Eros International Plc Reports Third Quarter FY 2019 Results

Eros Now Paying Subscribers reach 15.9 million – beating guidance, a 218% y-o-y increase

Reports Quarterly Revenue growth of 21%

Reports Adjusted EBITDA(1) margin of 40.9%

ISLE OF MAN – February 21, 2019: Eros International PLC (NYSE:EROS) ("Eros"), a Global Indian Entertainment Company, today announced unaudited financial results for the three and nine months ended December 31, 2018.

(USD in millions)	***Dec'18 Q3 FY19***	***Sept'18 Q2 FY19***	***June'18 Q1 FY19***	***Mar'18 Q4FY18***	***Dec '17 Q3 FY18***
Gross Revenue (1)	$86.6	$72.2	$66.6	$71.8	$67.5
Reported Revenue	76.7	63.4	60.2	71.9	65.2
Y/Y % Growth	17.6%	0.2%	-1.0%	36.4%	13.8%
Q/Q % Growth	21.0%	5.3%	-16.3%	10.3%	3.0%
Operating Profit	13.2	8.4	10.4	20.3	15.1
Operating Profit Margin	17.2%	13.3%	17.3%	28.2%	23.2%
Adjusted EBITDA (1)	31.4	24.8	25.6	24.1	25.9
Adjusted EBITDA Margin	40.9%	39.1%	42.5%	33.5%	39.7%
Global Paid EN Memberships	15.9	13.0	10.1	7.9	5.0
Y/Y Growth	218.0%	251.4%	248.3%	276.2%	150.0%
Q/Q Growth	22.3%	28.7%	27.8%	58.0%	35.1%
Global EN Registered Users	142	128	113	100	80
Paid / Registered Users	11.20%	10.16%	8.94%	7.90%	6.25%
Films Released	25	17	14	8	4
Cash	$134.9	$134.9	$86.1	$87.8	$134.6
Gross Debt	294.0	297.0	272.9	276.9	284.9
Net Debt	159.1	162.1	186.8	189.1	150.3

(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".

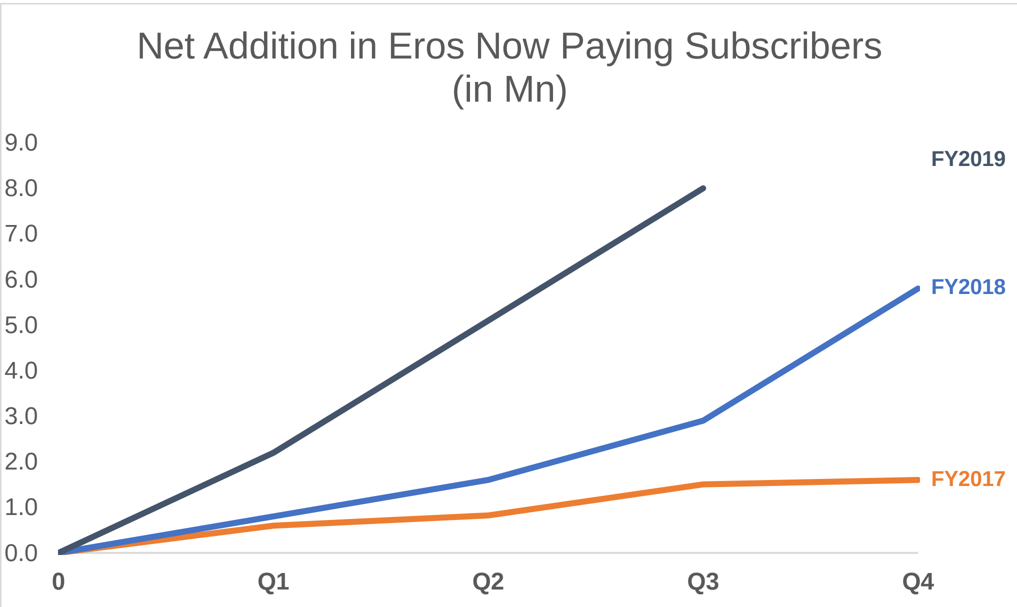
Eros Executive Chairman and CEO Kishore Lulla commented:

"We grew quarterly revenue 21.0% over last quarter and expanded our Adjusted EBITDA margin to 40.9%. Our foresight into creating a diversified slate, both linguistically and by budget, helped deliver strong television sales as well as theatrical and digital results. Our Eros Now OTT platform has continued to grow rapidly and reached 15.9 million paid monthly subscribers as of December 31, 2018, a 22.3% increase over last quarter. We have achieved our previously announced year-end target of 16 million paying subscribers in just nine months. This tremendous achievement in a relatively short period of time demonstrates that we are well on our way to achieving 50 million paying subscribers in the next three years. Our balance sheet remains conservative and we are well-capitalised, with net debt of $159.1 million, a decrease versus the second quarter of FY 2019.

Q3 FY 2019 Results

We achieved our strongest quarterly revenue performance in more than two years, $86.6 million in gross revenue and $76.7 million in reported revenue after the impact of IFRS 9 and 15. The growth was fuelled primarily by Eros Now and by $41.1 million in revenue across theatrical and television businesses. Our digital & ancillary business generated $35.6 million in revenue, a growth of 31.4% over last quarter, and represented 46.4% of our total revenue this quarter – the largest proportion ever. Eros Now achieved 15.9 million paid subscribers this quarter, which represents growth of 218% year-over-year, and registered users grew to more than 142 million, a 78% increase versus the prior year period.

Eros is currently at an inflection point transforming itself into a holistic content and digital ecosystem. As we continue to undergo this shift we expect the skew of digital and anciallary revenues to increase relative to our traditional theatrical and TV syndication businesses. The shift to digital will increase the visibility of our earnings as we move towards a more annuity-type business model – higher quality of earnings and more sustainable growth.



Content

As we look ahead to Fiscal Year 2020, we believe we have a strong film slate, which includes Saif Ali Khan starrer '*Kaptan'*, the trilingual remake of '*Haathi mere Saathi'*, '*Kaamiyab'*, '*Ticket to Bollywood'*, and a host of regional releases. In addition, we have a host of remarkable originals such as '*Dashavtar'*, '*Ponnyin Selvan*', '*Flesh'*, '*Bhumi'* coming up on ErosNow that we look forward to releasing in the upcoming quarters.

The theatrical slate this quarter included the critically acclaimed '*Tumbbad*', '*Boyz 2*' (Marathi), '*Mumbai Pune Mumbai 3* (Marathi)', *Andhadhun*' (Hindi), '*Helicopter Eela*' (Hindi) and '*Namaste England*' (Hindi) and our twin Telugu releases '*Amar Akbar Anthony'* and '*Savyasachi'* amongst others. Over the last nine months we have released 56 films and four digital series and are on track for our strongest year in terms of output. Consistent with our strategy to create compelling premium content within a controlled budget, we had 25 releases this quarter which spanned genres and budgets. Our two December 2018 Eros Now digital premieres of our theatrical releases in an exclusive post-theatrical first window, '*Happy Phir Bhagjayegi*' and *'Manmarziyan'*, drove an average 75 minutes of session time, which is materially higher than the industry average of 30-50 minutes across Indian OTT platforms in 2018. To put that in context, the average session time on YouTube is between 8-12 minutes.

Over the past nine months we have digitally-premiered a total of 46 movies on Eros Now. This quarter Eros Now successfully premiered 19 movies across seven Indian languages: Hindi, Marathi, Malayalam, Assamesse, Gujarati, Bengali and Kannada.

Eros Now Q3 FY19 Premieres	
Film Title	**Language**
Dr. Tatya Lahane - Angaar..Power is within	Marathi
Alifa	Bengali
Kulfi	Kannada
Dharasnan	Bengali
Khajoor Pe Atke	Hindi
Paippin Chuvattile Pranayam	Malayalam
Baban	Marathi
Oskar	Bengali
Mijaaj	Gujarati
Barayan	Marathi
Preethiya Raayabhari	Kannada
Ottamuri Velicham	Malayalam
Shobdo Kolpo Droom	Bengali
Kaya: The Mystery Unfolds	Bengali
Happy Phirr Bhag Jayegi	Hindi
Manmarziyaan	Hindi
Yogi Duniya	Kannada
Othello	Assamese
Pornomochi	Bengali

Our focused approach of choosing a balanced content slate spanning genres, languages and budgets, continues to deliver positive results and contributes to our growing high-quality library. Our TV syndication business thrived on the back of a strong theatrical release slate and growing global demand for film content in the analogue and PayTV windows. We currently have TV syndication content deals in place with over 30 international broadcasters and digital platforms around the world including the US, Asia, Europe and the Middle East. This is a testament to the continued demand for quality content amongst Indian PayTV platforms, as well as to the quality of our library catalogue and theatrical releases. In December, we announced that we had executed several significant long-term television syndication deals with leading TV networks around the world. The deal encompasses over 60 catalogue films from Eros' vast library syndicated across global broadcast companies including Viacom – Colors in India, SABC in South Africa, E Vision in the UAE and Tanzania TV, among others.

We have grown our digital catalogue on the Eros Now Platform to over 12,000 movies across 10 Indian languages and counting. This quarter, we released one film or digital premiere on Eros Now weekly, added 165 music videos and 445 movie titles.

The launch of our digital series, comprising a broad mix of genres ranging from comedy to horror and crime thriller has proved successful. Eros Now originals are gaining critical acclaim. We won over ten awards for our originals *'Side Hero'* and '*Smoke'* across various platforms. These shows were a first step towards driving 'Binge Watching' habits on the platform, which resulted in a 25% increase in average subscriber session time. In addition, our series '*Smoke'* has also recently been nominated at SXSW under the 'Title Design' category. Fellow nominees also include *Black Panther, Aquaman, Deadpool 2* and *Mowgli*. We launched our latest Eros Now original series, *Operation Cobra*, last week – a slick, action-packed spy thriller set in the UK.

We also recently launched Eros Now Quickie, an innovative platform for high quality short form original content. We have now launched ten original Quickie episodics including, '*Date Gone Wrong'* and the fun-series '*Paisa Fek Tamasha Dekh*' as well as over 26 'mini-movie' premieres. We are planning to release at least four pieces of short-form content each month on the platform. Engagemment data has been very encouraging from consumers - across Quickie content we have a 75% retention rate from episode to episode.

We have a very compelling upcoming slate of Eros Now originals, below are some of the highlights of our pipeline:

- *Dashavatar with Anirudh Pathak: (Target release: February 2019)*
- *Ponnyin Selvin with Krish Jagarlamudi: (Target release: March 2019)*
- *Flip with Bejoy Nambiar (Target release: March 2019)*
- *Flesh with Siddharth Anand: (Target release: March 2019)*
- *Mrityulok with Zeishan Qadri: (Target release: March 2019)*
- *Bhumi with Pavan Kripilani: (Target release: April 2019)*
- *Crisis with Nikhil Advani and Gaurav Chawla: (Target release: May 2019)*
- *Sanyasi Raja with Prakash Jha: (Target release: June 2019)*
- *Kurukshetra: (Target release: TBD)*
- *Blue Oak Academy: (Target release: June 2019)*

The music ecosystem in India has been growing exponentially over the past few years. In India there are currently over 100 million digital audio streaming users, a number which is growing rapidly. Music is integral to our films and our premium content offering to consumers. Film music is often marketed and monetized separate from the underlying film, both before and after release. Our deep music library comprises a key component to our unique Eros Now offering, being the only app combining both video and music entertainment. Our music content also represents significant value in the form of intellectual property rights, the value of which is set to grow over time.

Music is a key focus area for us going forward as well as a vital component of the content ecosystem. This quarter we released 11 original singles and signed five artists. Over the next three years we envision having over 60 artists signed and releasing original music daily.

Product, Technology and Partnerships

Refining and creating a unique and seamless product for our 140 million plus registered user base is at the core of what we do. We continually test and tweak across the 150 countries we are present to test not only new features, but also new distribution models.

This quarter Eros Now entered into a strategic partnership with the Indian telcommunications operator BSNL. A first for an Indian telcommunications operator, the Eros Now service will be bundled in price and sold as a stand alone service with the telcommunications operator's post paid and pre paid subscription price. We are excited about this partnership and the strong prospective subscriber growth expected. International Distribution also got a boost with the launch of Celcom and Etisalat partnerships in the third quarter, as well as closure of large deals in the UK and Africa. Importantly, we witnessed 3X growth in Eros Now Users on Amazon Fire TV and Amazon Channels in the US and UK. Next quarter will be an exciting quarter as we open out some new and non-traditional markets for Eros Now and a continued focus on distribution in China.

Large themes for product strategy going forward will be based on improved modalities around consumer payment and loyalty, improving search and recommendation, launch of the linear product feature on Eros Now, new video player with custom features and localization development for the service. We continue to work with our product partners to focus on "deep integrating" the Eros Now service across major large screen and small screen partners across the world.

Competition and Outlook

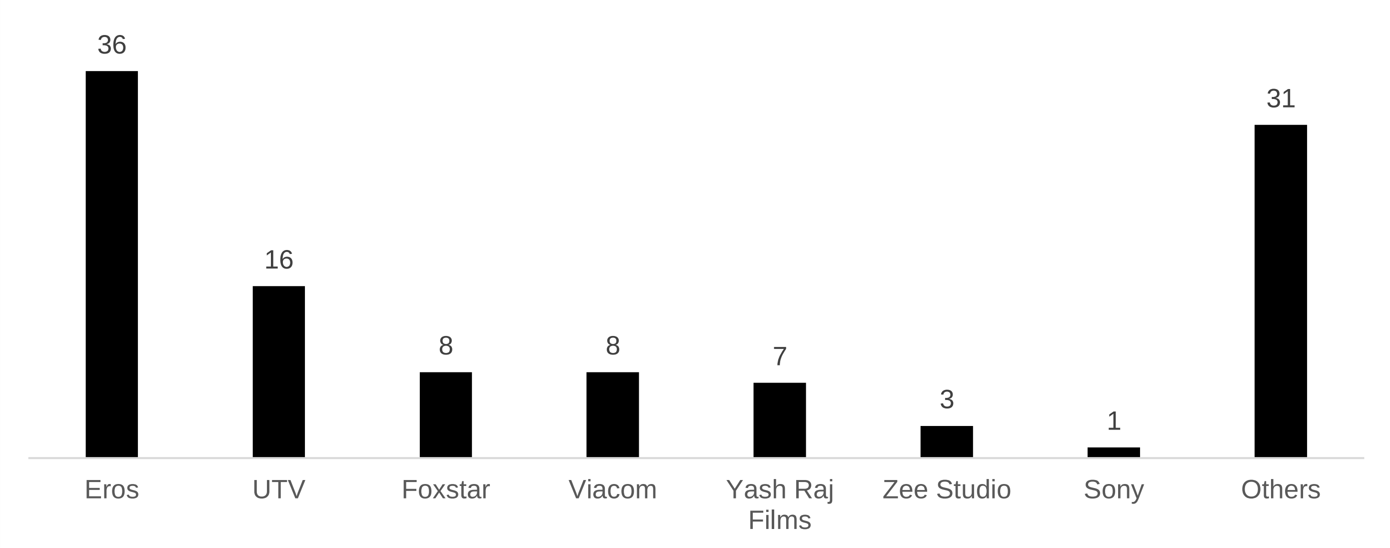
The shift to streaming is accelerating at a rapid pace globally – India is no exception. Media and OTT players everywhere are in land-grab phase. The digital opportunity in India is enormous and we believe we are well-positioned to achieve a meaningful share of the total addressable market. A recent Morgan Stanely research report[1] made the case for the competitive advantages of OTT platforms with scaled, global consumer relationships and unique compelling IP. The same report highlighted Eros Now as being the fourth largest OTT platform globally – behind only Netflix, Amazon and Hulu. We have the largest movie library with over 12,000 titles, a growing stable of short form digital content through our flagship Quickie platform and a growing music library. Our goal is to reach a total paid subscriber base of over 50 million subscribers, including at least 10 million B2C (direct-to-consumer) subscribers, within three years. Over the same period we expect the mix of domestic paying subscribers versus international paying subscribers to be approximately 80/20.

Indian language content remains the main driver of video consumption across the digital ecosystem, it is estimated that only 7% of digital content is English language. Our large diversified library gives us significant competitive advantage compared to our peers. Our output of new originals and digital premieres is larger than any other OTT player in India – including international and domestic players. Eros Now is also unique in that we are the only service that offers a combined music and video entertainment experience. With our aim to release an original track daily and the continuous increase of our library supplemented by the studio business, we believe there is a market opportunity ready to be taken.

Our recent BSNL deal and international strategy are one of the primary steps to achieve 50 million subscribers over the next three years as well as deepening relationships with key partners such as Roku, Amazon devices and channels etc. We have a strong track record and leading box office market share in our theatrical business. China continues to be focus area for our business and we are making inroads. Our recent partnership with iQiyi allowed us to expand our footprint into the fast-growing Chinese market with one of the largest online

[1] Morgan Stanley. Swinburne, B. (January 24, 2019) 2019 Outlook – The World Pivots to Streaming.

video sites in the world. We are also progressing with multiple distribution deals for the theatrical exploitation of some of our content in China. With our deep talent relationships, data learnings and premiere writers room we are confident in creating groundbreaking, cinematically acclaimed content across a financially and linguistically diversified slate. Over the past 10 years Eros has been responsible for 36 out of the top 110 highest grossing box office films in India.



We have always believed in being at the forefront of technology when it comes to delivering content to our 1.6 billion plus audiences in India and around the world. With an eye for content and deep user understandings we are excited for the realm of possibilities that lay ahead for video content consumption. We strongly believe that the quality of content should mirror the levels of sophistication and engagement from the user. Beyond our current efforts in content creation we are exploring an alternative reality to create the ultimate user experience. The Eros Now Extended Reality experience will drive deep connected engagement from our audiences where the lines between the real world and the simulated world can be blurred. This will be an ultimate immersive premium content experience."

Eros International Plc Financial Highlights :

	Three Months Ended December 31			Nine Months Ended December 31		
(dollars in millions)	**2018**	**2017**	**% change**	**2018**	**2017**	**% change**
Revenue	$ 76.7	$ 65.2	17.6%	$ 200.4	$ 189.3	5.9%
Gross profit	32.3	34.7	(6.9)%	81.2	88.7	(8.5)%
Operating profit	13.2	15.1	(12.6)%	32	38.2	(16.2)%
Gross Revenue (1)	86.6	67.5	28.3%	225.6	193.7	16.5%
Adjusted EBITDA(1)	$ 31.4	$ 25.9	21.2%	$ 81.9	$ 58.9	39.0%

(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 Nine Months Ended December 31, 2018

Revenue

In the three months ended December 31, 2018, the Eros film slate was comprised of 25 films, of which two were medium budget and 23 were low budget as compared to four films in the three months ended December 31, 2017, of which all were low budget films. In addition, Eros Now released three original series titled Smoke, Date Gone Wrong and Paisa Fek Tamasha Dekh during the three months ended December 31, 2018.

In the three months ended December 31, 2018, the Company's slate of 25 films comprised of six Hindi films, 17 regional films and two Tamil/Telugu as compared to the same period last year where its slate of four films comprised three Hindi films and one regional film.

In the nine months ended December 31, 2018, the Eros film slate was comprised of 56 films of which seven were medium budget and 49 were low budget films as compared to 16 films in the nine months ended December 31, 2017, of which one film was high budget, three were medium budget and twelve were low budget. In addition, Eros Now released four original series titled Side Hero, Smoke, Date Gone Wrong and Paisa Fek Tamasha Dekh during the nine months ended December 31, 2018

In the nine months ended December 31, 2018, the Company's slate of 56 films comprised of 14 Hindi films, five Tamil/Telugu film and 37 regional films as compared to the same period last year where its slate of 16 films comprised of eight Hindi films, one Tamil/Telugu films and seven regional films.

Three months ended	**High**	**Medium**	**Low**	**Total**
December 31, 2018	0	2	23	25
December 31, 2017	0	0	4	4

Nine months ended	**High**	**Medium**	**Low**	**Total**
December 31, 2018	0	7	49	56
December 31, 2017	1	3	12	16

Gross revenue for three and nine months ended December 31, 2018, respectively are $86.6 million and $225.6 million compared to $67.5 million and $193.7 million for the three and nine months ended December 31, 2017, respectively. Gross revenue for the three and nine months ended December 31, 2018, respectively, have been adjusted towards significant financing component on account of adoption of new accounting pronouncements.

Accordingly, the Company's reported revenue for three and nine months ended December 31, 2018 are $76.7 million and $200.4 million, respectively, compared to $65.2 million and $189.3 million for the three and nine months ended December 31, 2017, respectively. Adjustments to reported revenues upon adoption of new accounting pronouncements for three and nine months ended December 31, 2018 are as below.

	Three months ended December 31,		**Nine months ended December 31,**	
	2018	**2017**	**2018**	**2017**
		(in millions)		
Revenue (GAAP)	$ 76.7	$ 65.2	$ 200.4	$ 189.3
Adjustment towards significant financing component	9.9	2.3	25.2	4.4
Gross Revenue (Non-GAAP)	$ 86.6	$ 67.5	$ 225.6	$ 193.7

For the three months ended December 31, 2018, aggregate theatrical revenues increased by 69% to $21.8 million from $12.9 million for the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue decreased by 0.7% to $55.5 million, compared to $55.9 million for the nine months ended December 31, 2017. The variation in theatrical revenue is primarily due to mix of films.

For the three months ended December 31, 2018, aggregate revenues from television syndication decreased by 34.4% to $19.3 million from $29.4 million for the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue decreased by 20.7% to $55.5 million, compared to $70.0 million for the nine months ended December 31, 2017. The decrease is mainly due to lower catalogue sales during the period.

For the three months ended December 31, 2018, the aggregate revenues from digital and ancillary increased by 55.5% to $35.6 million from $22.9 million for the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue increased by 41.0% to $89.4 million, compared to $63.4 million for the nine months ended December 31, 2017. The increase in revenue is primarily on account of contribution from catalogue revenues and digital business.

Revenue from India increased by 27.4% to $28.4 million in the three months ended December 31, 2018, compared to $22.3 million in the three months ended December 31, 2018 and in the nine months ended December 31, 2018, revenue from India increased by 3.8% to $75.8 million, compared to $73.0 million for the nine months ended December 31, 2018. The variation is due to mix of films.

Revenue from Europe increased by 141.2% to $12.3 million in the three months ended December 31, 2018, compared to $5.1 million in the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue from Europe increased by 118.8% to $43.1 million, compared to $19.7 million for the nine months ended December 31, 2017. This was due to higher contribution from the monetization of catalogue films.

Revenue from North America increased by 700.0% to $0.8 million in the three months ended December 31, 2018, compared to $0.1 million in the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue from North America increased by 114.3% to $1.5 million, compared to $0.7 million for the nine months ended December 31, 2017.

Revenue from the rest of the world decreased by 6.6% to $35.2 million in the three months ended December 31, 2018, compared to $37.7 million in the three months ended December 31, 2017 and in the nine months ended December 31, 2018, revenue from rest of world decreased by 16.6% to $80.0 million, compared to $95.9 million for the nine months ended December 31, 2017. This was due to lower catalogue sales during the period.

Cost of sales

For the three months ended December 31, 2018, cost of sales increased by 45.9% to $44.5 million compared to $30.5 million in the three months ended December 31, 2017 and in the nine months ended December 31, 2018, cost of sales increased by 18.4% to $119.1 million, compared to $100.6 million for the nine months ended December 31, 2017. The increase was mainly due to higher amortization costs, higher marketing, advertising and distribution costs.

Gross profit

For the three months ended December 31, 2018, gross profit decreased by 6.9% to $32.3 million, compared to $34.7 million in the three months ended December 31, 2017. The increase was mainly due to increase in amortization, marketing, advertising and distribution costs, which was partially offset by additional adjustment on account of adoption of new accounting standards for three months ended December 31, 2018.

In the nine months ended December 31, 2018, gross profit decreased by 8.5% to $81.2 million, compared to $88.7 million for the nine months ended December 31, 2017. The decrease was mainly due to increase in marketing, advertising and distribution costs and adjustment on account of adoption new accounting standard for the nine months ended December 31, 2018.

Adjusted EBITDA (Non- GAAP)

For the three months ended December 31, 2018, Adjusted EBITDA increased by 21.2% to $31.4 million compared to $25.9 million in the three months ended December 31, 2017.

The increase in Adjusted EBITDA is on account strong catalogue sales which was partially offset by increases in amortization, marketing, advertising and distribution costs for three months ended December 31, 2018.

In the nine months ended December 31, 2018, adjusted EBITDA increased by 39.0% to $81.9 million, compared to $58.9 million for the nine months ended December 31, 2017.

The increase in Adjusted EBITDA is on account of strong catalogue sales, which is partially offset by increases in amortization, marketing, advertising and distribution cost and share based payments adjustment for nine months ended December 31 2018.

Net finance costs

For the three months ended December 31, 2018, net finance costs increased by 77.3% to $3.9 million, compared to $2.2 million in the three months ended December 31, 2017 due to lower capitalization of interest.

In the nine months ended December 31, 2018, net finance costs decreased by 53.1% to $6.0 million, compared to $12.8 million for the nine months ended December 31, 2017 mainly due to unwinding of credit impairment loss reserve by $8.8 million and which was partially off-setted by lower capitalization of interest.

Income tax expense

For the nine months ended December 31, 2018, income tax expenses increased by 36.0% to $6.8 million, compared to $5.0 million in the nine months ended December 31, 2017. Effective income tax rates were 11.6% and 20.0% for December 31, 2018 and December 31, 2017, 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 December 31, 2018, Trade Receivables decreased to $210.0 million from $225.0 million as of March 31, 2018 after considering expected credit loss reserve upon adoption of new accounting standards during the period.

Net Debt

As of December 31, 2018, net debt decreased by 15.9% to $159.1 million from $189.2 million as of March 31, 2018 primarily on account of additional equity infusion during the period.

Conference Call:

The Company will host a conference call on Thursday, February 21st, 2018, at 8:30 AM Eastern Standard Time.

To access the call please dial 929-477-0448 or 888-254-3590 from the United States, or +44 (0)330 336 9126 or (0)800 358 6377 from outside the U.S. The conference call I.D. number 1016781. Participants should dial in 5 to 10 minutes before the scheduled time.

A replay of the call can be accessed through February 21, 2020 by dialling 719-457-0820 from the U.S., or +44 (0) 207 660 0134 from outside the U.S. The conference call I.D. number is 1016781. 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) is a leading global company in the Indian film entertainment industry that acquires, co-produces and distributes Indian films across all available formats such as cinema, television and digital new media. Eros International Plc became 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.

Contact:

Mark Carbeck
Chief Corporate and Strategy Officer
Eros International PLC
mark.carbeck@erosintl.com
+44 207 258 9909

Erica Bartsch
Sloane & Company
212-446-1875
ebartsch@sloanepr.com

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

	Note	December 31, 2018	March 31, 2018
ASSETS			
Non-current assets			
Property and equipment		$ 9,266	$ 10,013
Goodwill		3,800	3,800
Intangible assets — trade name		14,000	14,000
Intangible assets — content	5	1,072,686	998,543
Intangible assets — others		4,682	5,280
Investments		27,337	27,257
Trade and other receivables	1	7,431	9,144
Income tax receivable		1,169	1,269
Restricted deposits		752	1,100
Deferred tax		64	351
Total non-current assets		**$ 1,141,187**	**$ 1,070,757**
Current assets			
Inventories		$ 188	$ 353
Trade and other receivables	1	225,978	245,079
Cash and cash equivalents		88,218	87,762
Investments		1,000	—
Restricted deposits		53,911	6,368
Total current assets		**369,295**	**339,562**
Total assets		**$ 1,510,482**	**$ 1,410,319**
LIABILITIES			
Current liabilities			
Trade and other payables		$ 66,320	$ 72,142
Acceptances	3	7,336	8,898
Short-term borrowings	2	211,789	151,963
Current income tax payable		12,317	6,324
Total current liabilities		**$ 297,762**	**$ 239,327**
Non-current liabilities			
Long-term borrowings	2	$ 82,162	$ 124,983
Other long-term liabilities		9,514	3,073
Derivative financial instruments		610	—
Deferred income tax liabilities		31,462	39,519
Total non-current liabilities		**$ 123,748**	**$ 167,575**
Total liabilities		**$ 421,510**	**$ 406,902**
EQUITY			
Share capital	4	$ 38,584	$ 35,334
Share premium		562,129	453,997
Reserves		426,536	422,992
Other components of equity		(57,495)	(48,649)
JSOP reserve		(15,985)	(15,985)
Share application pending allotment		—	18,000
Equity attributable to equity holders of Eros International Plc		**$ 953,769**	**$ 865,689**

Non-controlling interest	135,203	137,728
Total equity	**$ 1,088,972**	**$ 1,003,417**
Total liabilities and shareholder's equity	**$ 1,510,482**	**$ 1,410,319**

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

	Note	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Nine Months Ended December 31, 2018	Nine Months Ended December 31, 2017
Revenue	8	**$ 76,744**	**$ 65,187**	**$ 200,381**	**$ 189,327**
Cost of sales		(44,459)	(30,528)	(119,144)	(100,638)
Gross profit		**32,285**	**34,659**	**81,237**	**88,689**
Administrative cost		(19,130)	(19,567)	(49,243)	(50,468)
Operating profit		**13,155**	**15,092**	**31,994**	**38,221**
Financing costs		(7,352)	(2,731)	(16,674)	(14,264)
Finance income		3,427	488	10,685	1,468
Net finance costs		(3,925)	(2,243)	(5,989)	(12,796)
Other gains/(losses)	9	7,462	(8,505)	(797)	(13,250)
Profit before tax		**16,692**	**4,344**	**25,208**	**12,175**
Income tax		(2,218)	(1,143)	(6,808)	(4,960)
Profit for the period		**$ 14,474**	**$ 3,201**	**$ 18,400**	**$ 7,215**
Attributable to:					
Equity holders of Eros International Plc		$ 9,593	$ 333	$ 8,571	$ (2,398)
Non-controlling interest		4,881	2,868	9,829	9,613
Earning/(loss) per share(cents)					
Basic earning/(loss) per share	7	13.0	0.5	12.1	(3.9)
Diluted earning/(loss) per share	7	12.5	(8.5)	11.8	(13.6)

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2018	2017	2018	2017
Profit for the period	**$ 14,474**	**$ 3,201**	**$ 18,400**	**$ 7,215**
Other comprehensive loss:				
Items that will be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations	9,023	3,799	(14,927)	2,008
Reclassification of the cash flow hedge to the statement of operations, net of tax	—	188	—	375
Total other comprehensive income/(loss) for the period	$ 9,023	$ 3,987	$ (14,927)	$ 2,383
Total comprehensive income for the period, net of tax	**$ 23,497**	**$ 7,188**	**$ 3,473**	**$ 9,598**
Attributable to:				
Equity holders of Eros International Plc	$ 15,224	$ 2,546	$ (241)	$ (1,061)
Non-controlling interest	8,273	4,642	3,714	10,659

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

		Nine Months Ended December 31,	
	Note	2018	2017
Cash flows from operating activities:			
Profit before tax		$ 25,208	$ 12,175
Adjustments for:			
Depreciation		823	838
Share based payments	6	15,073	13,502
Amortization of intangible film and content rights		96,158	87,322
Amortization of other intangibles assets		987	1,112
Other non-cash items	10	33,726	14,511
Net finance costs		14,752	12,796
Loss on sale of property and equipment		3	18
Iovement in trade and other receivables		(135,809)	(105,883)
Movement in inventories		145	210
Movement in trade and other payables		3,991	32,300
Cash generated from operations		55,057	68,901
Interest paid		(8,755)	(17,160)
Income taxes paid		(5,714)	(2,154)
Net cash generated from operating activities		**$ 40,588**	**$ 49,587**
Cash flows from investing activities:			
Purchases of property and equipment		(493)	(191)
Proceeds from sale of property and equipment		—	46
Investment in restricted deposits held with banks		(47,631)	190
Purchase of intangible film rights and content rights		(79,328)	(89,107)
Investment		(1,000)	—
Purchase of other intangible assets		(575)	(93)
Interest received		2,815	2,222
Net cash (used in) investing activities		**$ (126,212)**	**$ (86,933)**
Cash flows from financing activities:			
Proceeds from issue of shares by subsidiary		51	502
Proceeds from issue of share capital, net of transaction costs		54,796	16,600
Investment in shares of a subsidiary		(1,705)	—
Proceeds from sale of shares of a subsidiary		—	40,221
Proceeds from short-term debt		73,344	31,892
Repayment of short-term debt		(31,019)	(22,953)
Proceeds from long-term debt		383	110,829
Repayment of long-term debt		(9,382)	(111,933)
(Repayment of)/ proceeds from/ short term debt with maturity less than three months (net)		660	(1,036)
Net cash generated from financing activities		**$ 87,128**	**$ 64,122**
Net increase in cash and cash equivalents		**1,504**	**26,776**
Effect of exchange rate changes on cash and cash equivalents		(1,048)	(4,484)
Cash and cash equivalents at beginning of period		87,762	112,267
Cash and cash equivalents at end of period		**$ 88,218**	**$ 134,559**

The cash outflow towards intangible film and content right includes, interest paid and capitalized $7,973 (December 31,2017: $8,684).

Reconciliation of Liabilities arising from Financing activities:

	Long term debt[*]	Short term debt	Total
As at March 31, 2018	$ 188,909	$ 87,755	$ 276,664
Considered in cash flow (net)	(8,999)	42,985	33,986
Finance cost in relation to convertible notes	8,299	—	8,299
Movement in derivative financial instruments	892	—	892
Borrowing for purchase of property and equipment, net	104	—	104
Shares issued in lieu of convertible note	(31,690)	—	(31,690)
Change in fair value of convertible notes measured at fair value through profit and loss	18,480	—	18,480
Amortization of debt issuance cost	305	—	305
Exchange adjustment	(8,373)	(4,106)	(12,479)
As at December 31, 2018	**$ 167,927**	**$ 126,634**	**$ 294,561**

[*] including current portion and derivative financial instruments

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

			Other components of equity			**Reserves**							
	Share capital	**Share premium account**	**Currency translation reserve**	**Available for sale fair value reserves**	**Revaluation reserve**	**Reverse acquisition reserve**	**Merger reserve**	**Retained earnings**	**JSOP reserve**	**Share Application Reserve**	**Equity Attributable to Shareholders of EROS International PLC**	**Non-controlling interest**	**Total equity**
							(in thousands)						
Balance as at March 31, 2018	**$ 35,334**	**$453,997**	**$ (56,722)**	**$ 6,238**	**$ 1,835**	**$ (22,752)**	**$ 70,484**	**$375,260**	**$(15,985)**	**$ 18,000**	**$ 865,689**	**$ 137,728**	**$1,003,417**
Adoption of IFRS 15/9	**—**	**—**	**(34)**	**—**	**—**	**—**	**—**	**(14,270)**	**—**	**—**	**(14,304)**	**(3,520)**	**(17,824)**
Balance as at April 1, 2018	**$ 35,334**	**$453,997**	**$ (56,756)**	**$ 6,238**	**$ 1,835**	**$ (22,752)**	**$ 70,484**	**$360,990**	**$(15,985)**	**$ 18,000**	**$ 851,385**	**$ 134,208**	**$ 985,593**
Profit for the period	—	—	—	—	—	—	—	8,571	—	—	8,571	9,829	18,400
Other comprehensive income/(loss) for the period	—	—	(8,812)	—	—	—	—	—	—	—	(8,812)	(6,115)	(14,927)
Total comprehensive income/(loss) for the period	**—**	**—**	**(8,812)**	**—**	**—**	**—**	**—**	**8,571**	**—**	**—**	**(241)**	**3,714**	**3,473**
Issue of shares	1,948	70,718	—	—	—	—	—	—	—	(18,000)	54,666	—	54,666
Shares issued on exercise of employee stock options and awards	278	6,748	—	—	—	—	—	(6,895)	—	—	131	—	131
Share based Compensation	—	—	—	—	—	—	—	14,668	—	—	14,668	405	15,073
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	1470	—	—	—	1470	(3,124)	(1,654)
Shares issued in lieu of convertible notes	1,024	30,666	—	—	—	—	—	—	—	—	31,690	—	31,690
Balance as at December31, 2018	**$ 38,584**	**$562,129**	**$ (65,568)**	**$ 6,238**	**$ 1,835**	**$ (22,752)**	**$ 71,954**	**$377,334**	**$(15,985)**	**$ —**	**$ 953,769**	**$ 135,203**	**$1,088,972**

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

			Other components of equity				Reserves						
	Share capital	**Share premium account**	**Currency translation reserve**	**Available for sale fair value reserves**	**Revaluation reserve**	**Hedging reserve**	**Reverse acquisition reserve**	**Merger reserve**	**Retained earnings**	**JSOP reserve**	**Equity Attributable to Shareholders of EROS International PLC**	**Non-controlling interest**	**Total equity**
							(in thousands)						
Balance as at April 1, 2017	**$ 31,877**	**$399,686**	**$ (55,810)**	**$ 6,238**	**$ 1,829**	**$ (375)**	**$ (22,752)**	**$ 70,275**	**$389,474**	**$(15,985)**	**$ 804,457**	**$ 79,091**	**$883,548**
(Loss)/)Profit for the period	—	—	—	—	—	—	—	—	(2,398)	—	(2,398)	9,613	7,215
Other comprehensive income/(loss) for the period	—	—	962	—	—	375	—	—	—	—	1,337	1,046	2,383
Total comprehensive income/(loss) for the period	**—**	**—**	**962**	—	—	**375**	**—**	**—**	**(2,398)**	**—**	**(1,061)**	**10,659**	**9,598**
Share based compensation	—	—	—	—	—	—	—	—	13,036	—	13,036	466	13,502
Shares issued on exercise of employee stock options and awards	221	7,238	—	—	—	—	—	—	(7,288)	—	171	—	171
Issue of shares	555	15,874	—	—	—	—	—	—	—	—	16,429	—	16,429
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	—	—	1,030	—	1,030	39,693	40,723
Loss of Control in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	4,878	4,878
Balance as at December 31, 2017	**$ 32,653**	**422,798**	**(54,848)**	**6,238**	**1,829**	—	**(22,752)**	**70,275**	**393,854**	**(15,985)**	**834,062**	**134,787**	**968,849**

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

1. TRADE AND OTHER RECEIVABLES

	As at December 31, 2018	As at March 31, 2018
Trade accounts receivables	$ 249,943	$ 235,191
Credit impairment (loss)	(39,921)	(10,193)
Trade accounts receivables net	210,022	224,998
Other receivables	19,849	20,933
Prepaid charges	1,750	2,700
Accrued revenues	1,788	5,592
Trade and other receivables	**$ 233,409**	**$ 254,223**
Current	225,978	245,079
Non-current	7,431	9,144
	$ 233,409	**$ 254,223**

2. BORROWINGS

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

	Nominal Interest Rate	Maturity	As at December 31, 2018	As at March 31, 2018
Asset backed borrowings				
Vehicle loan	7.5% - 10.25%	2017-21	$ 440	$ 560
Term loan	9.12% - 11.66%	2018-22	210	—
Term loan	BPLR+2.85%	2019-20	1,596	3,453
Term loan	BPLR+2.55% - 3.4%	2020-21	6,044	8,767
Term loan	13.75%	2022-23	6,617	9,580
Term loan	MCLR+3.45%	2021-22	8,318	11,976
			$ 23,225	**$ 34,336**
Unsecured borrowings				
Retail bond	6.5%	2021-22	$ 63,800	70,055
Convertible notes	14.2%	2020-21	81,099	86,010
			$ 144,899	**$ 156,065**
Nominal value of borrowings			$ 168,124	$ 190,401
Cumulative effect of unamortized costs			(807)	(1,210)
Installments due within one year			(85,155)	(64,208)
Long-term borrowings			**$ 82,162**	**$ 124,983**

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

Analysis of short-term borrowings

	Nominal interest rate (%)	As at December 31, 2018	As at March 31, 2018
Asset backed borrowings			
Export credit bill discounting and overdraft	BPLR+1%-3.5%	$ 39,307	$ 43,518
Export credit and overdraft	LIBOR+4.5%	20,955	21,226
Short term loan	13-14.25%	20,255	11,537
Other short term loan	10.20%	46,117	11,474
		$ 126,634	$ 87,755
Unsecured borrowings			
Installments due within one year on long-term borrowings		85,155	64,208
Short-term borrowings		**$ 211,789**	**$ 151,963**

3. ACCEPTANCES

	December 31, 2018	March 31, 2018
	(in thousands)	
Payable under the film financing arrangements	$ 7,336	$ 8,898
	$ 7,336	$ 8,898

Acceptances comprise of 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

	Number of Shares	GBP
Authorized		
Ordinary shares of 30p each at March 31, 2018	100,000,000	30,000
Ordinary shares of 30p each at December 31, 2018(*)	150,000,000	45,000

(*) The Company increased authorized number of shares to 150,000,000 on October 25, 2018.

	Number of Shares		USD
Allotted, called up and fully paid	A Ordinary 30p Shares(*)	B Ordinary 30p Shares(*)	(in thousands)
As at March 31, 2017	**41,312,202**	**19,379,382**	**$ 31,877**
Issue of shares in the quarter ended June 30, 2017	12,000	—	5
Issue of shares in the quarter ended September 30, 2017	288,291	—	114
Issue of shares in the quarter ended December 31, 2017	1,681,520	—	657
Transfer of B Ordinary to A Ordinary share	9,666,667	(9,666,667)	—
Issue of shares in the quarter ended March 31, 2018	2,757,743	—	2,681
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
As at December 31, 2018	**63,899,220**	**9,712,715**	**38,584**

The Company issued A Ordinary shares as follows:

	Number of Shares		
	December 31,		March 31,
	2018	2017	2018
Issuance to Founders Group (**)	1,769,911	—	1,421,520
Issuance towards settlement of Convertible notes	2,580,687	—	2,624,668
Exercise against Restricted Share Unit/ Management scheme (*****)	708,695	300,291	683,158
Issuance towards Reliance Industries Limited (***)	3,111,088	—	—
2015 Share Plan (****)	10,416	—	10,208
Total	**8,180,797**	**300,291**	**4,739,554**

(*) Each A ordinary shares is entitled to one vote on all matters and each B shares is entitled to ten votes.
(**) Average exercise price of $14.69 (December 31,2017 Nil and March 31, 2018 $11.6)
(***) Average exercise price of $15 (December 31, 2017 Nil and March 31, 2018 $Nil)
(****) Average exercise price of $7.93 (December 31, 2017 Nil and March 31, 2018 $8.71)
(*****) Certain shares exercised price at $0.40 (December 2017 Nil and March 2018 Nil)

5. INTANGIBLE ASSETS – CONTENT

	Gross Content Assets	Accumulated Amortization	Content Assets
As at December 31, 2018			
Film and content rights	$ 1,618,020	$ (918,114)	$ 699,906
Content advances	361,548	—	361,548
Film productions	11,232	—	11,232
Non-current content assets	**$ 1,990,800**	**$ (918,114)**	**$ 1,072,686**
As at March 31, 2018			
Film and content rights	$ 1,493,099	$ (854,991)	$ 638,108
Content advances	349,568	—	349,568
Film productions	10,867	—	10,867

Non-current content assets	$ 1,853,534	$ (854,991)	$ 998,543

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 December 31,		Nine months ended December 31,	
	2018	2017	2018	2017
IPO India Plan	$ 252	$ 511	$ 1,031	$ 1,230
JSOP Plan	—	—	—	615
Option award scheme 2012	—	—	—	197
2014 Share Plan	—	(467)	47	(83)
2015 Share Plan(*)	607	19	2,959	86
Other share option awards (**)	800	4,109	4,155	5,871
Management scheme (staff share grant)(***)	2,298	1,859	6,881	5,586
	$ 3,957	**$ 6,031**	**$ 15,073**	**$ 13,502**

(*) includes of 1,105,399 options granted towards Share Plan 2015 during nine months ended December 31, 2018 at an average exercise price of $14.34 per share and average grant date fair value $3.02 per share.
(**) includes Restricted Share Unit (RSU) and Other share option plans. In respect of 150,149 units/options granted towards RSU during nine months ended December 31, 2018, grant date fair value approximates intrinsic value.
(***) Includes1,000,000 shares granted during nine months ended December 31, 2018 to management personnel.

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

7. EARNINGS/(LOSS) PER SHARE

	Three months ended December 31,				Nine months ended December 31,			
	2018		2017		2018		2017	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings/(loss) attributable to the equity holders of the parent	$ 9,593	9,593	$ 333	333	$ 8,571	8,571	$ (2,398)	(2,398)
Potential dilutive effect of senior convertible bonds	—	1,347	—	(6,006)	—	—	—	(6,006)
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	(38)	—	(80)	—	(186)	—	(318)
Adjusted earnings/(loss) attributable to equity holders of the parent	$ 9,593	10,902	$ 333	(5,753)	$ 8,571	8,385	$ (2,398)	(8,722)
Number of shares								
Weighted average number of shares	73,668,766	73,668,766	61,715,635	61,715,635	70,879,289	70,879,289	61,132,018	61,132,018
Potential dilutive effect related to share based compensation scheme and senior convertible notes	—	13,510,251	—	5,860,475	—	46,075	—	2,969,105
Adjusted weighted average number of shares	73,668,766	87,179,017	61,715,635	67,576,110	70,879,289	70,925,364	61,132,018	64,101,123
Earnings per share								
Earning attributable to the equity holders of the parent per share (cents)	13.0	12.5	0.5	(8.5)	12.1	11.8	(3.9)	(13.6)

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.

8. BUSINESS SEGMENTAL DATA

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	2018	2017
Revenue by customer's location				
India	$ 31,395	$ 26,724	$ 88,178	$ 81,293
Europe	450	253	906	2,297
North America	1,936	1,444	4,345	3,703
Rest of the world	42,963	36,766	106,952	102,034
Total Revenue	**$ 76,744**	**$ 65,187**	**$ 200,381**	**$ 189,327**

	Three months ended December 31,	Nine months ended December 31,

	2018	2017	2018	2017
Revenue by group's operation				
India	$ 28,356	$ 22,253	$ 75,761	$ 73,024
Europe	12,268	5,065	43,146	19,698
North America	781	125	1,527	702
Rest of the world	35,339	37,744	79,947	95,903
Total Revenue	**$ 76,744**	**$ 65,187**	**$ 200,381**	**$ 189,327**

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	2018	2017(1)
Revenue by source				
Theatrical	$ 21,759	$ 12,911	$ 55,480	$ 55,919
Satellite Content licensing	19,317	29,353	55,503	70,005
Digital and other ancillary	35,668	22,923	89,398	63,403
Total Revenue	**$ 76,744**	**$ 65,187**	**$ 200,381**	**$ 189,327**

(1) As noted above, prior period amounts have not been adjusted under the modified retrospective method.

9. OTHER GAINS/(LOSSES)

	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
Foreign exchange (loss)/gain, net	$ 1,545	$ 313	$ 5,234	$ (3,619)
(Loss) on sale of property and equipment	(3)	(14)	(3)	(18)
.eversal of expected credit (loss)	3,895	—	14,458	—
Net (loss) on derecognition of financial assets measured at amortized cost, net(*)	(1,566)	(930)	(4,334)	(2,708)
(Loss) on settlement of derivative financial instruments	—	(1,555)	—	(586)
(Loss) on deconsolidation of a subsidiary	—	(13,294)	—	(13,294)
Others	—	(1)	—	(1)
(Loss)/Gain on financial liability (convertible notes) measured at fair value through profit and loss	1,263	6,976	(18,480)	6,976
Credit from Government of India	2,328	—	2,328	—
	$ 7,462	$ (8,505)	$ (797)	$ (13,250)

(*) 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

10. NON-CASH EXPENSE/(INCOME)

Significant non-cash expenses except loss on sale of assets, share based compensation, depreciation, derivative interest and amortization were as follows:

	Nine months ended December 31, 2018 (in thousands)	Nine months ended December 31, 2017 (in thousands)
Loss on settlement of derivative financial instruments	$ —	$ 586
Provisions for trade and other receivables	2,893	1,795
Content impairment	667	—
Credit impairment losses, net	11,917	4,446
(Gain)/Loss on financial liability (convertible notes) measured at fair value through profit and loss	18,480	(6,976)
Net Loss on derecognition of financial assets measured at amortized cost, net	4,334	2,708
Unrealized foreign exchange loss/(gain), net	(4,870)	(1,343)
Loss on deconsolidation of a subsidiary	—	13,294
Others	305	1
	$ 33,726	**$ 14,511**

11. NON GAAP FINANCIAL MEASURES

Gross Revenue (Non – GAAP)

	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
	(in thousand)			
Revenue (GAAP)	$ 76,744	$ 65,187	$ 200,381	$ 189,327
Adjustment towards significant financing component	9,917	2,286	25,164	4,404
Gross Revenue (Non -GAAP)	$ 86,661	$ 67,473	$ 225,545	$ 193,731

Adjusted EBITDA

	Three months ended December 31, 2018	Three months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017
	(in thousand)			
Net income (GAAP)	$ 14,474	$ 3,201	$ 18,400	$ 7,215
Income tax expense	2,218	1,143	6,808	4,960
Net finance costs	3,925	2,243	5,989	12,796
Depreciation	296	305	823	838
Amortization(1)	228	387	987	1,112
EBITDA	21,141	7,279	33,007	26,921
Share based payments(2)	3,957	6,031	15,073	13,502
Credit impairment losses/(gains)(3)	(3,895)	1,439	(14,458)	4,446
Adjustment towards arisen significant discounting, component (3)	9,917	2,286	25,164	4,404
Net losses on de-recognition of financial assets measured at amortized cost, net	1,566	930	4,334	2,708
Loss/(Gain) on financial liability (convertible notes) measured at fair value through profit and loss	(1,263)	(6,976)	18,480	(6,976)
Closure of derivative asset	—	—	249	—
Loss on sale of property and equipment	3	14	3	18
Loss on settlement of derivative financial instruments	—	1,555	—	586
Loss on deconsolidation of a subsidiary	—	13,294	—	13,294
Others	—	1	—	1
Adjusted EBITDA (Non-GAAP)	$ 31,426	$ 25,853	$ 81,852	$ 58,904
Amortizaton of intangible and content rights	35,835	26,606	96,158	87,322
Gross Adjusted EBITDA	$ 67,261	$ 52,459	$ 178,010	$ 146,226

(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.
(3) Comparatives number have been reclassified on account of adoption of IFRS 15.

12. NEW STANDARDS ADOPTED AS AT APRIL1, 2018

Adoption of IFRS 15, "Revenue from Contracts with Customers"

On April 1, 2018, the Group adopted IFRS 15, “Revenue from Contracts with Customers” (‘IFRS 15’), using the modified retrospective method applied to all contracts as of April 1, 2018. Results for reporting periods beginning after April 1, 2018 are presented under IFRS 15, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under IAS 18, Revenue (‘IAS 18’).

Revenue arises mainly from production and distribution of media content, television syndication or satellite rights and digital and ancillary rights.

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations in the contract
5. Recognition of revenue when, or as, a performance obligation/s are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract, excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers in an amount that reflects the consideration that it expects to receive in exchange for those services.

At contract inception, the Group assesses the services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a service (or bundle of services) that is distinct. To identify the performance obligations, the Group considers all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts within 'Trade and other payables' in the Statement of Financial Position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or accrued receivable within 'Trade and other receivables' in the Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

For certain content licensing arrangements, the Group's collection period range between 2 – 3 years from contract inception date. Under IFRS 15, an entity needs to adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit. As such, for arrangements where the implied collection period (or normal credit term) is considered to be more than 1 year, revenue is recognised after adjusting the promised amount of consideration for a significant financing component, using the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. The effects of financing, i.e. unwinding of the financing component, is recognised separately from revenue from contracts with customers in the Statement of Income, within 'Finance income'. Any subsequent change in collection date from the anticipated collection date considered on the contract inception date has been recognised separately in the Statement of Income, within 'Other gains/(losses), net.

For the nine months ended December 31, 2018, revenue amounting $7,603 included in the contract liability balance at the beginning of the period.

In case of television syndication rights, as on December 31, 2018, there were certain films in respect of which rights have not been transferred either because the delivery of the content has not been made or effective date mentioned in the contract has not arrived as on the reporting date. The aggregate amount of license fees allocated to the above movies for the nine months ended December 31, 2018 is $11,810.

As such, the Group has performance obligations associated with fixed commitments in customer contracts for future services that have not yet been recognized in our condensed interim consolidated financial statements is $7,387 as of December 31, 2018. The Company expects to recognize revenue on approximately 80% of these remaining performance obligations by 12 months with the balance recognition thereafter.

Practical Expedients and Exemptions

The Group generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within sales and marketing expenses.

Adoption of IFRS 9, "Financial Instruments"

On April 1, 2018, the Company adopted IFRS 9, "Financial Instruments" ('IFRS 9'), using the modified retrospective method applied as of April 1, 2018. IFRS 9 Financial Instruments replaces IAS 39 'Financial Instruments: Recognition and Measurement' requirements with effect from April 1, 2018. When adopting IFRS 9, the Group elected not to restate prior periods. Rather, differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognized in opening retained earnings as of 1 April 2018.

Major changes in IFRS 9 as compared to IAS 39 is on account of introduction of the expected credit loss model and the changes in categories of financial assets and financial liabilities.

The adoption of IFRS 9 has mostly impacted the following areas:

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

- The classification and measurement of the Group's financial assets. Management holds most financial assets to hold and collect the associated cash flows.

- The impairment of financial assets applying the expected credit loss model. This applies now to the Group's trade and other receivables. For contract assets arising from IFRS 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses. For all other financial assets, expected credit losses are measured at an amount equal to the twenty-four month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- The measurement of available for sale equity investments at cost less impairment. This investment is now measured at fair value with changes in fair value presented in other comprehensive income.

- The recognition of gains and losses arising from the Group's from own credit risk. The Group continues to elect the fair value option for certain financial liabilities which means that fair value movements from changes in the Group's own credit risk are now presented in other comprehensive income rather than profit or loss.

Details showing the Classification and measurement of the Company's financial instruments on adoption of IFRS 9 as of 1 April 2018.

	IAS 39 Category	IFRS 9 Category	Total carrying value	Total fair value
Financial Assets				
Cash and cash equivalents	Loans and Receivables	At amortized cost	87,762	87,762
Restricted deposits	Loans and Receivables	At amortized cost	7,468	7,468
Investment in equity instruments	Available for sale financial assets	Financial assets at FVTOCI*	27,257	27,257
Trade and other receivables	Loans and Receivables	At amortized cost	235,726	235,726
Total			358,213	358,213

	IAS 39 Category	IFRS 9 Category	Total carrying value	Total fair value
Financial Liabilities				
Total borrowings (excluding convertible notes)	At amortized cost	At amortized cost	190,936	174,533
Convertible notes	Financial liabilities at FVTPL	Financial liabilities at FVTPL**	86,010	86,010
Trade and other payables	At amortized cost	At amortized cost	72,142	72,142
Acceptances	At amortized cost	At amortized cost	8,898	8,898
Total			357,986	341,583

* FVTOCI – Fair value through other comprehensive income.
** FVTPL - Fair value through profit and loss.

The cumulative effect of the changes made to the consolidated interim Statement of Financial Position as of April 1, 2018 in respect of the adoption of IFRS 9 were as follows:

Assets	**As of March 31, 2018 (Reported)**	**IFRS 9**	**As of April 1, 2018**
Trade and other receivables	$ 254,223	$ (18,497)	$ 235,726
Liabilities and Shareholders' Equity			
Currency translation reserve	(56,722)	(34)	(56,756)
Retained earnings	375,260	(14,270)	360,990
Deferred income tax liabilities	39,519	(673)	38,846
Non-controlling interests	137,728	(3,520)	134,208

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

However, as a result of adopting IFRS 15, amounts reported under IFRS 15 were not materially different from amounts that would have been reported under the previous revenue guidance of IAS 18, as such, cumulative adjustments to retained earnings is not material.

The Impact adoption of IFRS 15 and IFRS 9 on our consolidated statement of financial position as at December 31, 2018 were as follows:

Assets	**Balance at December 31, 2018 (Reported)**	**IFRS 9**	**IFRS 15**	**Balance at December 31, 2018 (without adoption of IFRS 9/15)**
Trade and other receivables	$ 233,409	$ (15,270)	$ (17,641)	$ 266,320
Liabilities and Shareholders' Equity				
Currency translation reserve	(65,568)	206	—	(65,774)
Retained earnings	377,334	(8,945)	(16,386)	402,665
Deferred income tax liabilities	31,462	(673)	—	32,135
Non-controlling interests	135,203	(5,857)	(1,255)	142,315

The impact of adoption of IFRS 15 and IFRS 9 on the consolidated interim statement of income for three month ended December 31, 2018 was as follow.

	December 31, 2018 (Reported)	**IFRS 9**	**IFRS 15**	**December 31, 2018 (without adoption of IFRS 9/15)**
Revenue	**$ 76,744**	**$ —**	**$ 6,962**	**$ 83,706**
Cost of sales	(44,459)	—	—	(44,459)
Gross profit	**32,285**	**—**	**6,962**	**39,247**
Administrative cost	(19,130)	4,975		(14,155)
Operating profit	**13,155**	**4,975**	**6,962**	**25,092**
Financing costs	(7,352)	—	—	(7,352)
Finance income	3,427	(119)	—	3,308
Net finance costs	(3,925)	(119)	—	(4,044)
Other gains/ (losses)	7,462	(3,895)	—	3,567
Profit before tax	**16,692**	**961**	**6,962**	**24,615**
Income tax	(2,218)	—	—	(2,218)
Profit for the period	**14,474**	**961**	**6,962**	**22,397**
Attributable to:				
Equity holders of Eros International Plc	9,593	(463)	6,604	15,734
Non-controlling interest	4,881	1,424	358	6,663

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

The impact of adoption of IFRS 15 and IFRS 9 on the consolidated interim statement of income for the nine month ended December 31, 2018 was as follow.

	December 31, 2018 (reported)	IFRS 9	IFRS 15	December 31, 2018 (without adoption of IFRS 9/15)
Revenue	**$ 200,381**	$ —	**$ 17,641**	**$ 218,022**
Cost of sales	(119,144)	—	—	(119,144)
Gross profit	**81,237**		**17,641**	**98,878**
Administrative cost	(49,243)	9,973	—	(39,270)
Operating profit	**31,994**	**9,973**	**17,641**	**59,608**
Financing costs	(16,674)	—	—	(16,674)
Finance income	10,685	1,497		12,182
Net finance costs	(5,989)	1,497	—	(4,492)
Other gains/ (losses)	(797)	(14,458)	—	(15,255)
Profit before tax	**25,208**	**(2,988)**	**17,641**	**39,861**
Income tax	(6,808)	—		(6,808)
Profit for the period	**$ 18,400**	**$ (2,988)**	**$ 17,641**	**$ 33,053**
Attributable to:				
Equity holders of Eros International Plc	8,571	(5,326)	16,386	19,631
Non-controlling interest	9,829	2,338	1,255	13,422