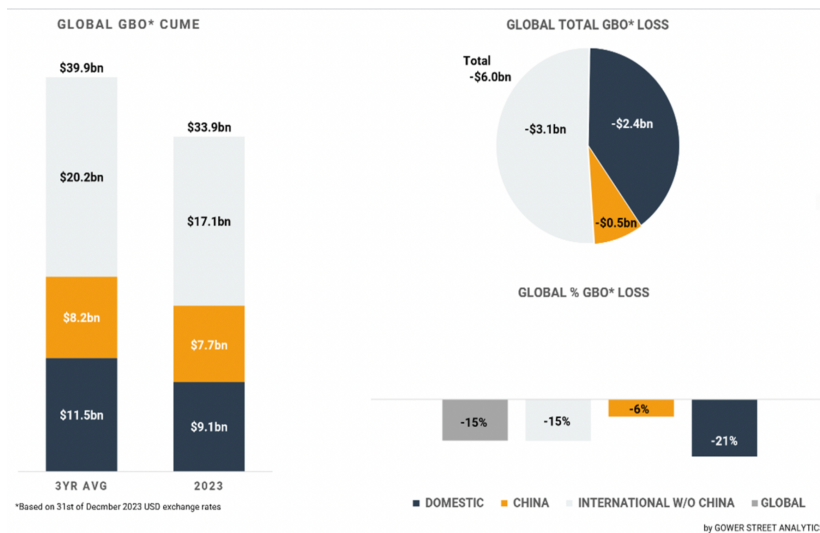


## CHAIRMAN'S REPORT FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2023

### Overview

The 2023 Global Box Office marked a milestone in the industry's recovery from Covid-19 and increased to US \$33.9B up 31% over 2022's US \$25.9B, but was still -15% below the Pre-C19 Global Box Office. After a strong first 8 months with a few titles exceeding US \$1 Billion such



as Universal Pictures' *The Super Mario Bros. Movie* (US \$1.4B) and Warner Brothers' cultural phenomenon *Barbie* (US \$1.4B), the combined Writers and Actors' Strikes began to significantly impact the last quarter of 2023, reducing titles on offer and restricting marketing campaigns.

Fortunately, the Hollywood Writers and Actors' strikes, which lasted over 6 months combined and included the first

Actors' Guild strike in 40 years, ended in December, but only after triggering a lag in release dates of many anticipated titles.

CinemaONE was similarly impacted in Q1 of its FY 2024 with the postponement of notable movie releases such as Sony's *Kraven the Hunter* from October 2023 to August 2024, Warner Brothers' *Dune II* from October 2023 to March 2024 and Sony's *Ghostbusters* from December 2023 to March 2024. However, CinemaONE managed to mitigate the reduction in movie content through offsetting growth via the Company's strategic opening of its new CINECentral location in Price Plaza, Chaguanas. CINECentral commenced offering daily show schedules in mid October 2023.

### Financial Performance

In this context of reduced movie content volume for the Q1 FY 2024 period, particularly given the comparison to last year's true blockbuster performance in Q1 FY 2023 of both Disney's *Avatar the Way of Water* and *Black Panther Wakanda Forever*, the CinemaONE Group's Q1 FY 2024 results were as follows: Gross Revenue was on par with the Prior Year performance at TT \$4.54M (FY 2023: TT \$4.59M). Gross Profit increased by 12% to TT \$2.9M (FY 2023: TT \$2.5M) and the Group maintained its Operating Profit with TT \$5.5M (FY 2023: TT \$5.5M). However, Net Losses increased to TT -\$0.3M versus the Prior Year performance (FY 2023: TT \$0.03M).

### Future Outlook

Management still expects that the supply chain impact of the recently concluded Hollywood strikes will somewhat retard growth and recovery expectations in FY 2024. However, the Company's

strategic positioning and growth initiatives will assist the Company in offsetting this impact. As the movie slate steadily improves and actors return to their important roles in global marketing promotions, the Company looks forward to the upcoming releases of Bob Marley's story in Universal's *One Love*, Sony's *Madame Web*, Warner Brothers' highly anticipated *Dune II* and *Godzilla x Kong The New Empire*.

See you at the movies!

Brian Jahra



Chairman

February 14, 2024

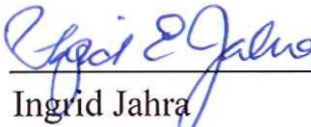
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>3 MONTHS ENDED DEC. 31, 2023</b>	<b>3 MONTHS ENDED DEC. 31, 2022</b>	<b>12 MONTHS ENDED SEPT. 30, 2023</b>
<b>Assets</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
<b>Non-current assets</b>			
Property Plant and Equipment	74,098,269	67,891,195	74,091,499
Right-of-Use Assets	47,691,817	5,478,481	47,922,651
Deferred Tax Asset	4,217,280	3,597,696	3,697,812
Due from related parties	3,728,063	3,048,873	4,220,844
<b>Total Non-current Assets</b>	<b>129,735,429</b>	<b>80,016,245</b>	<b>129,932,806</b>
<b>Current assets</b>			
Cash and cash equivalents	413,553	1,530,647	1,485,954
Cash and cash equivalents-restricted	1,299,315	1,012,000	1,803,975
Other Current Assets	2,330,877	2,732,931	2,077,369
<b>Total Current Assets</b>	<b>4,043,745</b>	<b>5,275,578</b>	<b>5,367,298</b>
<b>Total Assets</b>	<b>133,779,174</b>	<b>85,291,823</b>	<b>135,300,104</b>
<b>Equity &amp; Liabilities</b>			
Paid/Issued Share Capital	38,213,147	32,579,503	38,213,147
Retained earnings	(16,834,074)	(11,447,450)	(16,379,331)
	<b>21,379,073</b>	<b>21,132,053</b>	<b>21,833,816</b>
<b>Non-controlling interest</b>	<b>4,382,447</b>	<b>-</b>	<b>4,213,665</b>
<b>Total Equity</b>	<b>25,761,519</b>	<b>21,132,053</b>	<b>26,047,481</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Borrowings	40,637,760	37,914,250	40,370,585
Lease Liability	47,961,480	2,468,898	47,929,343
Deferred Tax Liability	2,936,521	6,680,363	2,936,521
Accruals and Other Liabilities	9,721,817	9,129,453	8,760,778
<b>Total Non-current Liabilities</b>	<b>101,257,578</b>	<b>56,192,964</b>	<b>99,997,227</b>
<b>Current Liabilities</b>			
Borrowings	2,304,989	2,706,395	2,756,362
Lease Liability	2,163,902	375,282	1,958,718
Accruals and Other Liabilities	2,291,185	4,885,129	4,540,316
<b>Total Current liabilities</b>	<b>6,760,076</b>	<b>7,966,806</b>	<b>9,255,396</b>
<b>Total Equity &amp; Liabilities</b>	<b>133,779,174</b>	<b>85,291,823</b>	<b>135,300,104</b>

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>3 MONTHS ENDED DEC. 31, 2023</b>	<b>3 MONTHS ENDED DEC. 31, 2022</b>	<b>12 MONTHS ENDED SEPT. 30, 2023</b>
	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
<b>Revenue</b>	4,541,302	4,591,555	17,942,909
Cost of Sales	(1,633,234)	(1,999,809)	(7,145,556)
<b>Gross Profit</b>	<b>2,908,068</b>	<b>2,591,746</b>	<b>10,797,353</b>
Operating expenses	(2,405,294)	(2,094,301)	(8,920,222)
<b>Operating profit</b>	<b>502,773</b>	<b>497,445</b>	<b>1,877,131</b>
Finance cost	(880,780)	(546,996)	(2,931,618)
Other Income	41,581	79,464	210,658
<b>Profit/(Loss) before Tax</b>	<b>(336,425)</b>	<b>29,913</b>	<b>(843,829)</b>
Tax	50,464	-	155,526
<b>Profit/(Loss) after Tax</b>	<b>(285,962)</b>	<b>29,913</b>	<b>(688,303)</b>

<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>3 MONTHS ENDED DEC. 31, 2023</b>	<b>3 MONTHS ENDED DEC. 31, 2022</b>	<b>12 MONTHS ENDED SEPT. 30, 2023</b>
	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
Shareholders Equity	26,047,481	21,102,140	21,102,140
Total Comprehensive Income/(loss)	(285,962)	29,913	(688,303)
New share issue	-	-	6,015,480
New share issue-expenses	-	-	(381,836)
<b>Balance as at End of Period</b>	<b>25,761,519</b>	<b>21,132,053</b>	<b>26,047,481</b>

CONSOLIDATED STATEMENT OF CASH FLOWS	3 MONTHS ENDED DEC. 31, 2023	3 MONTHS ENDED DEC. 31, 2022	12 MONTHS ENDED SEPT. 30, 2023
	UNAUDITED	UNAUDITED	AUDITED
<b>Profit/(loss) before taxation</b>	<b>(336,425)</b>	<b>29,913</b>	<b>(843,829)</b>
<b>Adjustments for:</b>			
Depreciation-Fixed Assets	1,068,879	924,334	4,117,606
Depreciation-Leases	230,834	104,371	596,555
Interest expense	880,780	467,352	2,931,618
Other changes in working capital	(125,694)	(170,448)	(353,736)
<b>Cash generated from operations</b>	<b>1,718,373</b>	<b>1,355,522</b>	<b>6,448,214</b>
Taxation paid	-	-	-
<b>Net cash generated from operations</b>	<b>1,718,373</b>	<b>1,355,522</b>	<b>6,448,214</b>
<b>Net cash used in investing activities</b>	<b>(535,211)</b>	<b>(1,003,889)</b>	<b>(9,903,411)</b>
Proceeds from loans	-	960,000	6,681,036
Proceeds from new share Issue	-	-	6,015,480
Expenses from new share Issue	-	-	(381,836)
Repayment of loans and borrowings	(643,431)	(267,209)	(3,700,150)
Interest paid	(263,944)	(270,813)	(2,239,856)
Leases	(648,696)	(316,742)	(1,202,902)
<b>Net cash used in financing activities</b>	<b>(1,556,071)</b>	<b>105,236</b>	<b>5,171,772</b>
<b>Net (decrease) / increase in cash</b>	<b>(372,909)</b>	<b>456,870</b>	<b>1,716,575</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,085,776</b>	<b>2,085,776</b>	<b>1,573,354</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,712,868</b>	<b>2,542,647</b>	<b>3,289,929</b>

  
 Brian Jahra  
 Chairman

  
 Ingrid Jahra  
 Director

## 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, 2023.
- 3) Stated Currency:** Trinidad and Tobago Dollars.