Eros International Plc Reports Second Quarter Fiscal Year 2020 Results

Reports Revenue of $32.3 Million and Adjusted EBITDA(1) of $7.8 Million

Eros Now Paying Subscribers Grow 81% to Reach 23.5 Million

ISLE OF MAN – Nov. 15, 2019: Eros International PLC (NYSE:EROS) ("Eros" or the "Company"), a global Indian entertainment company, today announced unaudited financial results for the second quarter fiscal year 2020.

(USD in millions)	*Q2 FY20*	*Q2 FY19*	*Q1 FY20*	*Q4FY19*	*Q3FY19*
Revenue	32.3	63.4	43.5	69.7	76.7
Y/Y % Growth	-49.1%	0.2%	-27.7%	-3.1%	17.6%
Q/Q % Growth	-25.7%	5.3%	-37.6%	-9.1%	21.0%
Operating Profit/(loss)	-13.6	8.4	1.0	-4.4	13.2
Operating Profit Margin	-42.1%	13.2%	2.3%	-6.3%	17.2%
Adjusted EBITDA (1)	7.8	27.5	18.6	13.1	35.8
Adjusted EBITDA Margin	24.1%	43.4%	42.8%	18.8%	46.7%
Global Paid EN Memberships	23.5	13.0	21.1	18.80	15.90
Y/Y Growth	80.8%	251.4%	108.9%	138.0%	218.0%
Q/Q Growth	11.4%	28.7%	12.2%	18.2%	22.3%
Global EN Registered Users	177.7	128	166	154.7	142
Paid / Registered Users	13.2%	10.2%	12.7%	12.2%	11.2%
Films Released	11	17	12	16	25
Cash	$99.4	$134.9	$80.8	$135.8	$134.9
Gross Debt	212.0	297	220.9	280.8	294.0
Net Debt	112.6	162.1	140.1	145.0	159.1

(1) A reconciliation of the non-GAAP financial measures discussed within this release to the Company's IFRS revenue and net income is included at the end of this release. See also "Non-GAAP Financial Measures".

The Company made the following statement:

"This quarter we generated $32.3 million of top-line revenue and $7.8 million in adjusted EBITDA. Our Eros Now business continues to ramp up and grow its paid user base worldwide, supported by one of the largest libraries of Indian movies, along with its unparalleled market position and brand name. As of September 30, 2019 our Eros Now OTT platform reached 23.5 million paid monthly subscribers and 177.7 million registered users, increases of 81% and 39%, respectively, over the same period last year. This represents net additions of 4.7 million paid subscribers and 23 million registered users during the first half of Fiscal Year 2020. Eros Now currently garners viewership from over 150 countries around the world. Eros has a strong slate of films and original series scheduled for release over the coming quarters, and we expect this to help drive continued growth in our Eros Now business as well as box-office revenue.

We have several high-profile upcoming film releases, including Kaamiyab, Pagalpanti, Marjaavaan, Pati Patni Aur Wo, The Body, the trilingual remake of Haathi mere Saathi as well as a host of regional releases. In addition, Eros Now has a strong slate of originals scheduled to release in the coming quarters, including Flesh, Halahal, Avatar: The Legend of Vishnu, Metro Park 2 and Crisis.

In September, we announced a ground-breaking commercial partnership with Microsoft with the goal of transforming the content streaming experience for consumers globally. This collaboration will help Eros Now develop a new intuitive online video platform to ensure seamless delivery of content across countries and languages. It will also create a host of new interactive voice offerings for customers including video search experiences,voice search for video content across multiple Indian languages, and create personalized content. This collaboration will help our Eros Now platform enhance and strengthen its reach across globe and increase engagement with consumers.

As we see new players enter the Indian OTT market and international players such as Apple, Disney, Fox and Amazon redoubling their focus on India, we believe our market-leading offering built through years of investment and innovation puts us in a very fortunate position. We are one of the first OTT services to develop in India and are now benefitting from the foresight we had years ago to pioneer the market.

For the full fiscal year 2020, we are reiterating our consolidated revenue guidance in the range of $200-220 million, and Adjusted EBITDA of $80-$95 million. We have a healthy balance sheet with net debt of $112.6 million and $99.4 million of cash and cash equivalents."

Global Strategy

At the core of our strategy has always been the goal to make local stories a global experience. Investing in unique, compelling content to adapt, exploit and expand great stories for consumers around the world is something we have always been very excited about. Great stories transcend languages and cultures and can come from anywhere. We are, therefore, very focused on increasing our distribution and partnership channels outside of India, with a goal to bring people the best and most diverse offering of Indian language content in any format. Our recent successes in China and other overseas markets underscore the appeal of quality content in new markets, and it also highligts the longevity of our content and ability to monetize in new markets and windows.

To that end, here are some recent highlights and proof points of our global strategy:

- Two of the top 5 grossing Indian films in China were released by Eros – Andhadhun and Bajrangi Bhaijaan – which combined grossed $92 million in the China Box Office
- We recently secured international distribution rights to four Hindi language films which will be released in the current fiscal quarter
- We are releasing the critically acclaimed Andhadhun in cinemas in Japan this month
- Roam Roam Mein, a psychological-drama film produced by Eros, premiered at Busan International Film Festival in Korea and won the Asian Star Award
- Maunn, an Eros Now Quickie content piece, was the Winner of the Asia Pacific Film Festival in Los Angeles and also nominated at the Vancouver International Film Festival
- Eros Now original series Smoke was the only original from India to be screened at Mipcom 2018 in Cannes
- Our highly-acclaimed original series, Metro Park, is an example of cutting-edge cross cultural content which helped grow Eros Now viewership in the US by 22%
- We launched 120 new films on Eros Now this quarter in 6 different Indian languages

Eros Now Distribution & Technology:

Eros Now has continued to expand its distribution partnerships both domestically and globally. We continue to be a front-runner from India and South Asia platforms in regards to distribution deals and alliances around the World. Technology has always been a core focus for Eros Now and in this quarter we announced an important partnership with Dolby. Movies on Eros Now have been Dolby enabled and our Dolby enabled partnership with One Plus TV was the first of its kind for an Indian OTT company. Eros Now also launched a refurbished version of progressive Web Apps in order to improve the funnel conversion into paid subscribers, and early results have been very encouraging.

We closed two meaningful distribution partnerships in India this quarter with Jio and Walmart-owned Indian ecommerce Giant Flipkart. We were one of the first partners to be integrated on the new Jio set top boxes. Our partnership with Flipkart brings entertainment to their millions of daily shoppers tying together the world of entertainment and ecommerce.

This September we announced an alliance with Microsoft to develop a cloud powered online video platform and new AI powered solutions to redefine the video viewing experience for South Asian consumers. This partnership will enable our customers with easy viewing and easy discovery with many personalization options.

The partnership will cover three areas:

- Building a new intuitive online video player. This will be supported by a robust content delivery network (CDN) that leverages Microsoft Azure and Microsoft Azure Media Services for seamless delivery of content;
- Exploring new offerings for consumers in the area of interactive voice services starting with 10 Indian languages;
- Creating a new personalized recommendation engine for users by leveraging Eros' user data, combined with Microsoft's AI solutions. It will enable a shift from a tedious user discovery to provide relevant, targeted content on the go.

Deep personalisation and localisation will help us target a 50m+ paying subscriber universe as well as serving content to the micro-niches of the world beyond India in a language and environment in which the consumer feels most comfortable.

With a goal of increasing our higher-paying international direct to consumer subscribers, we recently closed on several meaningful distribution partnerships in the Middle East including Zain Telecom in Bahrain, Kuwait, Jordan & Oman. We also look forward to the imminent launch of Eros Now across the global Apple plus platform, we are the only non-US entertainment partner during initial launch.

We recognise the size and importance of the Chinese market which has been a major focus for us. Given recent successes of Indian content in the Chinese box office we believe this is a market ready for Eros Now consumption. In September 2018 we finalised a licensing agreement with digital leader iQiyi which marked our entry point into the digital space in China. Our next step in China was a digital distribution deal with Wasu Media, a large state-owned culture media group, signed earlier this year. The Wasu Group is one of the biggest comprehensive digital content service operator and service provider accross interactive TV, 3G / 4G mobile TV and Internet TV in China. Wasu's services cover approximately 100 cities in 29 provinces in China with cable network as well as covering the three major telecom operators and several million Internet users. The Eros Now service will go live beginning the week of 18th November, 2019 on Wasu.

We will continue to focus on deep experiences to ensure we are able to drive value to both domestic and international subscribers across geographies and multiple distribution channels.

Eros Now Marketing:

Eros Now ran an innovative and expansive Indian Independence Day campaign in August – promoting 73 of India's Biggest Films on the 73rd Indian Indian Independence Day. A large focus this quarter for Eros Now was to improve the digital marketing funnel, re-marketing and subscriber CRM. Eros Now was recognized by Media Brand Awards with a Gold Award for the Best Promo in OTT Video for Side Hero, and a Silver Award for Metro Park in the Original Series Category

In September 2019, Eros Now and KPMG India published a report on online video in conjunction with FICCI and Creative First. Several key highlights of the report include:

- Eros Now is the best distributed app in the SVOD eco-system in India
- 9% of Eros Now users spend more than 21 hours/week watching video – higest across all platforms
- Session average across SVOD OTT services in India was 43 minutes as compared to 75 minutes for the higher-tier the Eros Now paid subscribers
- Cord-cutting is a real trend in India with 80% of respondents feeling that digital video would satisy their entertainment needs and 38% ready to "cut the cord"

Eros Now Content:

We launched 120 new films on Eros Now in Q2 Fy 2019 in 6 different Indian languages. In addition we released over 2,600 music audio files on Eros Now and 97 units of short form and Eros Now Quickie Content. A unique innovation in Content formats with Singham Returns, Zindagi 50/50 were converted into short form Quickie Movies. Eros Now also celebrated Quickie Festival and Original Series Festivals supported by a large push on social and marketing. Eros now also launched its first lifestyle original : Yoga Vibes with Mansi Gulati, a world renowned face yoga expert. Lastly, we announced a partnership last year with Fashion TV whereby content from the channel will be available to Eros Now consumers. This has been proven successful, and Eros Now remains the first OTT player to venture into the fashion and lifestyle segment.

In addition, Eros Now has a strong slate of originals scheduled to release in the coming quarters, including:

- Flesh by Siddharth Anand (target release Q4 FY20)
- Halahal, a digital film, by Zeishan Qadri (target release Q4 FY20)
- Avatar: The Legend of Vishnu by Anirudh Pathak and Sree Narayan Singh (target release Q4 FY20)
- Metro Park 2 by Abi Varghese and Ajayan Venugopalan (target release Q1 FY21)
- Crisis by Gaurav Chawla and Nikhil Advani (target release Q3 FY21)

Conference Call

The Company will host a conference call on Friday, November 15, 2019, at 8:30 AM Eastern Standard Time.

To access the call please dial +1 (888) 753-4238 from the United States, or +1 (706) 643-3355 from outside the U.S. The conference call I.D. number is 4282928. Participants should dial in 5 to 10 minutes before the scheduled time.

A replay of the call can be accessed through November 29, 2019 by dialling +1 (800) 585-8367 from the U.S., or +1 (404) 537-3406 from outside the U.S. The conference call I.D. number is 4282928. The call will be available as a live webcast, which can be accessed at Eros' Investor Relations website.

About Eros International Plc

Eros International Plc (NYSE: EROS) a Global Indian Entertainment company that acquires, co-produces and distributes Indian films across all available formats such as cinema, television and digital new media. Eros International Plc was the first Indian media company to list on the New York Stock Exchange. Eros International has experience of over three decades in establishing a global platform for Indian cinema. The Company has an extensive and growing movie library comprising of over 3,000 films, which include Hindi, Tamil, and other regional language films. The Company also owns the rapidly growing OTT platform Eros Now which has rights to over 12,000 films across Hindi and regional languages. For further information, please visit: www.erosplc.com.

This release contains "forward-looking statements." These statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. All of our forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we are expecting, including, without limitation, the factors discussed in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission on August 14th, 2019 (the "20-F"), including under the sections captioned "Risk Factors." The forward-looking statements contained in this presentation are based on historical performance and management's current plans, estimates and expectations in light of information currently available to us and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in the 20-F under the sections captioned “Risk Factors.”

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Eros International Plc Financial Highlights :

(dollars in millions)	Three Months Ended September 30			Six Months Ended September 30		
	2019	2018	% change	2019	2018	% change
Revenue	$ 32.3	$ 63.4	(49.1)	$ 75.9	$ 123.6	(38.6)
Gross profit	15.5	25.3	(38.7)	42.4	49.0	(13.5)
Operating profit/(loss)	(13.6)	8.4	(261.9)	(12.6)	18.8	(167.0)
Adjusted EBITDA(1)	$ 7.8	$ 27.5	(71.6)	$ 26.4	$ 55.0	(52.0)

(1) A reconciliation of the non-GAAP financial measures discussed within this release to our IFRS revenue and net income is included at the end of this release. See also "Non-GAAP Financial Measures".

Financial Results for the Three and Six Months Ended September 30, 2019

Revenue

In the three months ended September 30, 2019, the Eros film slate was comprised of 11 films of which 11 were low budget as compared to 17 films in the three months ended September 30, 2018, of which four were medium budget and 13 were low budget.

In the three months ended September 30, 2019, the Company's slate of 11 films comprised of two Hindi film and 9 regional films as compared to the same period last year where its slate of 17 films comprised five Hindi films and 11 regional films and one Tamil/Telugu regional films.

In the six months ended September 30, 2019, the Eros film slate was comprised of 23 films of which 23 were low budget films as compared to 31 films in the six months ended September 30, 2018, of which five films were medium budget, 26 were low budget. In addition Eros Now released five original series titled *Modi: Journey of a Common Man*, *My name is Sheela*, *A Monsoon Date*, *That Man In The Picture* and *Maunn* during the six months ended September 30, 2019.

In the six months ended September 30, 2019, the Company's slate of 23 films comprised of three Hindi films and 20 regional films as compared to the same period last year where its slate of 31 films comprised of eight Hindi films, two Tamil/Telugu films and 21 regional films.

Three months ended	High	Medium	Low	Total
September 30, 2019	0	0	11	11
September 30, 2018	0	4	13	17

Six months ended	High	Medium	Low	Total
September 30, 2019	0	0	23	23
September 30, 2018	0	5	26	31

For the three months ended September 30, 2019, aggregate revenues from decreased by 49.1% to $32.3 million from $63.4 million for the three months ended September 30, 2018 mainly due to lower syndication revenue for the three months ended September 30, 2019, partially offset by increase in revenues from the Eros Now business for the three months ended September 30, 2019.

For the six months ended September 30, 2019, aggregate revenues from decreased by 38.6% to $75.9 million from $123.6 million for the six months ended September 30, 2018 mainly due to lower syndication revenue for the six months ended September 30, 2019, partially offset by increase in revenues from the Eros Now business for the six ended September 30, 2019.

Cost of sales

For the three months ended September 30, 2019, cost of sales decreased by 55.6% to 16.9 miillion compared to $38.1 million in the three months ended September 30, 2018 and in the six months ended September 30, 2019, cost of sales decreased by 55.2% to $33.5 million, compared to $74.7 million for the six months ended September 30, 2018. The decrease was mainly due to lower amortization costs.

Gross profit

For the three months ended September 30, 2019, gross profit decreased by 38.7% to $15.5million, compared to $25.3 million in the three months ended September 30, 2018. The decrease was mainly due to lower amortization, marketing, advertising and distribution costs for the three months ended September 30, 2019 which is partially offset by increase in administrative cost.

In the six months ended September 30, 2019, gross profit decreased by 13.5% to $42.4 million, compared to $49 million for the six months ended September 30, 2018. The decrease was mainly due to decrease in amortization costs for the six months ended September 30, 2019.

Administrative cost

For the three months ended September 30, 2019, administrative cost increased by 72.2% to $29.1 million compared to $ 16.9 million in the three months ended September 30, 2018. For the six months ended September 30, 2019, administrative cost increased by 83.1% to $ 55.1 million, compared to $30.1 million for the six months ended September 30, 2018. The increase was mainly due to increase in expected credit loss accounted as per default method under IFRS 9.

Adjusted EBITDA (Non- GAAP)

For the three months ended September 30, 2019, Adjusted EBITDA decreased by 71.6% to $7.8 million compared to $27.5 million in the three months ended September 30, 2018. The decrease in Adjusted EBITDA is on account of increase in administrative costs due to expected credit loss expense accounted as per default method under IFRS 9.

In the six months ended September 30, 2019, adjusted EBITDA increased by 52% to $ 26.4 million, compared to $55.0 million for the six months ended September 30, 2018. The decrease in Adjusted EBITDA is on account of increase in administrative costs due to expected credit loss expense accounted as per default method under IFRS 9.

Net finance costs

For the three months ended September 30, 2019, net finance costs increased by 866.7% to $ 2.3 million, compared to $(0.3) million in the three months ended September 30, 2018 mainly due to increase in finance costs and reduction in interest income on account of unwinding of credit impairment loss.

In the six months ended September 30, 2019, net finance costs increased by 109.5% to $4.4 million, compared to $2.1 million for the six months ended September 30, 2018 mainly due to increase in finance costs and reduction in interest income on account of unwinding of credit impairment loss.

Income tax expense

For the six months ended September 30, 2019, income tax expenses decreased by 41.3% to $2.7 million, compared to $4.6 million in the six months ended September 30, 2018. Effective income tax rates were 16.8% and 11.6% for September 30, 2019 and September 30, 2018, respectively excluding non-deductible share-based payment charges and gain/loss on fair valuation of derivative liabilities. The change in effective rate principally reflects a change in the mix of the profits earned from taxable and non- taxable jurisdictions.

Trade Receivables

As of September 30, 2019, Trade Receivables decreased to $189.8 million from $196.4 million as of March 31, 2019 after considering expected credit loss reserve upon adoption of new accounting standards during the period.

Net Debt

As of September 30, 2019, net debt decreased by 22.3% to $112.6 million from $145.0 million as of March 31, 2019 primarily on account of repayment of loans.

EROS INTERNATIONAL PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands, except share and per share data)

	Note	As at Septemebr 30, 2019	As at March 31, 2019
		(in thousands)	
ASSETS			
Non-current assets			
Property and equipment		$ 10,187	$ 10,921
Right of use assets		1,456	—
Intangible assets — content	5	739,589	706,572
Intangible assets — others		3,343	3,794
Investments		2,000	2,650
Trade and other receivables — amortised cost	1	8,577	10,065
Income tax receivable		1,561	1,284
Restricted deposits		115	756
Deferred income tax assets		1,243	1,263
Total non-current assets		**$ 768,071**	**$ 737,305**
Current assets			
Inventories		$ —	$ 435
Trade and other receivables — fair value	1	134,363	125,229
Trade and other receivables — amortised cost	1	62,927	79,916
Investments		200	1,042
Cash and cash equivalents		99,442	89,117
Restricted deposits		5,064	55,858
Total current assets		**301,996**	**351,597**
Total assets		**$ 1,070,067**	**$ 1,088,902**
LIABILITIES			
Current liabilities			
Trade and other payables		$ 92,141	$ 83,487
Acceptances	3	1,981	8,366
Short-term borrowings — fair value	2	53,797	68,349
Short-term borrowings — amortised cost	2	93,054	140,559
Derivative financial instruments		—	620
Lease liabilities		757	—
Current income tax payable		29,378	17,291
Total current liabilities		**$ 271,108**	**$ 318,672**
Non-current liabilities			
Long-term borrowings — amortised cost	2	65,051	71,920
Lease liabilities		800	—
Other long - term liabilities		15,706	13,898
Deferred income tax liabilities		15,867	27,427
Total non-current liabilities		**$ 97,424**	**$ 113,245**
Total liabilities		**$ 368,532**	**$ 431,917**
EQUITY			
Share capital	4	$ 53,200	$ 39,326
Share premium		629,988	580,013
Reserves		(16,227)	(2,202)
Other components of equity		(82,296)	(79,696)
JSOP reserve		(15,985)	(15,985)
Equity attributable to equity holders of Eros International Plc		**$ 568,680**	**$ 521,456**
Non-controlling interest		132,855	135,529
Total equity		**$ 701,535**	**$ 656,985**
Total liabilities and shareholder’s equity		**$ 1,070,067**	**$ 1,088,902**

EROS INTERNATIONAL PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except share and per share data)

	Note	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Six Months Ended September 30, 2019	Six Months Ended September 30, 2018
Revenue		**$ 32,374**	**$ 63,425**	**$ 75,885**	**$ 123,637**
Cost of sales		(16,919)	(38,114)	(33,463)	(74,685)
Gross profit		**15,455**	**25,311**	**42,422**	**48,952**
Administrative cost		(29,082)	(16,894)	(55,052)	(30,113)
Operating (loss)/ profit		**(13,627)**	**8,417**	**(12,630)**	**18,839**
Financing costs		(5,568)	(4,395)	(11,580)	(9,322)
Finance income		3,315	4,679	7,180	7,258
Net finance costs		(2,253)	284	(4,400)	(2,064)
Other gains/(losses),net	8	(11,326)	6,426	(3,275)	(8,259)
Profit/(loss) before tax		**(27,206)**	**15,127**	**(20,305)**	**8,516**
Income tax		(891)	(1,711)	(2,725)	(4,590)
Profit/(loss) for the period		**$ (28,097)**	**$ 13,416**	**$ (23,030)**	**$ 3,926**
Attributable to:					
Equity holders of Eros International Plc		$ (27,900)	$ 12,569	$ (21,788)	$ (1,022)
Non-controlling interest		$ (197)	847	(1,242)	4,948
Earning/(loss) per share(cents)					
Basic earning/(loss) per share	7	(27.6)	17.7	(24.7)	(1.5)
Diluted earning/(loss) per share	7	(27.6)	17.0	(24.7)	(1.5)

EROS INTERNATIONAL PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Amounts in thousands, except share and per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
(Loss)/Profit for the period	**$ (28,097)**	**$ 13,416**	**$ (23,030)**	**$ 3,926**
Other comprehensive Income:				
Items that will be subsequently reclassified to profit or loss				
Fair value loss on trade account receivable (FVTOCI)	1,225	—	1,225	—
Exchange differences on translating foreign operations	(5,329)	(12,803)	(4,193)	(23,950)
Total other comprehensive (loss) for the period	$ (4,104)	$ (12,803)	$ (2,968)	$ (23,950)
Total comprehensive (loss)/income for the period, net of tax	**$ (32,201)**	**$ 613**	**$ (25,998)**	**$ (20,024)**
Attributable to:				
Equity holders of Eros International Plc	$ (29,922)	$ 4,776	$ (23,130)	$ (15,465)
Non-controlling interest	(2,279)	(4,163)	(2,868)	(4,559)

EROS INTERNATIONAL PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands, except share and per share data)

	Six Months Ended September 30,	
	2019	**2018**
Cash flows from operating activities:		
Profit/(Loss) before tax	$ (20,305)	$ 8,516
Depreciation and amortization	25,562	61,609
Non-cash charges	38,094	33,576
Changes in operating assets and liabilities	(42,534)	(86,876)
Net cash generated from operating activities	**$ 817**	**$ 16,825**
Cash flows from investing activities:		
Purchase of intangible film and content rights	(28,033)	(54,060)
Other investing activities, net	54,696	(48,123)
Net cash from/(used in) investing activities	**$ 26,663**	**$ (102,183)**
Cash flows from financing activities:		
Net cash generated from/(used in) financing activities	**$ (23,848)**	**$ 88,466**
Net increase in cash and cash equivalents	**3,632**	**3,108**
Effect of exchange rate changes on cash and cash equivalents	6,693	(2,616)
Cash and cash equivalents at beginning of period	89,117	87,762
Cash and cash equivalents at the end of period	**$ 99,442**	**$ 88,254**

(Amounts in thousands, except share and per share data)

1. TRADE AND OTHER RECEIVABLES

	As at			
		September 30, 2019		March 31, 2019
Trade accounts receivables (net of credit impairment loss)				
Trade accounts receivables at fair value	$	134,363		125,229
Trade accounts receivables at amortised cost		55,437		71,129
Total Trade accounts receivables	**$**	**189,800**	**$**	**196,358**
Other receivables at amortised cost		16,067		18,852
Total Trade and other receivables		**205,867**		**215,210**
Current		197,290		205,145
Non-current		8,577		10,065
	$	**205,867**	**$**	**215,210**

The age of account receivables net of credit of credit impairment loss are past due but not impaired were as follows:

	As at			
		September 30, 2019		March 31, 2019
Not more than three months	$	37,418	$	44,687
More than three months but not more than six months		45,604		15,948
More than six months but not more than one year		43,353		15,310
More than one year		7,126		8,796
	$	**133,501**	**$**	**84,741**

The movement in the allowances for expected credit losses is as follows:

	Year ended September 30, 2019					
		Trade Receivables		Other Receivables		Total Receivables
Balance as on April 1, 2019	$	**41,335**	$	**447**	$	**41,782**
Charged to operations		26,543		—		26,543
Unwinding of expected credit loss (included in finance income)		(5,649)		—		(5,649)
Reversal of expected credit loss (included in other gains/(losses))		(3,274)		—		(3,274)
Translation adjustment		(536)		—		(536)
Bad debts		(2,649)		—		(2,649)
Balance as at September 30, 2019	**$**	**55,770**	**$**	**447**	**$**	**56,217**

	Year ended March 31, 2019		
	Trade Receivables	Other Receivables	Total Receivables
Balance on April 1, 2018	$ 10,193	$ —	$ 10,193
Impact of adoption of IFRS 9	18,050	447	18,497
Balance as on April 1, 2018	28,243	447	28,690
Charged to operations	60,208	7,284	67,492
Unwinding of expected credit loss (included in finance income)	(13,227)	—	(13,227)
Reversal of expected credit loss (included in other gains/(losses))	(20,698)	—	(20,698)
Translation adjustment	(160)	—	(160)
Bad debts	(13,031)	(7,284)	(20,315)
Balance at the March 31, 2019	**$ 41,335**	**$ 447**	**$ 41,782**

2 BORROWINGS

An analysis of long-term borrowings is shown in the table below.

	Nominal Interest Rate	Maturity	As at Septemebr 30, 2019	As at March 31, 2019
			(in thousands)	
Asset backed borrowings				
Vehicle loan	2.5 - 9.5%	2017-22	$ 207	$ 382
Term loan	MCLR +3.2% - 4.50%	2019-22	10,352	12,947
Term loan	BR + 2.75%	2020-21	873	1,083
Term loan	10.39% - 13.75%	2020-23	—	251
			$ 11,432	**$ 14,663**
Unsecured borrowings				
Retail bond	6.50%	2021-22	61,508	65,215
Convertible notes	14.23%	2020-21	20,997	68,349
			$ 82,505	**$ 133,564**
Cumulative effect of unamortised costs			(518)	(691)
Instalments due within one year:				
Convertible notes			(20,997)	(68,349)
Others			(7,371)	(7,267)
			$ 65,051	**$ 71,920**
Long-term borrowings at fair value			**$ —**	**$ —**
Long-term borrowings at amortised cost			**$ 65,051**	**$ 71,920**

Analysis of short-term borrowings

	Nominal interest rate (%)	As at September 30 2019		As at March 31, 2019	
		(in thousands)			
Asset backed borrowings					
Export credit, bill discounting and overdraft	MCLR +.40% to 4.60%	$	39,864	$	32,078
Export credit, bill discounting and overdraft	Base Rate + 0.5% to 1%		3,572		3,533
Export credit, bill discounting and overdraft	6.01% - 15.25%		28,083		26,719
Convertible notes	9.96%		32,800		—
Short- term loan	3.25% - 15.75%		14,164		70,962
		$	**118,483**	**$**	**133,292**
Unsecured borrowings					
Instalments due within one year on long-term borrowing			28,368		75,616
		$	**146,851**	**$**	**208,908**
Short-term borrowings at fair value			**53,797**		**68,349**
Short-term borrowings at amortised cost		**$**	**93,054**	**$**	**140,559**

Bank prime lending rate and marginal cost lending rate ("BPLR" & "MCLR") is the Indian equivalent to LIBOR. Asset backed borrowings are secured by fixed and floating charges over certain Group assets.

Eros International Plc.("issuer") issued Senior Convertible Notes (convertible notes) on 25 September 2019 amounting to US$27,500 principal amount. The maturity date of convertible is September 26, 2020.

Reconciliation of fair value measurement of convertible notes:

Particulars		**September 30, 2019 (in thousands)**
As at March 31,2019	$	68,349
Interest		3,968
'A' ordinary shares issued in lieu of convertible notes		(52,677)
Receipt from convertible notes		25,000
Loss on fair value of convertible notes		9,157
As at September 30,2019	$	**53,797**

3. ACCEPTANCES

	September, 30 2019	March, 31 2019
	(in thousands)	
Payable under the film financing arrangements	$ 1,981	$ 8,366
	$ 1,981	**$ 8,366**

Acceptances comprise of short – term credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value

4. ISSUED SHARE CAPITAL

Authorized	Number of Shares	GBP (in thousands)
Ordinary shares of 30p each at March 31, 2019	150,000,000	45,000
Ordinary shares of 30p each at September 30, 2019 [(*)]	200,000,000	60,000

[(*)] The Company increased authorized number of shares to 200,000,000 on September 25, 2019.

Allotted, called up and fully paid	Number of Shares A Ordinary 30p Shares[(*)]	Number of Shares B Ordinary 30p Shares[(*)]	USD (in thousands)
As at March 31, 2018	**55,718,423**	**9,712,715**	**$ 35,334**
Issue of shares in the quarter ended June 30, 2018	2,747,645	—	1,138
Issue of shares in the quarter ended September 30, 2018	3,773,385	—	1,471
Issue of shares in the quarter ended December 31, 2018	1,659,767	—	641
Transfer of B Ordinary to A Ordinary share	1,500,000	(1,500,000)	—
Issue of shares in the quarter ended March 31, 2019	1,892,518	—	742
As at March 31, 2019	**67,291,738**	**8,212,715**	**$ 39,326**
Issue of shares in the quarter ended June 30, 2019	**4,192,459**	—	**1,598**
Issue of shares in the quarter ended September 30, 2019	**25,956,283**	**7,044,210**	**12,276**
	97,440,480	**15,256,925**	**53,200**

[(*)] Each A ordinary shares is entitled to one vote on all matters and each B shares is entitled to ten votes.

The Company issued A and B Ordinary shares as follows:

	A Ordinary As at September 30,2019	A Ordinary As at March 31, 2019	B Ordinary As at September 30,2019	B Ordinary As at March 31, 2019
Issuance to Founders Group[(1)]	—	1,769,911	4,878,050	—
Issuance towards settlement of Convertible notes[(2)]	29,203,396	4,411,359	—	—
Exercise against Restricted Share Unit/ Management scheme [(3)]	813,333	770,541	2,166,160	—
Issuance towards Reliance Industries Limited [(4)]	—	3,111,088	—	—
2015 Share Plan [(5)]	132,013	10,416	—	—
Total	**30,148,742**	**10,073,315**	**7,044,210**	—

(Amounts in thousands, except share and per share data)

(1) Average price of A Ordinary at NIL price (March 2019: $14.69)and B Ordinary at $1.64 (March 2019:Nil)
(2) Average exercise price of A Ordinary $1.80 (March 2019: $11.28)
(3) 813,333 A Ordinary shares (March 2019: 183,000) exercised at NIL price (March 2019: $0.39) and 2,166,160 B Ordinary shares exercised at Nil price (March 2019:Nil)
(4) Average exercise price of A Ordinary NIL (March 2019: $15)
(5) Average exercise price A Ordinary $2 (March 2019: $7.92)

5. INTANGIBLE CONTENT ASSETS

	Gross Content Assets	Accumulated Amortization	Impairment Loss	Content Assets
As at September 30, 2019				
Film and content rights	$ 1,703,797	$ (968,619)	$ (366,703)	$ 368,475
Content advances	395,182	—	(38,832)	356,350
Film productions	14,764	—	—	14,764
Non-current content assets	**$ 2,113,743**	**$ (968,619)**	**$ (405,535)**	**$ 739,589**
As at March 31, 2019				
Film and content rights	$ 1,675,406	$ (954,628)	$ (366,703)	$ 354,075
Content advances	378,268	—	(38,832)	339,436
Film productions	13,061	—	—	13,061
Non-current content assets	**$ 2,066,735**	**$ (954,628)**	**$ (405,535)**	**$ 706,572**

6. SHARE BASED COMPENSATION PLANS

The compensation cost recognized with respect to all outstanding plans and by grant of shares, which are all equity settled instruments, is as follows:

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
IPO India Plan	$ 48	$ 351	$ 171	$ 779
2014 Share Plan	—	—	—	47
2015 Share Plan	1,116	2,345	1,211	2,352
Other share option awards (*)	1,344	1,894	2,009	3,355
Management scheme (staff share grant)	3,209	2,096	5,992	4,583
	$ 5,717	**$ 6,686**	**$ 9,383**	**$ 11,116**

(*) includes Restricted Share Unit (RSU) and Other share option plans

EROS INTERNATIONAL PLC
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(Amounts in thousands, except share and per share data)

7. EARNINGS PER SHARE (EPS)

	Three months ended September 30,				Six months ended September 30,			
	2019		2018		2019		2018	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings/(loss) attributable to the equity holders of the parent	$ **(27,900)**	**(27,900)**	$ **12,569**	**12,569**	$ **(21,788)**	**(21,788)**	$ **(1,022)**	**(1,022)**
Potential dilutive effect of convertible notes	—	—	—	1,109	—	—	—	—
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	—	—	(36)	—	—	—	(142)
Adjusted earnings/(loss) attributable to equity holders of the parent	**$ (27,900)**	**(27,900)**	**$ 12,569**	**13,642**	**$ (21,788)**	**(21,788)**	**$ (1,022)**	**(1,164)**
Number of shares								
Weighted average number of shares	101,087,635	101,087,635	71,000,987	71,000,987	88,298,314	88,298,314	69,174,427	69,174,427
Potential dilutive effect related to share based compensation plan	—	7,167,528	—	9,457,270	—	5,222,771	—	2,034,547
Adjusted weighted average number of shares	**101,087,635**	**108,255,163**	**71,000,987**	**80,458,257**	**88,298,314**	**93,521,085**	**69,174,427**	**71,208,974**
Earnings/(loss) per share								
Earnings/(loss) attributable to the equity holders of the parent per share (cents)	**(27.6)**	**(27.6)**	**17.7**	**17.0**	**(24.7)**	**(24.7)**	**(1.5)**	**(1.5)**

(Amounts in thousands, except share and per share data)

The above table does not split the earnings per share separately for the 'A' ordinary 30p shares and the 'B' ordinary 30p shares as there is no variation in their entitlement to participate in undistributed earnings.

The Company excludes options with exercise prices that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive. In the six months ended September 30, 2019, 1,085,00 shares were not included in diluted earnings per share (September 30, 2018: 1,847,035) Further, the Company have excluded convertible notes 19,125,832 shares because their effect was anti-dilutive (September 30, 2018:7,197,804). During the three months ended September 30, 2019, 2,482,431 shares were not included in diluted earnings per share (September 30, 2018: 1,847,035) Since there is loss for the year, and for the quarter, the potential equity shares resulting from dilutive options are not considered as dilutive and hence, the Diluted EPS is same as Basic EPS.

8. OTHER GAINS/(LOSSES), NET

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Foreign exchange (loss)/gain,net	$ 1,894	$ 328	$ 3,690	$ 3,689
(Loss) on sale of property and equipment	—	—	(4)	—
Reversal of expected credit (loss)	1,987	5,982	3,274	10,563
Net losses on derecognition of financial assets measured at FVTPL(*)	(726)	(1,464)	(996)	(2,768)
Loss of investments measured at FVTPL	(33)	—	(842)	—
Credit from Government of India	—	—	760	—
(Loss)/Gain on financial liability (convertible notes) measured at FVTPL	(14,142)	1,580	(9,157)	(19,743)
Change in fair value of receivables	(306)	—	—	—
	$ (11,326)	**$ 6,426**	**$ (3,275)**	**$ (8,259)**

(*) Arising on assignment and novation of trade receivables and trade payables with no-recourse. Derecognition of aforesaid financial assets/liabilities measured at amortized cost is to mitigate both credit risk and liquidity risk

9. IFRS – 16 LEASES

Effective April 1, 2019, the Company adopted IFRS 16, Leases, which specifies how to recognize, measure, present and disclose leases. The standard provides a single accounting model, requiring the recognition of assets and liabilities for all major leases previously classified as "operational leases". The company applied Modified Retrospective Approach on the date of initial application
The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically adjusted for certain re-measurements of the lease liability. There is no impact on transition in opening balance of retained earnings as at April 1, 2019.

Operating leases
The Company has decided to use the approach that allows the right-of-use asset to be recognized at an amount equal to the liability as at the date of initial application. Based on such approach the Right-to-use (ROU) asset and lease liability as at April 1, 2019 have been created at $ 1,907 and $ 1,907, respectively. Unwinding of lease liability amounting $ 74 and amortization of Right-to-use asset amounting $ 681 have been recorded for the six months ended September, 30 2019 as against lease rent expenses recorded in the prior period/s. The weighted average incremental borrowing rate of 12% (for India) and 7.45% (for other locations) have been applied to lease liabilities recognized in the statement of financial position at the date of initial application.

Finance leases
As of April 01, 2019, Equipment amounting $ 243 has been reclassified to ROU from property and equipment and long-term and short-term borrowing amounting $153 and $ 98, respectively, have been reclassified to lease liabilities in relation to these finance lease. The Company has continued to discount the lease rental at interest rate implicit in these lease agreements, with unwinding of lease liability amounting $ 14 and amortization of ROU over the useful life amounting $ 59 for the six months ended September 30, 2019.

Non-GAAP Financial Measures

Net Income

The Company uses the term Net Income, as the International Financial Reporting Standards ("IFRS") define the term as synonymous with profit for the period.

Reconciliation of Adjusted EBITDA

In addition to the results prepared in accordance with IFRS, the Company has presented Adjusted EBITDA. The Company uses Adjusted EBITDA along with other IFRSs measures to evaluate operating performance. Adjusted EBITDA is defined as EBITDA adjusted for (gains)/impairments of available-for-sale financial assets, profit/loss on held for trading liabilities (including profit/loss on derivatives), transactions costs relating to equity transactions, share based payments, loss/(gain) on sale of property and equipment, Loss on de-recognition of financial assets measured at amortized cost, net, credit impairment loss, net, component loss on financial liability (convertible notes) measured at fair value through profit and loss, Loss on deconsolidation of a subsidiary and exceptional items such as impairment of goodwill, trademark, film & content rights and content advances.

Adjusted EBITDA, as used and defined by us, may not be comparable to similarly-titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. Adjusted EBITDA provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures and working capital changes or tax position. However, Eros' management team believes that Adjusted EBITDA is useful to an investor in evaluating the Company's results of operations because this measure:

- is widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- helps investors to evaluate and compare the results of Eros' operations from period to period by removing the effect of the Company's capital structure from its operating structure.

See the supplemental financial schedules for reconciliations to IFRSs measures in the table below, which presents a reconciliation of Eros' Adjusted EBITDA to net income.

Adjusted EBITDA

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
	(in thousand)			
Profit/(loss) for the period	**$ (28,097)**	**$ 13,416**	**$ (23,030)**	**$ 3,926**
Income tax expense	891	1,711	2,725	4,590
Net finance costs	2,253	(284)	4,400	2,064
Depreciation	454	279	845	527
Amortization(1)	224	288	448	759
EBITDA (Non- GAAP)	**(24,275)**	**15,410**	**(14,612)**	**11,866**
Share based payments(2)	5,717	6,686	9,383	11,116
Credit impairment losses/(gains)	13,089	2,657	23,894	4,576
Reversal of credit impairment losses/(gains)	(1,987)	(5,982)	(3,274)	(10,563)
Adjustment towards arisen significant discounting, component	—	8,837	—	15,247
Net losses on de-recognition of financial assets measured at amortized cost, net	726	1,464	996	2,768
Loss/(Gain) on financial liability (convertible notes) measured at FVTPL	14,142	(1,580)	9,157	19,743
Closure of derivative asset	—	—	—	249
Loss on sale of property and equipment	—	—	4	—
Fair value of receivables	306	—	—	—
Net losses/(gains) of available- for- sale measured at FVTPL	33	—	842	—
Adjusted EBITDA (Non-GAAP)	**$ 7,751**	**$ 27,492**	**$ 26,390**	**$ 55,002**
Amortizaton of intangible and content rights	12,392	31,828	24,269	60,323
Gross Adjusted EBITDA	**$ 20,143**	**$ 59,320**	**$ 50,659**	**$ 115,325**

(1) Includes only amortization of intangible assets other than intangible content assets.
(2) Consists of compensation costs recognized with respect to all outstanding plans and all other equity settled instruments.