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INDEPENDENT ASSURANCE REPORT

To
The Shareholders
Qatar Cinema and Film Distribution Co. (Q.P.S.C) (the "Company")
Doha - State of Qatar

On The Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting.

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the "Board of Directors' ICOFR Report") as at December 31, 2024.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgments that are reasonable in the circumstances.

The Board of Directors has assessed the design, implementation and operating effectiveness of internal control system over financial reporting of the Company as at December 31, 2024, based on the criteria established in the Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework").

The assessment of Company's internal control system over financial reporting is prepared by the Board of Directors and presented in the form of the Board of Directors' ICOFR Report, which includes:

- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering core operations and the material business process of the Company in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- Identification of the risks that threaten the achievement of the control objectives;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting to identify the control deficiencies; and



- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and to conclude that;
 - How they are remediated,
 - What are the deficiencies not remediated,
 - What are procedures set to prevent such deficiencies and
 - How control gaps and lapses are addressed.

Those charged with governance are responsible for overseeing the company's internal control over financial reporting.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the "Board of Directors' ICOFR Report", based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as at December 31, 2024.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Board of Directors' ICOFR Report is fairly presented. The COSO Framework comprises the criteria by which the Board of Directors' ICOFR report is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Board of Directors' ICOFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Board of Directors' ICOFR Report included:

- Obtaining an understanding of the Company's components of internal control as defined by the COSO Framework and scoping of significant business processes attached to those components and comparing those to the Board of Directors' ICOFR Report;
- Performing a risk assessment for material account balances, classes of transactions and disclosures within the Company's significant business processes and comparing them to the Board of Directors' ICOFR Report;
- Obtaining Board of Director's testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by them and the accuracy of their conclusions reached for each internal control tested;
- Independently testing the design, implementation and operating effectiveness of internal controls over financial reporting that address significant risks of material misstatement.
- Assessing the severity of deficiencies in internal control over financial reporting which are not remediated as at December 31, 2024, and comparing them to the assessment included in the Board of Directors' ICOFR Report, as applicable.

The components of internal control as defined by the COSO Framework are Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

We performed procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction and disclosures.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity Level Controls, Treasury Operations, Revenue and Accounts Receivable, Procurement, Accruals and Other Payables, Inventory, Payroll, Investments, Property, Plant and Equipment, Financial Reporting and Disclosures and General Control on the Information Technology.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgment including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, re-performance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Board of Directors' ICOFR Report as at December 31, 2024.

Meaning of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards and applicable provisions of Qatari Commercial Companies Law. An entity's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code.

We have applied International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

In our opinion, except for the possible effects of the matters disclosed in the appendix 1, the Board of Directors' ICOFR Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of December 31, 2024.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any party thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the company's own internal purposes) or in part, without our prior written consent.

TALAL ABU-GHAZALEH & CO.



Abdulla Ahmed Al-Mansoori

(Licence No.423)

QFMA Licence No.120152

Doha, February 8, 2025

Appendix 1 - Major Observation

#	Descriptions	Observation
1	Budgeting	The Company does not maintain adequate policy for budget.
2	Expected Credit Losses	The Company has not upgraded its policy to determine expected credit losses. However, it has been applied judgmental to ascertain allowance for expected credit losses.
3	Compliance Aspects	The Company is still in the process of resolving the matter of notification received from Qatar Stock Exchange on September 28, 2023 related to exclusion of company's stocks from the Stock Market Index.
4	Existence of Property and Equipment	The controls placed to ensure the existence of property and equipment are not placed. Such as, no coding for fixed assets and regular observation of physical existence.
5	Investment Decisions and Committee	The Company has not maintained separate Investment Committees to evaluate, control and implement investment decisions.
6	Financial Policies Procedures Manual	In addition to existing financial policies and procedures manual, in the absence of the upgraded latest version of financial polices procedures manual, the controls related to financial reporting may be impacts.
7	Risk Assessment Meeting and Risk Register	The Company has not documented risk register during the period under review and no documents were updated for the risk meetings held during the year.
8	Human Resource Function	It has been observed that formal employee's appraisal has not been conducted during our review.