

INVESTOR INFORMATION GUIDE 2021

Presentation Of The Financial Statements
For The Period From 1/January/2021 To 30/September/2021



QATAR CINEMA AND FILM DISTRIBUTION CO.

The company owns a distinguished real estate portfolio, a group of properties fully leased to Qatar Airways, and other properties that are also fully leased.

The company owns a securities portfolio on the Qatar Stock Exchange market, which is a diversified and liquid-able portfolio. The company has the financial ability to seize quick opportunities in case it needs any investment liquidity.

The main activity of the company is the operation and management of cinemas, and the company has a distinguished number of Cinemas in lively and crowded commercial complexes, in addition to a new cinema theater that will be in the cultural district of Katara

The company relies on the revenue generation process from several sources to ensure continuity and sustainability in its operations. As a result of the spread of the Covid-19 pandemic crisis, the strategy followed by the company has proven its great success in facing the changes that may suddenly occur in the world.

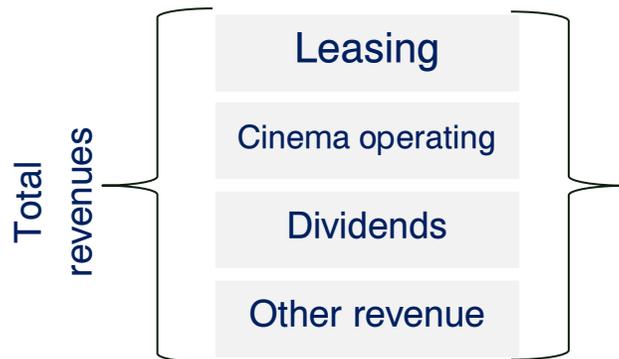
The company relies on 4 sources to generate revenues:

- ✓ The main activity specialized in operating and managing cinemas.
- ✓ In the real estate activity, the company owns a combination of distinguishing real estate assets which fully leased for credible companies and institutions.
- ✓ The stock portfolio in the stock market, which is capable of immediate liquidation.
- ✓ Other revenues result from the further profit distribution.

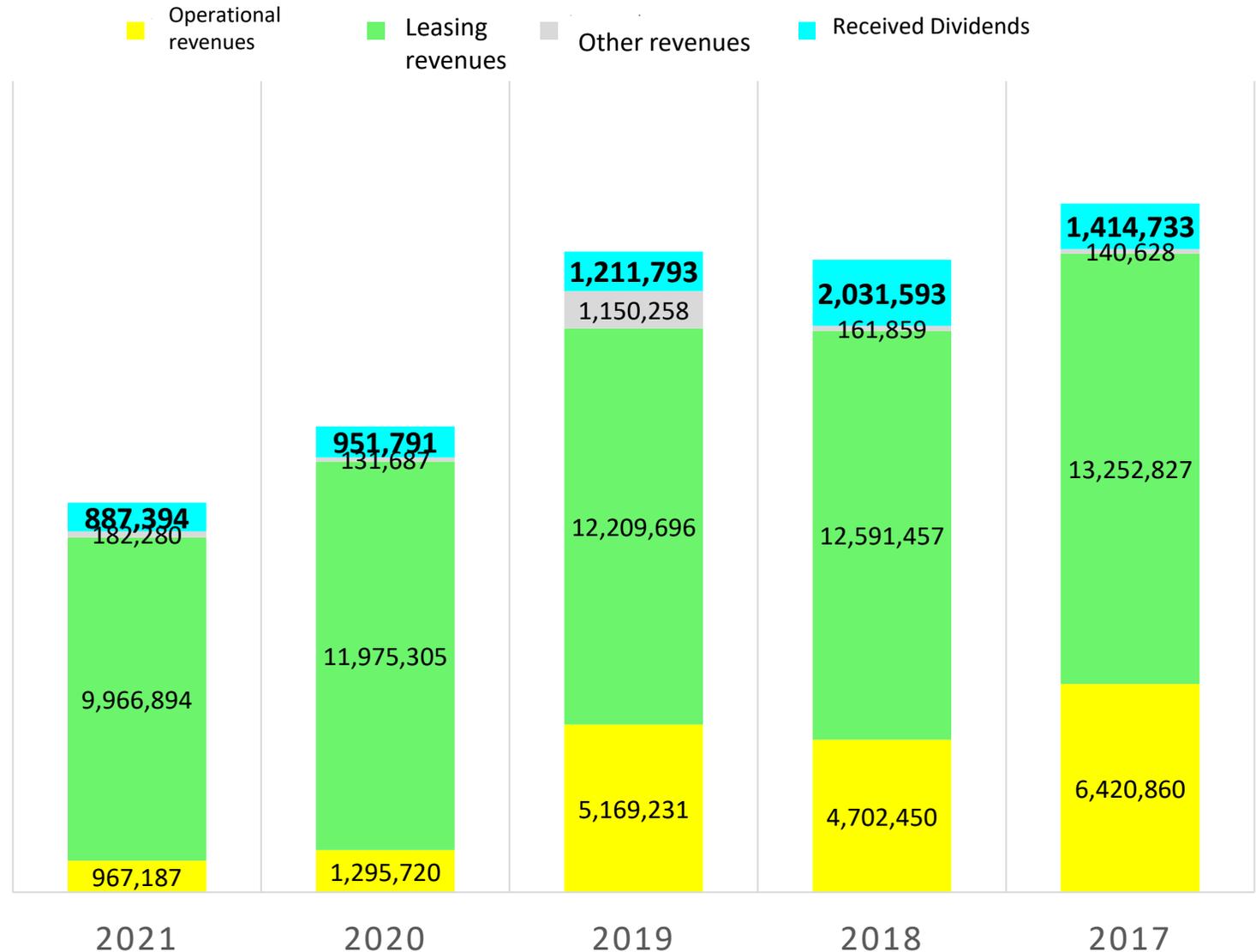
REVENUES AND PROFITABILITY

The company's total revenues reached **12 million QR** in **2021**. The company's revenues were generated from various sources to avoid the risks of relying on a single income source.

Leasing revenue represents **83%** of the total revenues, which means the largest share of the company income. Then Dividend's revenue came in second place with **8.9%** of total revenues; then, Cinema's operating revenue came in third place with only **8.1%**. The periodic revenues decreased **16.4%** compared to Q3 2020.



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



REVENUES AND PROFITABILITY

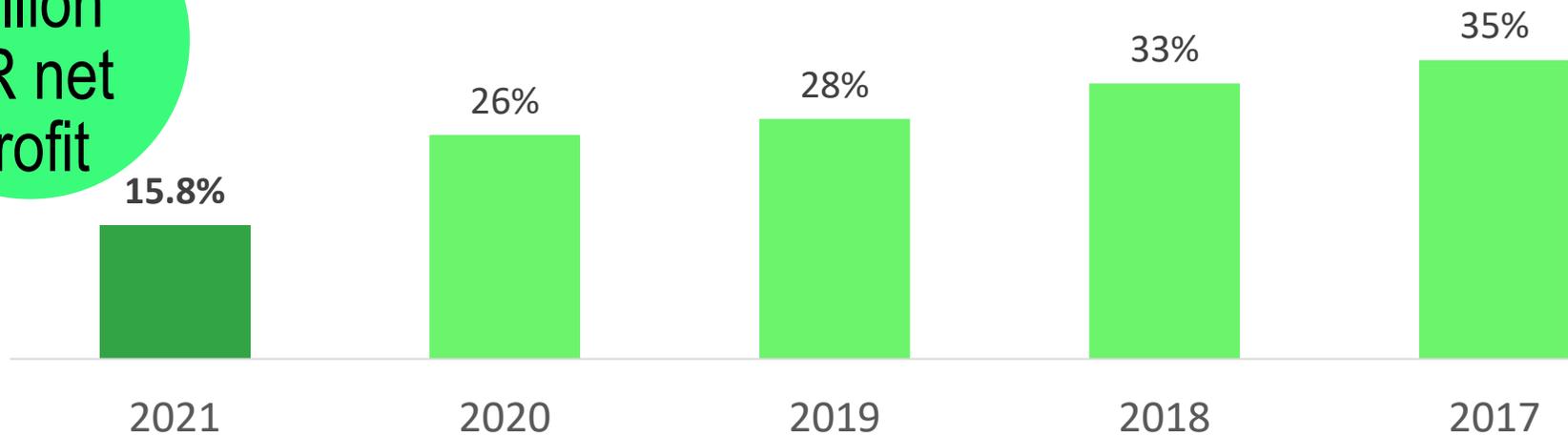
NET PROFIT



15.8%
Achieved
Net profit
margin in
Q1-Q3
2021

Profit margin (%)

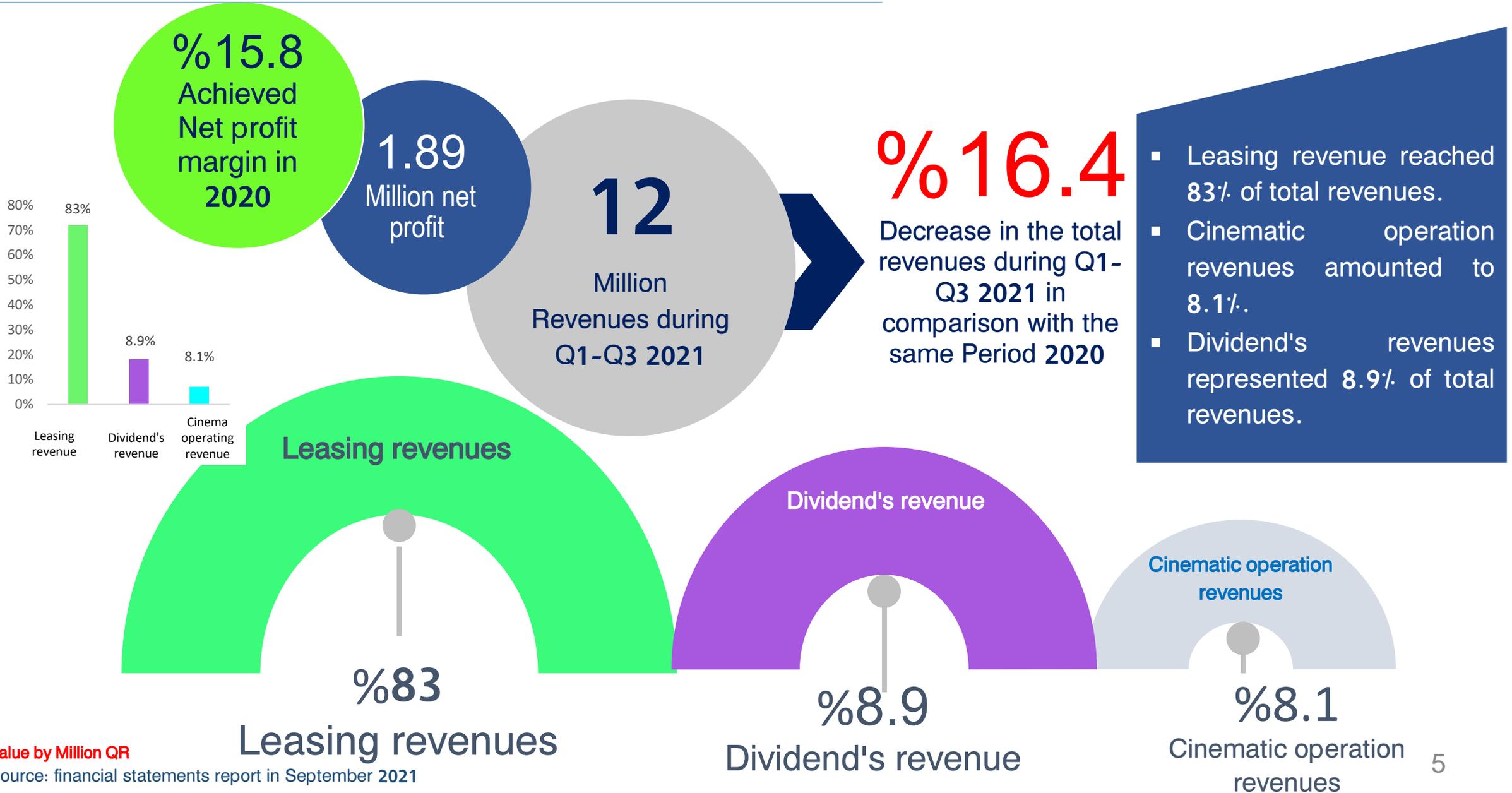
1.89
Million
QR net
Profit



Net profit decreased between 1st January and 30th September 2021 by 50% approximately compared to the same period in 2020. The company achieved about 1.89 million QR net profit with a roughly profit margin rate of 15.8% the Net Profit decrease is due to the decision of the Supreme Committee for Crisis Management which decided to open cinemas and theaters with a capacity of only 20% from 1st September 2020, with the implementation of the precautionary measures, in addition to Cinema Theaters closing from 9/4/2021 to 27/5/2021.

Value by Million QR
Source: financial statements report in September 2021

REVENUE DIVERSIFICATION SUPPORTS SUSTAINABLE GROWTH



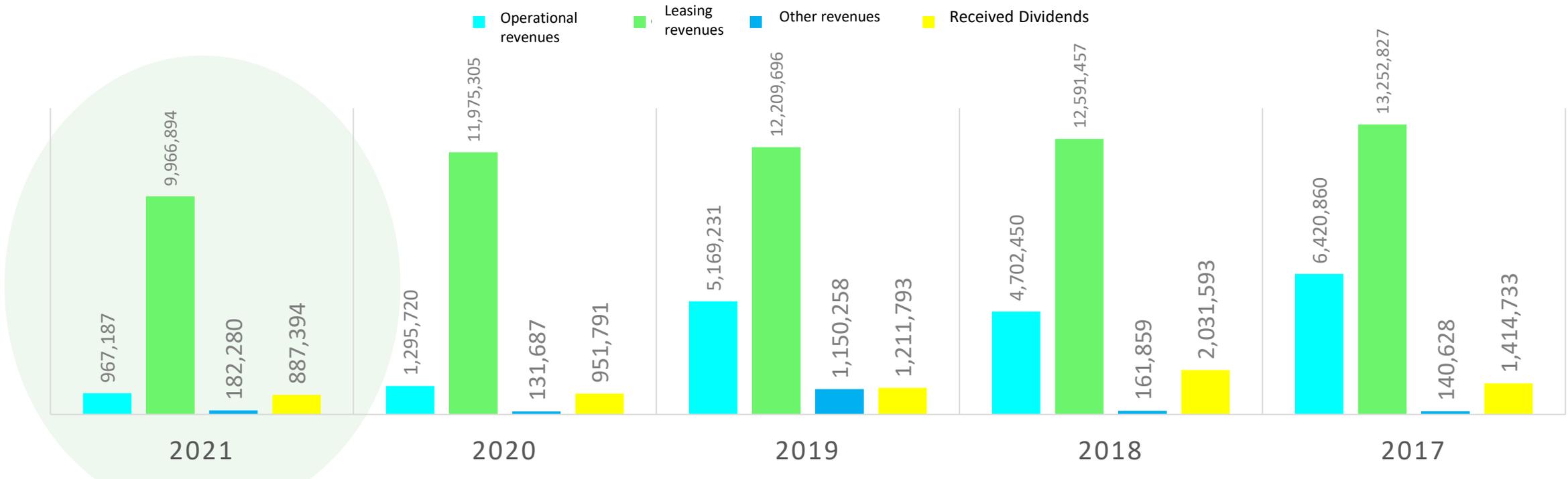
Value by Million QR

Source: financial statements report in September 2021

Revenues "LEASING REVENUES SUSTAINABILITY"

%16.4

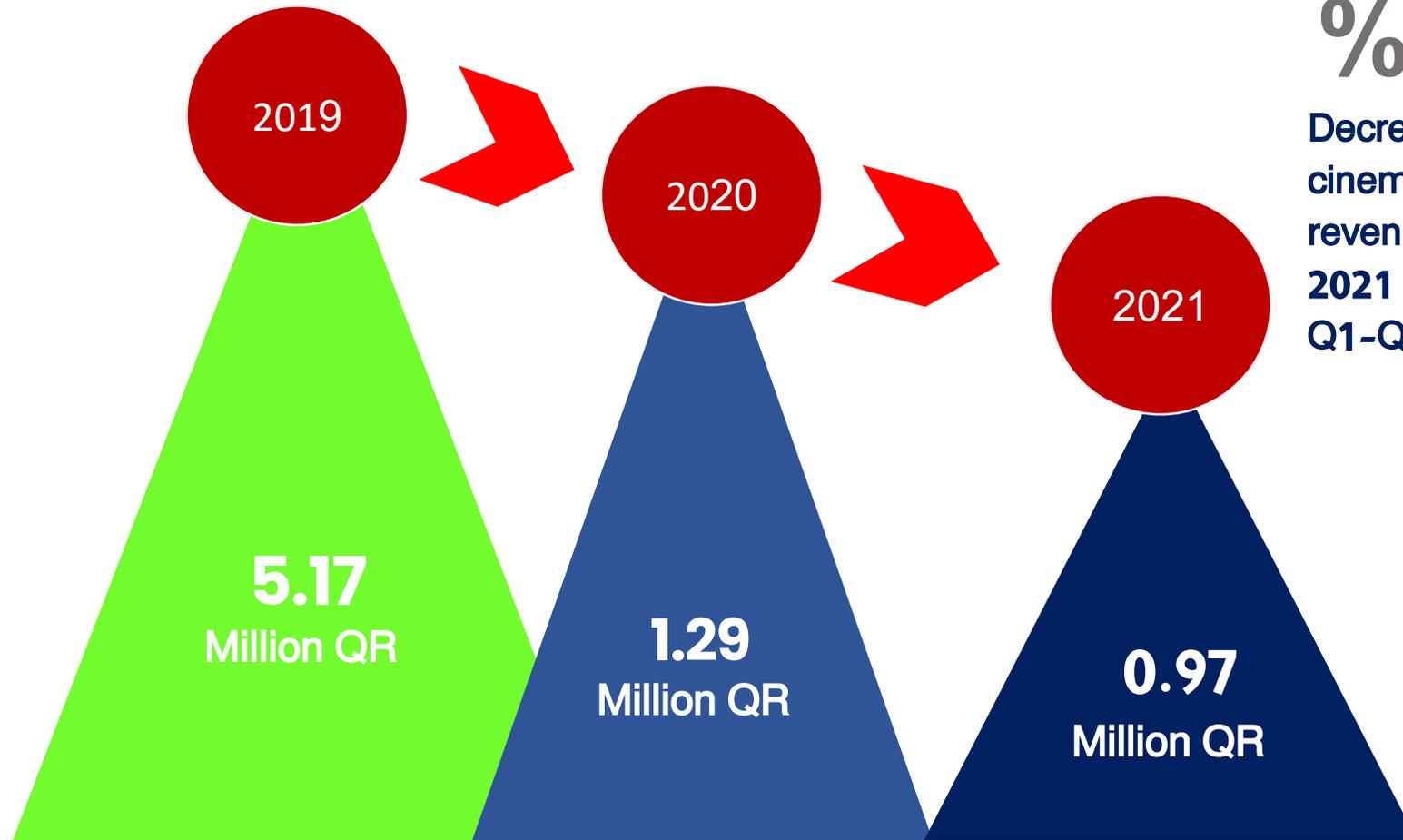
Decrease in the total revenues during the first Three-quarter period in 2021 compared to the same period in 2020.



Despite the challenges faced by the real estate sector, The company is still able to achieve revenues from real estate leasing activity which supported the company's financial performance during 2021. The real estate leasing revenue decreased by 16.8% during the first three-quarters of 2021 compared to the same period in 2020. On the other side, the cinema operating revenue decreased by 25% in the first three-quarters of 2021 compared to the same period in 2020. and the real estate leasing revenue represents the most significant part of the income, which is paid in advance, which helps the company be in an excellent financial position.

CINEMA OPERATING REVENUE

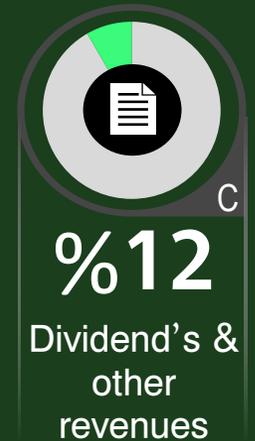
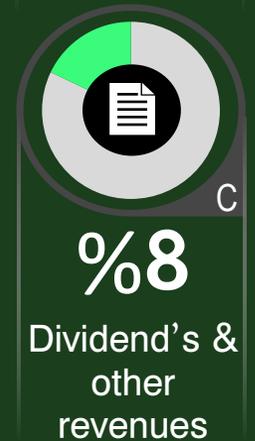
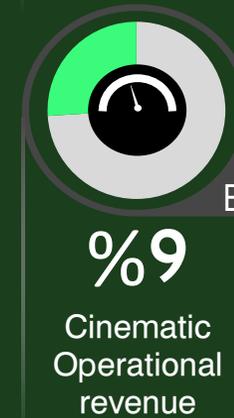
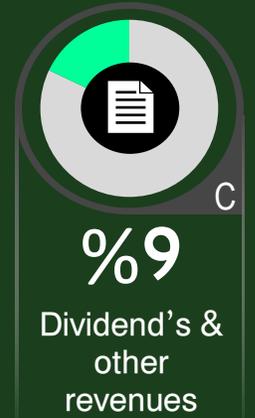
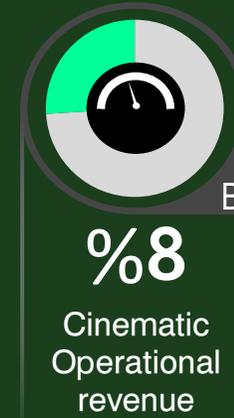
The company suffered from a decrease in the cinematic operating revenue by 25.4% from the beginning of 2021 till the 30th of September compared to the same period from 2020 due to the closing of cinemas as a result of the spread of the Corona epidemic, Cinema Threats closing from 9/4/2021 to 27/5/2021.



%25.4-

Decrease in cinematic operating revenues in Q1-Q3 2021 compared to Q1-Q3 2020.

Comparison of the first three Quarters in 2021 total revenues by the same period in the last two years.



%16.4
Decrease in the total revenues in Q1-Q3 2021 compared to the period in 2020.

1,895,277
Net profit till September 2021.

9.97
million QR
Real-estate
leasing

83%
Real state
leasing
revenue

Total Revenues
during Q1-Q3 2021
in million QR

0.97
Million QR
Operational
cinematic
revenue

8%
From
Operational
cinematic
revenue

2

12
Millions
Total profit

78.7
Million QR
real state
portfolio
value

37.2
Million QR
stock
portfolio
value

68%
Investment in
local real state
market

32%
Investment in
local stock
market

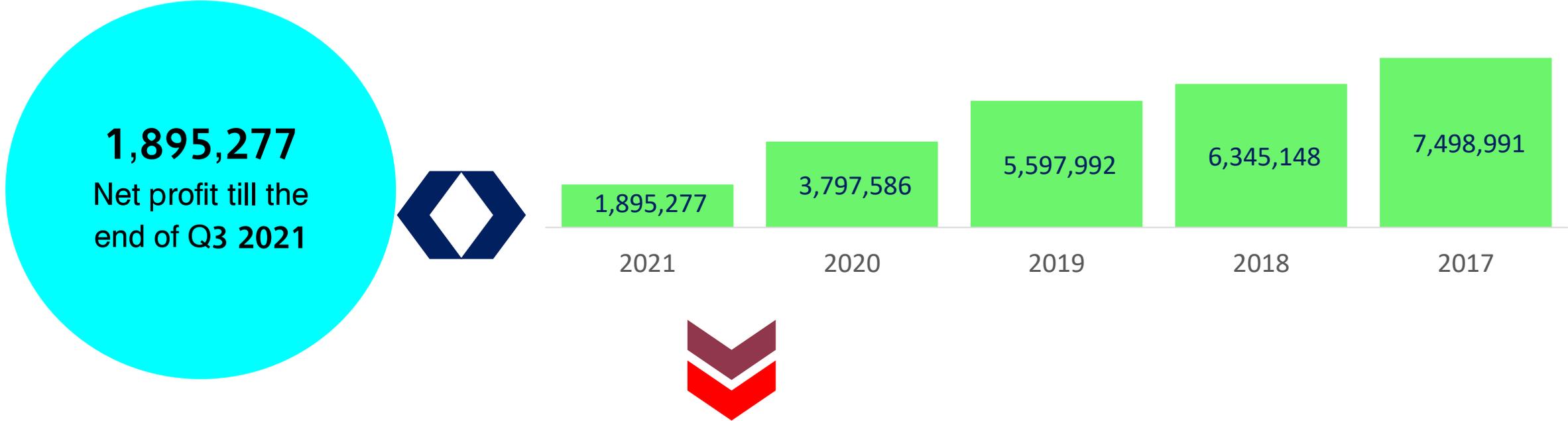
1.07
Million
investment
and other
revenues

9%
FROM
Investment
and other
revenues

3

Value by Million QR
Source: financial statements report in September 2021

NET PROFIT



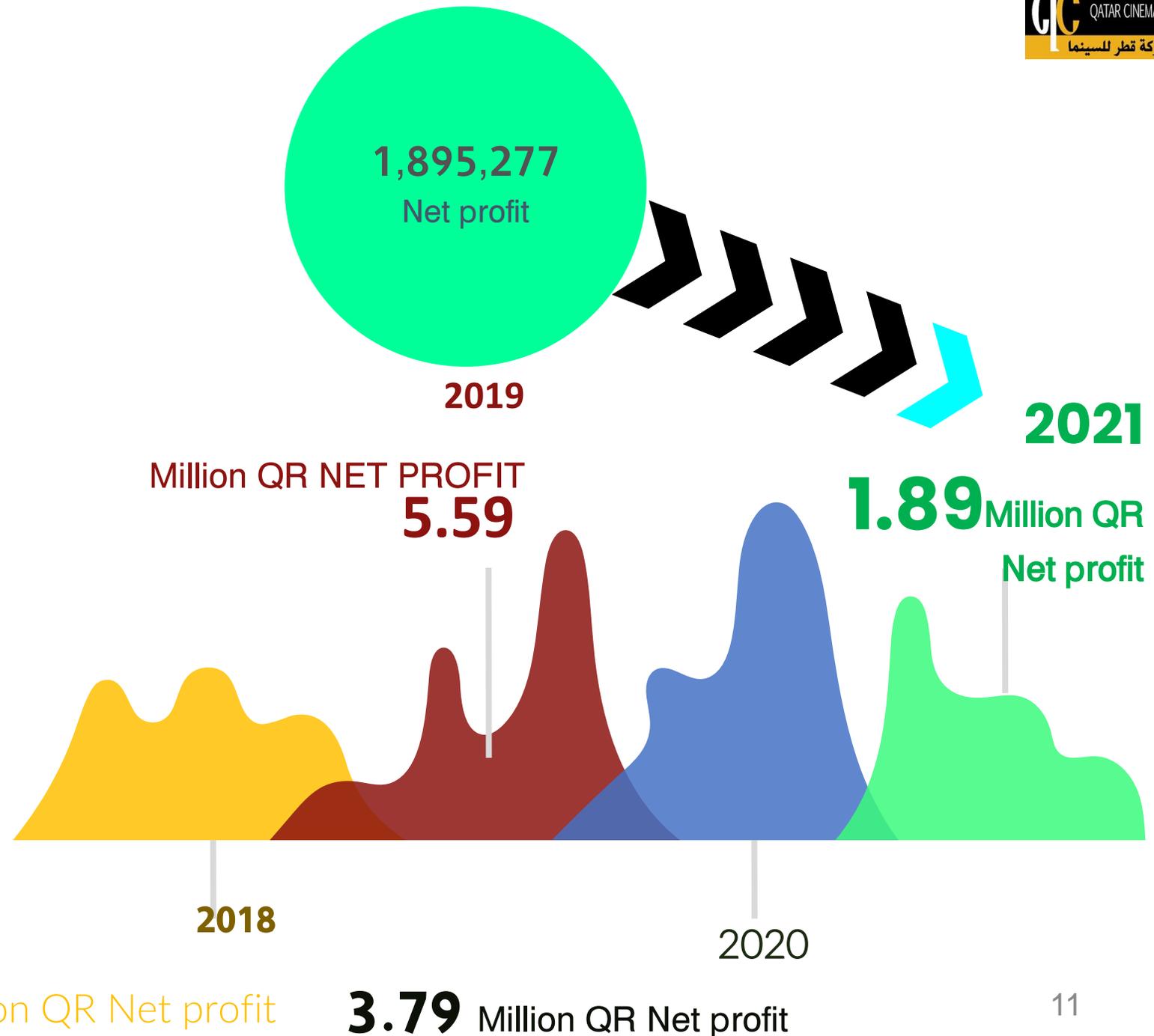
- Net profit decreased in 2021 by almost -50% compared to the same period in 2020, achieving approximately 1.89 million QR net profit with a 15.8% profit margin.

The net profit decrease is due in main to the following: the decision of the Supreme Committee for Crisis Management which decided to open cinemas and theaters with a capacity of only 20%, with the implementation of the precautionary measures which impact negatively on Company’s operation revenue, in addition to Cinema Threats closing from 9/4/2021 to 27/5/2021.

Source: financial statements report in September 2021

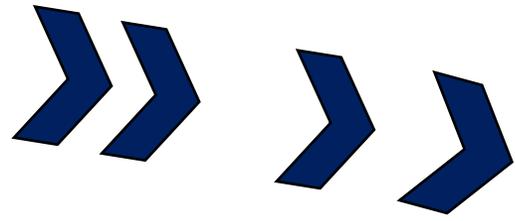
Net Profit

- Net profit decreased in 2021 by almost -50% compared to the same period in 2020, achieving approximately 1.89 million QR net profit with a 15.8% profit margin. The net profit decrease is due to the following:
 - Decreased leasing revenues as a result of reducing leasing contracts fee.
 - Cinema's ticket revenues have decreased due to the opening of cinemas and theaters with a capacity of only 20% maximum capacity from the first of September 2020, besides implementing the other precautionary measures. In addition to Cinema Threats closing from 9/4/2021 to 27/5/2021.
 - Expenses increase due to adding a new cost, such as the rent of the Katara's Cinema.



PROFITABILITY BEFORE DEPRECIATION AND INTEREST EXPENSE

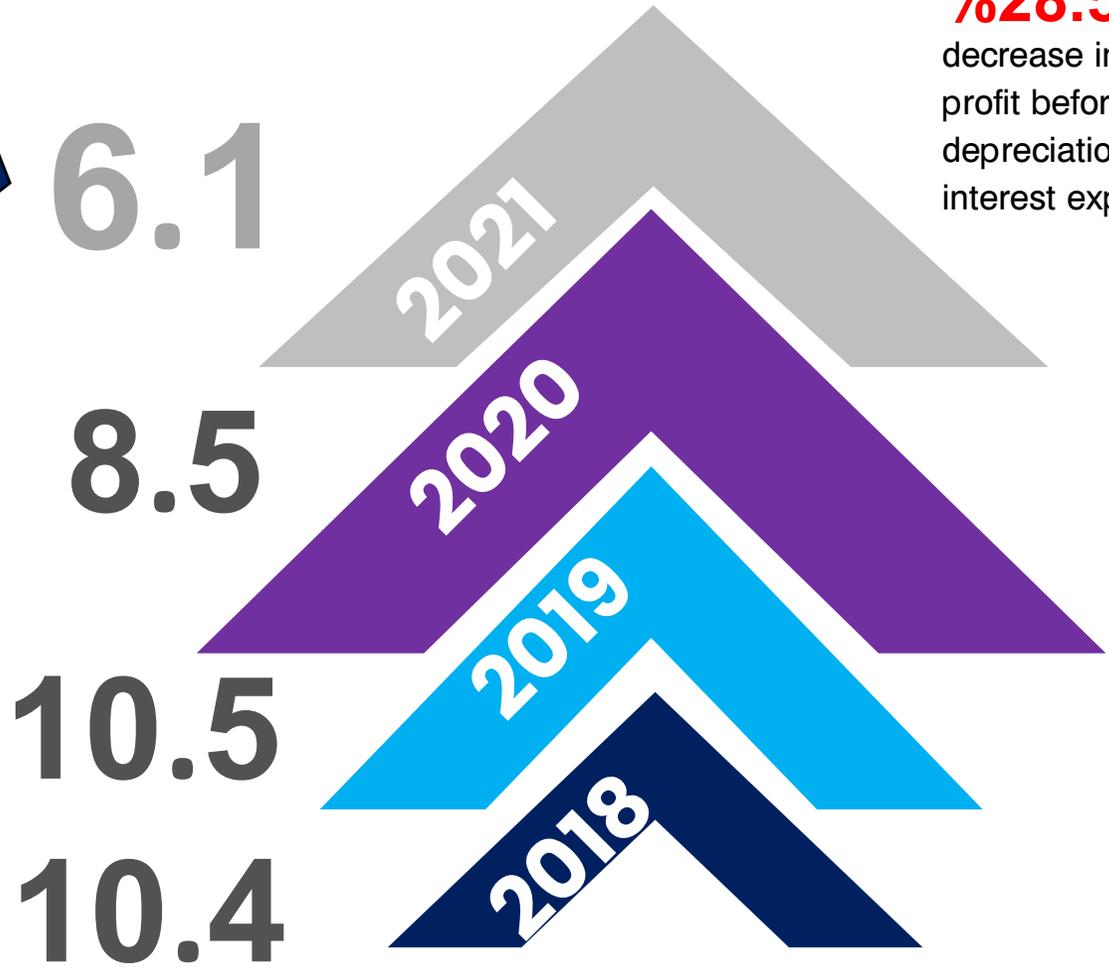
Profit before depreciation and interest expense in 2021



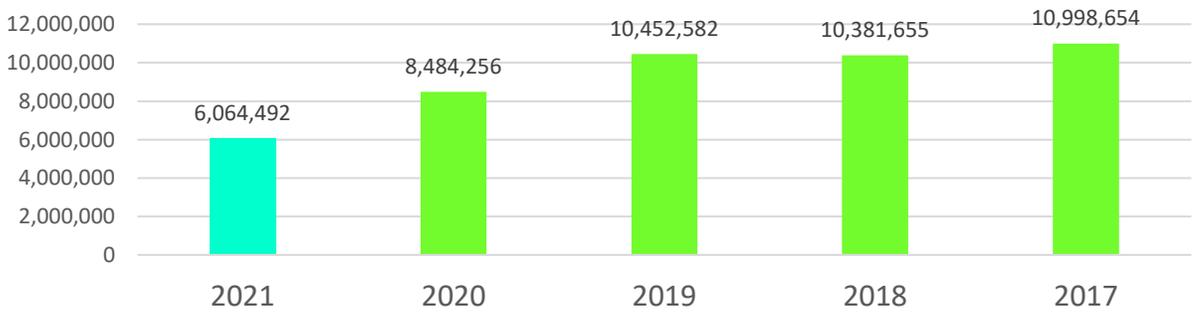
6.1

%28.5
decrease in net profit before depreciation and interest expense

Net profit decreased before depreciation and interest deduction during 2021 by -28.5% approximately compared to 2020 achieving Net profit before depreciation and interest deduction valued by 6.1 million QR with a 50.5% profit margin. The net profit reduction comes as a result of the decrease in leasing and dividends revenues.



Net profit BEFORE DEPRECIATION AND INTEREST EXPENSE



PROFITABILITY BEFORE DEPRECIATION AND INTEREST EXPENSE

Profit before depreciation and interest expense in 2021

6.1

Net profit decreased before depreciation and interest deduction during 2021 by -28.5% approximately compared to 2020 achieving Net profit before depreciation and interest deduction valued by 6.1 million QR with a 50.5% profit margin. The net profit reduction comes as a result of the decrease in leasing and dividends revenues.

6.1

2021

8.5

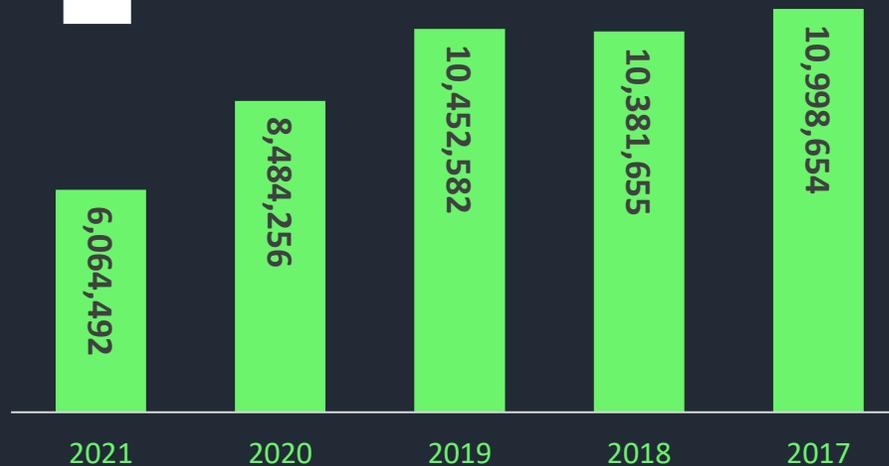
2020

10.5

2019

10.4

2018

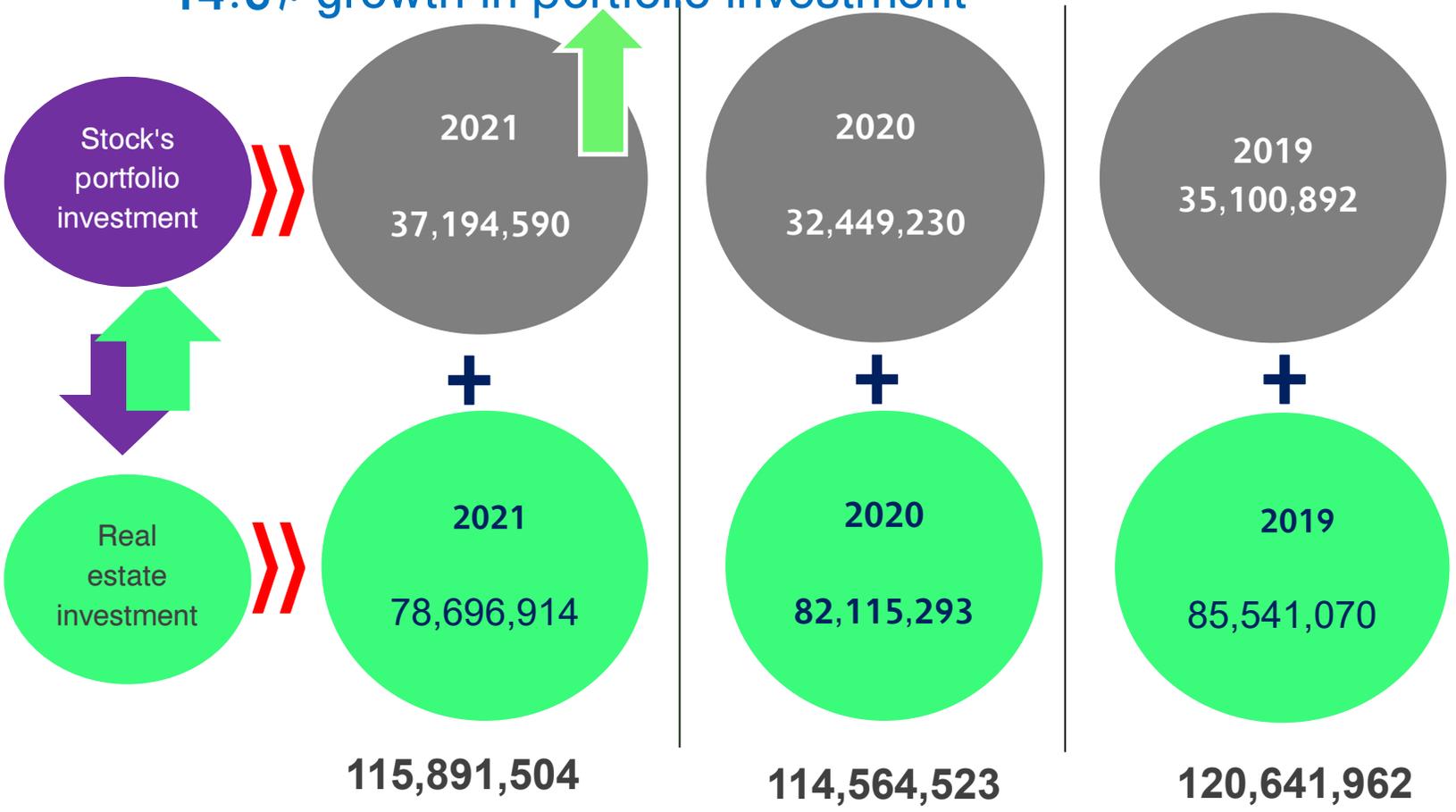


Value by Million QR

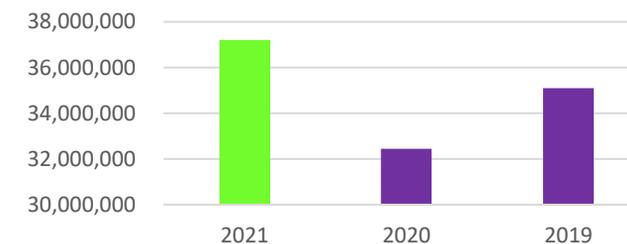
Source: financial statements report in September 2021

INVESTMENTS AND INCOME DIVERSIFICATION

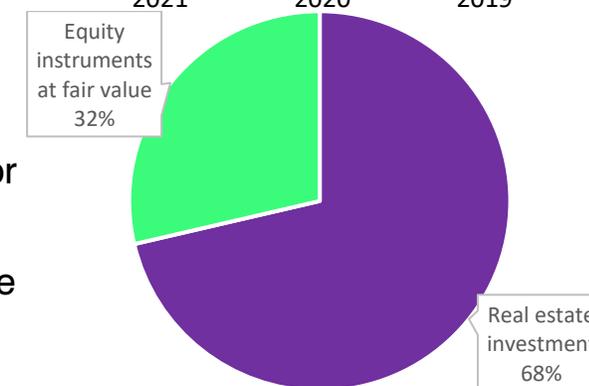
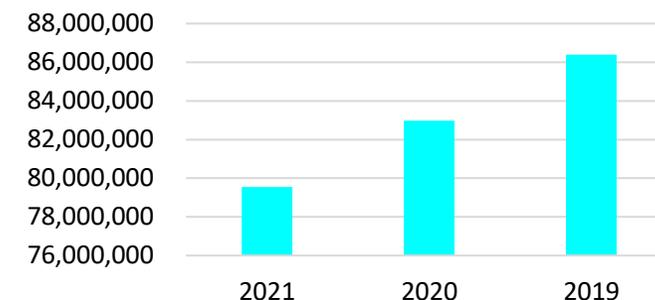
14.6% growth in portfolio investment



Available for sale (Equity) investments



Real estate investment

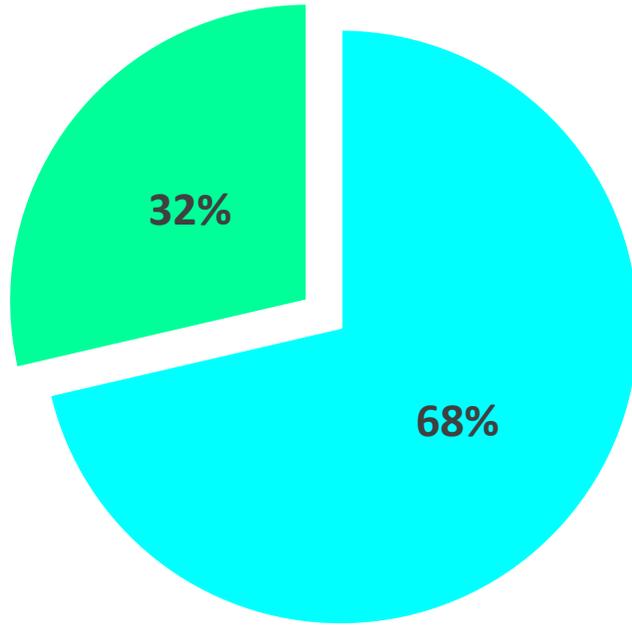


The total Investments amount to approximately 115 million QR, distributed between 32% for available for sale equity investments and 68% for real estate investments.

Available for sale (Equity) investments are the company's stock portfolio at fair value, and the stock portfolio reached its highest value since 2019 with a growth rate of: 14.6%.

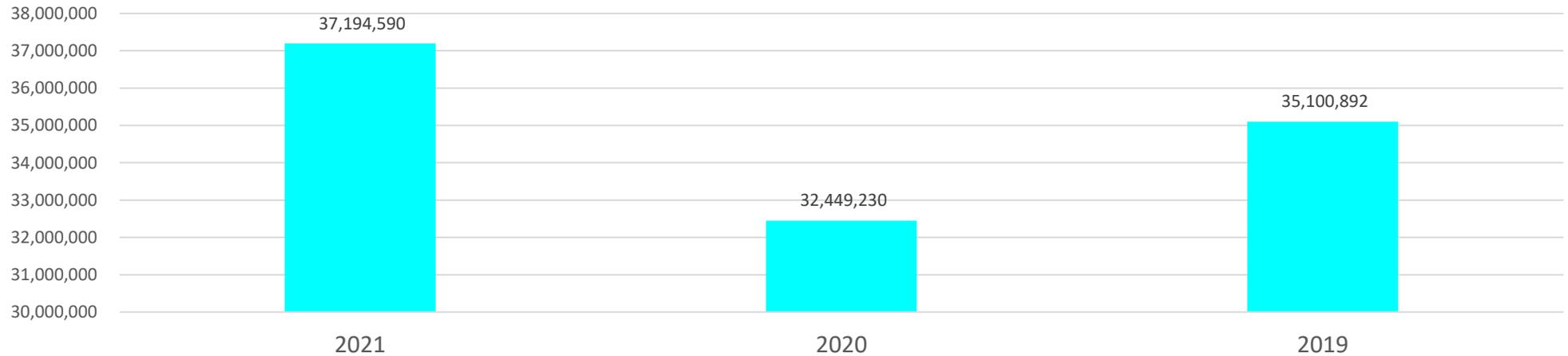
Value by Million QR

Source: financial statements report in September 2021



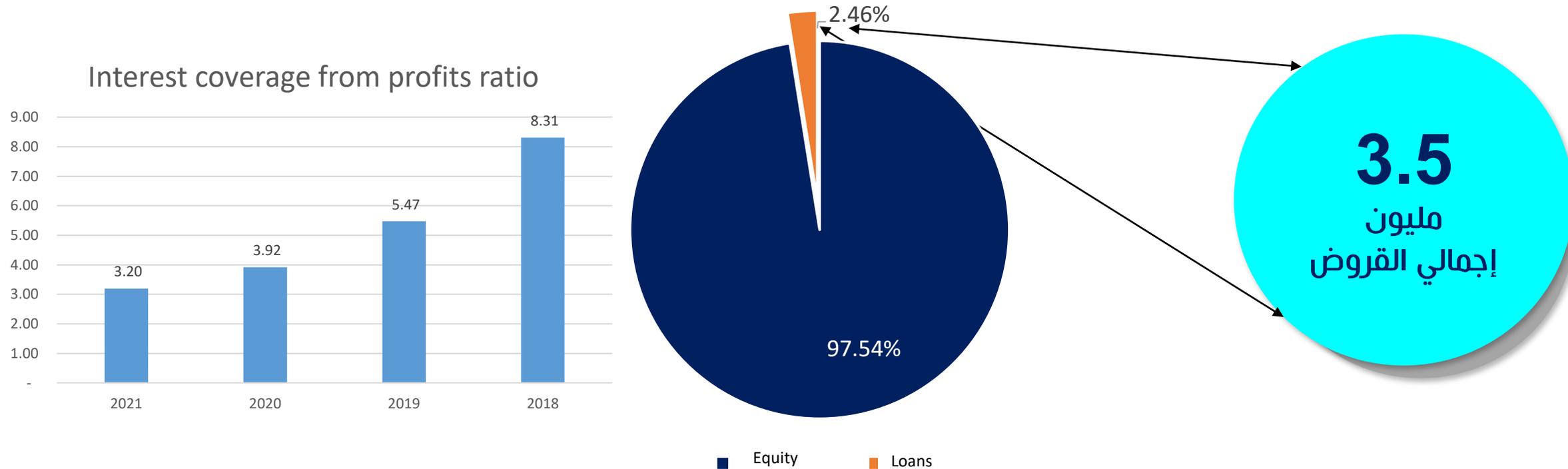
- Investment activities and other revenues contributed by **92%** of the total revenues.
- The company's stock market investments constitute **32%** of the total investments valued by **37.19** million QR.
- The net value of the company's investments in the real estate sector constituted the most significant share from its investments, representing **68%** of the total investments. The company's real estate investments are worth **78.69** million QR.

Equity available for sale with fair value



Value by Million QR

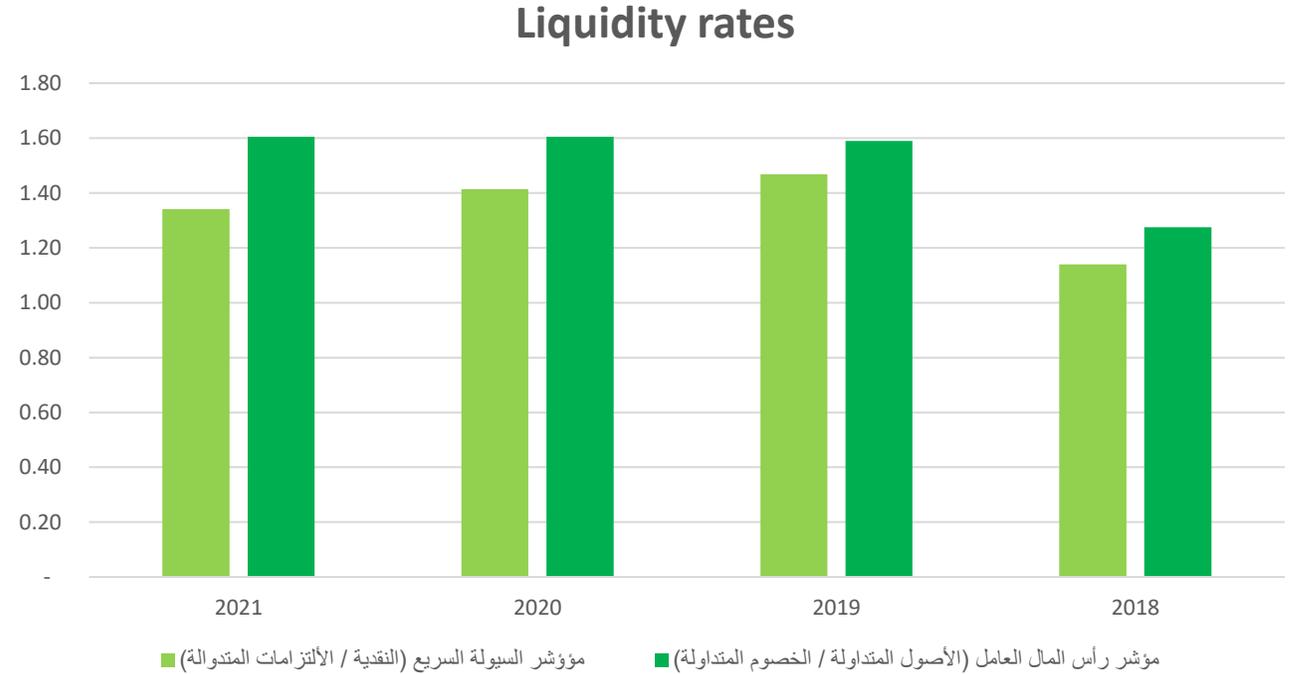
Source: financial statements report in September 2021



- The Company has limited reliance on loans to finance its assets.
- The company finances only 2.46% of its assets through loans and 97.54% through equity and other liabilities.
- The loan value in September 2020 amounted to 3.5 million QR.

1.60 The Working Capital Rate

1.34 The Quick Liquidity Rate



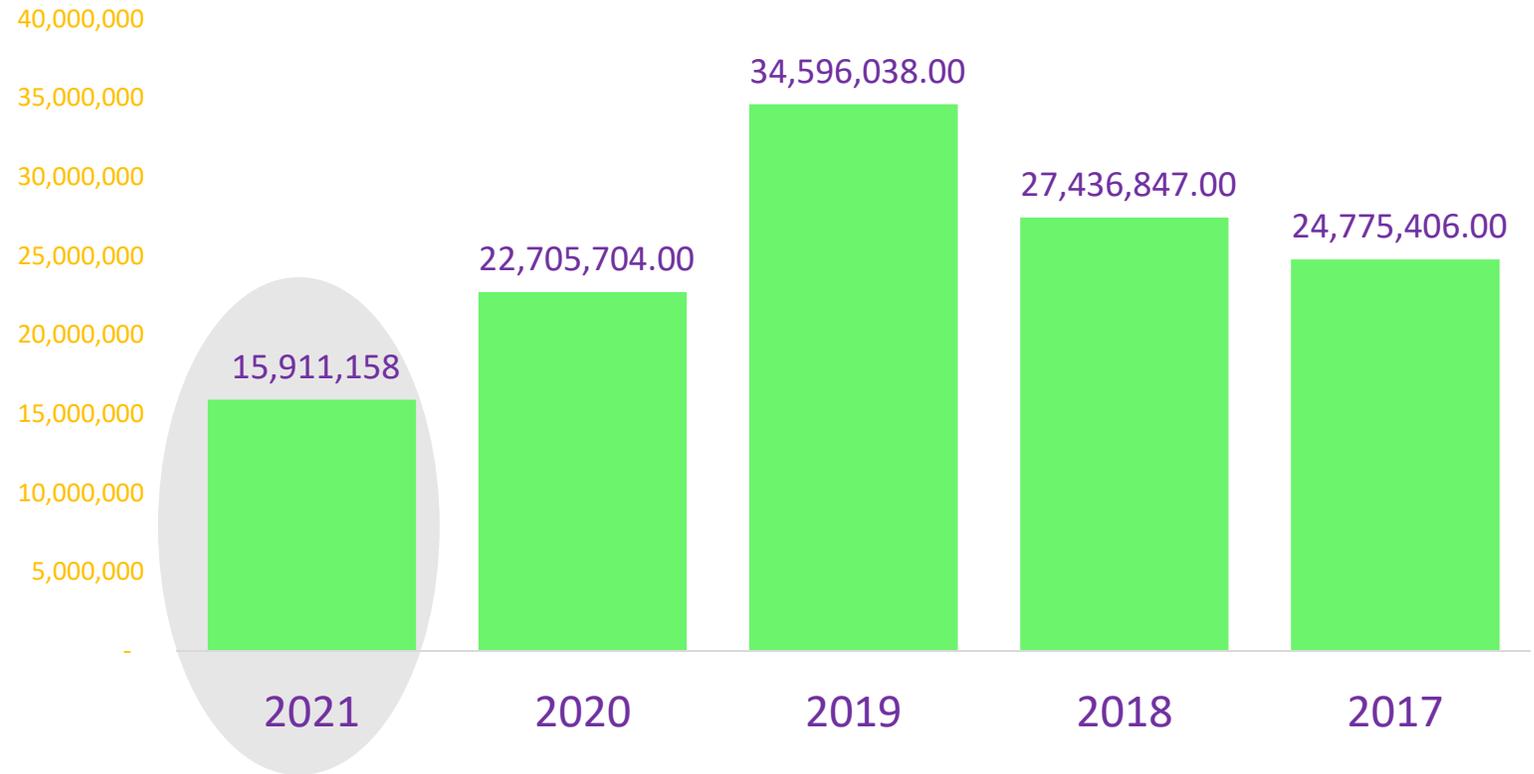
The Working Capital rate (Current Assets/Current Liabilities) stood at 1.6 in March 2021, which means that the Company can pay its short-term liability 1.6 times through its current assets. The quick liquidity Rate (cash/current liabilities) stood at 1.34 times for the same period, which means that the Company can repay its short-term liabilities by 1.34 through liquid cash.

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.

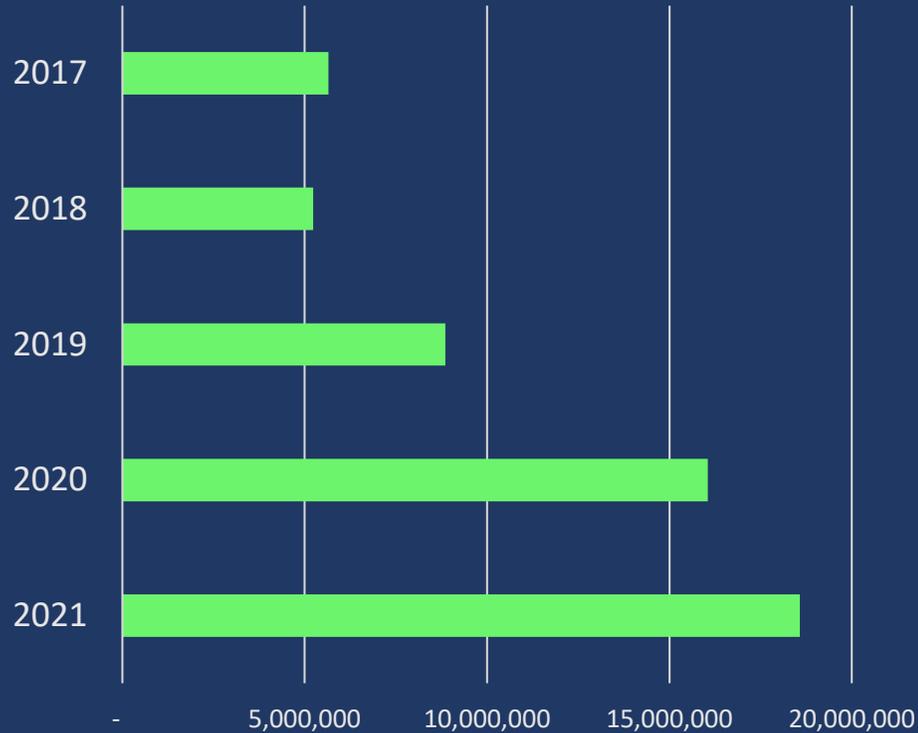
-30%
Decreasing in liquidity
by the end of
September 2021



The company's liquidity decreased by 30% (6,794,546) and amounted to 15,911,158 QR by the end of September 2021. The liquid cash decrease is due to revenues decrease due to the corona pandemic and expansion of properties and paid 50% of its debt.

GROWTH IN PROPERTIES AND WORK IN PROGRESS (CINEMAS)

Assets and properties



%15.7 **18.6**



16.0

8.9

5.2

September 2021



September 2020



September 2019



September 2018

The company aims to expand its cinematic operating activity by developing its cinemas on international standards, 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 revenues in the future.

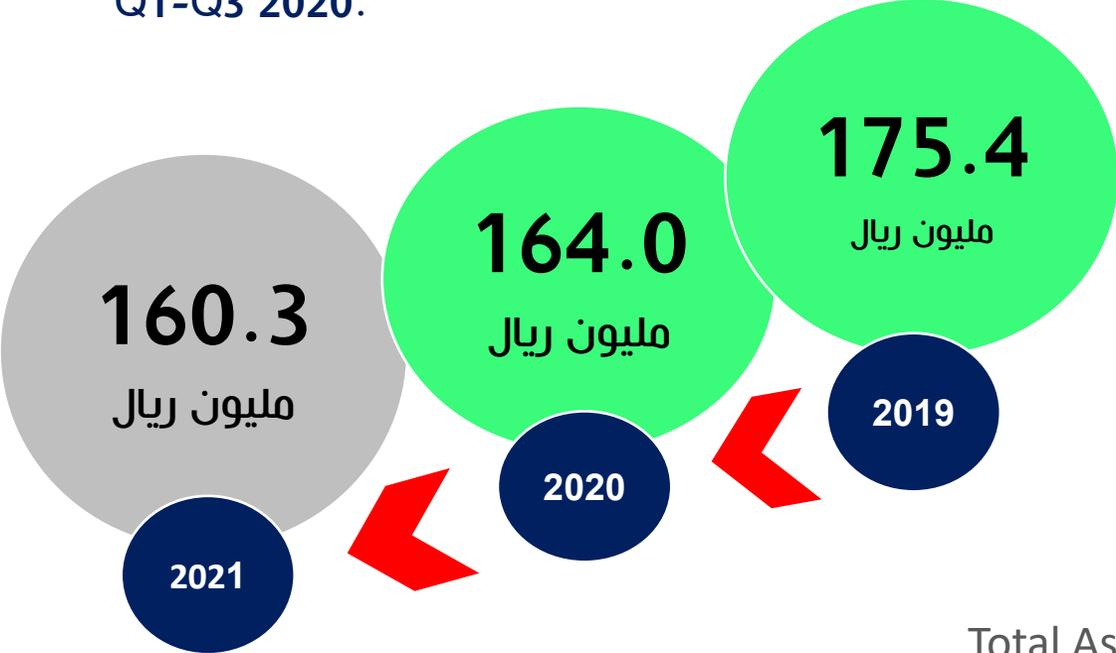
Value by Million QR

Source: financial statements report in March 2021

ASSETS IN SEPTEMBER 2021

Decrease in assets in comparison with Q1-Q3 2020.

%2.3-

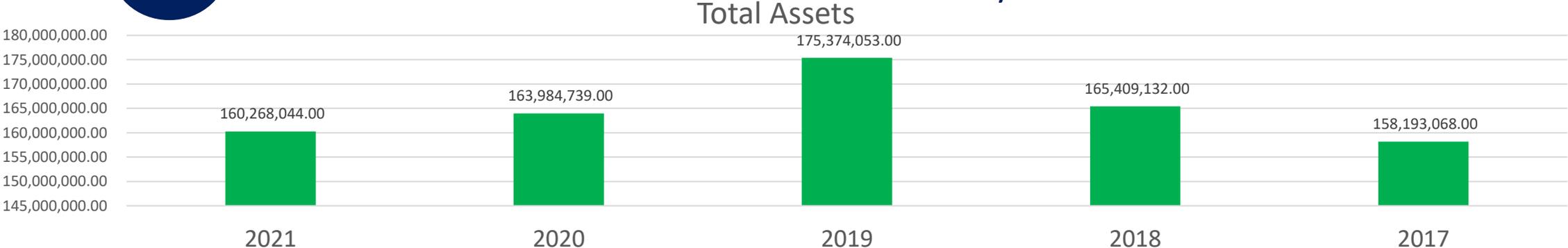


Million QR is approximately the value of the company's assets in September 2021, which means a -2.3% decrease in assets value compared to the same period in 2020 as a result of the value decrease of current assets by 6.74 million QR.

160.3

Million QR assets value decreased by the end of September 2021 compared to the same period in 2020 by a -2.3% decrease.

3.72



Value by Million QR
Source: financial statements report in September 2021

EARNING PER SHARE

Capital
62,807,950 Million QR



Till the end of September 2021, earnings per share reached 0.03 QR compared to 0.06 QR for the same period in 2020, recording a -50% decrease approximately.

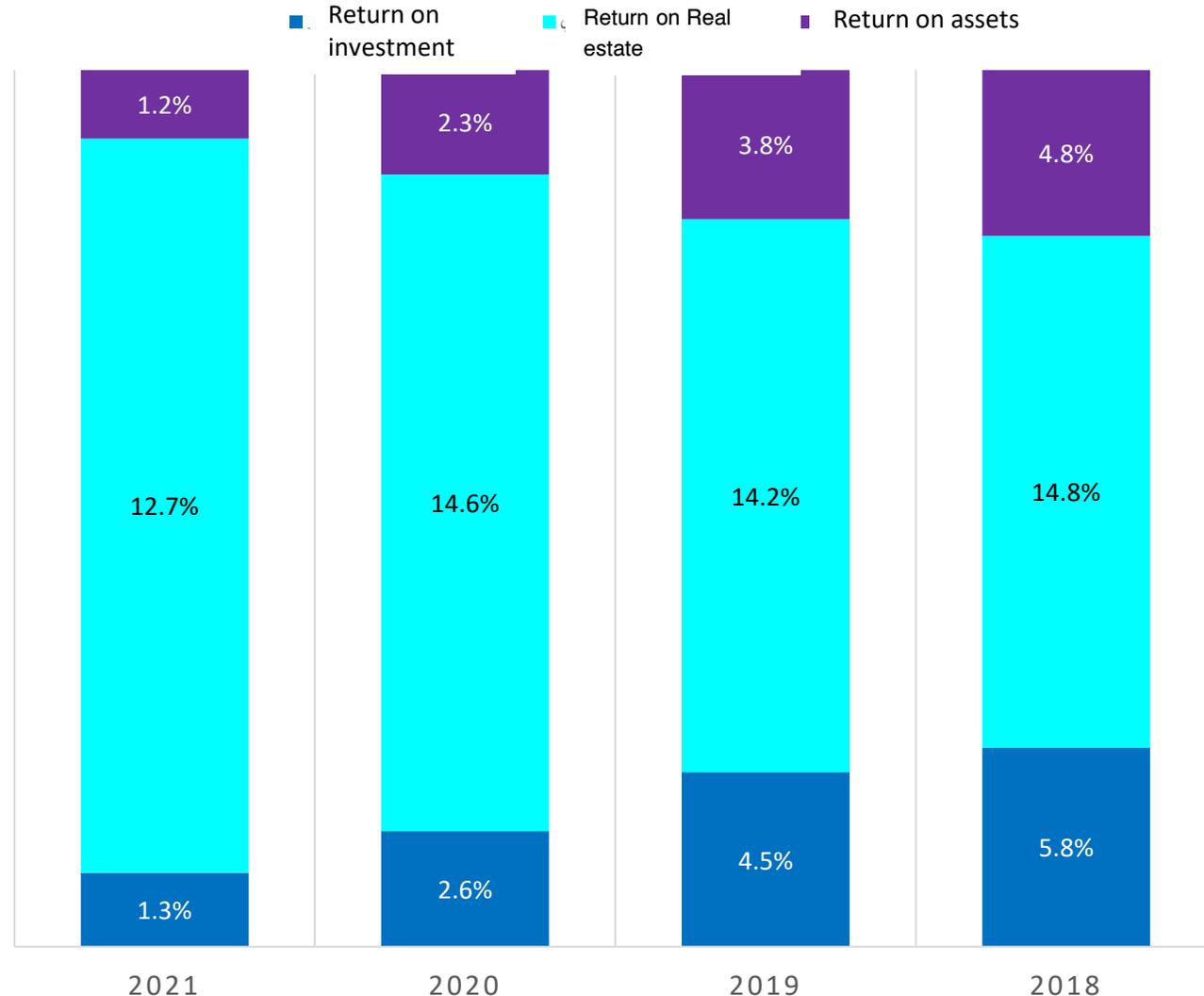
Value by Million QR

Source: financial statements report in September 2021

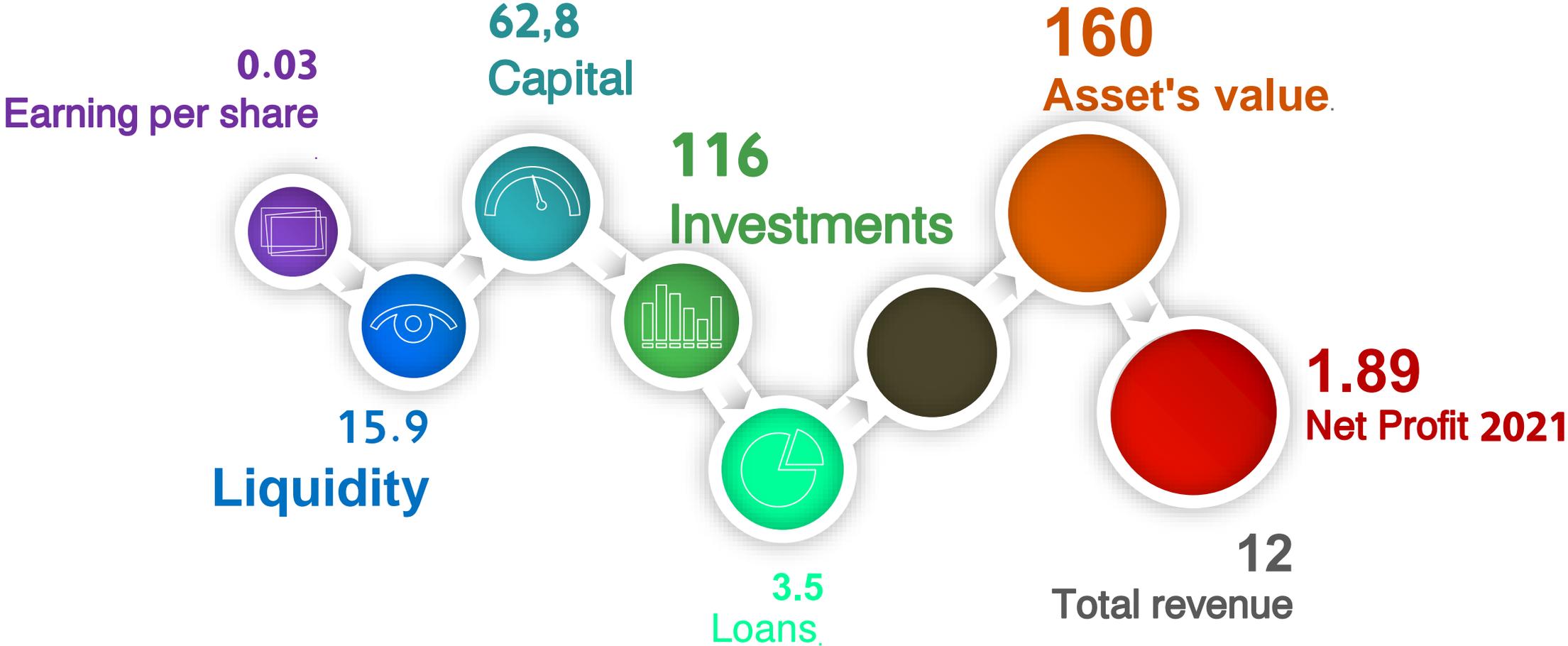
RETURN ON INVESTMENT

- Return on Real estate investment represented almost 12.7% during Q1-Q3 2021. Real estate investment is considered the most income-generating activity in the company.
- The total return on the total Investment rate is 1.3 % of the total assets in 2021.
- In total, The return on the assets rate represents 1.2% of the total invested amount of money in the First Three-quarters of 2021.
- The return on investment and return on assets rates decreased in the first three-quarters in 2021 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 to gained returns yet, in addition to lower profits achieved as a result of corona pandemic.

RETURN ON INVESTMENT



QATAR CINEMA AND FILM DISTRIBUTION



Value by Million QR
Source: financial statements report in September 2021

1  **21st January 2021: Qatar Cinema & Film Distribution Co. disclosed its Annual financial results on 08/02/2021.**

2  **31st January 2021: Qatar Cinema & Film Distribution Co. holds its investors relation conference call on 11/02/2021 to discuss the financial results.**

3  **8th February : Qatar Cinema & Film Distribution Co. : Disclosed the Annual financial statement of 2020**
The financial statements revealed a Net Profit of QR 4,952,159. The Earnings per share (EPS) amounted to QR 0.079 as of 31st December

4  **14th February 2021 : Qatar Cinema & Film Distribution Co.: Hold it's AGM and EGM on 1/03/2021 for 2020.**

5  **1st March 2021 : Qatar Cinema & Film Distribution Co.: The AGM and EGM Endorsed items on its agenda**

6  **11st April 2021 : Qatar Cinema & Film Distribution Co.: disclosed its first Quarter financial results on 28/04/2021**

7  **17th April 2021 : Qatar Cinema & Film Distribution Co. hold its investors relation conference call on 03/05/2021 to discuss the financial results**

8  **28th April 2021 : Qatar Cinema & Film Distribution Co.: Disclosed the financial statements for first Quarter of 2021.
The financial statements revealed a Net Profit of QR 1,045,186 net profit The Earnings per Share(EPS) amounted to QR 0.017 as of 31st March**

9 **14th JUL 2021 : Qatar Cinema & Film Distribution Co.: will disclose its Semi-Annual financial results on 01/08/2021**

10 **28th Jul 2021 : Qatar Cinema & Film Distribution Co. holds its investors relation conference call on 03/08/2021 to discuss the financial results**

11 **1st AUG 2021 : Qatar Cinema & Film Distribution Co. : Disclose the Semi-annual financial statement of 2021**

Qatar Cinema & Film Distribution Co. discloses the interim financial statement for the six-month period ending 30th June 2021 . The financial statements revealed a Net Profit of QR 1,489,239 in comparison to Net Profit QR 2,731,108 for the same period of the previous year.

The Earnings per share(EPS) amounted to QR 0.024 as of 30th June 2021 versus Earnings per share(EPS) QR 0.043 for the same period in 2020.

12 **13th OCT 2021 : Qatar Cinema & Film Distribution Co.: To disclose its Quarter 3 financial results on 27/10/2021.**

13 **18th OCT 2021 : Qatar Cinema & Film Distribution Co. holds it's investors relation conference call on 02/11/2021 to discuss the financial results.**

14 **27th OCT 2021 : Qatar Cinema & Film Distribution Co.: Disclose the financial statements for Quarter 3 of 2021.**

Qatar Cinema & Film Distribution Co. discloses the interim financial statement for the nine-month period ending 30th September 2021 . The financial statements revealed a Net Profit of QR 1,895,277 in comparison to Net Profit QR 3,797,586 for the same period of the previous year.

The Earnings per Share(EPS) amounted to QR 0.03 as of 30th September , 2021 versus Earnings per Share(EPS) QR 0.06 for the same period in 2020 .

Thank You

Qatar Cinema Company

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