CINEMAONE

CONDENSED FINANCIAL STATEMENTS FOR 3 MONTHS ENDED 31ST DECEMBER 2018

CHAIRMAN'S STATEMENT

CinemaONE initiated the first quarter with a good performance on the Marvel title *Venom* which was unique in its release date timing in early October. The Company then embarked on a number of market activities releated to the launch of its successful SME IPO which culminated with a stock exchange listing on November 21, 2018.

CinemaONE's strong start to the first quarter 2019 was dampened by the late, December 26, release date of the DC Comics' blockbuster title *Aquaman* which impacted the Company's comparative quarterly revenue performance. Such delays in planned release dates are not atypical in the movie exhibition industry and often trigger the spillover of revenue into subsequent quarters.

Overall, the Company delivered revenue of $3.8M in the first quarter, representing a 10% reduction over the $4.2M in 2018 which featured 3 versus 2 major cinematic titles in *Thor Ragnarok* (November 2017), *Justic League* (November 2017) and *Star Wars the Last Jedi* (December 2017).

However, CinemaONE's greater focus on achieving operational efficiencies in the quarter assisted in cost management and allowed for improvements in both gross and operating profits during the first quarter. The favourable SME tax rate propelled double digit growth in after tax profits to $.2M.

Having successfully strengthened the Company's Financial Position with the recently completed SME IPO, The Company's Directors are optimistic about future expansion prospects. In this regard, I am happy to report that the first phase of civil works in Gulf City has been completed and outfitting will commence in the second quarter.

We look forward to the strong movie slate over the next two quarters with the highly anticpated blockbustrers *Captian Marvel* and *Avengers Endgame*. As CinemaONE expands its operations, the Company will continue to focus on the key strategic elements of delighting and inspiring customers while closely managing costs in order to deliver consistent and growing profitability.

Brian Jahra
Chairman
CinemaONE Limited
February 13, 2019

STATEMENT OF COMPREHENSIVE INCOME	AS AT DECEMBER 31, 2018 (3 MONTHS)	AS AT DECEMBER 31, 2017 (3 MONTHS)	AS AT SEPTEMBER 30, 2018 (12 MONTHS)
	Unaudited	Unaudited	Audited
Net Revenue	3,805,975	4,225,960	17,369,545
Cost of Sales	(1,433,709)	(1,710,774)	(6,892,077)
Gross Profit	**2,372,265**	**2,515,186**	**10,477,468**
Operating expenses	(1,864,686)	(2,269,213)	(9,079,572)
Operating profit	**507,579**	**245,972**	**1,397,896**
Interest expense	(281,988)	(65,070)	(423,660)
Profit/(Loss) before Tax	**225,591**	**180,902**	**974,236**
Tax	(22,559)	(54,271)	414,680
Profit/(Loss) after Tax	**203,032**	**126,632**	**1,388,916**

STATEMENT OF FINANCIAL POSITION	AS AT DECEMBER 31, 2018 (3 MONTHS)	AS AT DECEMBER 31, 2017 (3 MONTHS)	AS AT SEPTEMBER 30, 2018 (12 MONTHS)
Assets	Unaudited	Unaudited	Audited
Non-current assets	54,306,388	47,086,121	52,531,886
Current assets	10,177,811	4,949,375	4,982,573
Total Assets	**64,484,199**	**52,035,496**	**57,514,459**
Equity & Liabilities			
Paid/Issued Share Capital	32,861,296	21,616,262	19,026,432
Retained earnings	2,843,396	1,378,080	2,640,363
Non-current Liabilities	22,643,791	25,654,204	27,833,948
Current liabilities	6,135,717	3,386,950	8,013,716
Total Equity & Liabilities	**64,484,199**	**52,035,496**	**57,514,459**

STATEMENT OF CHANGES IN EQUITY	AS AT DECEMBER 31, 2018 (3 MONTHS)	AS AT DECEMBER 31, 2017 (3 MONTHS)	AS AT SEPTEMBER 30, 2018 (12 MONTHS)
	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)
Ordinary Dividends Paid	-	-	
New share issue	14,441,680	-	
New share issue expense	(606,816)	-	(89,831)
Total Comprehensive Income	203,032	126,632	1,388,916
Balance at June 30th-Half YTD	**35,704,691**	**22,994,342**	**21,666,795**

STATEMENT OF CASH FLOWS	AS AT DECEMBER 31, 2018 (3 MONTHS)	AS AT DECEMBER 31, 2017 (3 MONTHS)	AS AT SEPTEMBER 30, 2018 (12 MONTHS)
	Unaudited	Unaudited	Audited
Profit/(loss) before taxation	225,591	180,902	974,236
Adjustment for non-cash items & changes in working capital	130,306	526,430	798,943
Cash generated from operations	355,897	707,332	1,773,179
Taxation paid	(8,528)	-	(144,651)
Net cash generated from operating activities	347,369	707,332	1,628,527
Net cash used in investing activities	(2,214,136)	(1,503,319)	(8,243,254)
Proceeds from loans	-	-	8,899,523
Proceeds from IPO financing	14,441,680	-	-
Debt amortization	(7,681,457)	-	(3,300,480)
Interest paid	(413,719)	(18,942)	(1,680,918)
Dividends paid	-	-	-
Proceeds from sponsorship income	-	-	1,100,153
Net cash used in financing activities	6,346,503	(18,942)	5,018,277
Net (decrease) / increase in cash and cash equivalents	4,479,736	(814,929)	(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	4,884,231	1,186,015	404,494

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR 3 MONTHS ENDED DECEMBER 31ST 2018

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 annual financial statements as at September 30, 2018.

Brain Jahra
Chairman

Ingrid Jahra
Director

NOTICE TO SHAREHOLDERS

The date of the Annual Meeting of Shareholders of CinemaONE Limited has been fixed for Wednesday 13 March at 10 am at One Woodbrook Place ,189 Tragarete Road, Port of Spain.