 2022 opening of its second cinema site in Gulf City Mall, San Fernando, and its imminent capital markets activity which will infuse additional equity capital into the Company

via a Rights Issue will position CinemaONE for newfound growth as it pragmatically pursues strategic opportunities.

I wish to thank our Shareholders, Board of Directors, Management, Employees, Loyal Customers and all Stakeholders for the collaborative approach towards sustainable recovery and growth.

Seasons Greetings!

Brian Jahra



Chairman

December 25, 2022

