CINEMAONE
IMAX GEMSTONE 4DX

CHAIRMAN'S REPORT
FOR THE 6 MONTH PERIOD ENDED MARCH 31, 2022

Overview



I'm pleased to report on the continued recovery of the cinema exhibition sector. Bolstered by Warner Brothers' *The Batman,* global box office receipts accelerated to a cumulative calendar year total of US $6.6B for the period ended March 31, 2022. This international result represented a 56% gain over the same 2021 period, and a narrowing of a comparison to the pre-Covid-19 (C19) average box office receipts for 2017-2019 to -39%.

For the Half Year period ended March 31, 2022, CinemaONE similarly experienced a Half Year Gross Revenue increase of 137% over Financial Year 2021 and a further improvement of the Company's pre-C19 Half Year 2020 comparison to -33%. Management views these results as commendable and a demonstration of vibrant consumer demand for the movie-going experience, especially in light of the safe zone restrictions which limited audiences during the entire Half Year 2022 period to vaccinated patrons only while also imposing a 50% capacity restriction.

As the Company transitions into the traditional Q3 blockbuster season, the Government 's full relaxation of safe zone restrictions on April 4th provides a strong basis for renewed optimism. More importantly, the major studios' commitment to both releasing highly anticipated movie franchises and providing theatrical exclusivity periods averaging 45 days are harbingers of an accelerated tapering of gaps to pre-C19 comparisons.

Financial Performance

For the Half Year period ended March 31, 2022, CinemaONE re-opened immediately upon the onset of Government's relaxation of C19 lockdown restrictions from October 11, 2021. As such, the Company's Half Year results represent 5 months and 20 days of operations, the entirety of which was hampered by safe zone restrictions. Fortunately, the Company enjoyed exciting big screen content from each of the major movie studios during the period, highlighted by Sony / Marvel's *Spiderman No Way Home* which catapulted into the Company's all-time top 15 movie list with its strong attendance.

Overall, CinemaONE delivered the following improved results for the Half Year period ended March 31, 2022:

Gross Revenue increased by 137% to TT $4.0M (FY 2021 TT$1.7M), and also surpassed by 95% the entire C19 impacted Financial Year 2021 period. Gross Profit increased by 94% to TT $2.5M (FY 2021 TT $1.3M) and the Company maintained a marginal Operating Profit of TT $.1M versus the previous year's Operating Loss (FY 2021 TT -$1.8M), while generating positive EBITDA of TT $1.4M a growth of 365% over the previous year period (FY 2021: TT $.3M). The December 2021 enactment of favorable new tax legislation for publicly listed SME's also significantly minimized Net Loss to TT -$.3M (FY 2021 TT -$1.9M).

Future Outlook

The global and local trends of content recovery and broadening audience participation signal the steady momentum of the cinema exhibition industry's rebound. Strengthened by our uniquely immersive IMAX and 4DX movie theatre formats, CinemaONE is well positioned to excite movie goers who have demonstrated a bent towards premiumization of movie experiences as they seek to escape into the worlds of the upcoming Disney / Marvel's *Doctor Strange* (May 2022), *Top Gun* (May 2022), *Jurassic World* (June 2022) and *Thor: Love and Thunder* (July 2022).

Sample Movie Slate: Calendar Year 2022 *(Local release dates may vary.)*



April 8
Paramount



July 1
Universal



October 14
Universal



May 6
Disney



July 8
Disney



October 21
Warner Bros.



May 27
Paramount



July 22
Universal



November 11
Disney



June 10
Universal



July 29
Sony



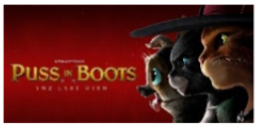
December 16
Disney



June 17
Disney



July 29
Warner Bros.



December 23
Universal

Brian Jahra

Chairman
May 9, 2022

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STATEMENT OF COMPREHENSIVE INCOME	6 MONTHS ENDED MAR. 31, 2022	6 MONTHS ENDED MAR.31, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Gross Revenue	4,048,818	1,711,250	2,072,424
Cost of Sales	(1,569,440)	(435,752)	(1,111,636)
Gross Profit	**2,479,378**	**1,275,498**	**960,788**
Operating expenses	(2,377,065)	(3,032,213)	(7,429,171)
Operating profit	**102,312**	**(1,756,715)**	**(6,468,383)**
Interest expense	(896,441)	(638,612)	(1,859,131)
Other Income	99,340	-	261,283
Profit/(Loss) before Tax	**(694,788)**	**(2,395,327)**	**(8,066,231)**
Tax	357,774	484,963	1,068,748
Profit/(Loss) after Tax	**(337,015)**	**(1,910,364)**	**(6,997,483)**

STATEMENT OF FINANCIAL POSITION	6 MONTHS ENDED MAR. 31, 2022	6 MONTHS ENDED MAR.31, 2021	12 MONTHS ENDED SEPT.30, 2021
Assets	UNAUDITED	UNAUDITED	AUDITED
Non-current assets			
Property Plant and Equipment	65,015,651	63,986,034	63,620,671
Deferred Tax Asset	3,160,141	1,282,858	3,160,141
Right-of-Use Assets	5,791,594	6,209,077	6,000,336
Due from related parties	2,964,674	3,176,293	2,900,897
Total Non-current Assets	**76,932,059**	**74,654,262**	**75,682,045**
Current assets			
Cash and cash equivalents	1,846,015	2,922,658	2,085,776
Other Current Assets	3,510,104	3,925,553	3,073,870
Total Current Assets	**5,356,119**	**6,848,210**	**5,159,646**
Total Assets	**82,288,178**	**81,502,472**	**80,841,691**
Equity & Liabilities			
Paid/Issued Share Capital	32,579,503	32,579,503	32,579,503
Retained earnings	(10,393,782)	(4,969,648)	(10,056,767)
Total Equity	**22,185,721**	**27,609,855**	**22,522,736**
Liabilities			
Non-current Liabilities			
Borrowings	38,839,602	38,752,511	38,752,511
Deferred Tax Liability	2,310,758	1,523,226	2,310,757
Shareholder Loans	586,860	724,514	670,942
Lease Liability	6,950,656	6,672,493	7,010,936
Accruals and Other Liabilities	7,182,832	4,239,912	5,493,503
Total Non-current Liabilities	**55,870,708**	**51,912,656**	**54,238,649**
Current Liabilities			
Borrowings	146,352	143,270	143,270
Lease Liability	375,282	328,649	375,282
Accruals and Other Liabilities	3,710,115	1,508,042	3,561,754
Total Current liabilities	**4,231,750**	**1,979,961**	**4,080,306**
Total Equity & Liabilities	**82,288,178**	**81,502,472**	**80,841,691**

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STATEMENT OF CHANGES IN EQUITY	6 MONTHS ENDED MAR. 31, 2022	6 MONTHS ENDED MAR.31, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Total Opening Balance	**22,522,736**	**29,520,219**	**29,520,219**
Total Comprehensive Income	(337,015)	(1,910,364)	(6,997,483)
Balance as at End of Period	**22,185,721**	**27,609,855**	**22,522,736**

STATEMENT OF CASH FLOWS	6 MONTHS ENDED MAR. 31, 2022	6 MONTHS ENDED MAR.31, 2021	12 MONTHS ENDED SEPT.30, 2021
	UNAUDITED	UNAUDITED	AUDITED
Profit/(loss) before taxation	**(694,788)**	**(2,395,327)**	**(8,066,231)**
Adjustments for:			
Depreciation	1,303,542	2,059,443	4,263,678
Other changes in working capital	2,029,120	1,813,068	6,261,539
Cash generated from operations	**2,637,873**	**1,477,184**	**2,458,986**
Taxation paid	(11,221)	(29,708)	(21,658)
Net cash generated from operations	**2,626,652**	**1,447,476**	**2,437,328**
Net cash used in investing activities	**(2,456,521)**	**(1,628,886)**	**(3,094,229)**
Proceeds from loans	-	-	61,377
Repayment of loans and borrowings	(34,026)	-	(62,448)
Interest paid	(262,822)	-	(134,231)
Leases	(113,045)	-	(226,089)
Net cash used in financing activities	**(409,893)**	**-**	**(361,391)**
Net (decrease) / increase in cash	**(239,761)**	**(181,410)**	**(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	**1,846,016**	**2,922,658**	**2,085,776**

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 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) Sted Currency: Trinidad and Tobago Dollars.

Ingrid Jahra
Director

Brian Jahra
Chairman