

# QUARTER INVESTORS INFORMATION GUIDE

Presentation Of The Financial Statements For The Period From  
1 January 2020 To 31 March 2020



# REVENUES AND PROFITABILITY

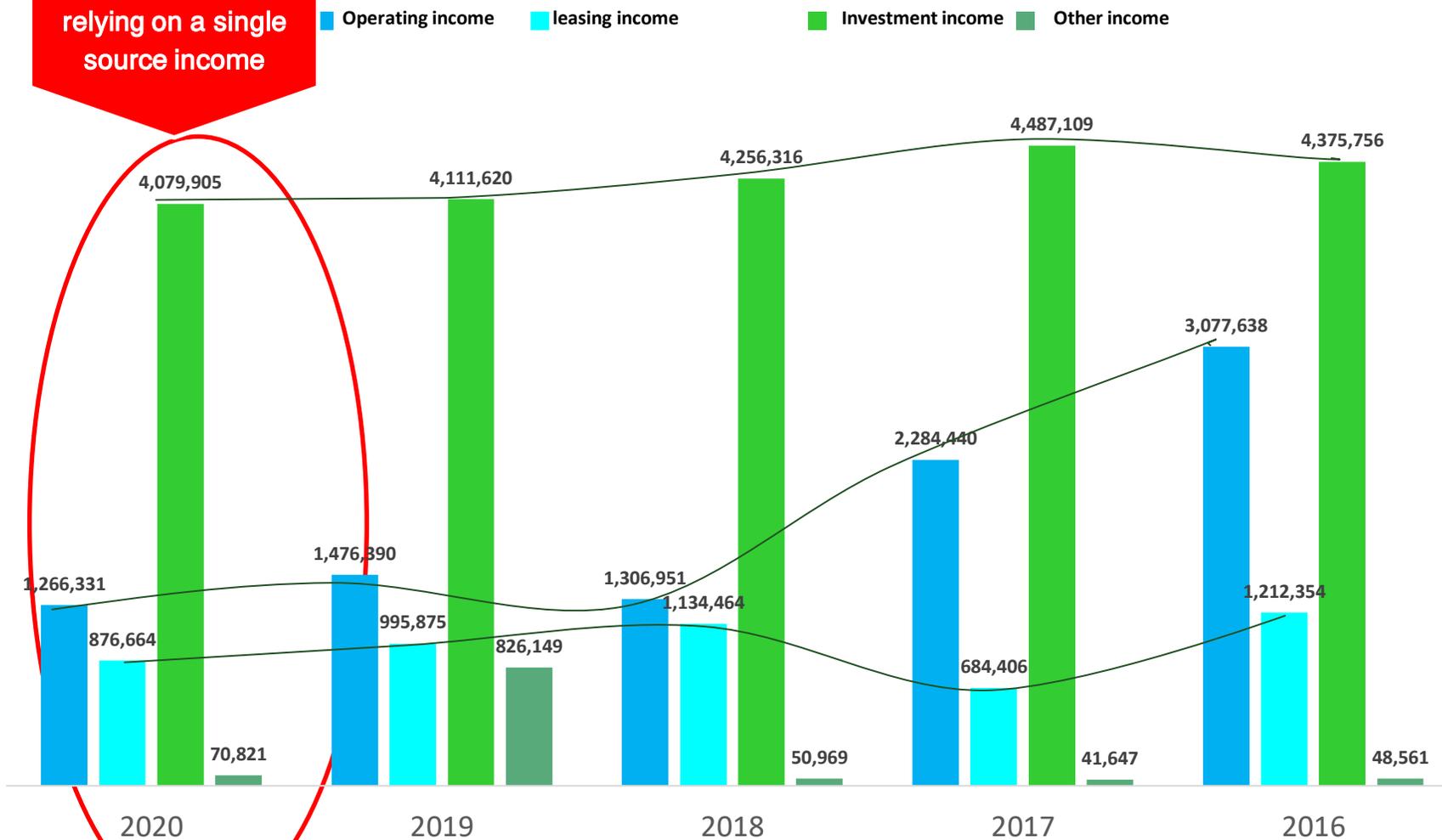
The company achieved total revenue amounted to 6.29 million QR during Q1 2020, and it came from **various sources** to avoid the risks of relying on a single source income. **Real estate leasing revenue** represents 65% of the total revenue, where it represents the largest share of the company income. **Cinema operating revenue** achieved 20% of the total revenue, **Dividends revenue** amounted to only 14% of the total revenue, and 1% approximately remains for the **other kinds of revenue**, Q1 2020 total revenue decreased by 15% in comparison with the same period in 2019.

Total revenues



Revenues came from various sources to avoid the risks of relying on a single source income

2020 RIRST-QUARTER REVENUES



2020  
First Quarter

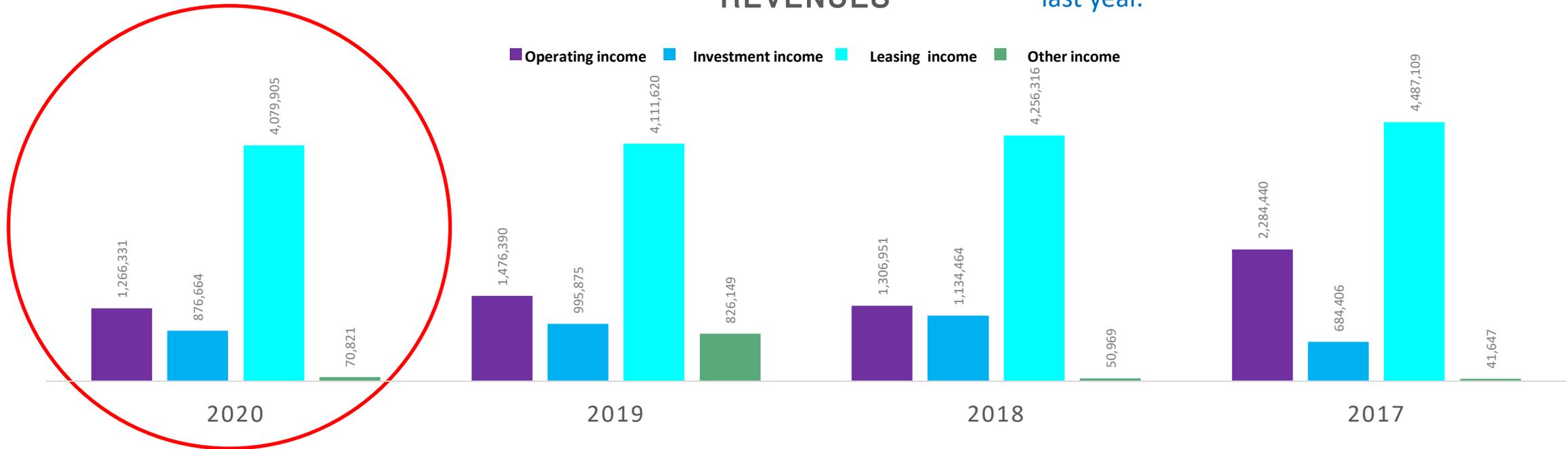
# REVENUES AND PROFITABILITY

Sustainability in real estate leasing revenue

**-15%**

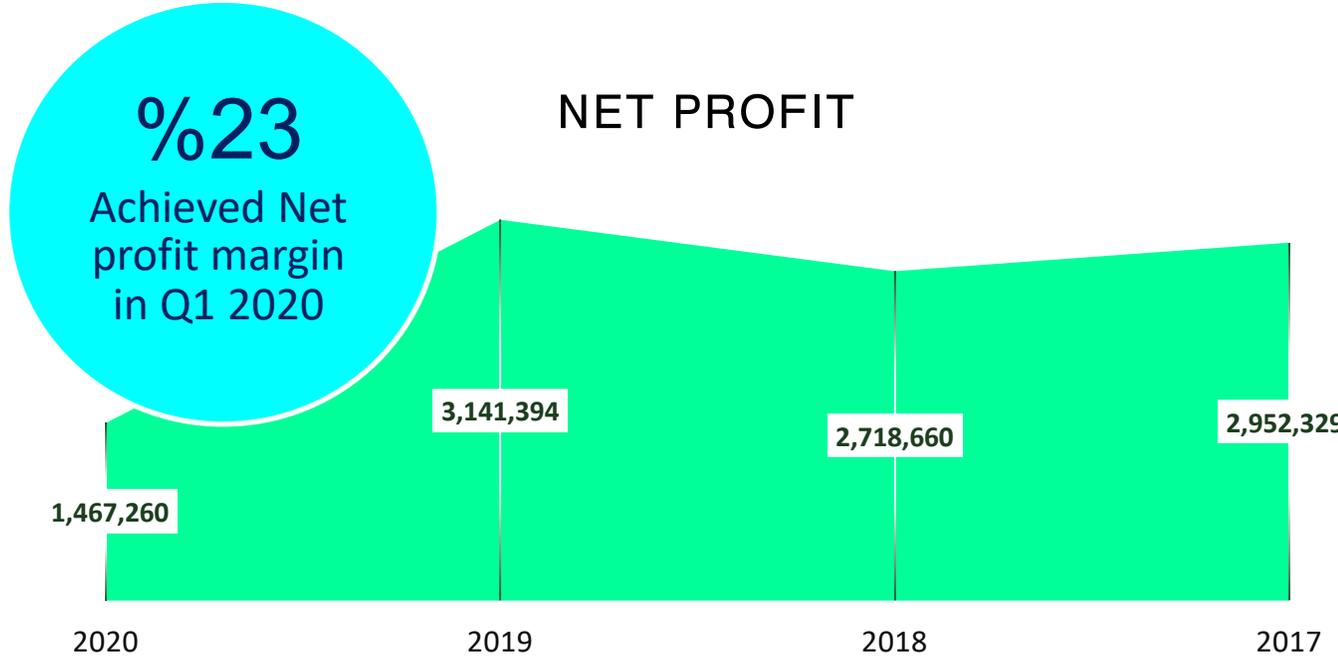
Decrease in the total revenues during Q1 2020 in comparison with the same period last year.

## REVENUES



**Despite the challenges** faced the real estate sector , The company still able to achieve revenues from real estate leasing which support the financial performance during Q1 2020. the real estate leasing revenue decreased slightly by only 1% during Q1 2020 compared to Q1 2019. On the other side, the cinema operating revenue decreased by 14% in Q1 2020 in comparison to Q1 2019. and the real estate leasing revenue represents the biggest part of the income, which paid in advance that's helping the company to make a good performance.

# REVENUES AND PROFITABILITY

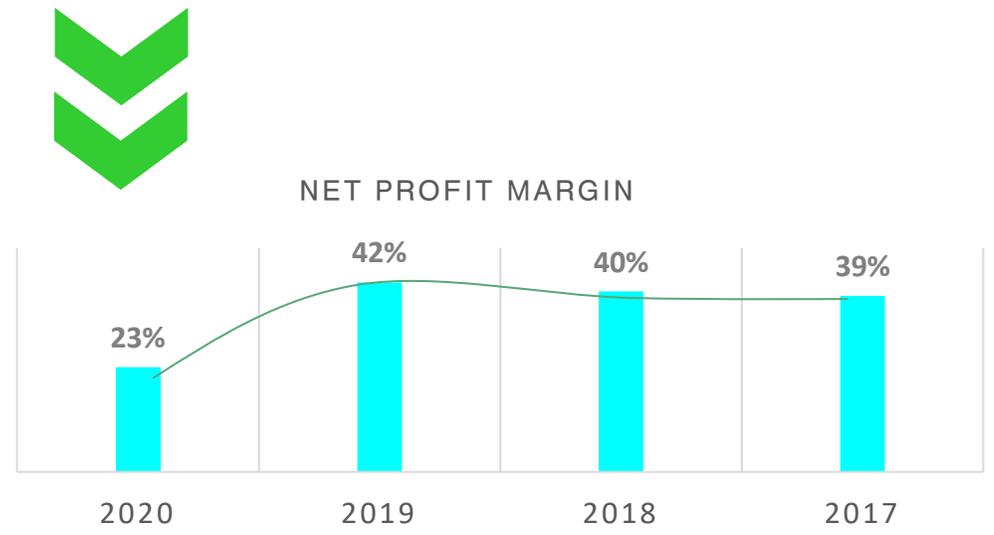


Net profit decreased in Q1 2020 by 53% approximately compared to Q1 2019, and the company achieved about 1.46 million QR net profit with \* roughly profit margin rate of 23%, the decrease is due to:

Closing of the company's cinemas since 12/23/2020 which led to a decrease in movies revenues, in addition to not accounting for 75,000 QR of WOQOD's dividends because of postponing their general meeting and not distributing the dividends of Doha Bank.

Income for the comparable year 2019 included other income from end-of-service disputes for two employees, amounting to 788 thousand QR.

An increase in expenses due to adding a new expense, such as the rent of the Katara's Cinema, which amounted to 322 thousand QR.



Value by Million QR

Source: financial statements report in MAR 2020

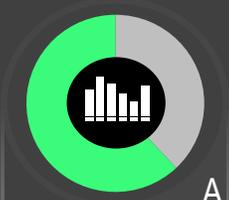
\*Net profit margin = net profit / Total revenue

# COMPARING Q1 2020 REVENUES WITH THE LAST TWO YEARS



**%14**

Decrease in the total revenues in Q1 compared to the same period in last year.



**%65**

Real estate leasing revenue



**%20**

Cinematic Operational revenue



**%15**

Investment and other revenues



**%55**

Real estate leasing revenue



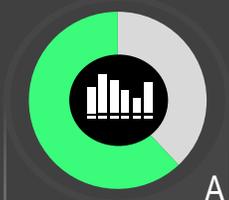
**%20**

Cinematic Operational revenue



**%25**

Investment and other revenues



**%63**

Real estate leasing revenue



**%18**

Cinematic Operational revenue



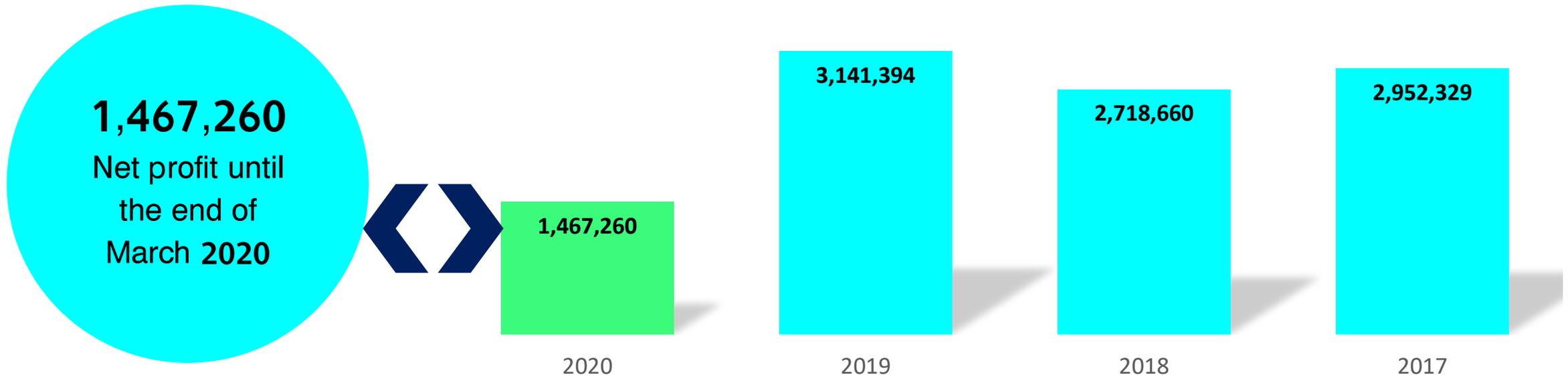
**%19**

Investment and other revenues

Value by Million QR  
Source: financial statements report in MAR 2020

# NET PROFIT

## NET PROFIT FOR Q1 IN YEARS



Net profit decreased in Q1 2020 by 53% approximately compared to Q1 2019, achieved 6.38 million QR net profit with about 23% profit margin.

the net profit decrease is due to the following:

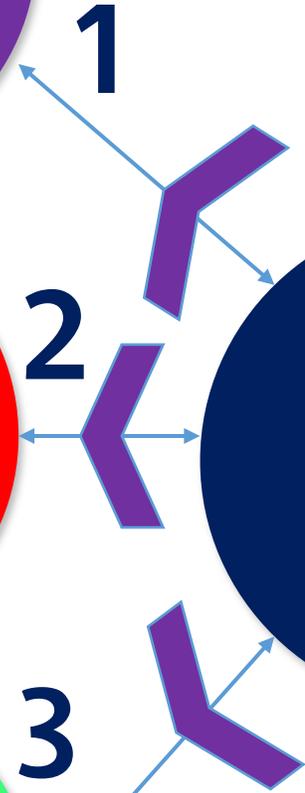
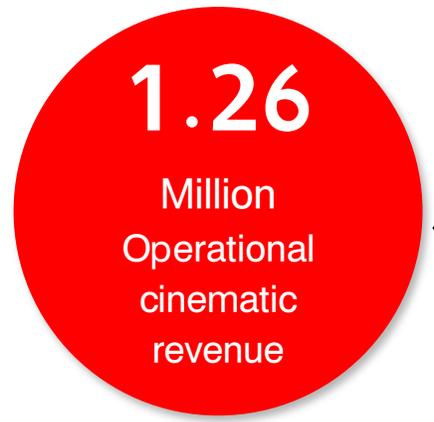
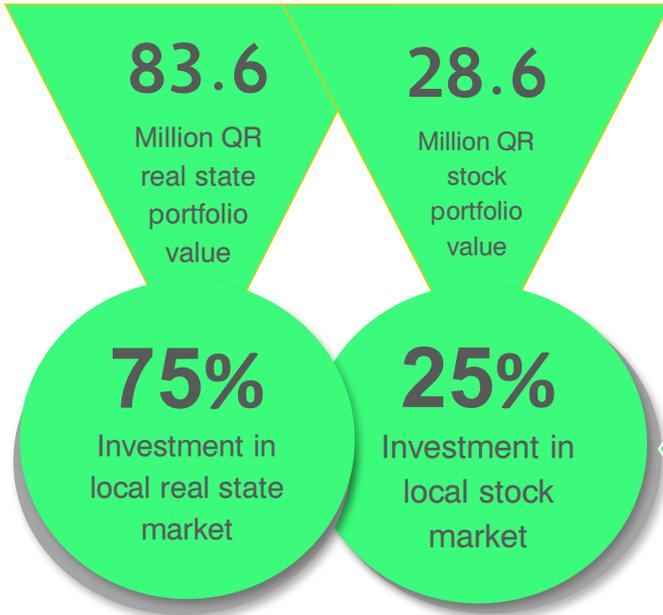
- Closing of the company's cinemas since 12/23/2020 which led to a reduction of cinematic operation revenue
- not accounting for 75,000 QR of WOQOD's dividends because of postponing their general meeting and not distributing the dividends of Doha Bank.
- Income for the comparable year 2019 included other income from end-of-service disputes for two employees, amounting to 788 thousand QR.
- Increase in expenses due to adding a new expense, such as the rent of the Katara's Cinema, Which stood to 322 thousand QR.
- A decrease in distributing in the delivered dividends from other companies valued by 119121 QR

Source: financial statements report in MAR 2020

\* International Accounting Standard for Financial Reporting (IFRS 16)

# REVENUES ANALYSIS

**1,467,260**  
Net profit until  
March 2020

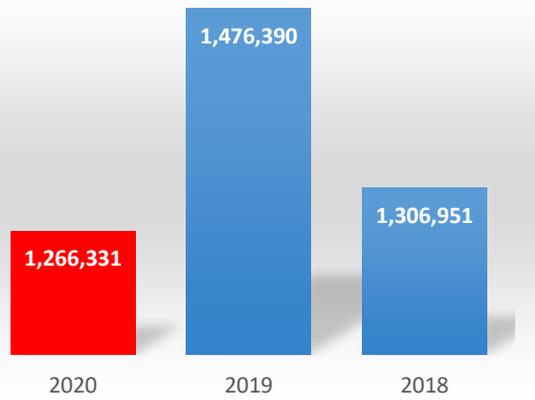
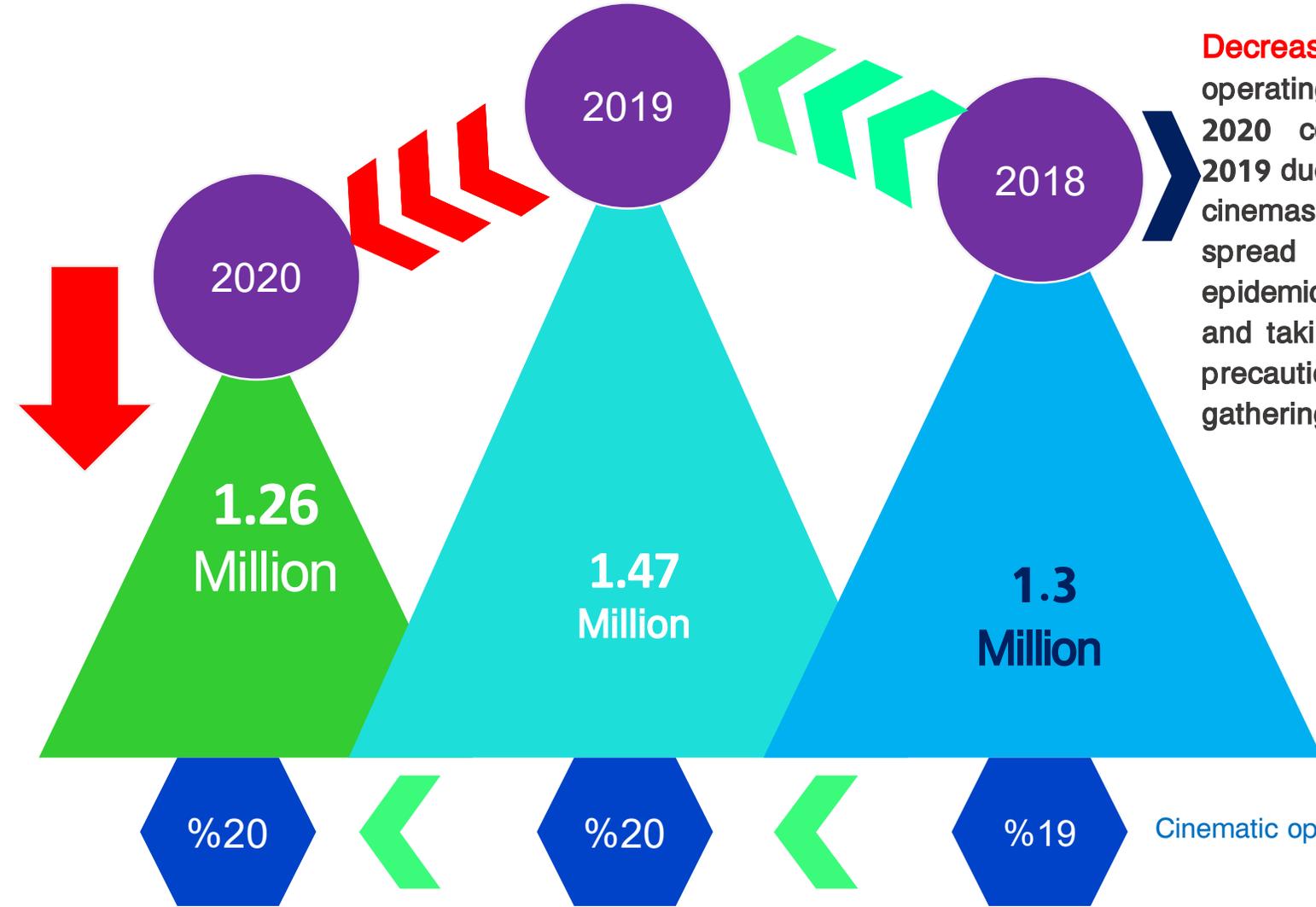


# CINEMA OPERATING REVENU

Despite the closing of cinemas in mid of March 2020, which is approximately 16% of the Q1 period, however, cinematic revenues decreased by only 14%, which means that movie revenues achieved growth at the level of operating activities, which are two and a half months.

**%14**

**Decrease** in cinema operating revenues in Q1 2020 compared to Q1 2019 due to the closing of cinemas as a result of the spread of the Corona epidemic all over the world and taking the necessary precautions to close gatherings places.



Value by Million QR

Source: financial statements report in MAR 2020

# PROFITABILITY BEFORE DEPRECIATION AND INTEREST

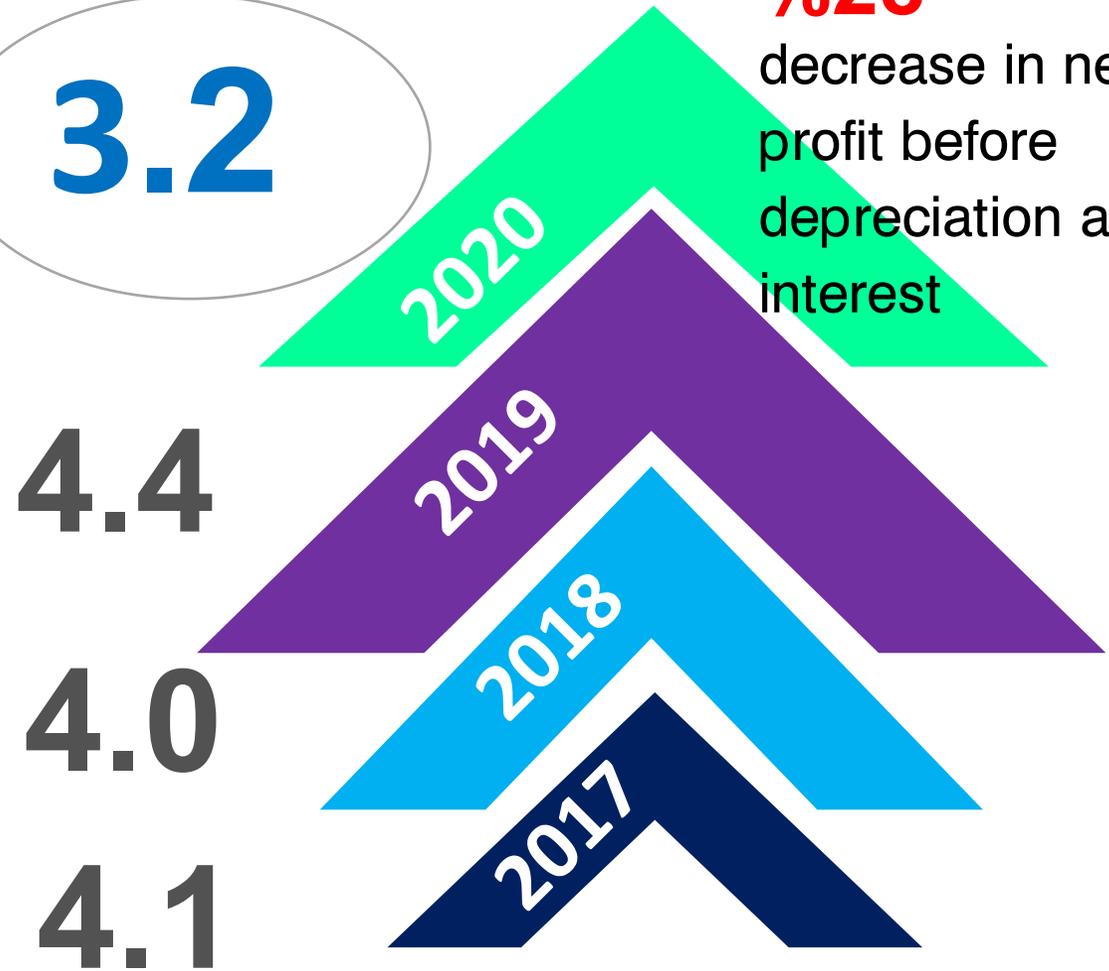
Profit before depreciation and interest in Q1 2020



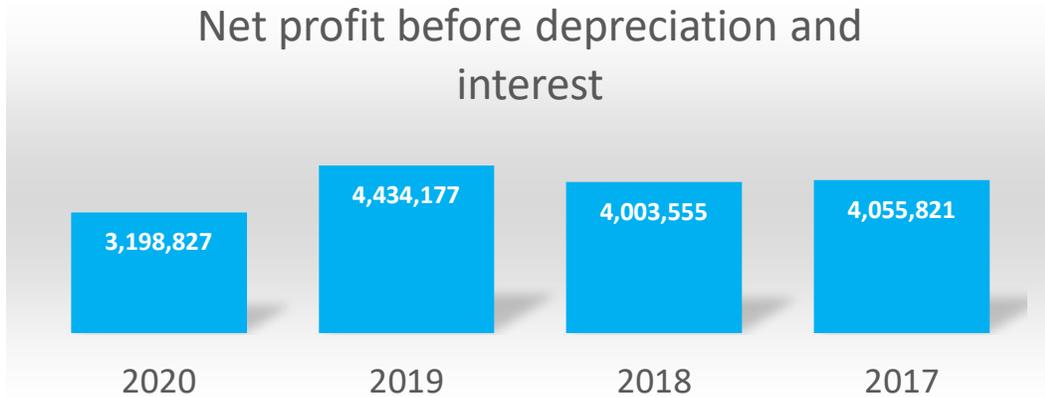
3.2

**%28** decrease in net profit before depreciation and interest

Net profit decreased before depreciation and interest deduction during Q1 2020 by 28% approximately compared to the same period in 2019 achieving Net profit before depreciation and interest deduction valued by **3.2 million** QR with 51% profit margin before depreciation and interest deduction, due to the decrease in real-estate leasing and dividends revenues.



Net profit before depreciation and interest



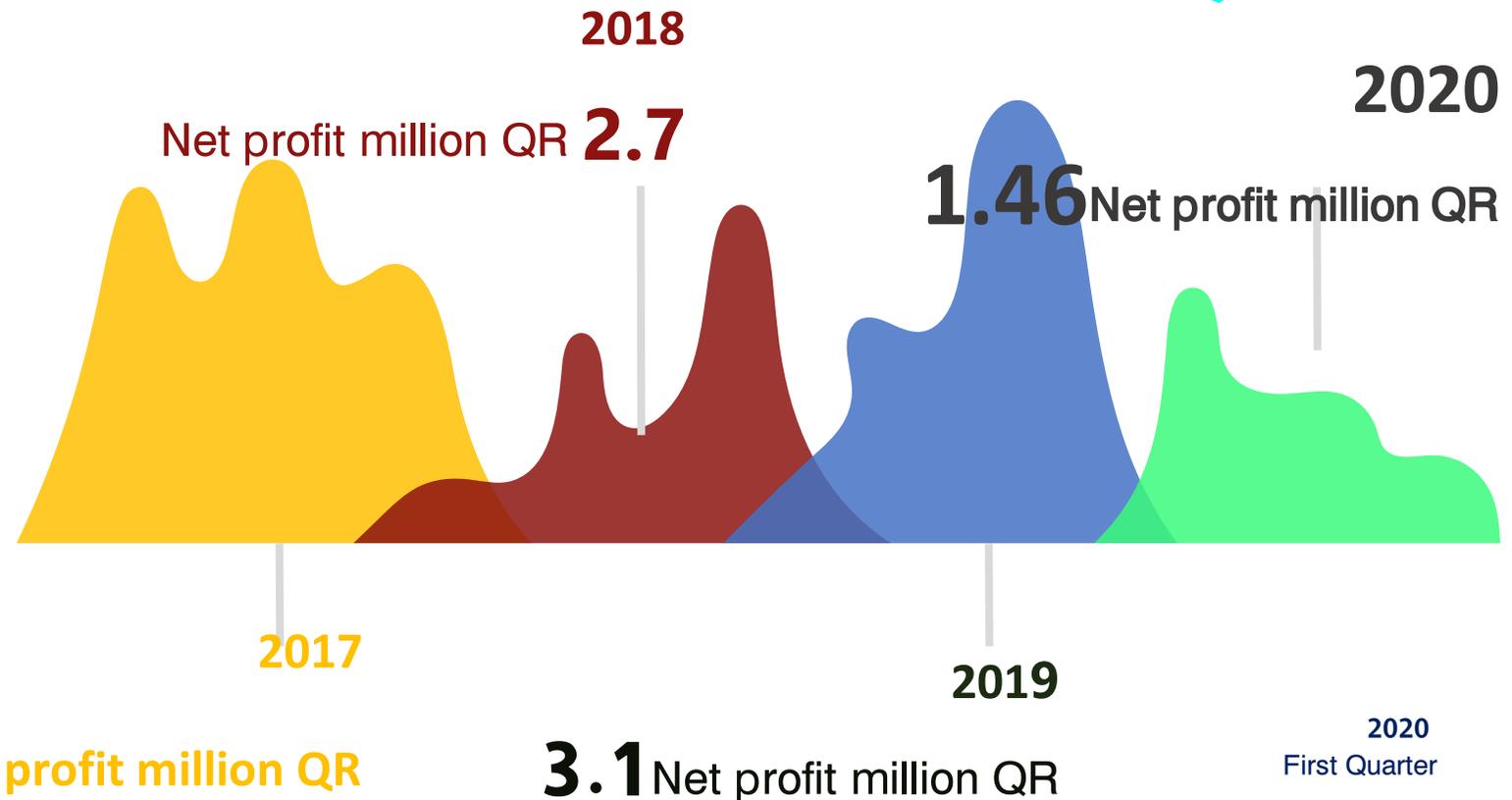
# NET PROFIT

Net profit decreased in Q1 2020 by 53% approximately compared to Q1 2019, achieved 1.467 million QR net profit with about 23.4% profit margin.

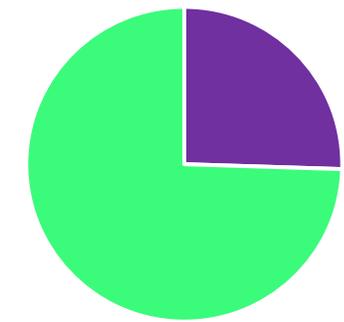
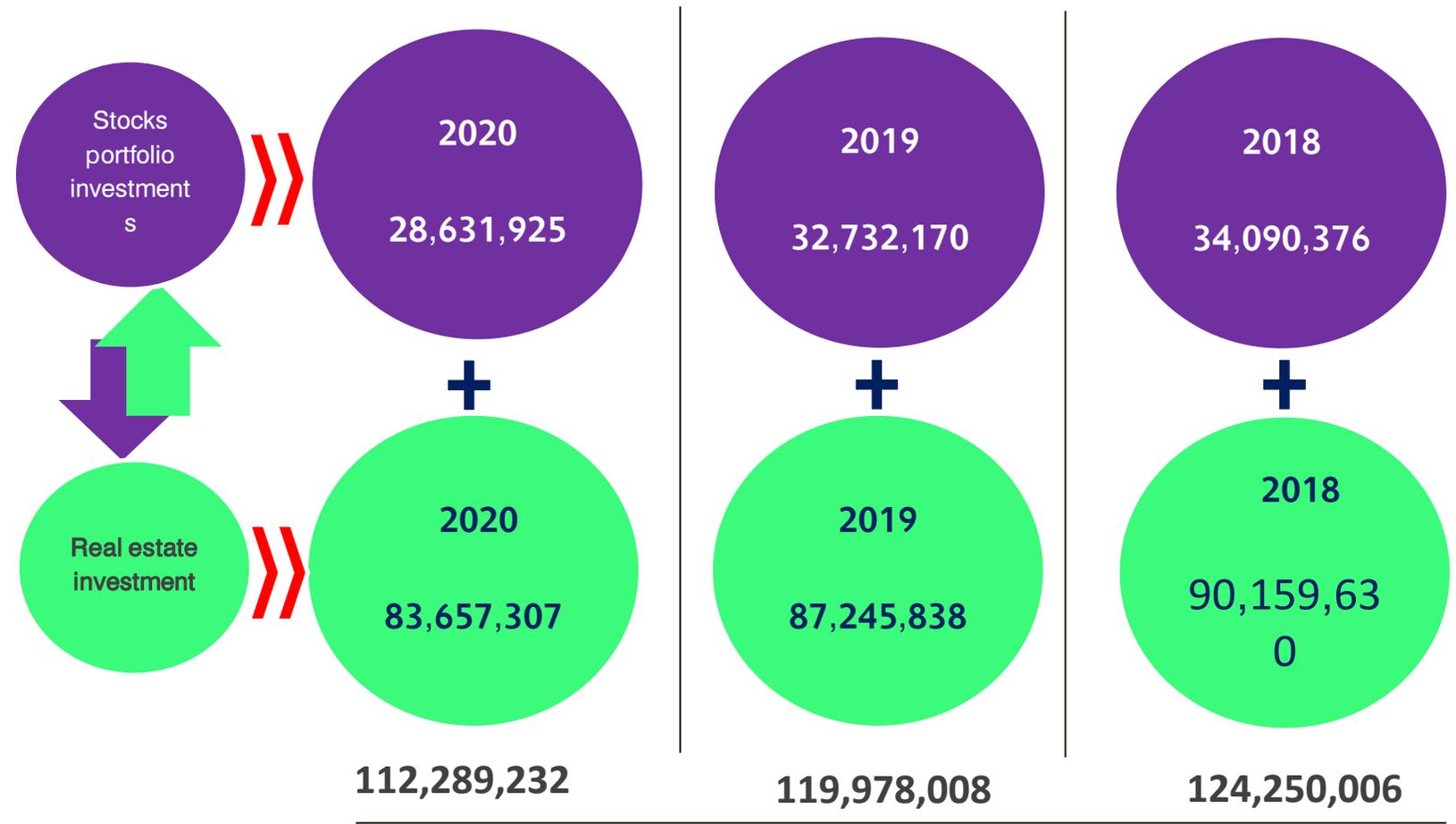
the net profit decrease is due to the following:

- A decrease in the Tickets sale revenues by 234 thousand QR due to closing cinemas from the middle of March 2020.
- Other income increased by 788 thousand QR in Q1 2019 as a result of the ruling in favor of the company in judicial disputes.
- A decrease in dividends revenue by 119 thousand QR as a result of delaying WaQod's general meeting and non-distributing of Doha bank dividends.
- increase in expenses due to adding the value of Katara's Cinema rent value due to using International Accounting Standard for Financial Reporting (IFRS 16)

1,467,260  
Net profit until the end of March 2020



# INVESTMENT AND INCOME DIVERSIFICATION



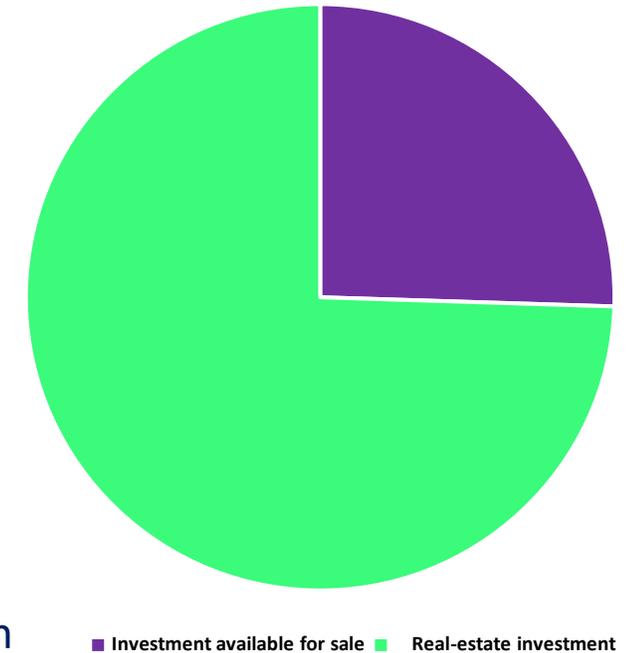
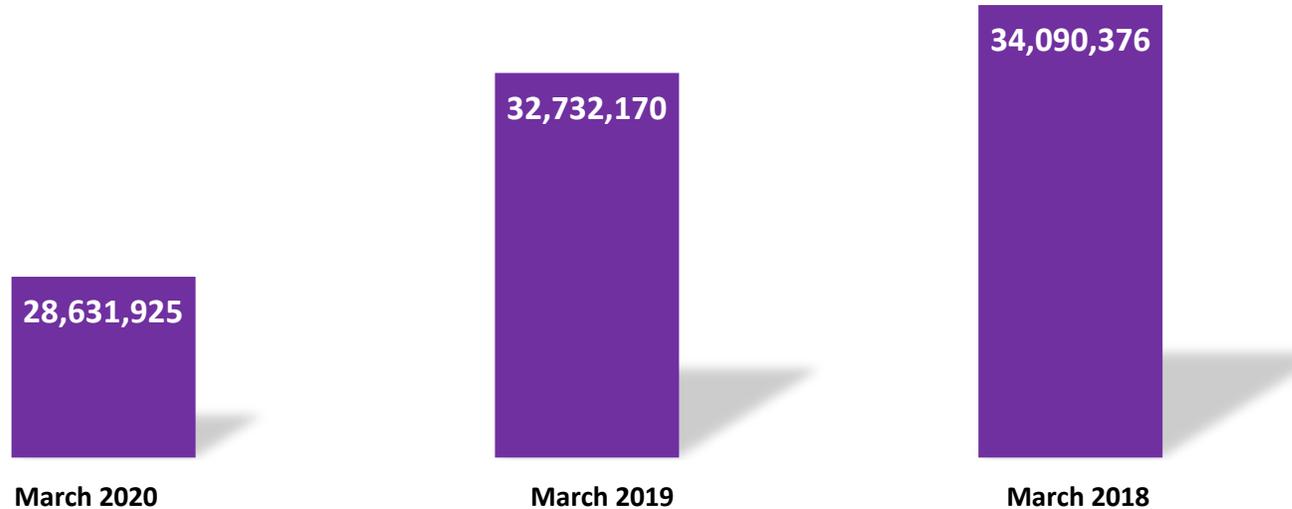
■ Investment available for sale ■ Real-estate investment

The total Investments amount to approximately 112 million QR, distributed between 25% for available for sale equity investments and 75% for real estate investments.

Source: financial statements report in MAR 2020  
 \* International Accounting Standard for Financial Reporting (IFRS 16)

# INVESTMENTS DIVERSIFICATION

Equity available for sale with fair value



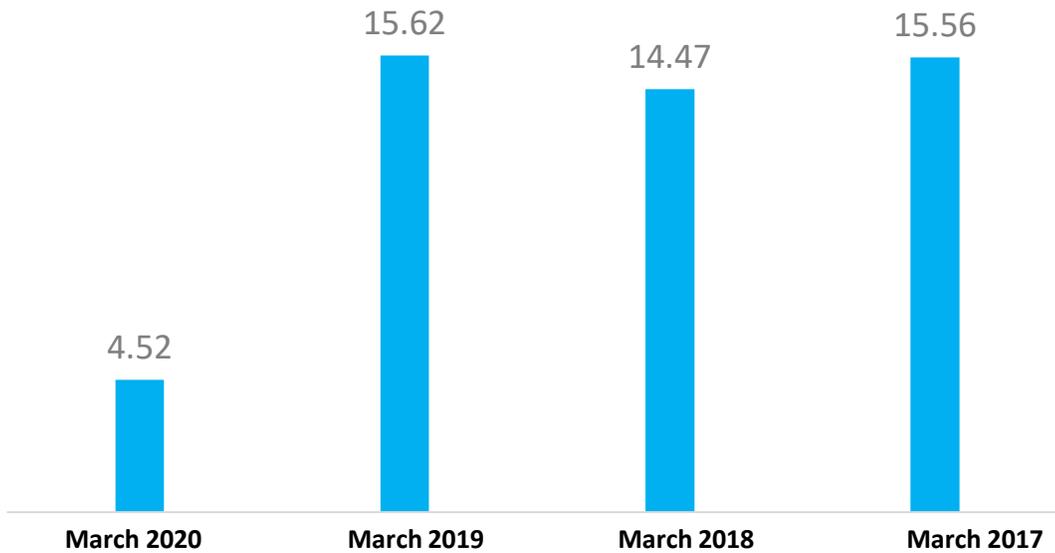
- Investment activities and other revenues contributed by 15% of the total revenues.
- The company's stock market investments constitute 25% of the total investments.
- The company's stock market investment worth approximately 28.6 million QR in March 2020.
- The net value of the company's investments in the real estate sector constituted the largest share from its investments, which represents 75% of the total investments. The company's real estate investments worth 83.65 million QR.

Source: financial statements report in MAR 2020

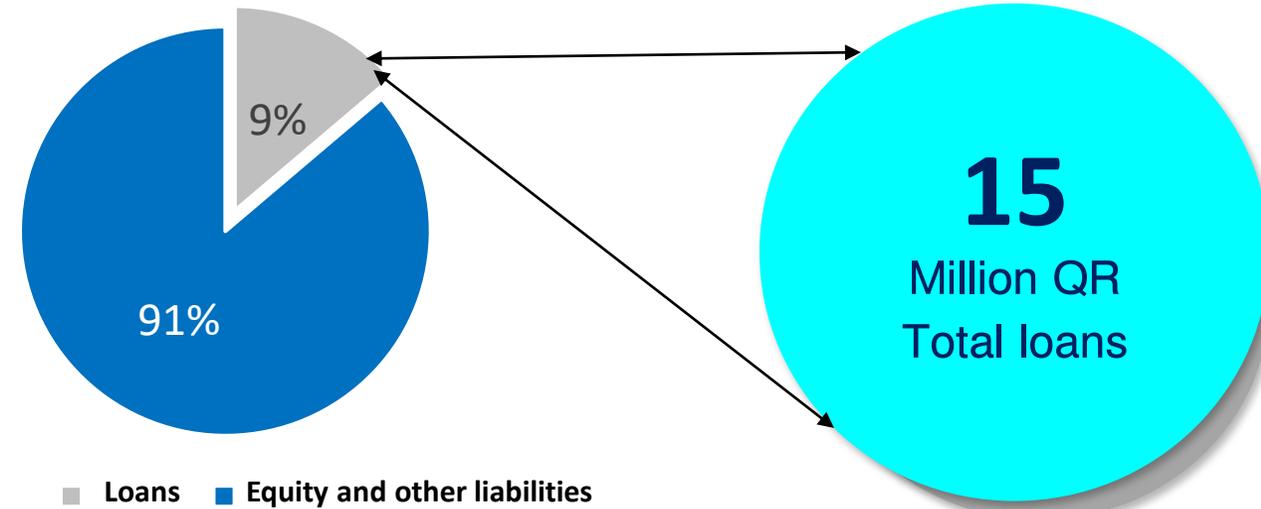
\* International Accounting Standard for Financial Reporting (IFRS 16)

# FUNDING STRUCTURE AND INTEREST EXPENSES

Interest coverage from profits ratio



FUNDING STRUCTURE

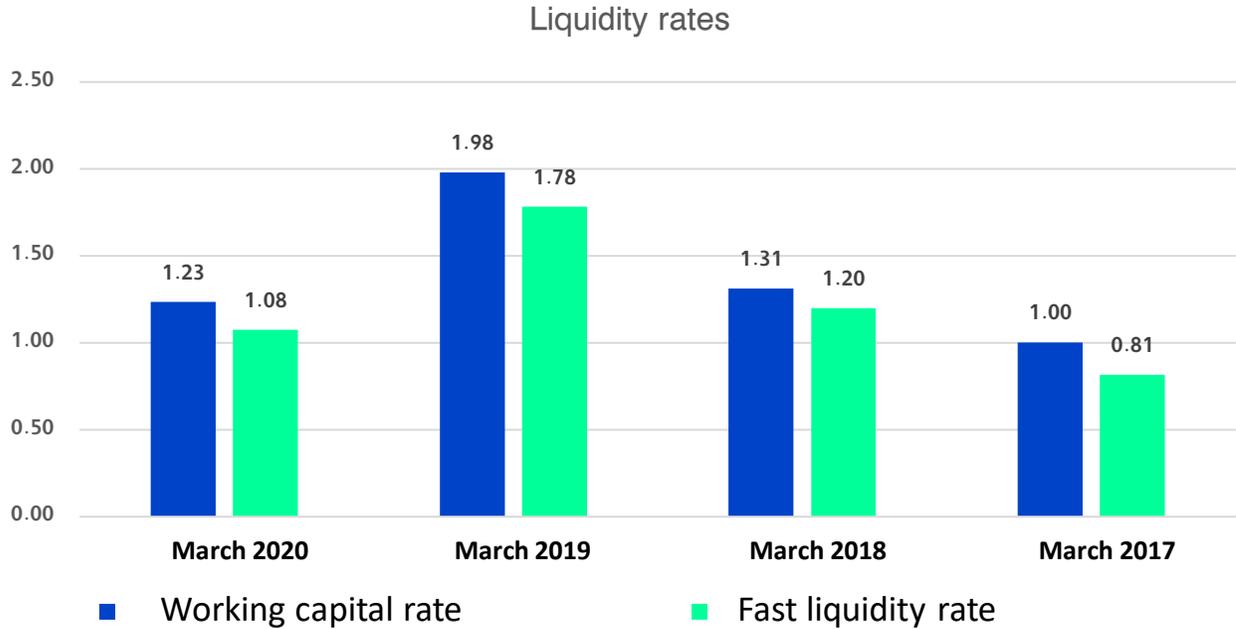


- The Company has limited reliance on loans to finance its assets.
- The company finances only 9% of its assets through loans and 91% through equity and other liabilities.
- The loans value in March 2020 amounted to 15 million QR.

# LIQUIDITY AND CASH

The Working Capital Rate **1.23**

The Quick Liquidity Rate **1.08**



The Working Capital rate(Current Assets/Current Liabilities) stood at 1.23 in March 2020, which means that the Company can pay its short-term liability 1.23 times through its current assets. The quick liquidity Rate (cash/current liabilities) stood at 1.08 times for the same period, which means that the Company can repay its short-term liabilities through cash 1.08 times approximately in March 2020.

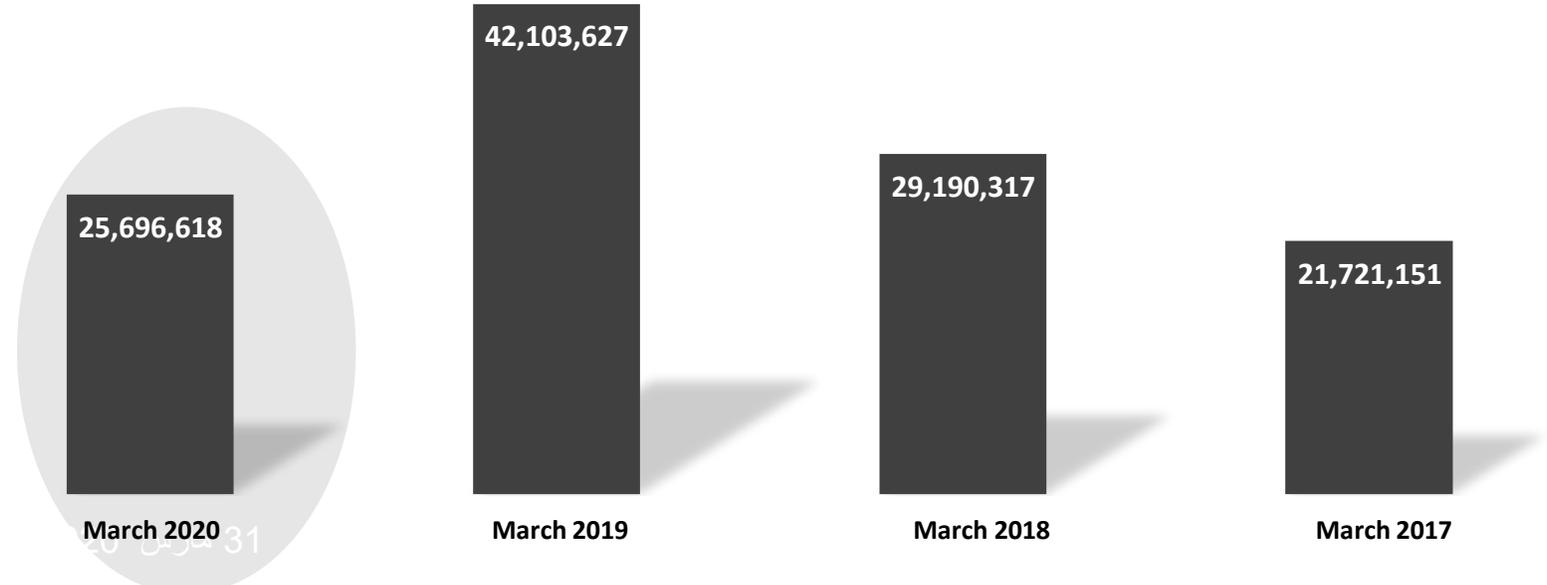
Clarification :  
The Working Capital rate :Company ability to pay its short-term liability through its current assets.  
The quick liquidity Rate :Company ability to pay its short-term liability through its cash

# CASH AND BANK ACCOUNTS

## CASH AND BANK ACCOUNTS BALANCES

**%39-**

Decreasing in liquidity by the end of March 2020

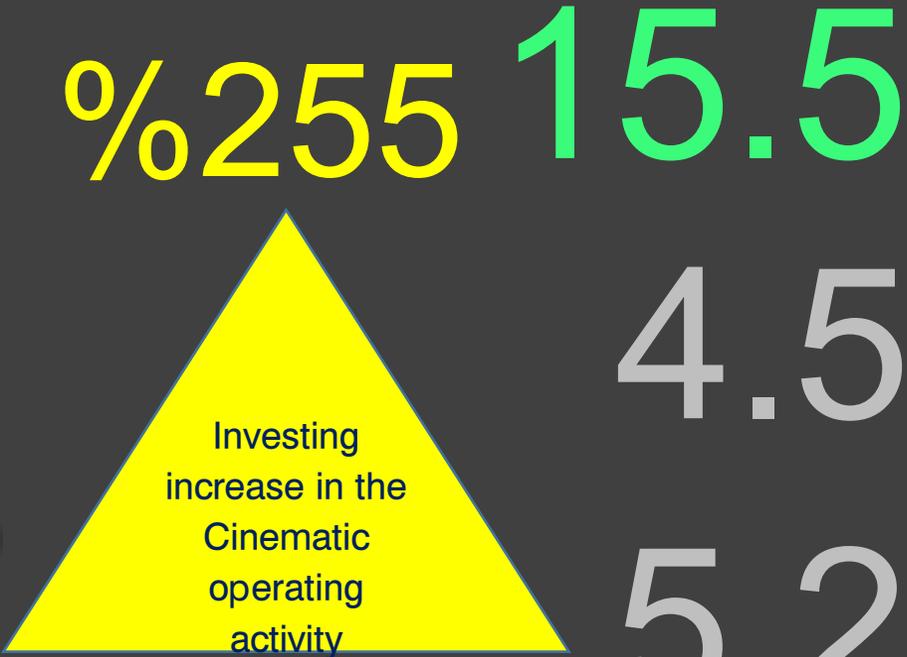
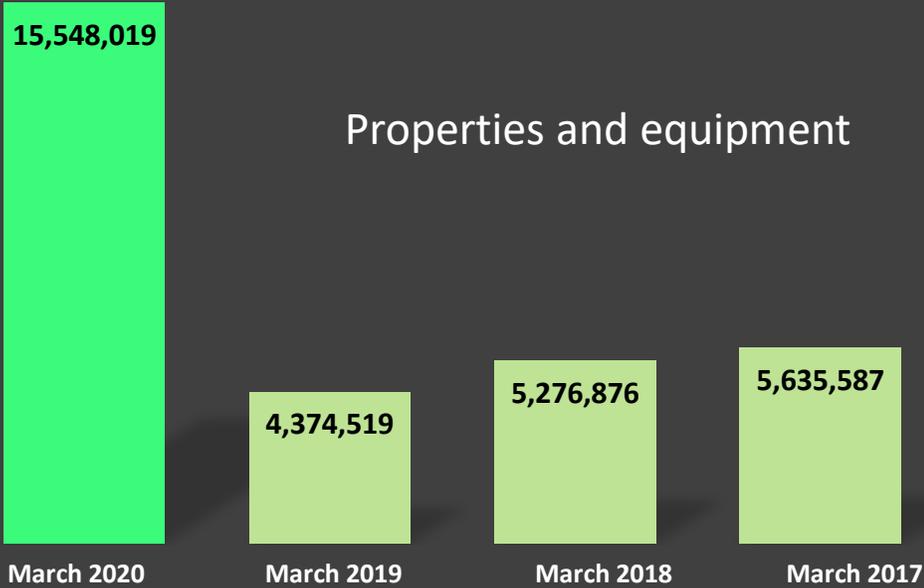


At the end of March 2020, the company's liquidity decreased by 39% which The cash balance at the end of March 2020 amounted to **25,696,618** QR. The liquid cash decreased due to the use of money for long-term investments, which used in its cinema's under progress works that will yield a more return in the future, indicating that the company is pursuing expansion behavior instead of saving the surplus cash. The difference will be shown clearly in the liquidity moving to the expansion of the operational activity, where there exists a significant growth in the volume of work under progress.

2020

First Quarter

# GROWTH IN PROPERTIES AND WORK IN PROGRESS (CINEMA)



March 2020



March 2019



March 2018



March 2017

The company aims to expand its cinematic operating activity by developing its cinemas on international standards by approximately 10 Million QR. In addition to obtaining the returns which come from the right to operate and use a new cinema building with a value of 9,049,168 QR, which raises the value of its tangible assets and may generate additional revenue in the future.

Value by Million QR  
Source: financial statements report in MAR 2020

# ASSETS

Decrease in assets in comparison with Q1 2019.

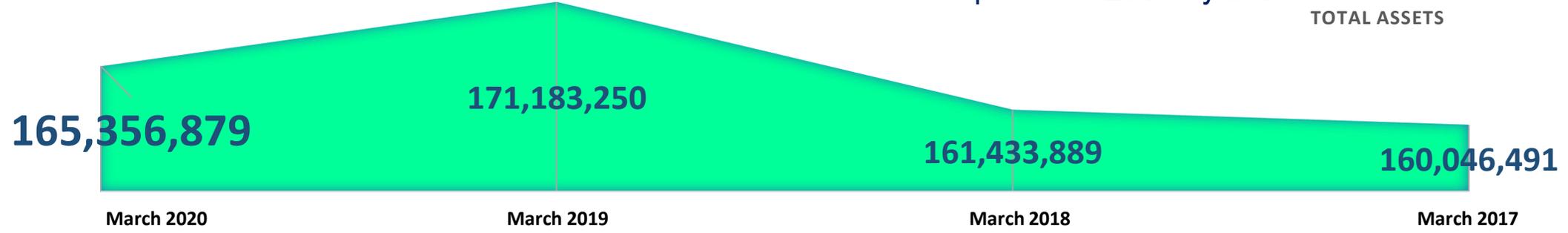
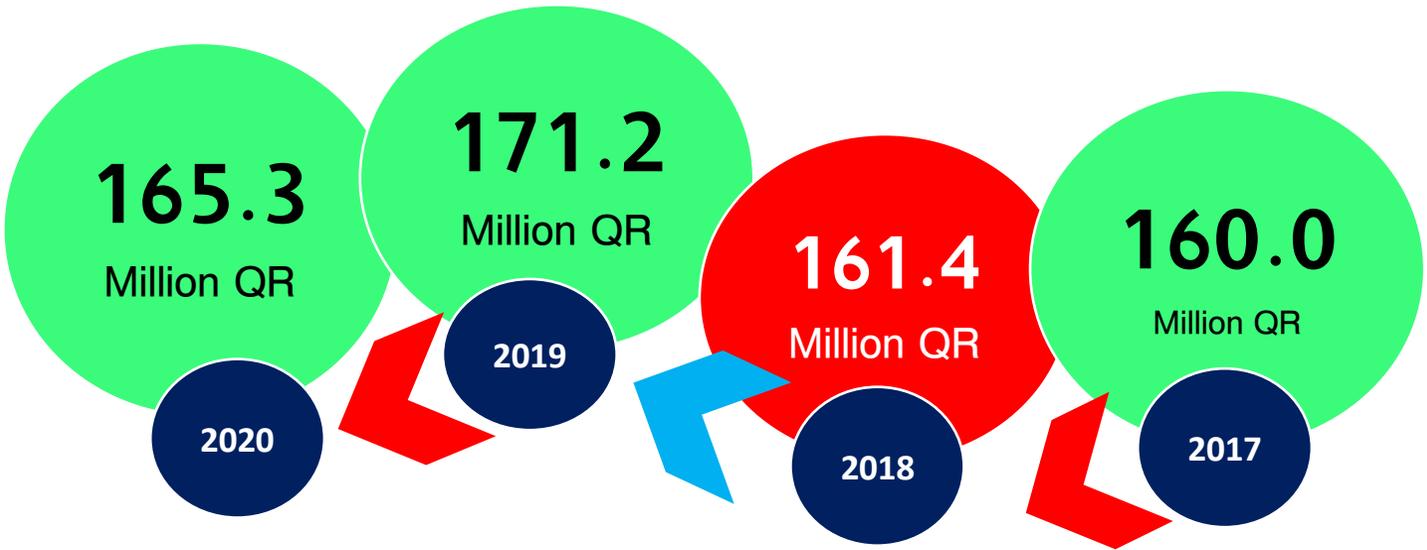
**%3.4-**

165 million QR is approximately the value of the company's assets by the end of March 2020, Establishing a 3.4% Assets decrease as a result of a decrease in available for sale and cash liquidity investments, in spite of the increase in the properties and equipment value.

**165**  
**↓**  
**5.8**

5.8 Million QR assets value decrease by the end of March 2020 compared to the same period in 2019 by 3.4% decrease.

TOTAL ASSETS

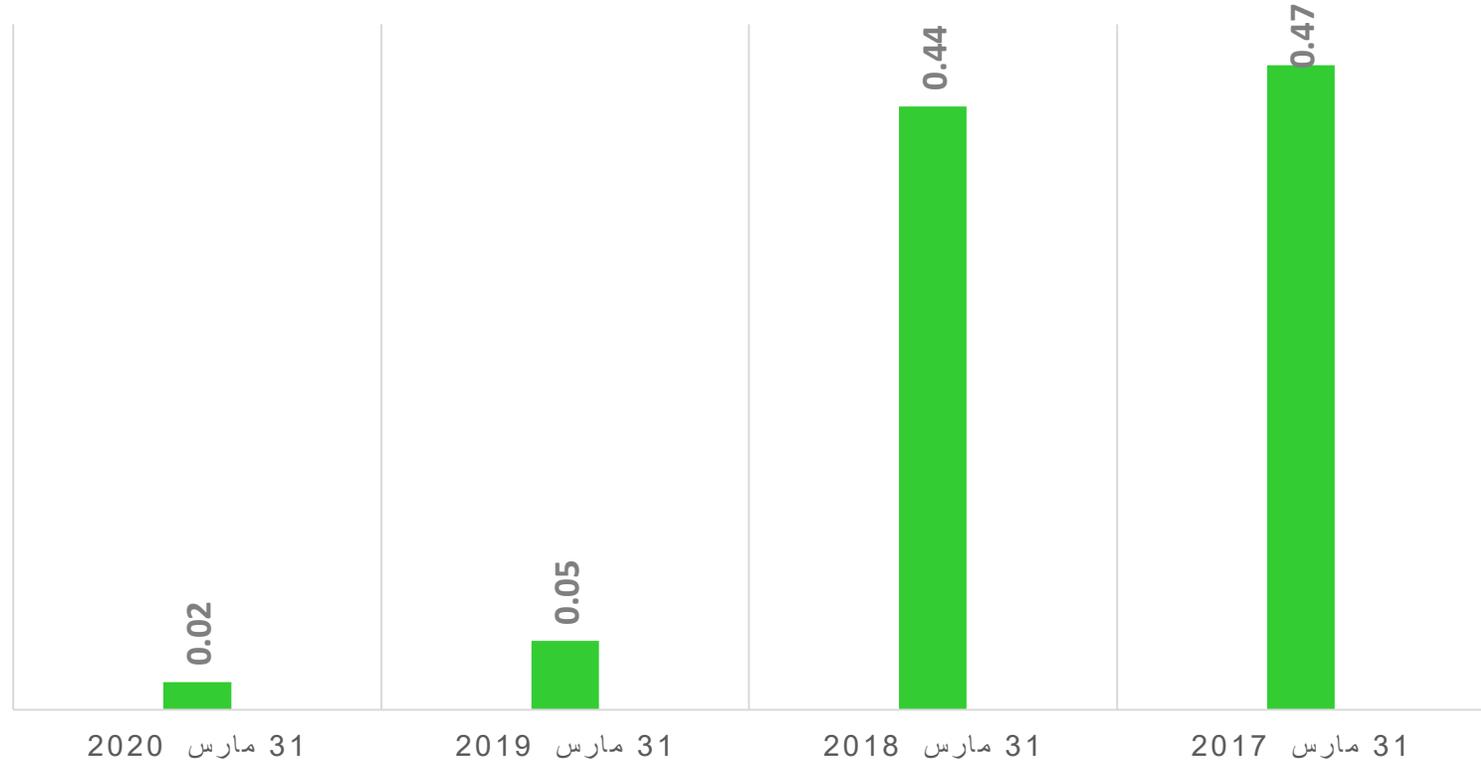


Value by Million QR

Source: financial statements report in MAR 2020

# EARNING PER SHARE

**Capital**  
**62,807,950 QR**



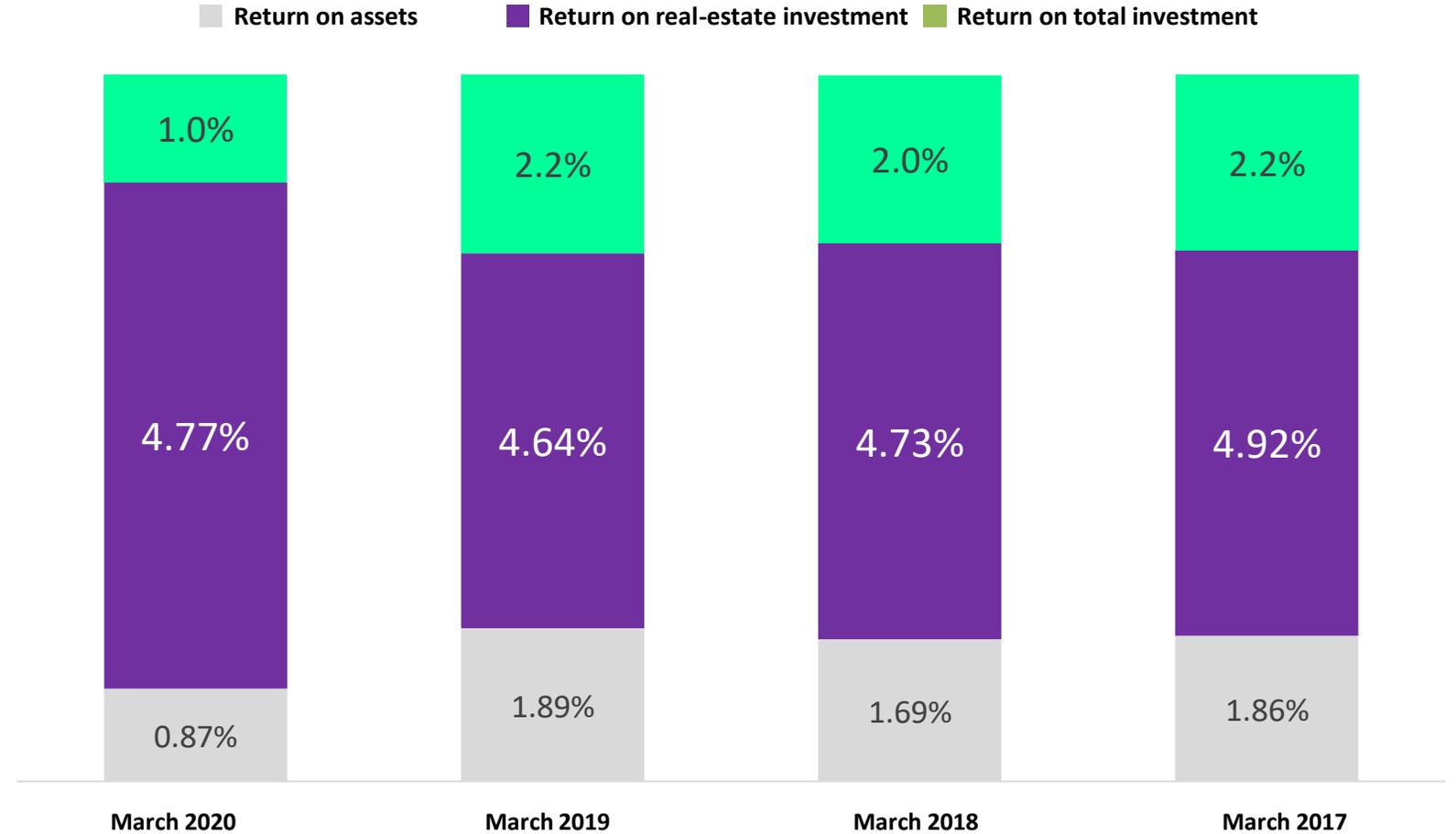
Till the end of March 2020, Earning per share reached 0.02 QR while earning per share reached 0.05 QR for the same period in Q1 2019, recorded a decrease in the first quarter of 2020.

# RETURN ON INVESTMENT

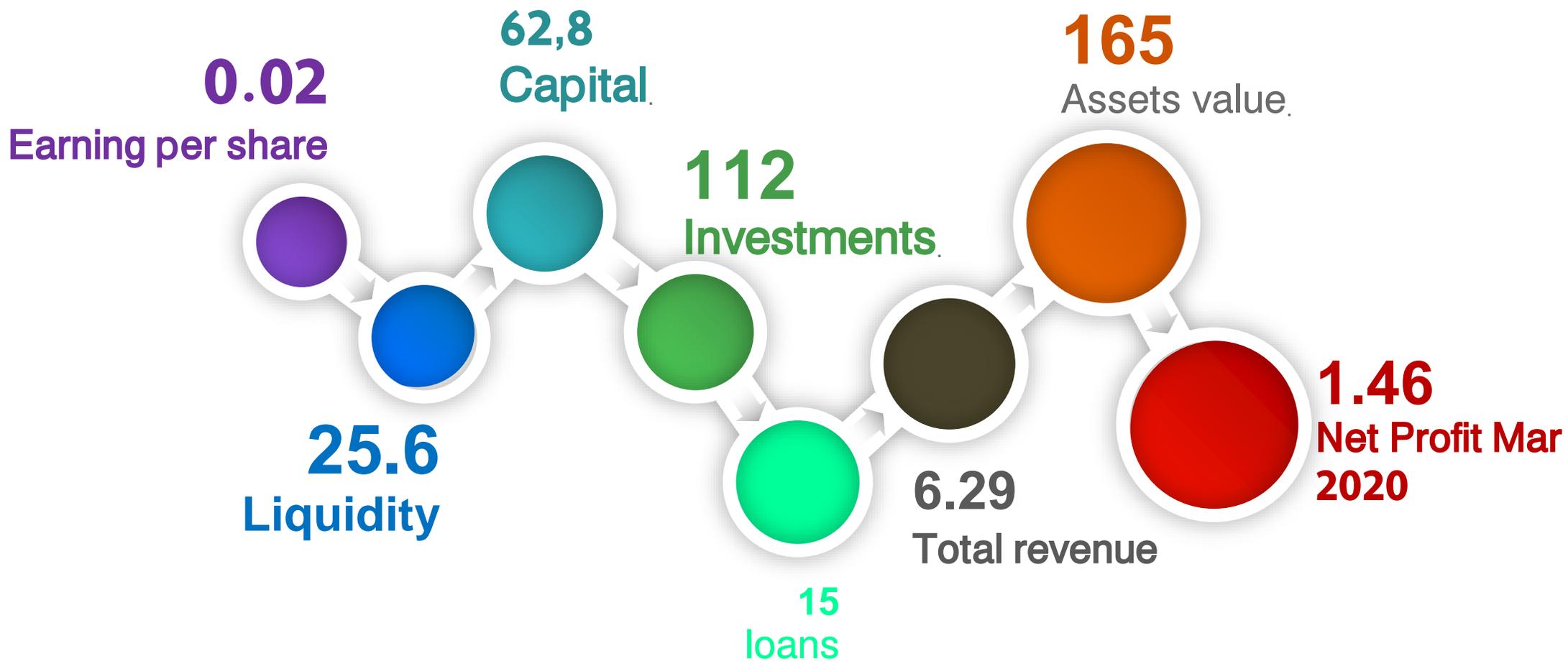
Return on Real estate investment represented almost 4.7% during the first quarter of 2020. Real estate investment is the most income-generating activity in the company. Totally , The return on the investment in the company represents 1% of the total invested amount of money for the first 3 months in 2020. The total return on the total assets of the company is 3.6% of the total assets for the first 3 months in 2020.

The return on investment and return on assets rates decreased in Q1 2020 as a result of the increase in the amounts invested in business under progress for the development of cinemas that have not been completed and therefore have not returned their revenue yet, in addition to lower profits achieved.

## RETURN ON INVESTMENT



# QATAR CINEMA AND FILM DISTRIBUTION



Value by Million QR

Source: financial statements report in MAR 2020

- 1**  12<sup>th</sup> February: cinema discloses its annual financial statements for the year 2019 and the agm to be held on 09/03/2020  
the statements show that the net profit is QR 6.38 million compared to net profit amounting to qr 8.45 million for the same period of the previous year.
- 2**  9<sup>th</sup> march: the “General Meeting” of Qatar cinema endorses items on its agenda and approves the distribution of 10% cash dividend.
- 3**  7<sup>th</sup> April: cinema disclose its 1st quarter financial statements on April 26, 2020.
- 4**  25<sup>th</sup> April: cinema discloses its financial statements for the three-month period ended March 31, 2020.  
company disclosed the interim financial statement for the three-month period ended March 31, 2020. the financial statements revealed a net profit of QR 1.46 million comparison to net profit QR 3.14 million for the same period of the previous year.

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