

**CHAIRMAN’S REPORT
 FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024**

Overview

Sony’s *Bad Boys Ride or Die* and Disney’s *Inside Out 2* brought relief to the Global Box Office in June, propelling the year to date (YTD) 2024 tally to **US \$14.5B**, -10% below the Prior YTD June performance. Disney’s *Inside Out 2* was particularly impressive in delivering **US \$1.0B** in the month of June rendering it the fastest animated movie title to surpass the **US \$1 Billion** threshold, in a remarkable 19 days.



The strong result from the International segment of the Global Box Office was highlighted by the Latin American sub-region’s June performance, which includes the Caribbean region. Led by Mexico, Latin America recorded its highest monthly box office result since the C19 pandemic, up nearly 44% above

the pre-pandemic average benchmark for June.

Indeed, the industry’s June performance helped to offset the absence of major blockbuster titles in April and May, and the quarter in general, given delayed releases of highly anticipated movie titles such as Disney’s *Captain America: A Brave New World* which moved to February 2025, Warner Brothers’ *The Lord of the Rings The War of Rohirrim* which moved to December 2024 and Paramount’s *Mission Impossible Dead Reckoning Part II* which moved to June 2025, all as a direct consequence of the extended Hollywood strikes of 2023. But overall, global audiences demonstrated their continued demand for compelling big screen content and eagerness to share in a larger than life communal experience.

CinemaONE (the CINE1 Group) similarly benefited from audience demand as total monthly attendance at all three cineplex sites combined surged past 20,000 patrons for the second time in the financial year (FY) during the month of June. Despite the film volume supply headwinds of FY 2024, the CINE1 Group demonstrated its capacity to navigate a continued growth trajectory.

Financial Performance

A summary of the CINE1 Group’s consolidated interim financial performance for the third quarter (Q3) period of FY 2024 ended June 30th is outlined below.

The CINE1 Group’s consolidated results were as follows: Gross Revenue increased by 11% to TT \$14.6M (FY 2023: TT \$13.1M). Gross Profit increased by 17% to TT \$9.2M (FY 2023: TT \$7.9M) but the CINE1 Group Operating Profit reduced -45% to TT \$ 1.0M (FY 2023: TT \$1.9M) given a TT \$1M increase in Total Depreciation to TT \$4.3M (FY 2023: TT\$ 3.3M). This 31% increase in depreciation was triggered by the takeover of the CINECentral theatre facilities in Price Plaza, Chaguanas. For the same reason Interest Costs related to theatre expansion similarly

increased Finance Costs by \$1M or 54% to TT \$3.0M (FY 2023: TT \$2.0M). As a result the CINE1 Group recorded a Net Loss of TT -\$1.4M (FY 2023: \$.07M). However, the Company managed to increase EBITDA by 3% to TT \$5.4M (FY 2023: TT \$5.2M).

Future Outlook

CinemaONE is very encouraged by the recent June resurgence in moviegoing which began with the release of Sony's *Bad Boys Ride or Die* and has even accelerated at the close of July with the release of Marvel / Disney's *DeadPool and Wolverine* which recently emerged as the fastest R Rated movie title to surpass **US \$1B** in Global Box Office proceeds. Indeed, the robust return of vacation moviegoing driven by the recent rebound in content supply has concretized Management's view that the CINE1 Group is poised to deliver low double digit top line growth to close out FY 2024. With its continued focus on operational efficiencies, the CINE1 Group is similarly on a path to improve key theatre and financial metrics despite what started as a very challenging operating environment in FY 2024.

If you haven't been recently, we look forward to seeing you at the movies for the highly anticipated releases of *Alien: Romulus*, *BeetleJuice 2*, *Transformers One*, *Venom the Last Dance*, *Joker Folie a Deux!*, *Gladiator II*, *Wicked* and *Moana 2*.

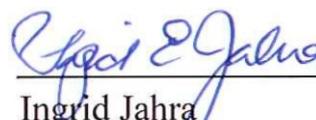


Brian Jahra

Chairman
August 12, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9 MONTHS ENDED JUN. 30, 2024	9 MONTHS ENDED JUN. 30, 2023	12 MONTHS ENDED SEPT. 30, 2023
	UNAUDITED	UNAUDITED	AUDITED
Assets			
Non-current assets			
Property Plant and Equipment	76,008,392	72,812,769	74,091,499
Right-of-Use Assets	47,163,378	13,893,458	47,922,651
Deferred Tax Asset	4,217,280	3,597,696	3,697,812
Due from related parties	3,755,063	3,648,797	4,220,844
Total Non-current Assets	131,144,113	93,952,720	129,932,806
Current assets			
Cash and cash equivalents	933,805	3,379,528	1,485,954
Cash and cash equivalents-restricted	287,315	1,012,000	1,803,975
Other Current Assets	1,873,654	2,525,023	2,077,369
Total Current Assets	3,094,773	6,916,551	5,367,298
Total Assets	134,238,887	100,869,271	135,300,104
Equity & Liabilities			
Paid/Issued Share Capital	38,213,147	38,213,147	38,213,147
Retained earnings	(13,588,232)	(11,401,357)	(12,165,666)
Total Equity	24,624,915	26,811,790	26,047,481
Liabilities			
Non-current Liabilities			
Borrowings	40,203,779	40,397,470	40,370,585
Lease Liability	49,195,116	15,734,221	47,929,343
Deferred Tax Liability	2,936,521	2,468,898	2,936,521
Accruals and Other Liabilities	12,343,978	10,268,052	8,760,778
Total Non-current Liabilities	104,679,394	68,868,641	99,997,227
Current Liabilities			
Borrowings	2,058,057	2,706,395	2,756,362
Lease Liability	472,967	375,282	1,958,718
Accruals and Other Liabilities	2,403,554	2,107,163	4,540,316
Total Current liabilities	4,934,577	5,188,840	9,255,396
Total Equity & Liabilities	134,238,886	100,869,271	135,300,104


 Brian Jahra
 Chairman


 Ingrid Jahra
 Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9 MONTHS ENDED JUN. 30, 2024	9 MONTHS ENDED JUN. 30, 2023	12 MONTHS ENDED SEPT. 30, 2023
	UNAUDITED	UNAUDITED	AUDITED
Revenue	14,572,965	13,082,803	17,942,909
Cost of Sales	(5,378,354)	(5,212,538)	(7,145,556)
Gross Profit	9,194,612	7,870,265	10,797,353
Operating expenses	(8,154,796)	(5,977,897)	(8,920,222)
Operating profit	1,039,815	1,892,368	1,877,131
Finance cost	(3,032,486)	(1,971,154)	(2,931,618)
Other Income	102,217	151,776	210,658
Profit/(Loss) before Tax	(1,890,453)	72,990	(843,829)
Tax	467,887	-	155,526
Profit/(Loss) after Tax	(1,422,566)	72,990	(688,303)
EBITDA	5,364,404	5,191,717	6,591,292

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9 MONTHS ENDED JUN. 30, 2024	9 MONTHS ENDED JUN. 30, 2023	12 MONTHS ENDED SEPT. 30, 2023
	UNAUDITED	UNAUDITED	AUDITED
Shareholders Equity	26,047,481	21,102,140	21,102,140
New share issue	-	6,015,480	6,015,480
Total Comprehensive Income/(loss)	(1,422,566)	72,990	(688,303)
New share issue-expenses	-	(378,820)	(381,836)
Balance as at End of Period	24,624,915	26,811,790	26,047,481

CONSOLIDATED STATEMENT OF CASH FLOWS	9 MONTHS ENDED JUN. 30, 2024	9 MONTHS ENDED JUN. 30, 2023	12 MONTHS ENDED SEPT. 30, 2023
	UNAUDITED	UNAUDITED	AUDITED
Profit/(loss) before taxation	(1,890,453)	72,990	(843,829)
Adjustments for:			
Depreciation-Fixed Assets	3,598,702	2,877,071	4,117,606
Depreciation-Leases	725,887	422,277	596,555
Interest expense	2,930,268	1,819,379	2,931,618
Other changes in working capital	(1,743,117)	(2,799,975)	(353,736)
Cash generated from operations	3,621,287	2,391,742	6,448,214
Taxation paid	-	-	-
Net cash generated from operations	3,621,287	2,391,742	6,448,214
Net cash used in investing activities	(2,061,882)	(6,266,056)	(9,903,411)
Proceeds from loans	1,000,000	6,660,000	6,681,036
Proceeds from new share Issue	-	5,633,644	6,015,480
Expenses from new share Issue	-	-	(381,836)
Repayment of loans and borrowings	(2,149,650)	(3,624,889)	(3,700,150)
Interest paid	(685,906)	(1,278,156)	(2,239,856)
Leases	(1,792,659)	(698,112)	(1,202,902)
Net cash used in financing activities	(3,628,214)	6,692,487	5,171,772
Net (decrease) / increase in cash	(2,068,809)	2,818,174	1,716,575
Cash and cash equivalents at the beginning of the period	3,289,929	1,573,354	1,573,354
Cash and cash equivalents at the end of the period	1,221,120	4,391,528	3,289,929

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.