CINEMAONE
IMAX GEMSTONE 4DX

CHAIRMAN'S REPORT
FOR THE 3 MONTH PERIOD ENDED DECEMBER 31, 2021

Overview

I'm happy to report that in quarter one (Q1) of financial year (FY) 2022 *Spider-Man: No Way Home* delivered an emphatic reminder of the unique and compelling draw of the big screen movie theatre experience. In under two weeks at the close of December 2021, *Spider-Man: No Way Home* achieved US $1.37B in global box office receipts, ranking it equivalent to the #2 title of 2019 and surpassing *Black Panther* to become the 12th highest grossing film of all-time.



For CinemaONE, *Spider-Man No Way Home* was also record-breaking on a pre-Covid-19 comparative basis:

- Best ever *Spider-Man* movie performance, exceeding attendance and revenue levels for *Spider-Man* releases in 2017 and 2019
- 14th best overall attendance and box office receipts in the Company's 10 year history, exceeding 2019's *Captain Marvel*

With these strong benchmark results, CinemaONE remains confident that despite lingering Covid-19 operational constraints, such as a 50% capacity limitation and prohibition on children under 12, the impressive slate of blockbuster movie releases in 2022 can propel the Company to generate box office receipts at or exceeding pre-pandemic levels.

Financial Performance

For Q1 of FY 2022, immediately upon the relaxation of lockdown restrictions on October 11, 2021, CinemaONE reopened under government's new safe zone regulations. Fortunately, the Company enjoyed compelling content from all major movie studios. Disney's *Shang Chi*, Sony's *Venom* and MGM/Amazon's *No Time To Die* buoyed the Company's initial attendance with high octane action and strong, well known characters like James Bond.

From the date the Company welcomed back patrons, and throughout the partially truncated Q1 period, CinemaONE's average spend per patron metrics were consistent with pre-pandemic levels. At the end of the Q1 period *Spider-man No Way Home* provided an exclamation point to the resilience of movie theatre audience demand. As such, the Company delivered the following encouraging results for the Q1 period ended December 31, 2021:

Revenue increased by 220% to TT $2M (FY 2021 TT$.6M) with a marginal variance of -2.7% below the previous Covid-19 impacted entire FY 2021 performance, Gross Profit increased by 137% to TT $1.2M (FY 2021 TT $.5M) and the Company returned to Operating Profit at TT $.004M versus the previous year's Operating Loss (FY 2021 TT -$1.2M) while generating positive EBITDA of TT $.7M (FY 2021: TT -$.08M). The December enactment of favorable new tax legislation for publicly listed SME's also significantly narrowed Net Loss to only TT -$.1M (FY 2021 TT -1.1M).

Despite the acceleration of the Company investing activities, CinemaONE maintained a Q1 ending Cash balance of TT $2.3M (FY 2021 $3.2M) and positive working capital of TT $1.7M (FY 2021 TT$ 4.1M).

Future Outlook

CinemaONE remains optimistic that the international signs of waning global Covid-19 restrictions coupled with confirmed major movie releases such as the upcoming Warner Brothers' *Batman* (March 2022), and Disney / Marvel's *Doctor Strange* (May 2022) will further energize moviegoers. CinemaONE is poised to increasingly participate in the hastening of the global entertainment industry's recovery.



Brian Jahra

Chairman
February 9, 2022

STATEMENT OF COMPREHENSIVE INCOME	3 MONTHS ENDED DEC 31, 2021	3 MONTHS ENDED DEC 31, 2020	12MONTHS ENDED SEPT. 30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Gross Revenue	2,017,075	630,519	2,072,424
Cost of Sales	(855,305)	(140,547)	(1,111,636)
Gross Profit	**1,161,770**	**489,972**	**960,788**
Operating expenses	(1,157,652)	(1,633,676)	(7,429,171)
Operating profit	**4,118**	**(1,143,704)**	**(6,468,383)**
Interest expense	(482,148)	(269,290)	(1,859,131)
Other Income	60,829	-	261,283
Profit/(Loss) before Tax	**(417,201)**	**(1,412,993)**	**(8,066,231)**
Tax	320,732	348,142	1,068,748
Profit/(Loss) after Tax	**(96,469)**	**(1,064,852)**	**(6,997,483)**

STATEMENT OF FINANCIAL POSITION	3 MONTHS ENDED DEC 31, 2021	3 MONTHS ENDED DEC 31, 2020	12MONTHS ENDED SEPT. 30, 2021
Assets	UNAUDITED	UNAUDITED	AUDITED
Non-current assets			
Property Plant and Equipment	64,104,016	63,994,693	63,620,671
Deferred Tax Asset	3,160,141	1,282,858	3,160,141
Right-of-Use Assets	5,895,965	6,313,448	6,000,336
Due from related parties	2,931,148	3,146,043	2,900,897
Total Non-current Assets	**76,091,269**	**74,737,042**	**75,682,045**
Current assets		-	
Cash and cash equivalents	2,390,852	3,176,132	2,085,776
Other Current Assets	3,391,754	3,744,029	3,073,870
Total Current Assets	**5,782,606**	**6,920,161**	**5,159,646**
Total Assets	**81,873,875**	**81,657,203**	**80,841,691**
Equity & Liabilities			
Paid/Issued Share Capital	32,579,503	32,579,503	32,579,503
Retained earnings	(10,153,237)	(4,124,136)	(10,056,767)
Total Equity	**22,426,266**	**28,455,367**	**22,522,736**
Liabilities			
Non-current Liabilities			
Borrowings	38,796,056	40,007,059	38,752,511
Deferred Tax Liability	2,310,757	1,523,226	2,310,757
Shareholder Loans	609,870	699,908	670,942
Lease Liability	6,987,957	6,759,369	7,010,936
Accruals and Other Liabilities	6,658,690	2,181,468	5,493,503
Total Non-current Liabilities	**55,363,330**	**51,171,030**	**54,238,649**
Current Liabilities			
Borrowings	146,352	146,352	143,270
Lease Liability	375,282	328,649	375,282
Accruals and Other Liabilities	3,562,645	1,555,805	3,561,754
Total Current liabilities	**4,084,279**	**2,030,806**	**4,080,306**
Total Equity & Liabilities	**81,873,875**	**81,657,203**	**80,841,691**

STATEMENT OF CHANGES IN EQUITY	3 MONTHS ENDED DEC 31, 2021	3 MONTHS ENDED DEC 31, 2020	12MONTHS ENDED SEPT. 30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Total Opening Balance	**22,522,736**	**29,520,219**	**29,520,219**
Total Comprehensive Income	(96,469)	(1,064,852)	(6,997,483)
Balance as at End of Period	**22,426,266**	**28,455,368**	**22,522,736**

STATEMENT OF CASH FLOW	3 MONTHS ENDED DEC 31, 2021	3 MONTHS ENDED DEC 31, 2020	12MONTHS ENDED SEPT. 30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Profit/(loss) before taxation	**(417,201)**	**(1,412,993)**	**(8,066,231)**
Adjustments for:			
Depreciation	684,270	1,065,920	4,263,678
Other changes in working capital	1,118,059	977,638	6,261,539
Cash generated from operations	**1,385,128**	**630,565**	**2,458,986**
Taxation paid	(11,221)	(15,858)	(21,658)
Net cash generated from operations	**1,373,908**	**614,707**	**2,437,328**
Net cash used in investing activitie	**(1,029,909)**	**(542,642)**	**(3,094,229)**
Proceeds from loans	-	-	61,377
Repayment of loans and borrowings	(34,026)	-	(62,448)
Interest paid	(4,897)	-	(134,231)
Leases	-	-	(226,089)
Net cash used in financing activities	**(38,924)**	**-**	**(361,391)**
Net (decrease) / increase in cash and cash equivalents	**305,074**	**72,065**	**(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	**2,390,851**	**3,176,132**	**2,085,776**

NOTES:

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 polices adopted in the preparation of these financial statements are consistent with those used in the audited financial statements as at September 30, 2021.

3) Stated Currency: Trinidad and Tobago Dollars.

Ingrid Jahra
Director

Brian Jahra
Chairman