

ANNUAL INVESTORS INFORMATION GUIDE

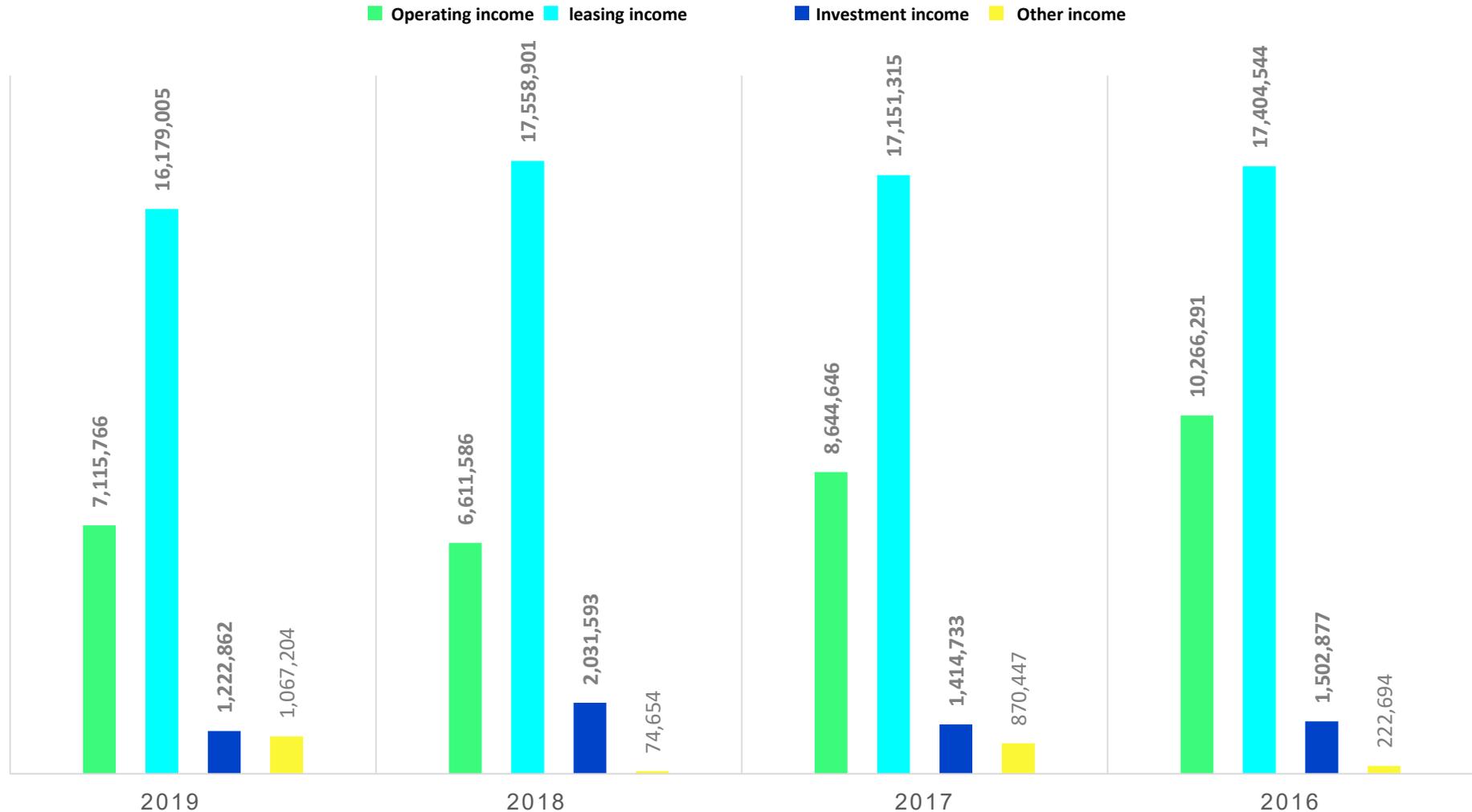
Company's financial statements presentation for the period
from 1 January 2019 to 30 December 2019



REVENUES AND PROFITABILITY

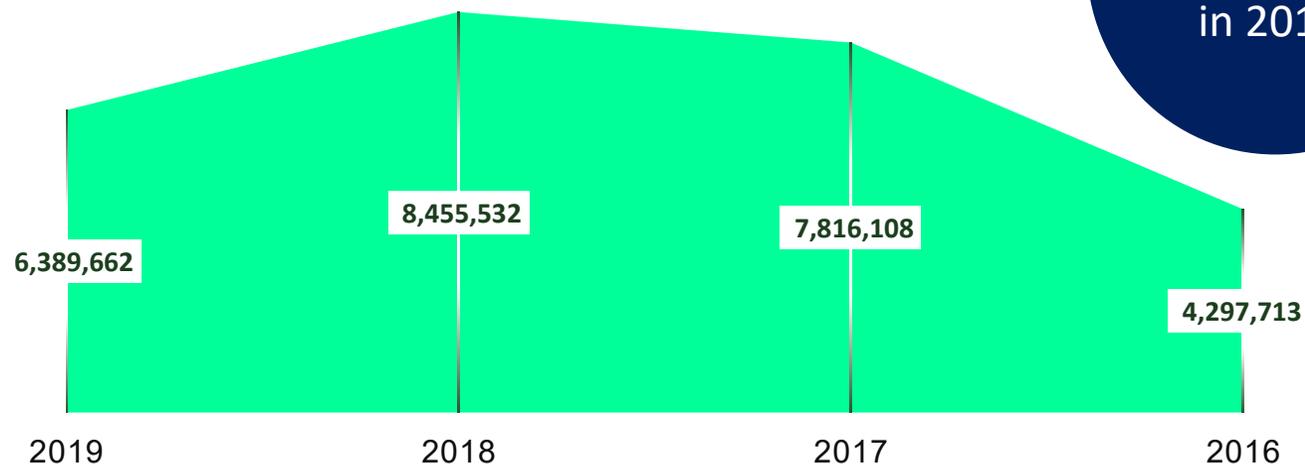
The company achieved total revenue amounted to **25.58** million QR during 2019, and it came from various sources to **avoid the risks** to avoid of relying on a single source income. Real estate leasing revenue represents **63%** of the total revenue, where it represents the largest share of the company income. In comparison, cinema operating revenue achieved **28%** of the total revenue, dividends revenue amounted to only 5% of the total revenue, and 4% approximately remains for the other kinds of income, 2019 total revenue decreased by 3% in comparison to 2018.

REVENUES



REVENUES AND PROFITABILITY

NET PROFIT

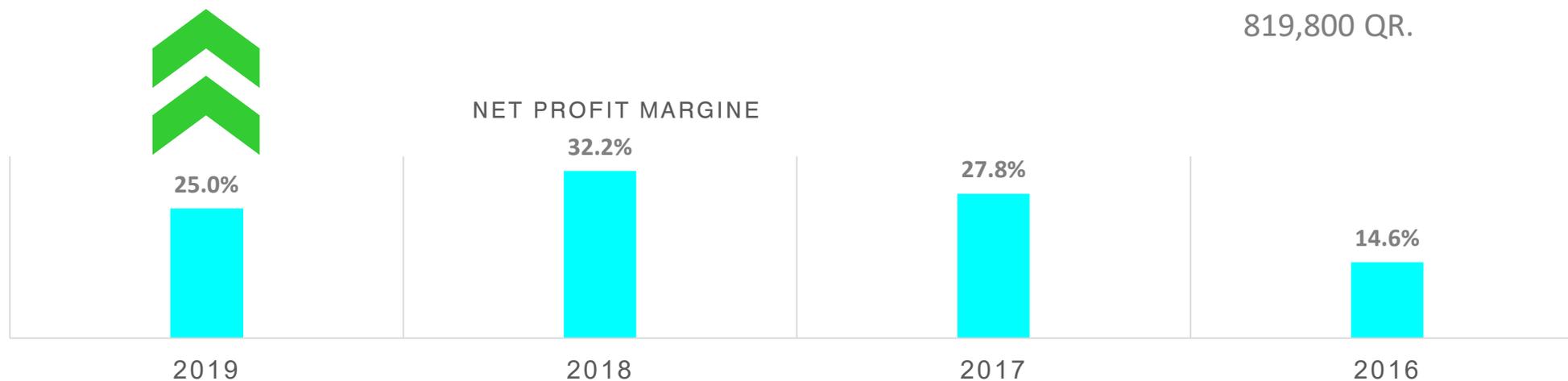


%24
Net Profit
in 2019

Net profit decreased in 2019 by 24% approximately compared to 2018, and the company achieved an about 6.38 million QR net profit with * roughly profit margin rate of 24%, due to the decrease in:

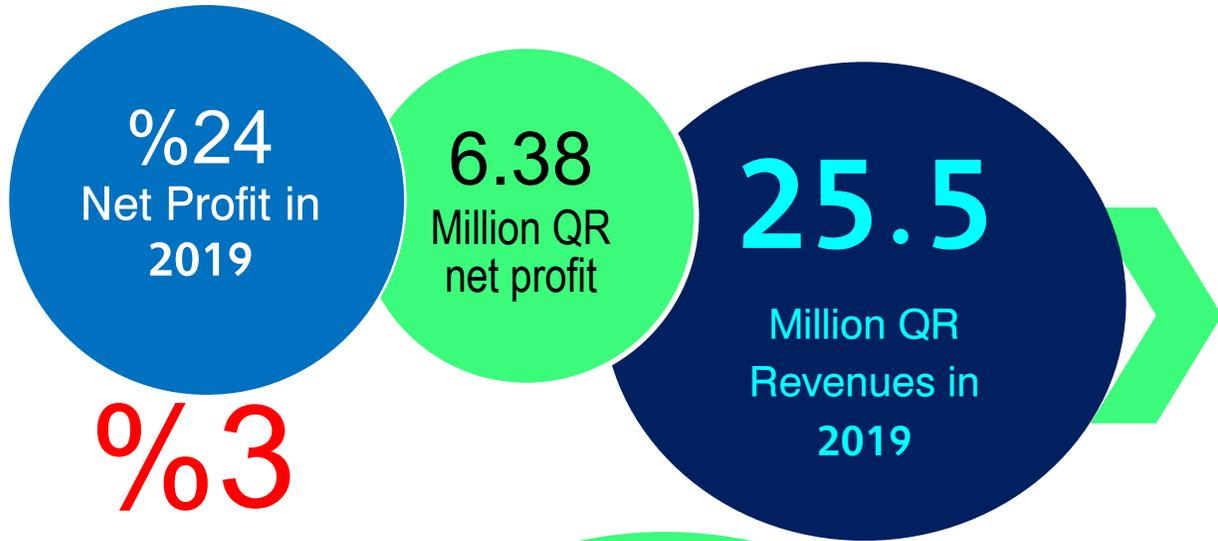
Applying a new international accounting standard for financial reporting, standard No. (16), which causes a profit deduction with 1,015,434 QR (the rental value of the Katara Cinema Project), in addition to a decrease in the dividend's revenue received from other companies by the amount of 819,800 QR.

NET PROFIT MARGINE



6.38
Million QR
Net profit

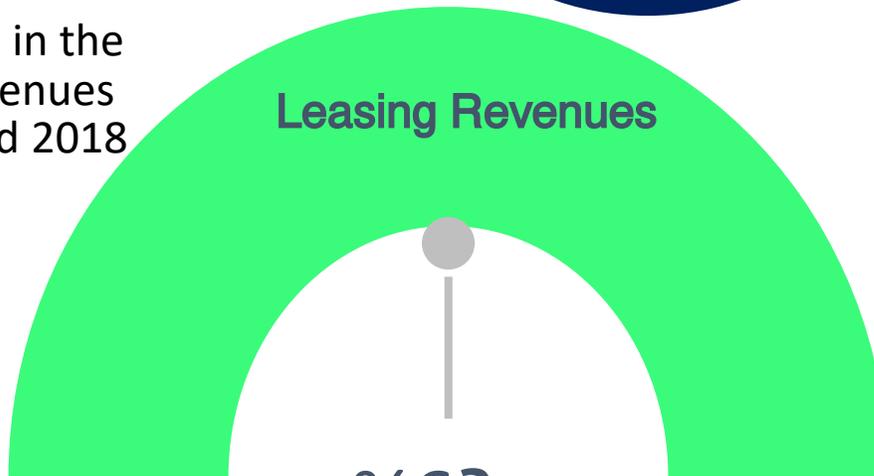
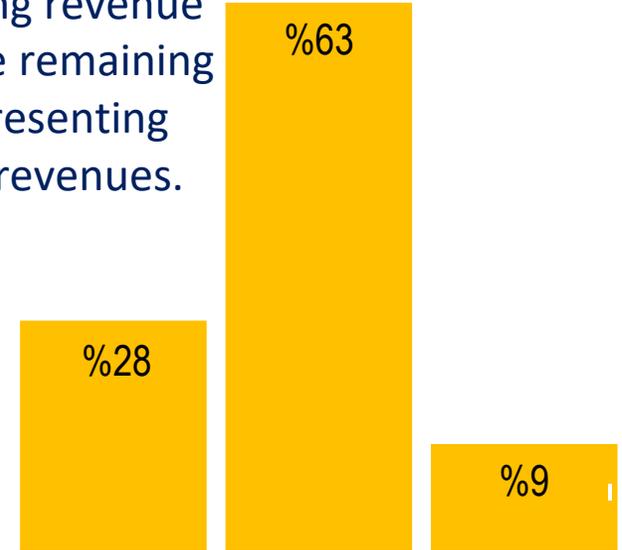
“REVENUES DIVERSIFICATION” ENHANCE THE SUSTAINABLE GROWTH



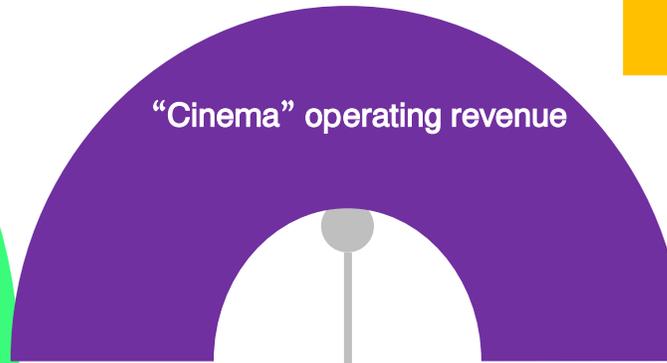
The real estate leasing revenue reached 63% of the total revenue. While cinema operating revenue achieved 28%, and the remaining percentage, 9% is representing Dividends from other revenues.

%3

decrease in the total revenues compared 2018



%63
Leasing revenues



%28
Cinematic operating revenue



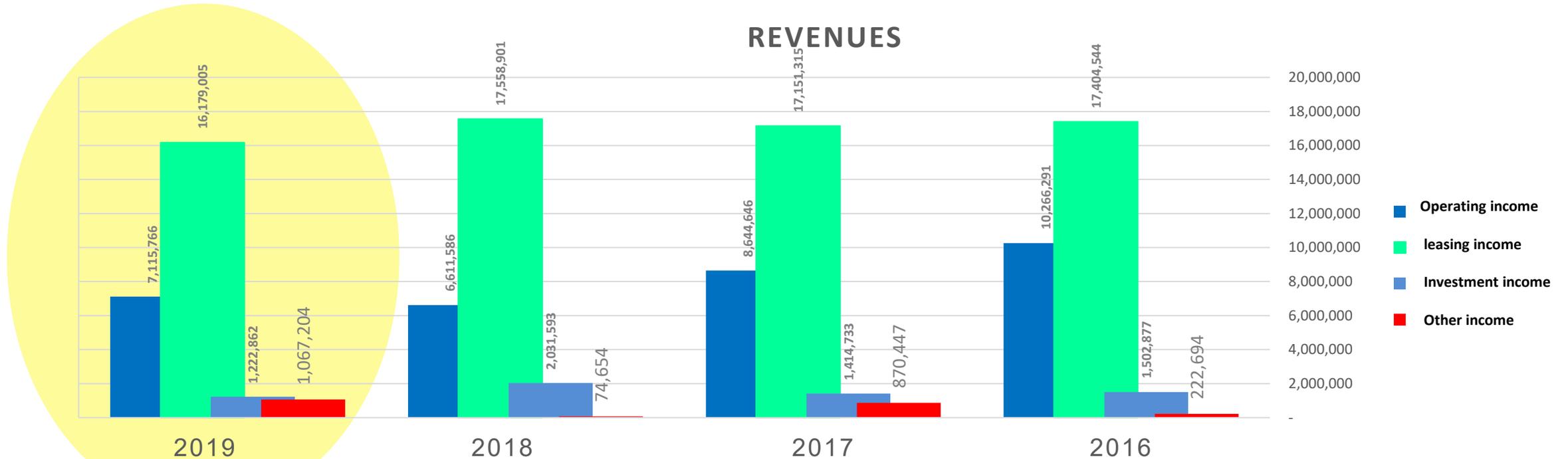
%9
Investment and other revenues

Revenues

Sustainability in real estate leasing income

%-2.63

A decrease in 2019 total revenues compared to 2018

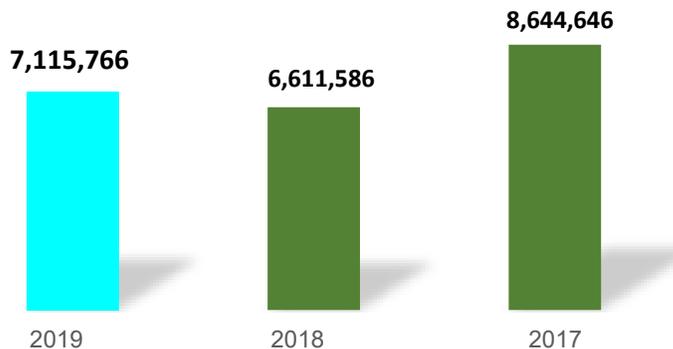


Despite the challenges faced the real estate sector in Qatar in 2019 but the company achieved a major revenues from real estate with a sustainable way to support the financial performance during 2019. the real estate leasing revenue decreased by only 8% during 2019 compared to 2018. On the other side, the cinema operating revenue increased by 7.6% in 2019 in comparison to 2018. and the real estate leasing revenue represents the biggest part of the revenue, which paid in advance, helping the company to make a good performance.

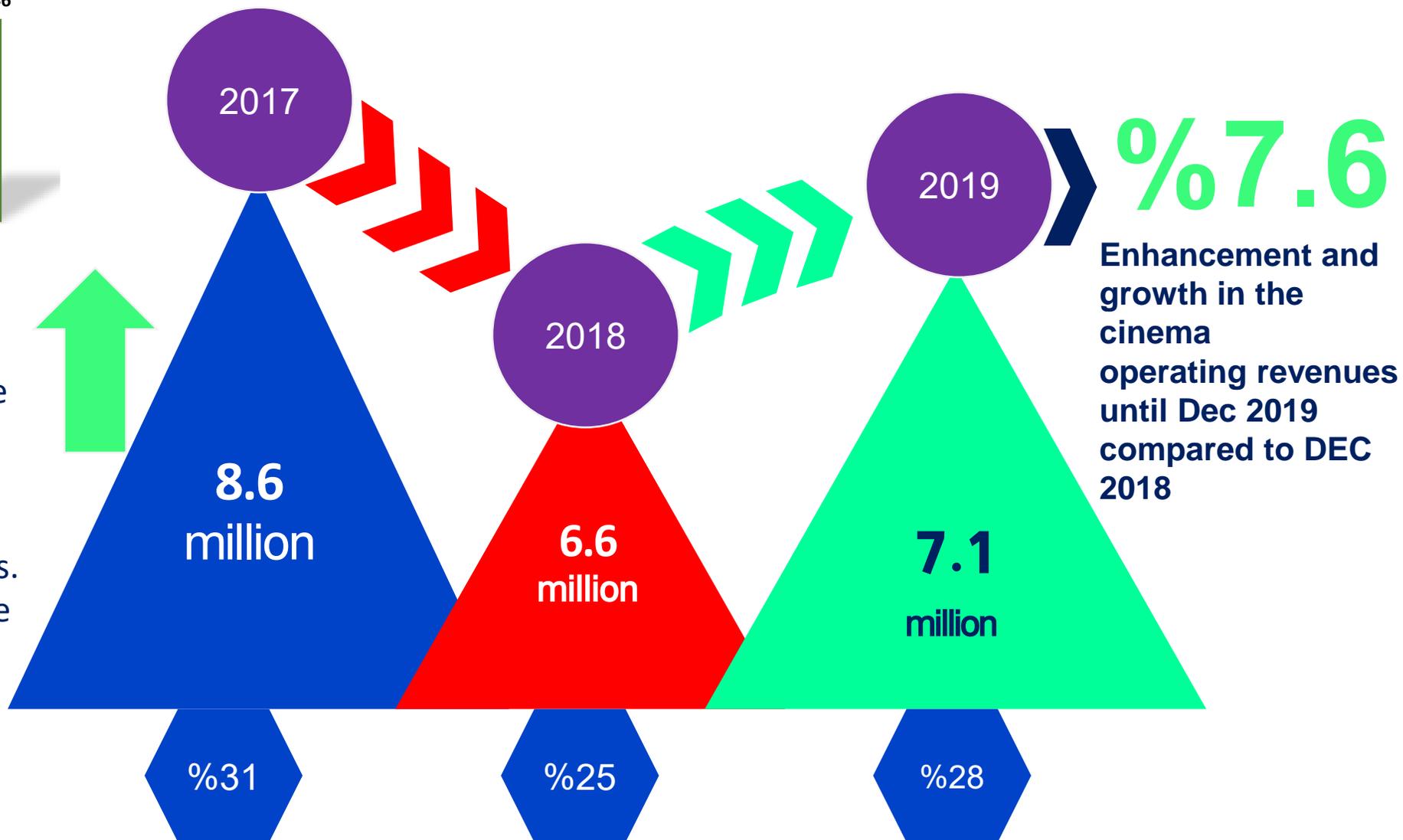
Value by Million QR

Source: financial statements report in DEC 2019

CINEMA OPERATING REVENUE



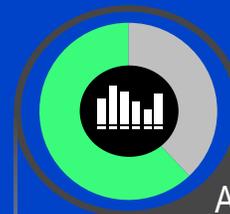
The company achieved good growth rates in the operating performance with an increase of **7.6%** in 2019 compared to 2018, Despite the challenges faced by the entertainment sector and strong competitors. And despite the growth of the cinema operating revenue in 2019, the operating cost decreased by 1% in 2019.



Value by Million QR

Source: financial statements report in DEC 2019

Comparing
2019
revenues with
the last two
years



%63

Real estate
leasing
revenue



%28

Cinematic
Operational
revenue



%9

Investment
and other
revenues



%67

Real estate
leasing
revenue



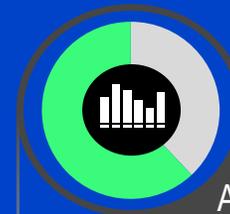
%25

Cinematic
Operational
revenue



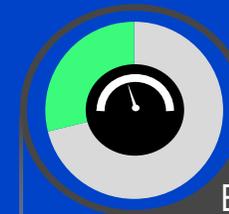
%9

Investment
and other
revenues



%61

Real estate
leasing
revenue



%31

Cinematic
Operational
revenue



%8

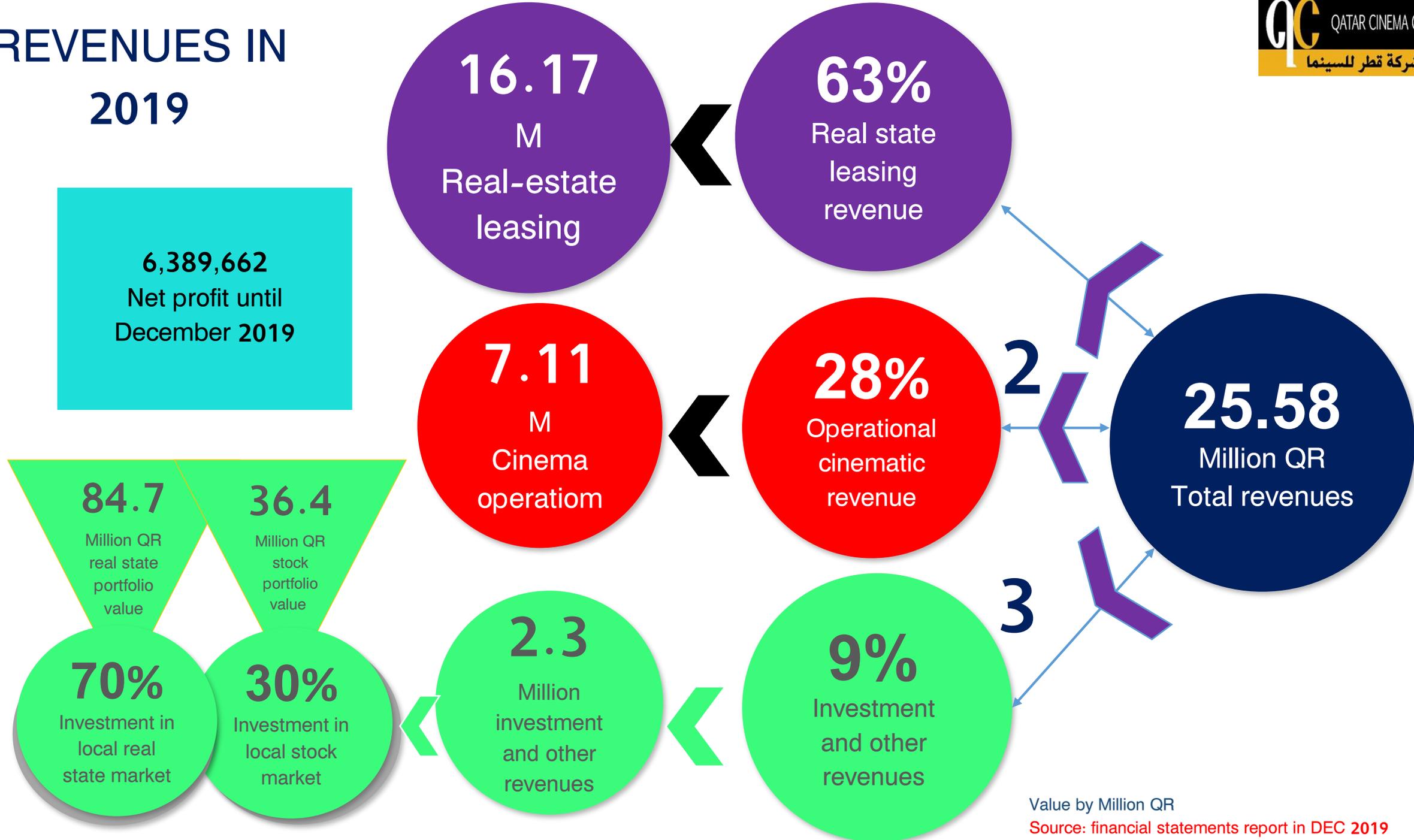
Investment
and other
revenues

%3

Decrease in the
total revenues
compared to
the last year

REVENUES IN 2019

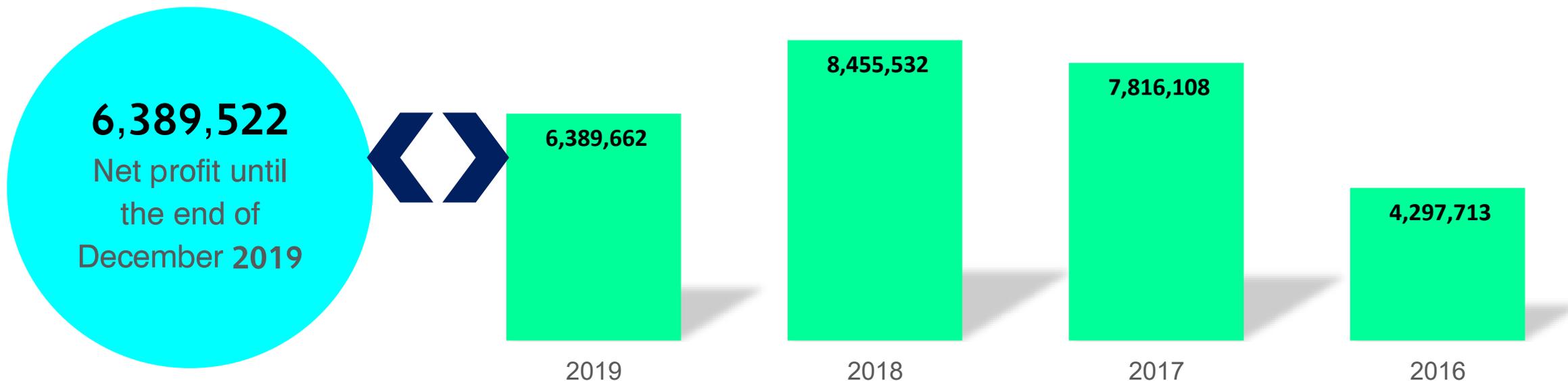
6,389,662
Net profit until
December 2019



Value by Million QR

Source: financial statements report in DEC 2019

NET PROFIT



Net profit decreased in 2019 approximately by 24% compared to 2018, achieved 6.38 million QR net profit with about 25% profit margin.

the net profit decrease is due to the following:



- Applying the new International Accounting Standard for Financial Reporting (IFRS 16), the standard defines the basic principles for the recognition, measurement, presentation, and disclosure of leases. The new standard refers to the recognition of all leases in the statement of financial position by the tenant. The distinction between operating leases and finance leases has eliminated under the new standard. The Company had applied the standard from the compulsory date on January 1, 2019. According to the new standard: an amount of QR (1,015,434) has been put under this standard and included in the interim in profit and loss statement. This amount of money is the value of the Katara lease in addition to the interest of the National Bank loan for the Musheireb project.
- A decrease in the distribution of dividends received from other companies by QR 819,800.

Value by Million QR

Source: financial statements report in DEC 2019

NET PROFIT

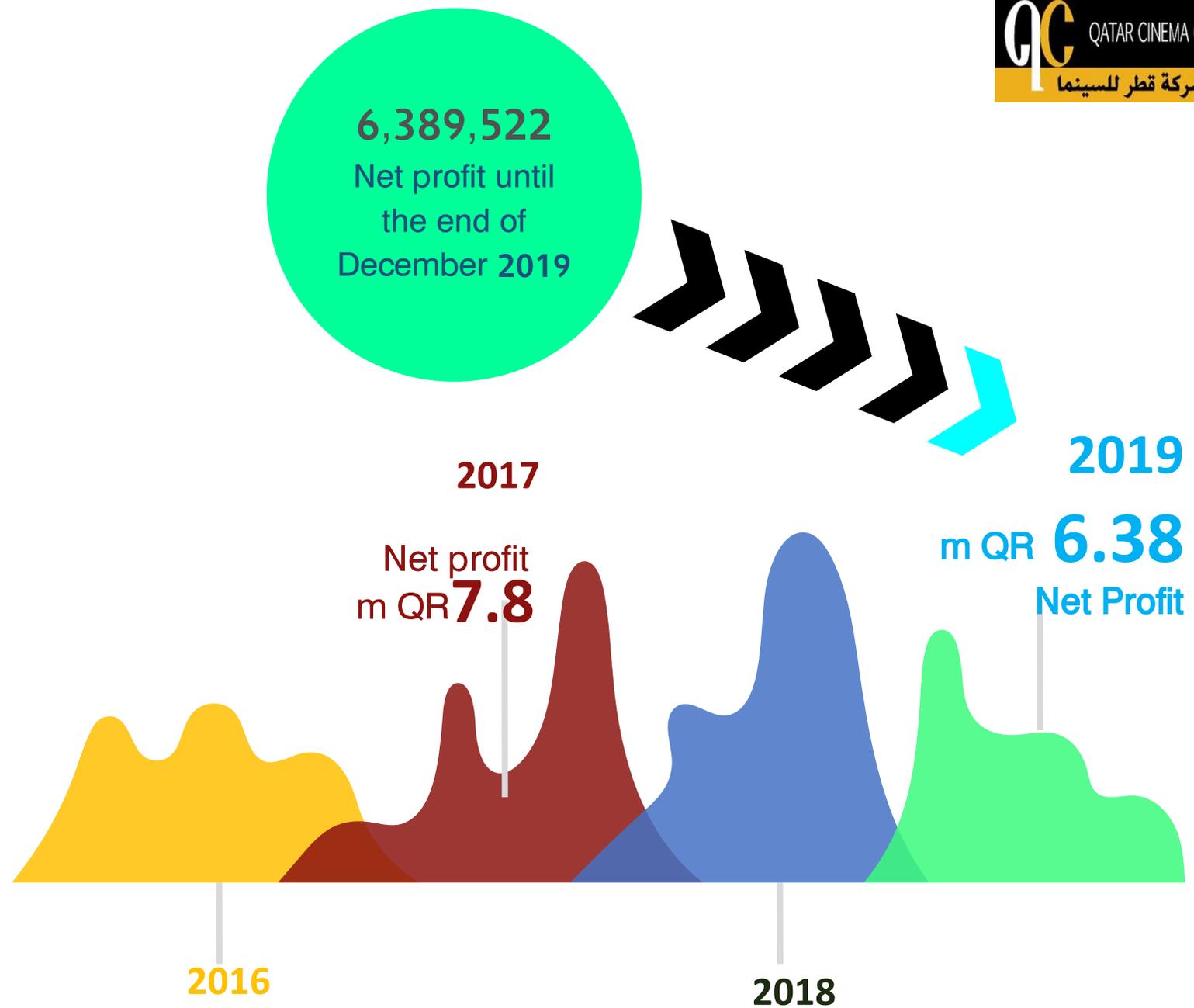
Net profit decreased in 2019 by 24% approximately compared to 2018, achieved 6.38 million QR net profit with about 25% profit margin.

the net profit decrease is due to the following:

- Applying the new International Accounting Standard for Financial Reporting (IFRS 16), the standard defines the basic principles for the recognition, measurement, presentation, and disclosure of leases. The new standard refers to the recognition of all leases in the statement of financial position by the tenant. The distinction between operating leases and finance leases has eliminated under the new standard. The Company had applied the standard from the compulsory date on January 1, 2019. According to the new standard: an amount of QR (1.015,434) has been put under this standard and included in the interim in profit and loss statement. This amount of money is the value of the Katara lease in addition to the interest of the National Bank loan for the Musheireb project.
- A decrease in the distribution of dividends received from other companies by QR 819,800.

4.2 million QR Net profit

7.8 m QR Net profit



6,389,522
Net profit until
the end of
December 2019

2019

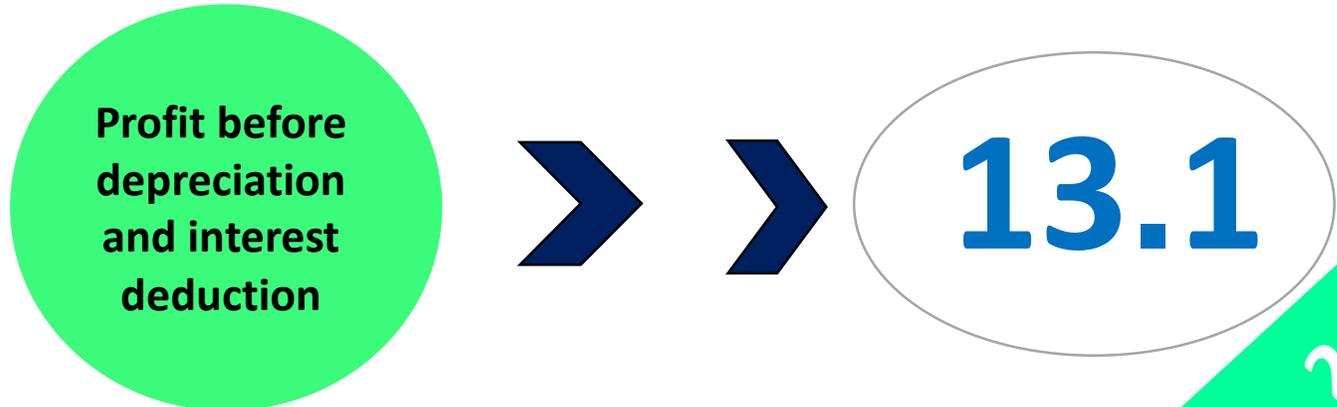
Net profit
m QR 7.8

m QR 6.38
Net Profit

2016

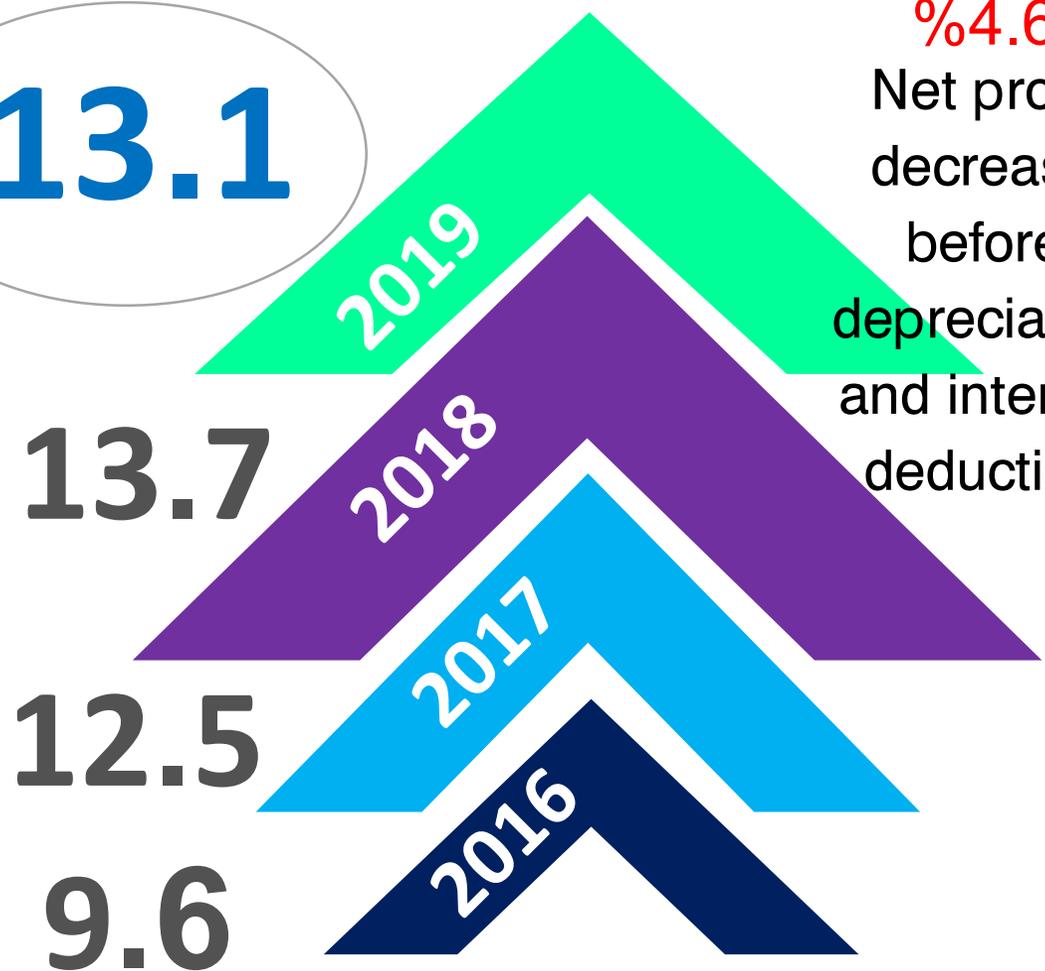
2018

PROFITABILITY BEFORE DEPRECIATION AND INTEREST

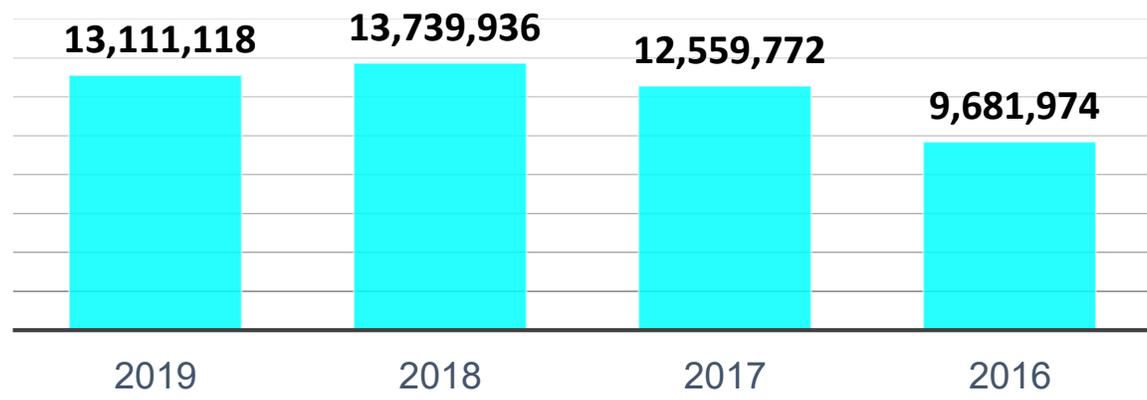


%4.6
Net profit decrease before depreciation and interest deduction

Net profit decreased before depreciation and interest deduction during 2019 by 4.6% approximately compared to the same period in 2018 achieving Net profit before depreciation and interest deduction valued 13.1 million QR with 51% profit margin before depreciation and interest deduction, due to the decrease of real estate leasing and dividends revenues.



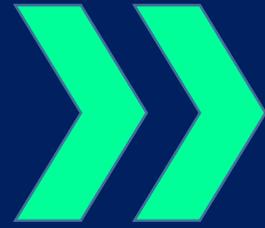
Net profit before depreciation and interest deduction



Value by Million QR
Source: financial statements report in DEC 2019

PROFITABILITY BEFORE DEPRECIATION AND INTEREST

Profit before
depreciation
and interest
deduction



13.1



Net profit decreased before depreciation and interest deduction during 2019 by 4.6% approximately compared to the same period in 2018 achieving Net profit before depreciation and interest deduction valued 13.1 million QR with 51% profit margin before depreciation and interest deduction, due to the decrease of real estate leasing and dividends revenues.

13.1 2019

13.7 2018

12.5 2017

9.6 2016

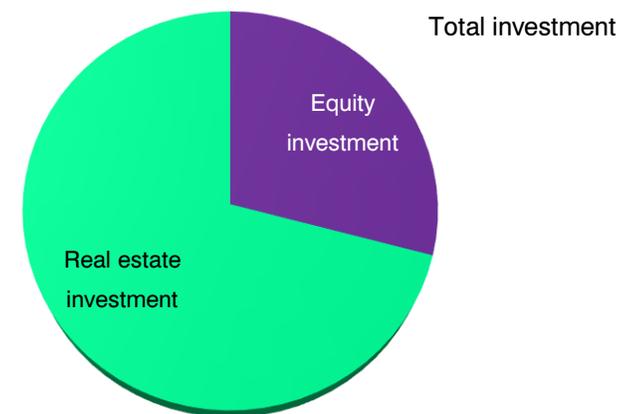
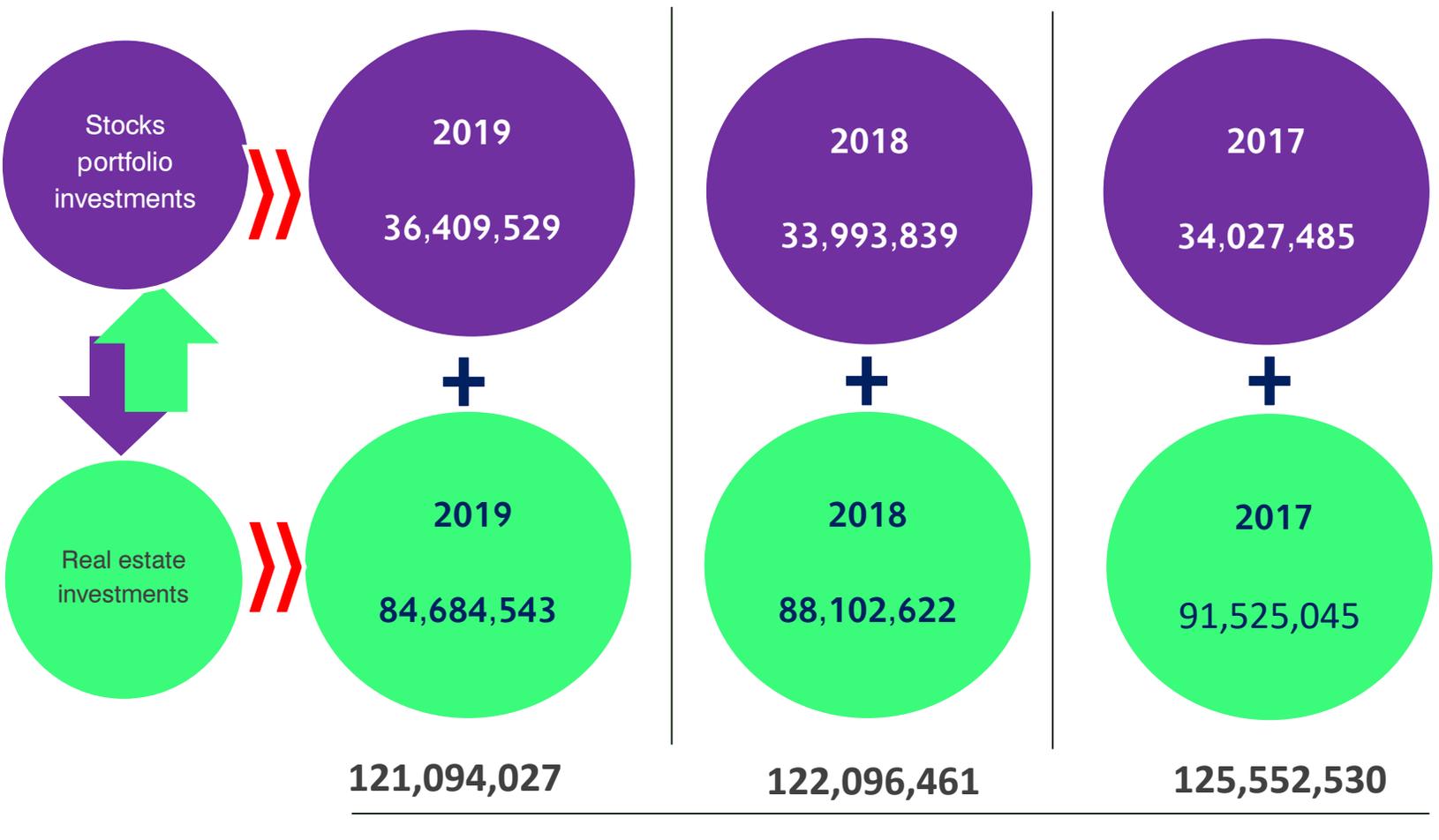
Net profit before depreciation and interest deduction



Value by Million QR

Source: financial statements report in DEC 2019

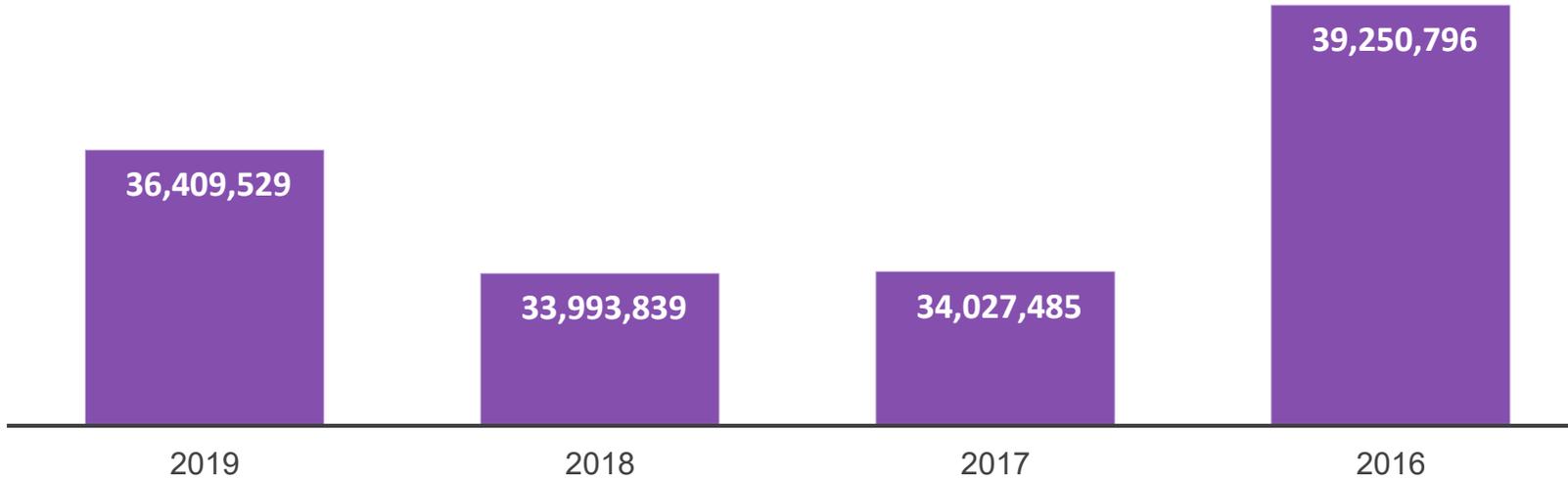
INVESTMENT AND INCOME DIVERSIFICATION



The total Investments amount to approximately 121 million QR, distributed between 30% for available for sale equity investments and 70% for real estate investments, and available for sale equity investments grew 1.2% in 2019.

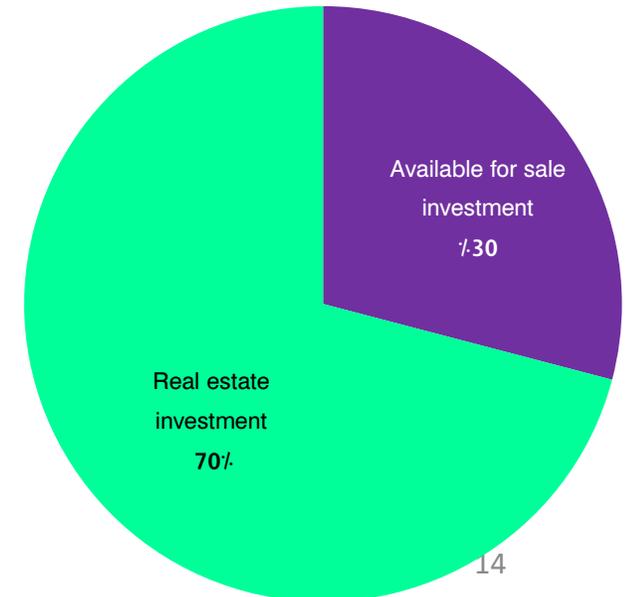
INVESTMENTS DIVERSIFICATION

Equity available for sale with fair value

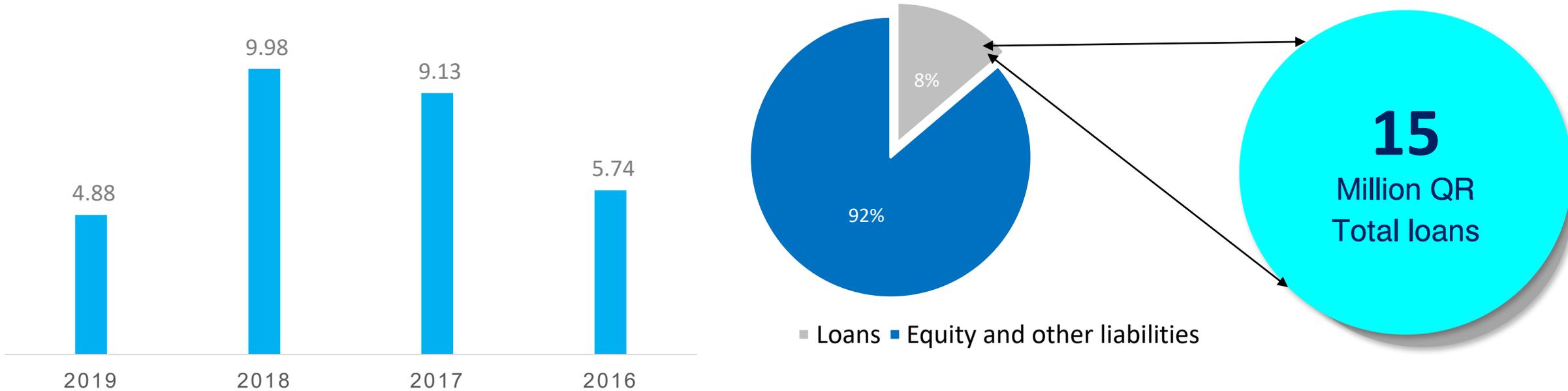


- Investment activities and other revenues contributed by 9% of the total revenues.
- The stock market investments constitute 30% of the total investments. The company's stock market investment worth approximately 36.4 million QR in December 2019.
- The net value of the company's investments in the real estate sector constituted the largest share from its investments, which represents 71% of the total investments. The company's real estate investments worth 85.54 million QR.

Investments diversification



FUNDING STRUCTURE AND INTEREST EXPENSES

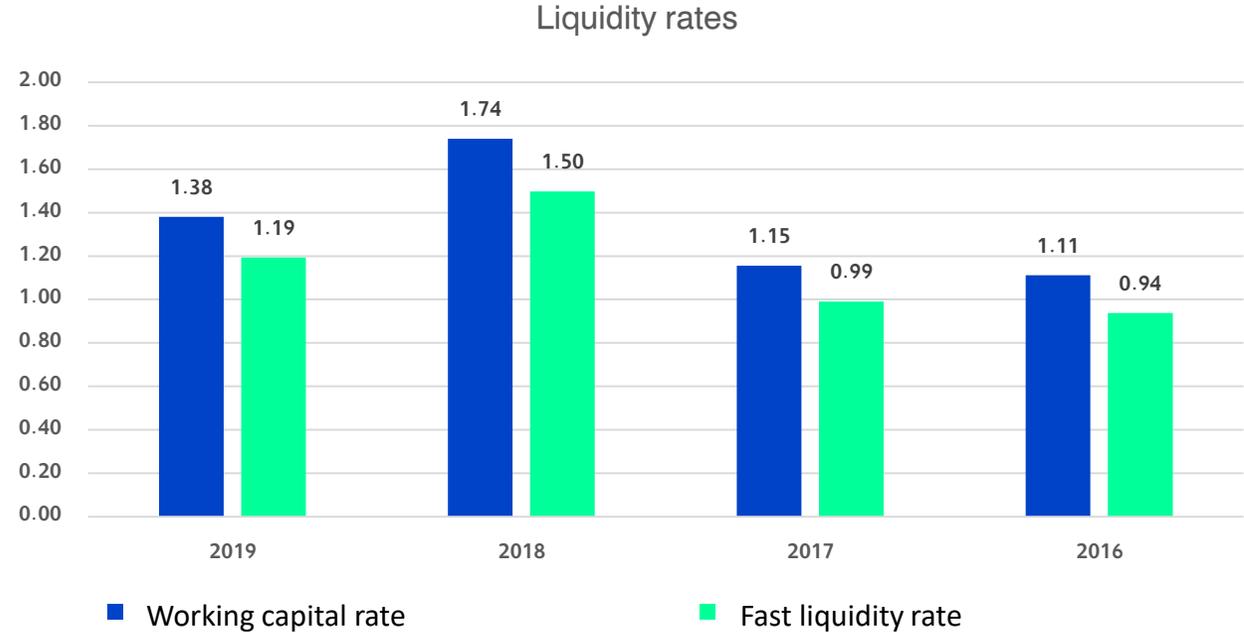


- The Company has limited reliance on loans to finance its assets.
- The company finances only 8% of its assets through loans and 91% through equity and other liabilities.
- The value of loans in December 2019 amounted to 15 million QR.

LIQUIDITY AND CASH

The Working Capital rate **1.38**

The quick liquidity Rate **1.19**



The Working Capital rate (Current Assets/Current Liabilities) stood at 1.38 in December 2019, which means that the Company can pay its short-term liability 1.38 times through its current assets. The quick liquidity Rate (cash/current liabilities) stood at 1.19 times for the same period, which means that the company can repay its short-term liabilities through cash 1.19 times approximately in December 2019.

Clarification :

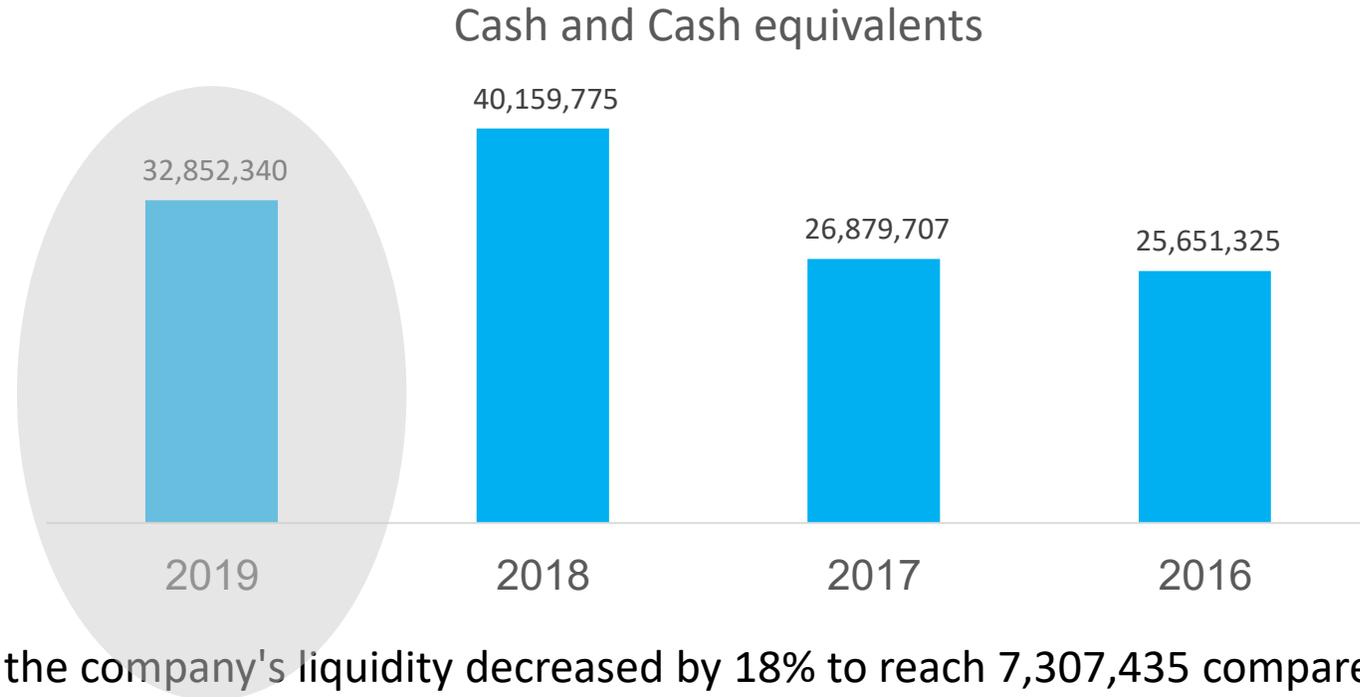
The Working Capital rate :Company ability to pay its short-term liability through its current assets.

The quick liquidity Rate :Company ability to pay its short-term liability through its cash.

CASH AND BANK ACCOUNTS

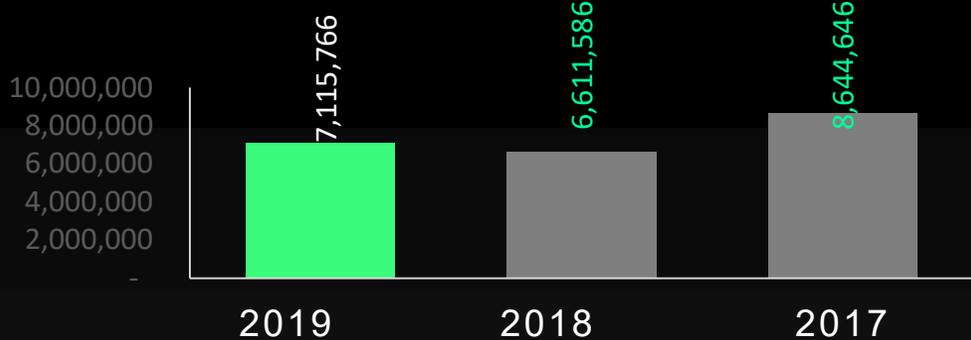
%18-

Decreasing in liquidity
by the end of
December 2019



At the end of December 2019, the company's liquidity decreased by 18% to reach 7,307,435 compared to the same period in 2018. The cash balance at the end of December 2019 amounted to QR 32,852,340 million. The liquid cash decreased due to the use of money for long-term investments, which used in its cinema's improvements 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, whereas there exists a significant growth in the volume of work in progress.

GROWTH IN PROPERTIES AND WORK IN PROGRESS (CINEMA)



%198 **13.5**

December 2019



December 2018



December 2017

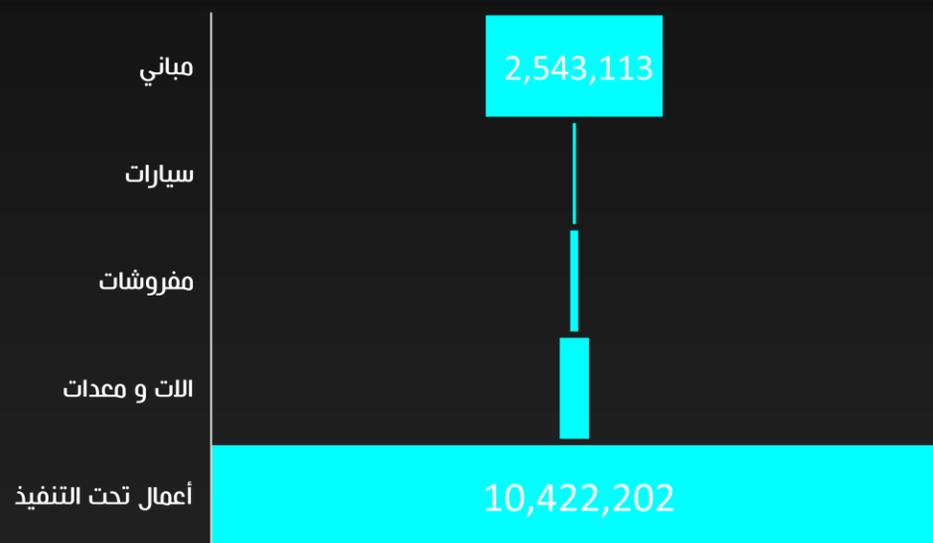


December 2016

4.5

4.6

5.1



The company aims to expand its cinematic operating activity by developing its cinemas on international standards in the amount of 9,834,831 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.

ASSETS IN DECEMBER 2019

Increase in assets in comparison with 2018.

%4.5

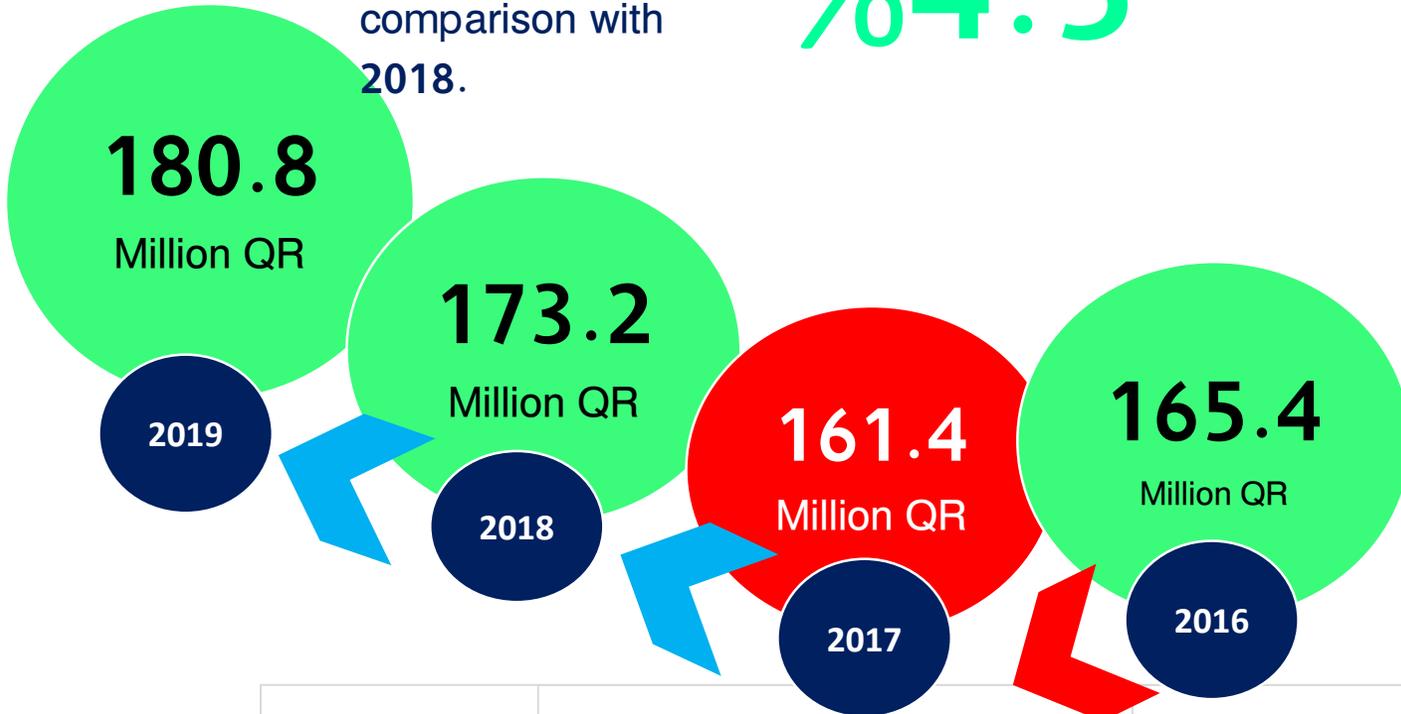
181 million QR is approximately the value of the company's assets by the end of December 2019 .with 4.5% Assets increase as a result of an increase in fixed assets by 16.23 million QR approximately.

181



7.6 Million QR increase in the assets by the of December 2019 compared to the same period in 2018,4.5% increase.

7.6

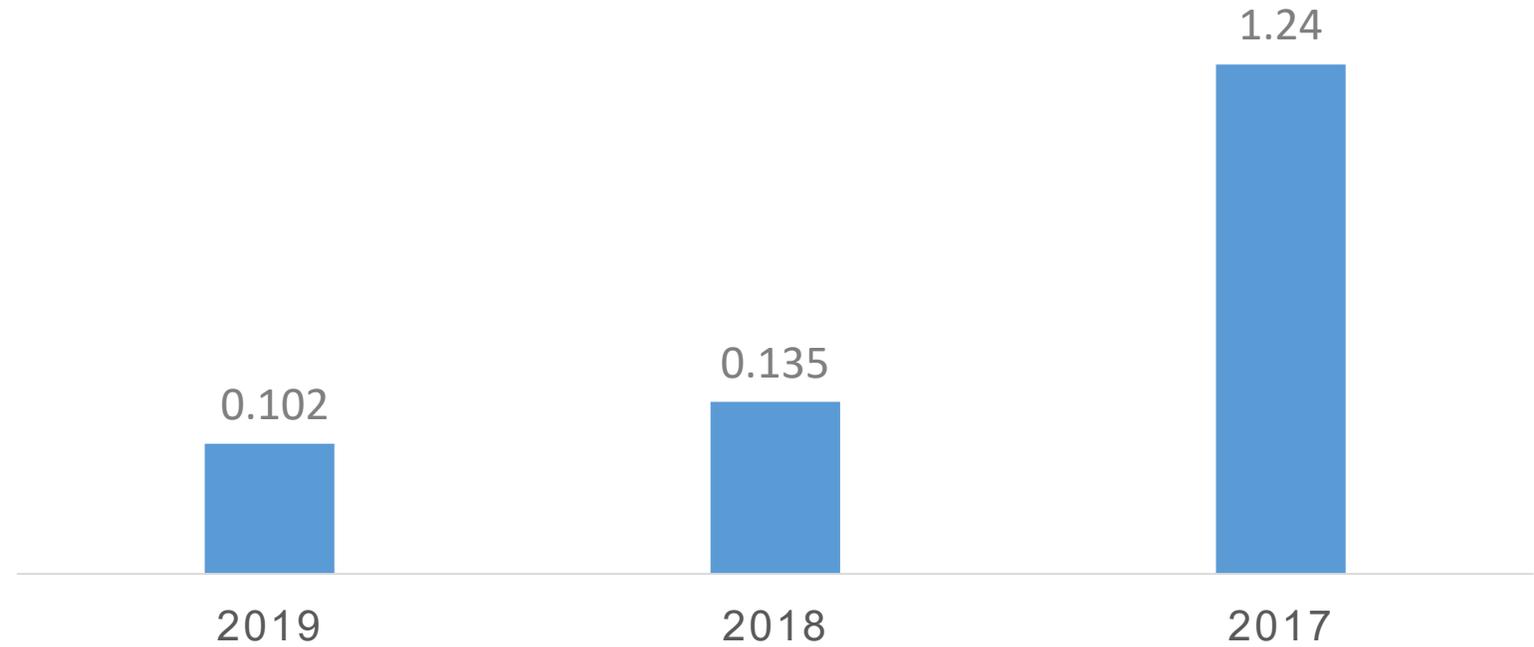


Value by Million QR

Source: financial statements report in DEC 2019

EARNING PER SHARE

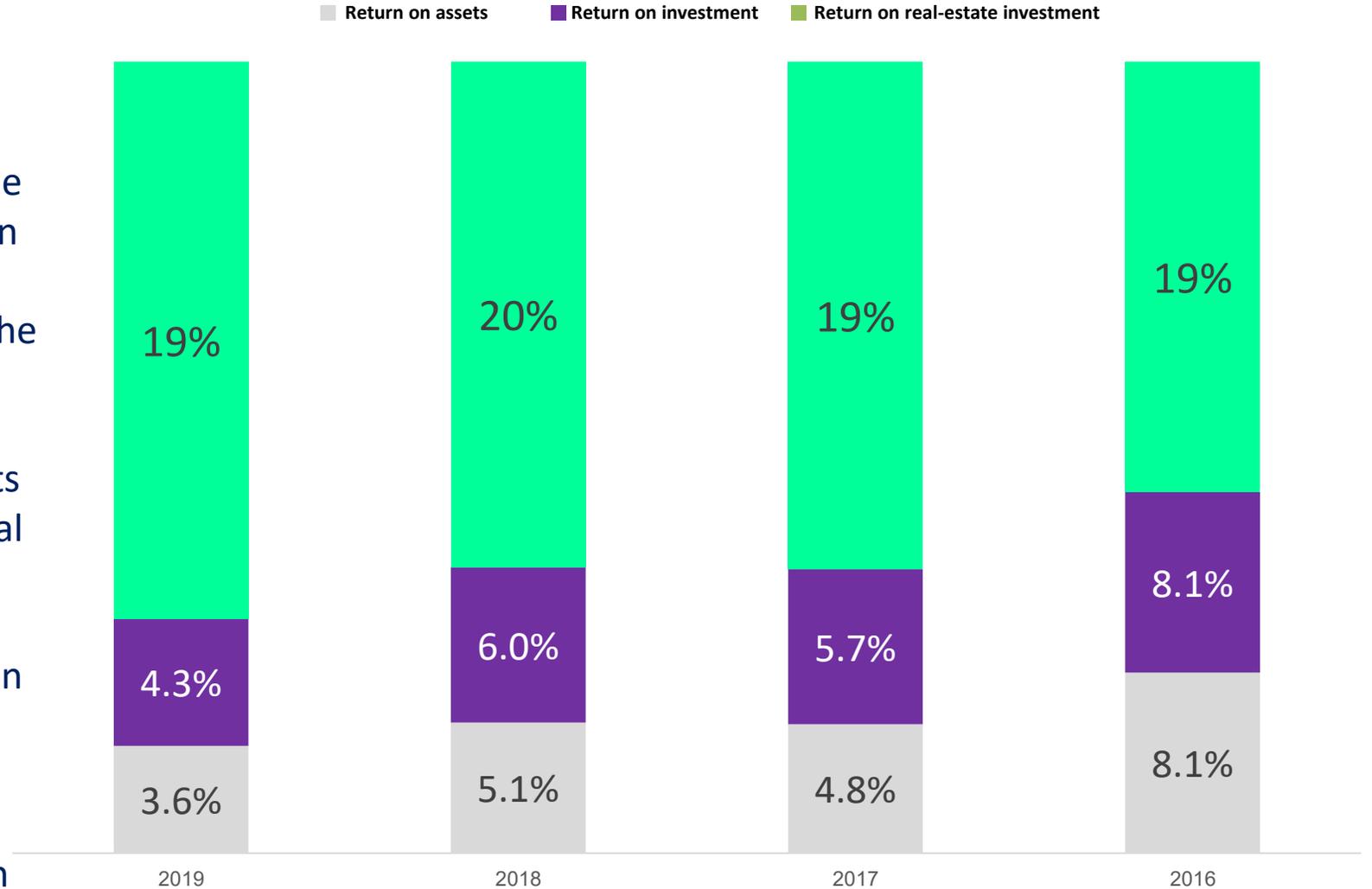
Capital
62,807,950 QR



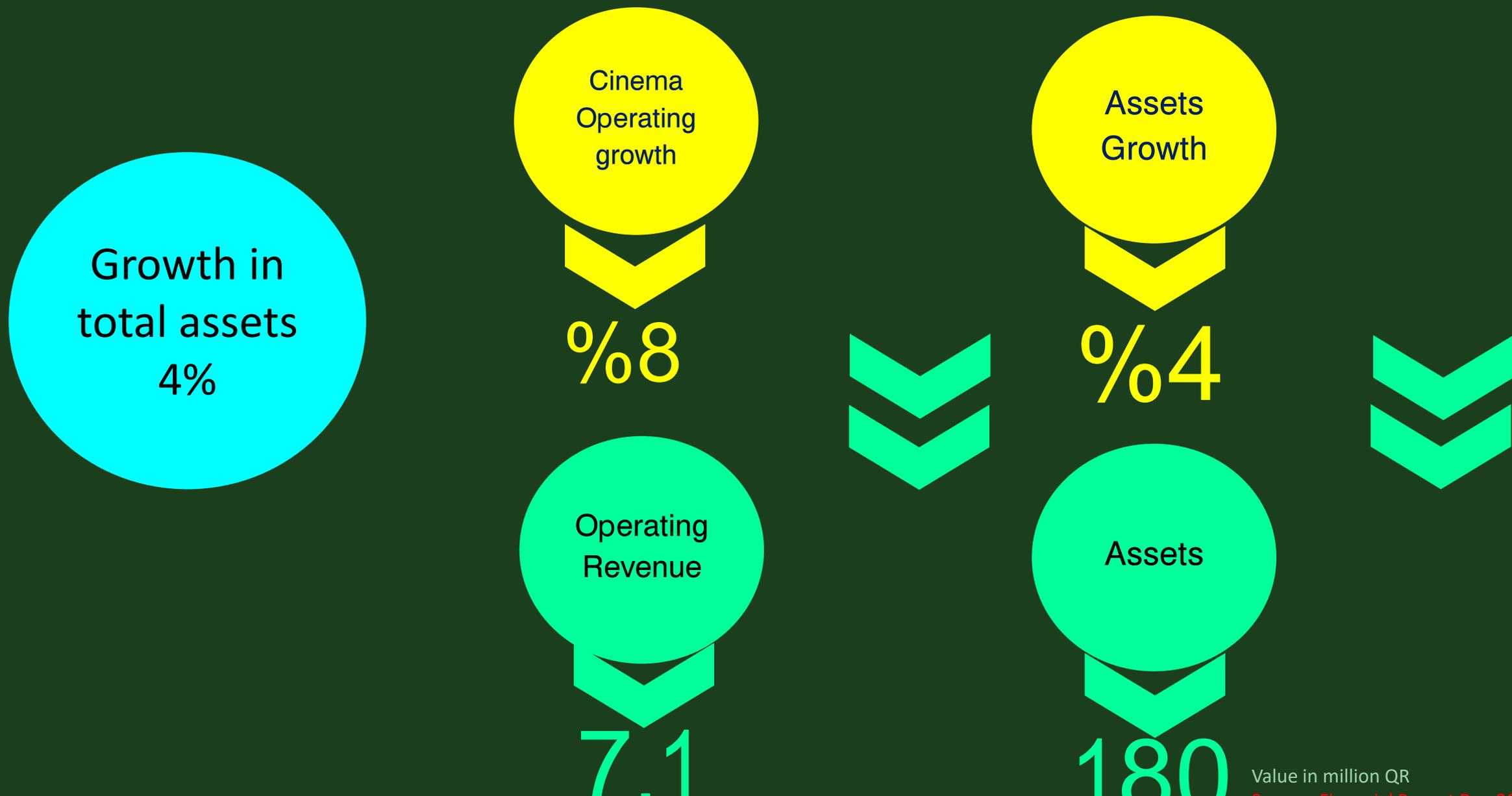
Till the end of December 2019, Earning per share reached 0.102 QR while earning per share reached 0.135 QR for the same period in 2018, recorded a decrease by 18%.

RETURN ON INVESTMENT

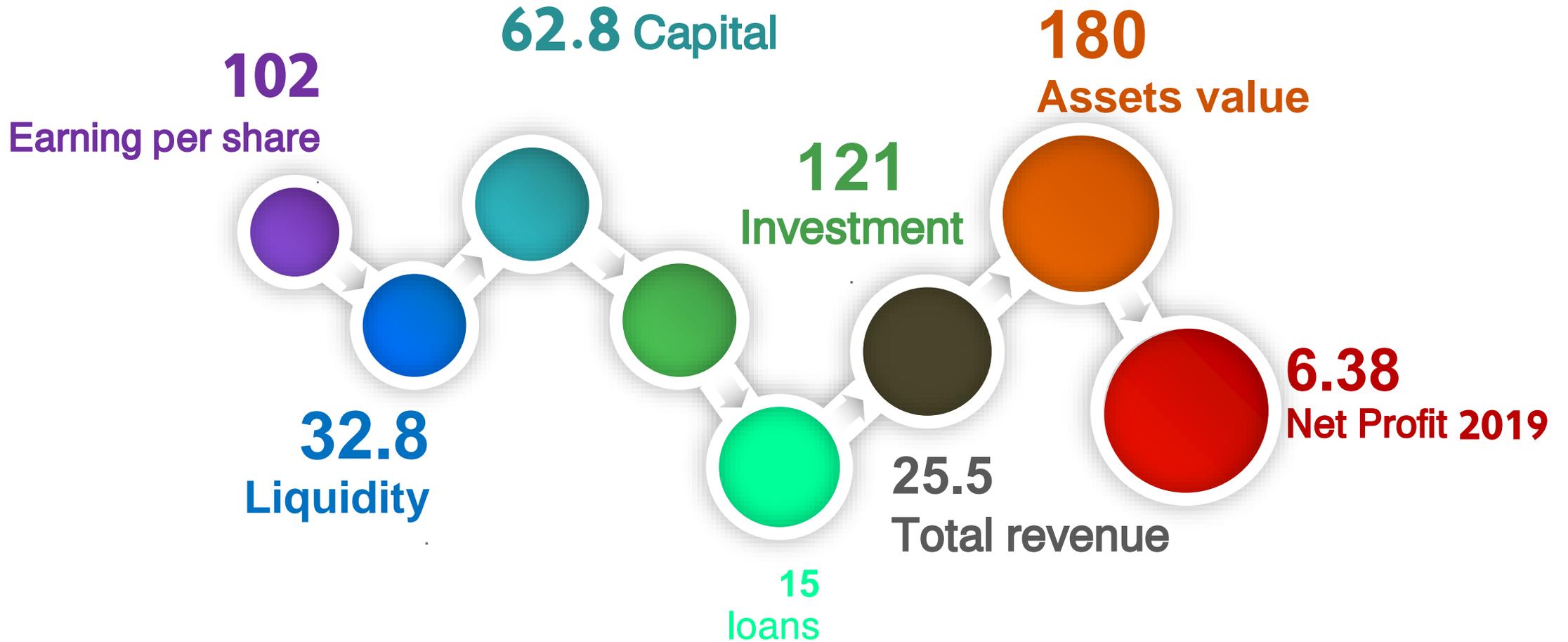
- Return on Real estate investment represented almost 19% during 2019. Real estate investment is the most income-generating activity in the company.
- The return on the investment in the company represents 4.3% of the total invested amount of money. The total return on the total assets of the company is 3.6% of the total assets.
- The return on investment and return on assets rates decreased in 2019 as a result of the increase in the amounts invested in business under progress like cinemas improvements that have not been completed yet.



SUSTAINABLE GROWTH



QATAR CINEMA AND FILM DISTRIBUTION



Value in million QR

Source: Financial Report Dec 2019

1  4th April :EGM approved the amendment of article No: (5) of the memorandum of association of the company, by dividing the share value, to become the nominal share value just (one) QR, instead of (ten) QR. And approved to add a new article to the memorandum of association, by increasing the maximum cap of the non-Qatari possession of the company shares, to be (49%). In addition to approved the amendment of article No: (9) of the memorandum of association of the company, by increasing the shareholder possession of the company shares, to be (10%) instead of (5%).

2  20th June: Qatar Stock Exchange announced that the split of shares for Qatar Cinema & Film Distribution (QCFS) has been executed, effective in Sunday , 23 June 2019.
New Number of Shares: 62,807,950 Adjusted Closing Price: 1.98

3  4th August : Qatar Cinema and Film Distribution Company received a letter from the Ministry of Municipality and Environment, to meet with them and discuss the proposals submitted by the Department, and the Ministry of Communications and transportation regarding full ownership of the plot or partial ownership of some parts of the land plot owned by the company. The land plot is located in Al-Najma area, next to the cinema signals, for the favor of the metro project (Al-Hilal station) for the Qatar Rail Company (Rail). These proposals are still under consideration by the Board of Directors.

Most important news and events

4  7th October: Qatar Central Securities Depository (QCSD) announced that foreign ownership in Qatar Cinema and Film Distribution Company has been changed to 49% of the capital, changing the number of available shares for foreigners to 30.78 million shares.

5  21th October: Qatar Central Securities Depository (QCSD) announced that an individual's ownership in Qatar Cinema and Film Distribution Company has been changed to 10% of the capital, changing the number of available shares for individuals to 6.28 million shares.

6  23th October :Qatar Cinema & Film Distribution Company announced that Investors Relation Conference Call will be held on Sunday 03.11.2019 at 1:00 pm to discuss financial results for 3rd quarter for 2019.

Doha- Qatar

Cinema Signal,

P.O Box: 1970 Doha, Qatar

Office: +974 4471620

Fax: +974 44671511

