Eros International Plc Reports Fourth Quarter and Fiscal Year End 2019 Results

Reports Revenue of $270.1 million and Adjusted EBITDA[1] of $103.1 million

Digital and Ancillary Revenue Growth of 45% Year-Over-Year

Eros Now Paying Subscribers Reach 18.8 million

ISLE OF MAN – July 15, 2019: Eros International PLC (NYSE:EROS) ("Eros" or the "Company"), a global Indian entertainment company, today announced unaudited financial results for the quarter and fiscal year ended March 31, 2019.

(USD in millions)	***FY '19***	***FY '18***	***Q4 FY19***	***Q3FY19***	***Q2 FY19***	***Q1 FY19***
Gross Revenue (1)	$304.6	$268.1	$79.0	$86.7	$72.3	$66.6
Reported Revenue	270.1	261.3	69.7	76.8	63.4	60.2
Y/Y % Growth	3.4%	3.3%	-3.1%	17.8%	0.2%	-1.0%
Q/Q % Growth			-9.2%	21.1%	5.3%	-16.2%
Operating Profit	27.6	58.5	-4.4	13.2	8.4	10.4
Operating Profit Margin	10.2%	22.4%	-6.3%	17.2%	13.3%	17.3%
Adjusted EBITDA (1)	103.8	83.0	13.1	35.8	27.4	27.5
Adjusted EBITDA Margin	38.4%	31.8%	18.8%	46.6%	43.2%	45.7%
Global Paid EN Memberships	18.8	7.9	18.8	15.9	13.0	10.1
Y/Y Growth	138.0%	276.2%	138.0%	218.0%	251.4%	248.3%
Q/Q Growth			18.2%	22.3%	28.7%	27.8%
Global EN Registered Users	155	100	155	142	128	113
Paid / Registered Users	12.1%	7.9%	12.1%	11.2%	10.2%	8.9%
Films Released	72	24	16	25	17	14
Cash	$135.8	$87.8	$135.8	$134.9	$134.9	$86.1
Gross Debt	280.8	277.0	280.8	294	297	272.9
Net Debt	145.0	189.2	145.0	159.1	162.1	186.8

(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 year Eros International Plc generated $270.1 million in revenue and $103.8 million in Adjusted EBITDA. The Company's Adjusted EBITDA margin expanded to 38.4% compared to FY 2018, which is a significant improvement. The Company's Digital and Ancillary business generated $123.1 million in revenue, which represented over 46% of Eros' combined revenue, driven by the strong growth in its Eros Now platform.

Eros Now has continued its rapid growth trajectory and reached 18.8 million paid monthly subscribers as of March 31, 2019, a 138% increase over last year. As previously announced, Eros achieved its year-end target of 16 million paying subscribers in just over nine months. The Company has a very strong slate of films and compelling original digital series, which it plans on releasing over the next twelve months that it expects to help drive the growth in its Eros Now business.

Eros' balance sheet remains conservative and the Company is well-capitalized, with net debt of $145 million, a decrease of $14.1 million compared to the third quarter of FY 2019, and $135.8 million of cash and cash equivalents (including restricted deposits of $46.7 million). The Company has no meaningful near-term debt maturities payable in cash over the next twelve months.

As announced on June 19, 2019, Eros is currently assessing strategic alternatives for the Company with a view to maximizing shareholders' value and have engaged Citigroup to assist with that review. The process is ongoing and the Company will update the market accordingly, as and when there are any material developments.

Eros also reminds investors that, as addressed in the Company's July 2, 2019 press release, a short seller has made allegations against Eros which the Company believes is an improper attempt to harm the Company and drive down its stock price so that the short seller can benefit. Eros previously disclosed in March 2016 that the Company's Audit Committee, with the assistance of Skadden Arps Slate Meagher & Flom LLP, completed an internal review of the Company's financial reporting for the following areas: (i) UAE sales and revenue recognition, (ii) amortization policy of intangibles, including film and content costs, (iii) related party transactions, (iv) Eros Now registered users count, and (vi) Eros' film library. Following that review—which covers many of the allegations repeated by the short seller—the Audit Committee was, and still remains, satisfied with the Company's financial reporting and disclosures in its financial statements as filed with the SEC.

Results Overview

Growth in FY 2019 was fuelled primarily by Eros' Digital and Ancillary business, including Eros Now, which generated total revenue of $123.1 million. The Company's theatrical and television syndication businesses generated $69.5 million and $77.4 million in revenue, respectively, over the same period. Eros Now reached 18.8 million paid subscribers as of March 31, 2019, which represents growth of 138% year-over-year, and registered users grew ~ 155 million, a 55% increase versus the prior year period. Eros Now's registered user base of ~155 million grew by 13 million users in the last quarter alone, which the Company believes shows the large addressable market and consumer base it is able to harness.

Eros Now successfully converted a growing portion of its registered user base into paid subscribers over the past year to 12.1% when compared to 7.9% as of March 31, 2018. At the beginning of this fiscal year, the Company had converted an average of 8% of its registered users to paid subscribers. By March 31, 2019 that metric had increased to over 12%. Several internal metrics measured by Eros also demonstrate its progress in reaching more Eros Now users and creating an increasingly "sticky" subscriber base. Over the past twelve months Eros Now has seen quarterly growth rates of 27% on video plays and 25% on new unique devices.

China remains a very important market for Eros and the Company has made positive inroads in that market over the past few months. Most notably, in April 2019 Eros released *Andhadhun* in China, a thriller starring Tabu, Ayushmann Khurrana and Radhika Apte, which collected over $43 million in the Chinese box office in less than four weeks. *Andhadhun* is now the third highest grossing Indian film to ever be released in China. The Company expects to announce more theatrical releases in China in the near future.

Content

Over the last twelve months Eros has released 72 films and 11 digital series, one of the Company's most prolific years in terms of output size. Consistent with Eros' strategy to create compelling premium content within a controlled budget, it had many new releases this quarter, which spanned genres and budgets. In June 2019, Counterpoint Technology Market Research released an in-depth study on OTT platforms and consumption patterns in India which highlighted many encouraging engagement statistics. According to the study, Eros Now users were found to be the most engaged users among all leading OTT platforms in India. A total of 68% of Eros Now users watch content on the platform daily and a total of 27% of Eros Now users watch content on Smart TVs, the highest among all other leading OTT platforms. Furthermore, 9% of Eros Now users indicated that they spend more than 21 hours a week watching online content including 12% of Eros Now users in Tier II/III cities, which is the highest figure among all major platforms in India. Eros Now has a significant share (59%) of users in the 25-39 age bracket in Tier II/III cities. This is the highest percentage of millennials watching Eros Now among all major OTT platforms.

Eros Now also launched Eros Now Quickie earlier this year, an innovative platform for high quality short form original content. The Company has 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. Eros Now is planning to release 14 original Quickies over the course of the next twelve months.

Eros Now has launched 11 new original series over the past twelve months. The launch of Eros' digital series this year, comprising a broad mix of genres ranging from comedy to horror and crime thriller, has gained critical acclaim around the world. Eros Now won over ten awards for its originals *'Side Hero'* and '*Smoke'* across various platforms. These series were a first step towards driving 'binge watching' habits on the platform. In addition, the Company's series '*Smoke'* was nominated at SXSW under the 'Title Design' category. **'Enaaya'** went live in January 2019 and is a music-based series focused on urban-youth and the first web series in India with a female lead. This was followed by the action series **'Operation Cobra'** in February. March had two of the most varied content pieces in terms of genre, **'Metro Park'** – a slice-of-life comedy series based on a middle class immigrant family based in New Jersey, and **'Flip'**, an anthology delving into the human psyche. Both series have been very well received among the respective audiences - registering some of the highest engagement Eros Now has received to date. Other key content releases included **'The Investigation'**, a crime thriller and '**Tum Se Na Ho Payega**' a classic new age love story for a short-form content repertoire. **'Modi – The Journey of A Common Man'** – a biography on the Indian Prime Minister kicked off its marketing campaign earlier this year and the series launched in the first quarter of Fiscal Year 2020. Eros also continues its strategy of weekly movie premieres and of launching new short form assets on the platform. All of these rich and varied series will add to the wide range of exclusive 'Original' assets available only on the Eros Now platform. Due to the success in particular of *Smok*e and *Metro Park*, the Company is already working on second seasons for both of these series.

As the Company looks ahead to Fiscal Year 2020, it believes it has a strong film slate, which includes Saif Ali Khan starrer 'Kaptan', the trilingual remake of 'Haathi mere Saathi' and 'Kaamiyab'as well as a host of regional releases. In addition, Eros has a series of originals coming up on Eros Now that it expects to release in the coming quarters, including:

- **Flesh** by Siddharth Anand (target release Q2 FY20)
- **Brahmm** by Gaurav Sharma (target release Q2 FY20)
- **Halahal**, a digital film by Zeishan Qadri (target release Q3 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 Q4 FY20)
- **Crisis** by Gaurav Chawla and Nikhil Advani (target release Q4 FY20)
- **Ponnyein Selvin** (target release FY Y21)
- **Smoke 2** by Neel Guha (target release FY Y21)
- **Bhumi** by Pavan Kripalani (target release FY Y21)

Over the past twelve months Eros has digitally-premiered a total of 50 movies on Eros Now. This quarter, Eros Now successfully premiered 13 movies across seven Indian languages:

Eros Now Q4 FY19 Premieres	
Film Title	**Language**
Kelavu Dinagala Nanthara	Kannada
Guha Manab - The Caveman	Bengali
Antareen	Assamese
Bhagshesh	Bengali
Asathoma Sadgamaya	Kannada

Wassup Zindagi	Gujarati
Crack	Kannada
Bobby	Malayalam
Roll No. 56	Gujarati
Vandi	Tamil
Hoyto Manush Noy	Bengali
Riktha	Kannada
Juvva	Telugu

Distribution and Alliances

Last quarter was a very productive period for Eros Now in terms of distribution partnerships. The Company completed several commercial deals and launched with two marquee partners in India, Tata Sky and BSNL. Both partnerships are in line with Eros' strategy to focus on the growing direct-to-consumer (D2C) opportunity in India and have already helped increase Eros Now's paid subscriber base and time spent per user. The Company also launched a partnersip with Veriown, which targets consumers in rural India by powering villages with solar power panels. These panels will also power homes with entertainment, as television screens will be installed along with the solar panels. People who previously had no access to electricity or power will now become Eros Now viewers, which makes Eros Now the primary brand that rural consumers interact with when they enter the digital ecosystem. Through the Veriown partnership, Eros Now as a service is up and running across five villages in Uttar Pradesh and will be launching 10,000 screens in Rajasthan in the upcoming quarter.

Eros Now also announced several international distribution deals over the past few months, which the Company believes will help grow the overseas user base as well as increase its Average revenue per user (ARPU) levels going forward. In March 2019, Eros Now was announced as the only international partner to be included in Apple's new entertainment app to be launched later this year. In addition, Eros Now announced distribution partnerships with Virgin Media in the UK, Vodafone Qatar and British Airways, among others. By the end of FY2019, Eros had over 50 global distribution partners around the world. Eros Now is preparing for the next phase of its international strategy with an aim to further consolidate from a niche play to a more main stream OTT system in certain key international territories. To this end, early work on technology, content, local marketing and partnerships have been initiated by the business heads.

Eros International Plc Financial Highlights :

	Three Months Ended March 31			Fiscal Ended March 31		
(dollars in millions)	2019	2018	% change	2019	2018	% change
Revenue	$ 69.7	$ 71.9	(3.1)%	$ 270.1	$ 261.3	3.4%
Gross profit	33.5	37.9	(11.6)%	114.7	126.5	(9.3)%

Operating profit	(4.4)	20.3	(121.7)%	27.6	58.5	(52.8)%
Gross Revenue (1)	79.0	74.3	6.3%	304.6	268.1	13.6%
Adjusted EBITDA(1)	$ 13.1	$ 24.1	(45.6)%	$ 103.8	$ 83.0	25.1%

(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".

Financial Results for the Three and Twelve Months Ended March 31, 2019

Revenue

In the three months ended March 31, 2019, the Eros film slate was comprised of 16 films of which 16 were low budget films, as compared to 8 films in the three months ended March 31, 2018, of which one was medium budget and seven low budget films. In addition, Eros Now released seven original series titled Operation Cobra, Meri Khoj Mere Haath, Flip, Ennaya, Metro Park, Tum Se Na Ho Paayega and The Investigation during the three months ended March 31, 2019.

In the three months ended March 31, 2019, the Company's slate of 16 films comprised of one Hindi film, 13 regional films and two Tamil/Telugu as compared to the same period last year where its slate of eight films comprised six Hindi films and two regional films.

In fiscal 2019, the Eros film slate was comprised of 72 films of which seven were medium budget and 65 were low budget films as compared to 24 films in fiscal 2018, of which one film was high budget, four were medium budget and 19 were low budget. In addition, Eros Now released 11 original series titled Side hero, Smoke, Date Gone Wrong, Paisa Fek Tamasha Dekh, Operation Cobra, Meri Khoj Mere Haath, Flip, Ennaya, Metro Park, Tum Se Na Ho Paayega and The Investigation during fiscal 2019.

In FY 2019, the Company's slate of 72 films comprised of 15 Hindi films, seven Tamil/Telugu film and 50 regional films as compared to the same period last year where its slate of 24 films comprised of 14 Hindi films, one Tamil/Telugu films and nine regional films.

Three months ended	High	Medium	Low	Total
March 31, 2019	-	-	16	16
March 31, 2018	-	1	7	8

Twelve months ended	High	Medium	Low	Total
March 31, 2019	-	7	65	72
March 31, 2018	1	4	19	24

The Company's reported revenue for three and twelve months ended March 31, 2019 are $69.7 million and $270.1 million, respectively, compared to $71.9 million and $261.3 million for the three and twelve months ended March 31, 2018, respectively. Adjustments to reported revenues upon adoption of new accounting pronouncements for the three and twelve months ended March 31, 2019 are as set forth as below.

	Three months ended March 31,				Twelve months ended March 31,			
	2019		2018		2019		2018	
				(in millions)				
Revenue (GAAP)	$	69.7	$	71.9	$	270.1	$	261.3
Adjustment towards significant financing component under IFRS 15		9.3		2.4		34.5		6.8
Gross Revenue (Non-GAAP)	$	79.0	$	74.3	$	304.6	$	268.1

Gross revenue for three and twelve months ended March 31, 2019, respectively are $79.0 million and $304.6 million compared to $74.3 million and $268.1 million for the three and twelve months ended March 31, 2018, respectively. Gross revenue for the three and twelve months ended March 31, 2019, respectively, have been adjusted towards significant impact of financing component on account of adoption of new accounting pronouncements IFRS 15 and in addition to those imported under guidance of IAS18

For the three months ended March 31, 2019, aggregate theatrical revenues decreased by 39.2% to $14.1 million from $23.2 million for the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue decreased by 12.1% to $69.5 million, compared to $79.1 million for the twelve months ended March 31, 2018. The variation in theatrical revenue is primarily due to the of films and release of more low budget films.

For the three months ended March 31, 2019, aggregate revenues from television syndication decreased by 19.1% to $22.0 million from $27.2 million for the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from digital and ancillary decreased by 20.3% to $77.5 million, compared to $97.2 million for the twelve months ended March 31, 2018. The decrease is mainly due to due to mix of films and lower catalogue revenue during the period.

For the three months ended March 31, 2019, the aggregate revenues from digital and ancillary increased by 56.0% to $33.7 million from $21.6 million for the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from digital and ancillary increased by 44.8% to $123.1 million, compared to $85.0 million for the twelve months ended March 31, 2018. The increase in revenue is primarily on account of contribution from catalogue revenues and digital business and an increase in revenue from OTT platform on account of an increase in subscribers by 138% when compared to the previous year.

Revenue from India decreased by 1.6% to $24.6 million in the three months ended March 31, 2019, compared to $25 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from India increased by 2.3% to $100.4 million, compared to $98.1 million for the twelve months ended March 31, 2018. The variation is due to the mix of films, partially offset by an increase in revenue from digital and ancillary business.

Revenue from Europe increased by 175.3% to $20.1 million in the three months ended March 31, 2019, compared to $7.3 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from Europe increased by 134.1% to $63.2 million, compared to $27.0

million for the twelve months ended March 31, 2018. This was due to higher contribution from the monetization of catalogue films, including digital and ancillary business.

Revenue from North America decreased by 57.2% to $0.2 million in the three months ended March 31, 2019, compared to $0.5 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from North America increased by 41.4% to $1.7 million, compared to $1.3 million for the twelve months ended March 31, 2018.

Revenue from the rest of the world decreased by 36.4% to $24.8 million in the three months ended March 31, 2019, compared to $39.0 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, revenue from rest of world decreased by 22.3% to $104.8 million, compared to $134.9 million for the twelve months ended March 31, 2018. This was due to lower catalogue sales during the period,partially offset by increase in revenue from digital and ancillary business.

Cost of sales

For the three months ended March 31, 2019, cost of sales increased by 6.5% to $36.3 million compared to $34.1 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, cost of sales increased by 15.4% to $155.4 million, compared to $134.7 million for the twelve months ended March 31, 2018. The increase was mainly due to higher amortization costs, higher marketing, advertising and distribution costs.

Gross profit

For the three months ended March 31, 2019, gross profit decreased by 11.6% to $33.5 million, compared to $37.9 million in the three months ended March 31, 2018. The decrease was mainly due to increase in amortization, marketing, advertising and distribution costs and adjustment on account of adoption of new accounting standards for three months ended March 31, 2019.

In the twelve months ended March 31, 2019, gross profit decreased by 9.3% to $114.7 million, compared to $126.5 million for the twelve months ended March 31, 2018. The decrease was mainly due to an increase in marketing, advertising and distribution costs and adjustment on account of adoption new accounting standard for the year ended ended March 31, 2019.

Adjusted EBITDA (Non- GAAP)

For the three months ended March 31, 2019, Adjusted EBITDA decreased by 45.6% to $13.1 million compared to $24.1 million in the three months ended March 31, 2018.The decrease in Adjusted EBITDA is on account of increased costs in amortization, marketing, advertising, distribution costs and impairment costs of content advances for three months ended March 31, 2019.

In the twelve months ended March 31, 2019, adjusted EBITDA increased by 25.1% to $103.8 million, compared to $83.0 million for the twelve months ended March 31, 2018.The increase in Adjusted EBITDA is due to several factors including increased group revenue and increased margin from catalogue revenues.

Net finance costs

For the three months ended March 31, 2019, net finance costs decreased by 66% to $1.7 million, compared to $5.0 million in the three months ended March 31, 2018 and in the twelve months ended March 31, 2019, net finance costs decreased by 56.7% to $7.7 million, compared to $17.8 million for the twelve months ended March 31, 2018 mainly due to unwinding of credit impairment loss reserve by $13.2 million and which was partially off-setted by lower capitalization of interest.

Income tax expense

For the twelve months ended March 31, 2019, income tax expenses decreased by 19.8% to $7.3 million, compared to $9.1 million in the twelve months ended March 31, 2018. Effective income tax rates were 11.60% and 19.6% for March 31, 2019 and March 31, 2018, respectively excluding non-deductible share-based payment charges, impairment loss 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.

Impairment Loss

The Company recorded an impairment loss, totaling to $423.3 million, mainly due to high discount rate and changes in the market conditions as morefully explained in Note 11 to unaudited condensed financial statements. The impairment loss was firstly allocated to the carrying amount of goodwill and Intangibles - trademark totaling $17.8 million and the residual amount totaling $405.5 million was allocated to Intangibles – content.

Trade Receivables

As of March 31, 2019, Trade Receivables decreased to $201 million from $225.0 million as of March 31, 2018 after considering expected credit loss reserve upon adoption of new accounting standards during the year.

Net Debt

As of March 31, 2019, net debt decreased by 23.4% to $145.0 million from $189.2 million as of March 31, 2018 primarily on account of additional equity infusion during the year amounting $54.8 million. The equity infusion was primarily received from promoters' group $8.2 million and Reliance Industries $ 46.6 million at $14.6 and $15 per share, respectively.

Intangible assets

Eros' capital expenditures in fiscal 2019 were over $250 million.

Conference Call

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

To access the call please dial (888) 753-4238 from the United States, or +1 (706) 643-3355 from outside the U.S. The conference call I.D. number 5770459. Participants should dial in 5 to 10 minutes before the scheduled time.

A replay of the call can be accessed through July 29, 2019 by dialling (800) 585-8367 from the U.S., or +1 (404) 537-3406 from outside the U.S. The conference call I.D. number is 5770459. 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 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 July 31, 2018 (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
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands, except share and per share data)

	Note	As at March 31 2019	2018
		(in thousands)	
ASSETS			
Non-current assets			
Property and equipment		$ 10,921	$ 10,013
Goodwill		—	3,800
Intangible assets — trade name		—	14,000
Intangible assets — content	5	705,482	998,543
Intangible assets — others		4,884	5,280
Investments		2,650	27,257
Trade and other receivables	1	10,065	9,144
Income tax receivable		1,284	1,269
Restricted deposits		756	1,100
Deferred tax		1,263	351
Total non-current assets		**$ 737,305**	**$ 1,070,757**
Current assets			
Inventories		$ 435	$ 353
Trade and other receivables	1	209,809	245,079
Investments		1,042	—
Cash and cash equivalents		89,117	87,762
Restricted deposits		55,858	6,368
Total current assets		**356,261**	**339,562**
Total assets		**$ 1,093,566**	**$ 1,410,319**
LIABILITIES			
Current liabilities			
Trade and other payables		$ 83,487	$ 72,142
Acceptances	3	8,366	8,898
Short-term borrowings	2	208,908	151,963
Current income tax payable		17,291	6,324
Total current liabilities		**$ 318,052**	**$ 239,327**
Non-current liabilities			
Long-term borrowings	2	$ 71,920	$ 124,983
Other long - term liabilities		13,898	3,073
Derivative financial instruments		620	—
Deferred income tax liabilities		27,427	39,519
Total non-current liabilities		**$ 113,865**	**$ 167,575**
Total liabilities		**$ 431,917**	**$ 406,902**
EQUITY			
Share capital	4	$ 39,326	$ 35,334
Share premium		580,013	453,997
Reserves		2,240	422,992
Other components of equity		(79,696)	(48,649)
JSOP reserve		(15,985)	(15,985)
Share application money pending allotment		—	18,000
Equity attributable to equity holders of Eros International Plc		**$ 525,898**	**$ 865,689**
Non-controlling interest		135,751	137,728
Total equity		**$ 661,649**	**$ 1,003,417**
Total liabilities and shareholder's equity		**$ 1,093,566**	**$ 1,410,319**

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

		Three Months Ended March 31,		Year Ended March 31,	
	Note	**2019**	**2018**	**2019**	**2018**
Revenue	8	**$ 69,745**	**$ 71,926**	**$ 270,126**	**$ 261,253**
Cost of sales		(36,252)	(34,070)	(155,396)	(134,708)
Gross profit		**33,493**	**37,856**	**114,730**	**126,545**
Administrative cost		(37,891)	(17,561)	(87,134)	(68,029)
Operating (loss)/profit		**(4,398)**	**20,295**	**27,596**	**58,516**
Financing costs		(7,419)	(5,404)	(24,093)	(19,668)
Finance income		5,734	387	16,419	1,855
Net finance costs		(1,685)	(5,017)	(7,674)	(17,813)
Other gains/(losses)	9	1,085	(28,071)	288	(41,321)
(Loss)/profit before exceptional item and tax		**(4,998)**	**(12,793)**	**20,210**	**(618)**
Impairment loss	11	(423,335)	—	(423,335)	—
Loss after exceptional item but before tax		**(428,333)**	**(12,793)**	**(403,125)**	**(618)**
Income tax		(520)	(4,167)	(7,328)	(9,127)
Loss for the period		**$ (428,853)**	**$ (16,960)**	**$ (410,453)**	**$ (9,745)**
Attributable to:					
Equity holders of Eros International Plc		$ (432,438)	$ (20,177)	$ (423,867)	$ (22,575)
Non-controlling interest		3,585	3,217	13,414	12,830
Earning/(loss) per share(cents)					
Basic/Diluted earning/(loss) per share	7	(583.0)	(30.9)	(598.6)	(36.3)

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

	Three Months Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Profit for the period	**$(428,853)**	**$ (16,960)**	**$(410,453)**	**$ (9,745)**
Other comprehensive loss:				
Items that will not be subsequently reclassified to profit or loss				
Impairment of Investments	(24,687)	—	(24,687)	—
Revaluation of property and equipment	1,745	—	1,745	—
Items that will be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations	991	(3,161)	(13,936)	(1,153)
Exchange differences on revaluation of property and equipment	78	6	78	6
Reclassification of the cash flow hedge to the statement of operations, net of tax	—	—	—	375
Total other comprehensive loss for the period	$ (21,873)	$ (3,155)	$ (36,800)	$ (772)
Total comprehensive loss for the period, net of tax	**$(450,726)**	**$ (20,115)**	**$(447,253)**	**$ (10,517)**
Attributable to:				
Equity holders of Eros International Plc	$(454,640)	$ (22,045)	$ (454,881)	$ (23,106)
Non-controlling interest	3,914	1,930	7,628	12,589

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

	Note	Year Ended March 31, (in thousands) 2019	2018
Cash flow from operating activities			
Profit/(loss) before		**$ (403,125)**	**$ (618)**
Adjustments for:			
Depreciation		1,049	1,265
Share based payments	6	21,561	17,918
Amortization of intangible film and content rights		130,155	115,285
Amortization of other intangible assets		1,214	1,726
Other non-cash items	10	480,834	51,051
Net finance costs		20,901	17,813
Movement in trade and other receivables		(188,308)	(91,317)
Movement in inventories		(99)	(219)
Movement in trade and other payables		22,167	(1,215)
Loss/(gain) on sale of property and equipment		97	(2)
Cash generated from operations		86,446	111,687
Interest paid		(13,408)	(20,761)
Income taxes paid		(7,558)	(7,683)
Net cash generated from operating activities		**$ 65,480**	**$ 83,243**
Cash flows from investing activities			
Investment		$ (1,004)	$ —
Purchase of property and equipment		(501)	(913)
Proceeds from disposal of property and equipment		6	70
Investment in restricted deposits held with banks		(49,555)	(27)
Deconsolidation/acquisition of cash and cash equivalent in subsidiary		—	(9)
Purchase of intangible film rights and content rights		(98,115)	(186,757)
Purchase of other intangible assets		(907)	(321)
Interest received		1,830	2,537
Net cash (used in) investing activities		**$ (148,246)**	**$ (185,420)**
Cash flows from financing activities			
Proceeds from issue of share capital, net of transaction costs		$ 54,820	$ 16,645
Proceeds from issue of shares by subsidiary		77	556
Investment in shares of subsidiary		(2,892)	40,221
Share application money received pending allotment		—	18,000
(Repayment of)/ proceeds from/ short term debt with maturity less than three months (net)		—	211
Proceeds from short-term debt		103,365	48,249
Repayment of short-term debt		(59,014)	(43,785)
Proceeds from long-term debt, net of transaction costs of Nil (2018: Nil)		—	111,278
Repayment of long-term debt		(12,239)	(113,960)
Net cash generated from financing activities		**$ 84,117**	**$ 77,415**
Net increase/(decrease) in cash and cash equivalents		1,351	(24,762)
Effects of exchange rate changes on cash and cash equivalent		4	257
Cash and cash equivalents at beginning of year		87,762	112,267
Cash and cash equivalents at the end of year		**$ 89,117**	**$ 87,762**

The cash outflow towards intangible film rights and content right includes, interest paid and capitalized $9,592 (2018: $11,722 and 2017: $7,176)

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)	(12,239)	44,351	32,112
Net finance cost in relation to convertible notes	10,682	—	10,682
Shares issued in lieu of convertible note	(49,741)	—	(49,741)
Movement in derivative financial instruments	902	—	902
Borrowing for purchase of property and equipment, net	424	—	424
Amortization of debt issuance cost	428	—	428
Transfer of long-term loan to short- term loan	(5,555)	5,555	—
Changes in fair value of convertible notes measured at fair value through profit and loss	21,398	—	21,398
Exchange adjustment	(7,052)	(4,369)	(11,421)
As at March 31, 2019	**$ 148,156**	**$ 133,292**	**$ 281,448**

(*) including current portion and derivative financial instruments

	Long term debt(*)	Short term debt	Total
As at March 31, 2017	$ 198,792	$ 83,631	$ 282,423
Considered in cash flow (net)	(2,682)	4,675	1,993
Net finance cost	3,575	—	3,575
Shares issued in lieu of convertible notes	(32,168)	—	(32,168)
Convertible notes measured at fair value through profit and loss	13,840	—	13,840
Amortization of debt issuance cost	664	(253)	411
Exchange adjustment	6,888	(298)	6,590
As at March 31, 2018	$ 188,909	$ 87,755	$ 276,664

(*) including current portion and derivative financial instruments

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

1. TRADE AND OTHER RECEIVABLES

	As at	
	March 31, 2019	March 31, 2018
Trade accounts receivables	$ 242,357	$ 235,191
Credit impairment (loss)	(41,335)	(10,193)
Trade accounts receivables net	201,022	224,998
Other receivables(*)	15,345	20,933
Prepaid charges	1,790	2,700
Accrued revenues	1,717	5,592
Trade and other receivables	**$ 219,874**	**$ 254,223**
Current	209,809	245,079
Non-current	10,065	9,144
	$ 219,874	**$ 254,223**

(*) Includes derivative asset of $ Nil (2018: 282) and advance to content vendors $3,462 (2018: $10,607) (net of credit impairment loss of $447).

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

	Year ended March 31, 2019		
	Trade Receivables	Other Receivables	Total Receivables
Balance at the beginning of the period	**$ 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)
Loans & Advances written off	—	(7,284)	(7,284)
Bad Debts written off	(13,031)	—	(13,031)
Translation adjustment	(160)	—	(160)
Balance at the end of the period	**$ 41,335**	**$ 447**	**$ 41,782**

(*)Incremental Impact on revenues, administrative cost and finance income on account of adoption of new standards was $24,273, $10,673 and $2,209, respectively, in addition to those reported under earlier IFRS guidance amounting to $ 10,193, $22,353 and $ 11,018 respectively.

2. BORROWINGS

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

	Nominal Interest Rate	Maturity	As At March 31 2019	2018
			(in thousands)	
Asset backed borrowings				
Vehicle loan	2.5 - 9.5%	2017-22	$ 382	$ 560
Term loan	MCLR +3.2% - 4.50%	2019-22	12,947	22,430
Term loan	BR + 2.75%	2020-21	1,083	1,766
Term loan	10.39% - 13.75%	2020-23	251	9,580
			$ **14,663**	**34,336**
Unsecured borrowings				
Retail bond	6.50%	2021-22	65,215	70,055
Convertible Notes	14.23%	2020-21	68,349	86,010
			$ 133,564	**$ 156,065**
Nominal value of borrowings			$ 148,227	$ 190,401
Cumulative effect of unamortized costs..			(691)	(1,210)
Installments due within one year			(75,616)	(64,208)
Long-term borrowings — at amortized cost			**$ 71,920**	**$ 124,983**

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.

Analysis of short-term borrowings

	Nominal interest rate (%)	As at March 31 2019	2018
		(in thousands)	
Asset backed borrowings			
Export credit, bill discounting and overdraft	MCLR +.40% to 4.60%	$ 32,078	$ 36,760
Export credit, bill discounting and overdraft	Base Rate + 0.5% to 1%	3,533	4,021
Export credit, bill discounting and overdraft	6,01% - 15.25%	26,719	23,963
Short term loan(*)	3.25% - 15.75%	70,962	23,011
		$ 133,292	$ 87,755
Unsecured borrowings			
Installments due within one year on long-term borrowings		75,616	64,208
Short-term borrowings - at amortized cost		**$ 208,908**	**$ 151,963**

(*)Borrowings of $46,497 is against restricted deposits.

Reconciliation of fair value measurement of Convertible Notes

	March 31, 2019
Particulars	(in thousands)

As at March 31,2018	$	86,010
Interest		10,682
‘A’ ordinary shares issued in lieu of convertible notes		(49,741)
Loss on fair value of notes		21,398
As at March 31,2019	$	68,349

3. ACCEPTANCES

	March 31, 2019		March 31, 2018	
	(in thousands)			
Payable under the film financing arrangements	$	8,366	$	8,898
	$	8,366	$	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

Authorized	Number of Shares	GBP
		(in thousands)
Ordinary shares of 30p each at March 31, 2018	100,000,000	30,000
Ordinary shares of 30p each at March 31, 2019 (*)	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**	**$**	**31,877**
Issue of shares in the quarter ended June 30, 2017	12,000	—		5
Issue of shares in the quarter ended September 30, 2017	288,291	—		114
Issue of shares in the quarter ended December 31, 2017	1,681,520	—		657
Transfer of B Ordinary to A Ordinary share	9,666,667	(9,666,667)		—
Issue of shares in the quarter ended Mar 31, 2018	2,757,743			2,681
As at March 31, 2018	**55,718,423**	**9,712,715**	**$**	**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
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**

(*) 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 Ordinary shares as follows:

	Number of Shares March 31,	
	2019	2018
Issuance to Founders Group (**)	1,769,911	1,421,520
Issuance towards settlement of Convertible notes	4,411,359	2,624,668
Exercise against Restricted Share Unit/ Management scheme (*****)	770,541	683,158
Issuance towards Reliance Industries Limited (***)	3,111,088	—
2015 Share Plan (****)	10,416	10,208
Total	**10,073,315**	**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 (March 31, 2018 $11.6)
(***) Average exercise price of $15 (March 31, 2018 $Nil)
(****) Average exercise price of $7.92 (March 31, 2018 $8.71)
(*****) 366,000 shares exercised price at $0.39 (2018 $Nil)

5. INTANGIBLE ASSETS – CONTENT

	Gross Content Assets	Accumulated Amortization	Impairment Loss	Content Assets
As at March 31, 2019				
Film and content rights	$1,675,406	$(954,628)	$ (366,703)	$354,075
Content advances	377,173	—	(38,832)	338,341
Film productions	13,066	—	—	13,066
Non-current content assets	$2,065,645	$ (954,628)	$ (405,535)	$705,482
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 endedMarch 31,		Year Ended March 31,	
	2019	2018	2019	2018
IPO India Plan	$ 167	$ 342	$ 1,198	$ 1,572
JSOP Plan	—	—	—	615

Option award scheme 2012	—	—	—	197
2014 Share Plan	—	61	47	(22)
2015 Share Plan(*)	100	14	3,059	100
Other share option awards (**)	1,191	1,412	5,346	7,283
Management scheme (staff share grant)(***)	5,030	2,587	11,911	8,173
	$ 6,488	**$ 4,416**	**$ 21,561**	**$ 17,918**

(*) includes of 1,305,399 options granted towards Share Plan 2015 during twelve months ended March 31, 2019 at an average exercise price of $14.86 per share and average grant date fair value $2.6 per share.

(**) includes Restricted Share Unit (RSU) and Other share option plans. In respect of 211,567 units/options granted towards RSU during twelve months ended March 31, 2019, grant date fair value approximates intrinsic value.

(***) Includes1,400,000 shares granted twelve months ended March 31, 2019 to management personnel.

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

7. EARNINGS/(LOSS) PER SHARE

	Three months ended March 31,				Year Ended March 31,			
	2019		2018		2019		2018	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings/(loss) attributable to the equity holders of the parent	$ (432,438)	(432,438)	$ (20,177)	(20,177)	$ (423,867)	(423,867)	$ (22,575)	(22,575)
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	(79)	—	(127)	—	(214)	—	(475)
Adjusted earnings/(loss) attributable to equity holders of the parent	$ (432,438)	(432,517)	$ (20,177)	(20,304)	$ (423,867)	(424,081)	$ (22,575)	(23,050)
Number of shares								
Weighted average number of shares	74,175,349	74,175,349	65,271238	65,271238	70,813,270	70,813,270	62,151,155	62,151,155
Potential dilutive effect related to share based compensation scheme and senior convertible notes	—	1,188,178	—	12,357,201	—	1,470,797	—	1,331,211
Adjusted weighted average number of shares	74,175,349	75,363,527	65,271238	77,628,439	70,813,270	72,284,067	62,151,55	63,482,366
Earnings per share								
Earning attributable to the equity holders of the parent per share (cents)	(583.0)	(583.0)	(30.9)	(30.9)	(598.6)	(598.6)	(36.3)	(36.3)

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 year ended March 31, 2019, 1,957,035 shares were not included in diluted earnings per share (2018: 1,025,000). 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.

Further, the Company have excluded convertible notes 7,567,962 shares because their effect was anti-dilutive (2018 : 12,399,780).

8. BUSINESS SEGMENTAL DATA

	Three months endedMarch 31,		Year Ended March 31,	
	2019	2018	2019	2018
Revenue by customer's location				
India	$ 27,900	$ 28,693	$ 116,078	$ 109,986
Europe	1,439	5,442	2,345	7,739
North America	1,337	1,444	5,682	5,147
Rest of the world	39,069	36,347	146,021	138,381
Total Revenue	**$ 69,745**	**$ 71,926**	**$ 270,126**	**$ 261,253**

Revenue of $62,527 (2018: $67,993) from the United Arab Emirates is included within Rest of the world and revenue of $1,180 (2018: $5,200) from United Kingdom is included under Europe in the above table for the year ended March 31, 2019.

	Three months ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Revenue by group's operation				
India	$ 24,626	$ 25,049	$ 100,387	$ 98,073
Europe	20,050	7,330	63,196	27,028
North America	232	542	1,759	1,244
Rest of the world	24,837	39,005	104,784	134,908
Total Revenue	**$ 69,745**	**$ 71,926**	**$ 270,126**	**$ 261,253**

Revenue of $81,409 (2018: $103,263) from the United Arab Emirates is included within Rest of the world and revenue of $63,196 (2018: $27,028) from the United Kingdom and Isle of Man are included under Europe in the above table for the year ended March 31, 2019.

	Three months endedMarch 31,		Year Ended March 31,	
	2019	2018	2019	2018
Revenue by source				
Theatrical	$ 14,062	$ 23,150	$ 69,542	$ 79,069
Satellite Content licensing	21,950	27,163	77,453	97,168
Digital and other ancillary	33,733	21,613	123,131	85,016
Total Revenue	**$ 69,745**	**$ 71,926**	**$270,126**	**$261,253**

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

9. OTHER GAINS/(LOSSES)

	Three months ended March 31, 2019	Three months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Foreign exchange (loss)/gain, net	$ (526)	$ (2,631)	$ 4,708	$ (6,250)
(Loss) on sale of property and equipment	(94)	20	(97)	2
Reversal of expected credit (loss)	6,240	—	20,698	—
Gain on available-for-sale financial assets	37	—	37	—
Impairment charge on available -for- sale financial assets	—	(2,436)	—	(2,436)
Net (loss) on derecognition of financial assets measured at amortized cost, net(*)	(1,654)	(854)	(5,988)	(3,562)
(Loss) on settlement of derivative financial instruments	—	—	—	(586)
(Loss) on deconsolidation of a subsidiary	—	(1,355)	—	(14,649)
Others	—	1	—	—
(Loss)/Gain on financial liability (convertible notes) measured at fair value through profit and loss	(2,918)	(20,816)	(21,398)	(13,840)
Credit from Government of India	—	—	2,328	—
	$ 1,085	$ (28,071)	$ 288	$ (41,321)

(*) 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:

	Year ended March 31, 2019	Year ended March 31, 2018
Unrealized foreign exchange loss / (gain)	$ (3,329)	$ 5,466
Credit impairment Loss, net	26,283	4,308
Impairment charge on available-for-sale financial assets	—	2,436
Net losses on de-recognition of financial assets measured at amortized cost, net	5,988	3,562
Loss on settlement of derivative financial instruments	—	586
Loss on financial liability (convertible notes) measures at fair value through profit and loss	21,398	13,840
Loss on deconsolidation of a subsidiary	—	14,649
Provisions for trade and other receivables	—	4,740

Provision no longer required, written-back	(120)	(124)
Impairment loss on content advances and loans and advances	7,284	353
Impairment charge on goodwill	—	1,205
Imaoirment loss	423,335	—
Others	(5)	30
	$ 480,834	$ 51,051

11. IMPAIRMENT OF NON- CURRENT ASSETS

Impairment reviews in respect of goodwill and indefinite-lived intangible assets are performed annually. More regular reviews, and impairment reviews in respect of other non-current assets, are performed if events indicate that an impairment review is necessary. Examples of such triggering events would include a significant planned restructuring, a major change in market conditions or technology, reduction in market capitalization, expectations of future operating losses, or negative cash flows. The asset or Cash Generating Unit (CGU) is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of the 'fair value less costs of disposal' ("FVLCD") and the 'value in use' ("VIU").

The Group identified one reporting segment and CGU, i.e. film content. The group performed impairment assessment as of March 31, 2019. The recoverable amount of the cash generating unit was determined based on value in use, which was higher than the FVLCD.

Value in use was determined based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. The approach and key (unobservable) assumptions used to determine the cash generating unit's value in use were as follows:

Assumptions	As at March 31, 2019	As at March 31, 2018
Growth rate applied beyond approved forecast period	4.00%	4.00%
Pre-tax discount rate	20.9%	18.9%

The Company considered it appropriate to undertake an impairment assessment with reference to the estimated cash flows for the period of four years developed using internal forecast and extrapolated for the fifth year. The growth rates used in the value in use calculation reflect those inherent within the Company's internal forecast, which is primarily a function of the future assumptions, past performance and management's expectation of future developments through fiscal 2024.

Accordingly, the Group recorded an impairment loss, totaling to $ 423,335 thousand, as an exceptional item, within the Statement of Income for the year ended March 31, 2019 mainly due to high discount rate as explained in the table above and changes in the market conditions. The aforesaid impairment loss was firstly, allocated from the carrying amount of goodwill and Intangible assets - trademark totaling $ 17,800 thousand and the residual amount totaling $ 405,535 thousand was allocated to Intangible assets - content.

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’.

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 April 1, 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:

- 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 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 at April 1, 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 at 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

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 of adoption of IFRS 15 and IFRS 9 on our consolidated Statement of Financial Position as at March 31, 2019 were as follows:

Assets	Balance at March 31, 2019 (Reported)	IFRS 9	IFRS 15(*)	Balance at March 31, 2019 (without adoption of IFRS 9/15)
Trade and other receivables	$ 219,874	$ 6,103	$ 24,273	$ 250,250
Liabilities and Shareholders' Equity				
Currency translation reserve	(64,075)	(126)	—	(64,201)

Retained earnings	(49,207)	(884)	22,633	(27,458)
Deferred income tax liabilities	27,427	921	—	28,348
Non-controlling interests	135,751	6,192	1,640	143,583

(*) incremental impact on account of adoption of IFRS 15 and IFSR 9, in addition to those reported under guidance of IAS 18 and IAS 39

The impact of adoption of IFRS 15 and IFRS 9 on the consolidated interim statement of income for three month ended March 31, 2019 was as follow.

	March 31, 2019 (Reported)	IFRS 9 (*)	IFRS 15(*)	March 31, 2019 (without adoption of IFRS 9/15)
Revenue	$ **69,745**	$ —	**$6,632**	$ **76,377**
Cost of sales	(36.252)	—	—	(36.252)
Gross profit	**33,493**	—	**6,632**	**40,125**
Administrative cost	(37,891)	700	—	(37,191)
Operating loss	**(4,398)**	700	**6,632**	**2,934**
Financing costs	(7,419)	—	—	(7,419)
Finance income	5,734	(3,705)	—	2,029
Net finance costs	(1,685)	(3,705)	—	(5,390)
Other gains/(losses)	1,085	(6,241)	—	(5,156)
(Loss)/profit before exceptional item and tax	(4,998)	(9,246)	6,632	(7,612)
Impairment loss	**(423,335)**	—	—	**(423,335)**
Loss/profit after exceptional item but before tax	**(428,333)**	**(9,246)**	**6,632**	**(430,947)**
Income tax	(520)	(248)	—	(768)
(Loss)/profit for the period	**(428,853)**	**(9,494)**	**6,632**	**(431,715)**
Attributable to:				
Equity holders of Eros International Plc	(432,438)	(9,828)	6,247	(436,019)
Non-controlling interest	3,585	334	385	4,304

(*) incremental impact on account of adoption of IFRS 15 and IFRS 9, in addition to those reported under revenue guidance of IAS 18 and IFRS 39.

The impact of adoption of IFRS 15 and IFRS 9 on the consolidated interim Statement of Income for twelve months ended March 31, 2019 was as follows:

	March 31, 2019 (Reported)	IFRS 9(*)	IFRS 15(*)	March 31, 2019 (without adoption of IFRS 9/15)
Revenue	$ **270,126**	$ —	$ 24,273	$ **294,399**
Cost of sales	(155,396)	—	—	(155,396)
Gross profit	**114,730**	—	24,273	**139,003**
Administrative cost	(87,134)	10,673	—	(76,461)
Operating profit	**27,596**	10,673	24,273	**62,542**
Financing costs	(24,093)	—	—	(24,093)
Finance income	16,419	(2,209)	—	14,210

Net finance costs	(7,674)	(2,209)	—	(9,883)
Other gains/(losses)	288	(20,698)	—	(20,410)
(Loss)/profit before exceptional item and tax	**20,210**	**(12,234)**	**24,273**	**32,249**
Impairment loss	(423,335)	—	—	(423,335)
(Loss)/profit after exceptional item but before tax	**(403,125)**	**(12,234)**	**24,273**	**(391,086)**
Income tax	(7,328)	(248)	—	(7,576)
(Loss)/profit for the period	**(410,453)**	**(12,482)**	**24,273**	**(398,662)**
Attributable to:				
Equity holders of Eros International Plc	(423,867)	(15,154)	22,633	(416,388)
Non-controlling interest	13,414	2,672	1,640	17,726

(*) incremental impact on account of adoption of IFRS 15 and IFRS 9 in addition to those reported under guidance of IAS 18 and IAS 39

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 Gross Revenue (Non- GAAP)

In addition to the results prepared in accordance with IFRS, the Company has presented Gross Revenue. The Company uses Gross Revenue along with other IFRSs measures to evaluate operating performance. Gross Revenue is defined as reported revenue adjusted in respect of significant financing component that arises on account of normal credit terms provided to catalogue customers.

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, adjustment towards arisen significant discounting, 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.

NON GAAP FINANCIAL MEASURES

Gross Revenue (Non – GAAP)

	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
	(in thousand)			
Revenue (GAAP)	$ 69,745	$ 71,926	$ 270,126	$ 261,253
Adjustment towards significant financing component	9,303	2,412	34,467	6,816
Gross Revenue (Non -GAAP)	$ 79,048	$ 74,338	$ 304,593	$ 268,069

Adjusted EBITDA

	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
	(in thousand)			
Net income (GAAP)	$(428,853)	$ (16,960)	$(410,453)	$ (9,745)
Income tax expense	520	4,167	7,328	9,127
Net finance costs	1,685	5,017	7,674	17,813
Depreciation	226	427	1,049	1,265
Amortization(1)	227	614	1,214	1,726
EBITDA	(426,195)	(6,735)	(393,188)	20,186
Share based payments(2)	6,488	4,416	21,561	17,918
Reversal credit impairment losses/(gains)(3)	(6,240)	(138)	(20,698)	4,308
Credit impairment losses/(gains)	1,747	—	10,673	—
Adjustment arisen from significant discounting, component (3)	9,303	2,412	34,467	6,816
Net losses on de-recognition of financial assets measured at amortized cost, net	1,654	854	5,988	3,562
Loss/(Gain) on financial liability (convertible notes) measured at fair value through profit and loss	2,918	20,816	21,398	13,840
Closure of derivative asset	—	—	249	—
Loss on sale of property and equipment	94	(20)	97	(2)
Loss on settlement of derivative financial instruments	—	—	—	586
Loss on deconsolidation of a subsidiary	—	1,355	—	14,649
Impairment loss	423,335	1,205	423,335	1,205
Others	(37)	(114)	(37)	(113)
Adjusted EBITDA (Non-GAAP)	$ 13,067	$ 24,051	$ 103,845	$ 82,955
Amortizaton of intangible and content rights	33,997	27,963	130,155	115,285
Gross Adjusted EBITDA	$ 47,064	$ 52,014	$ 234,000	$ 198,240

(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.