

Mannai Corporation QPSC

1Q'20 Financial Summary



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Mannai Corporation management wishes to further caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:

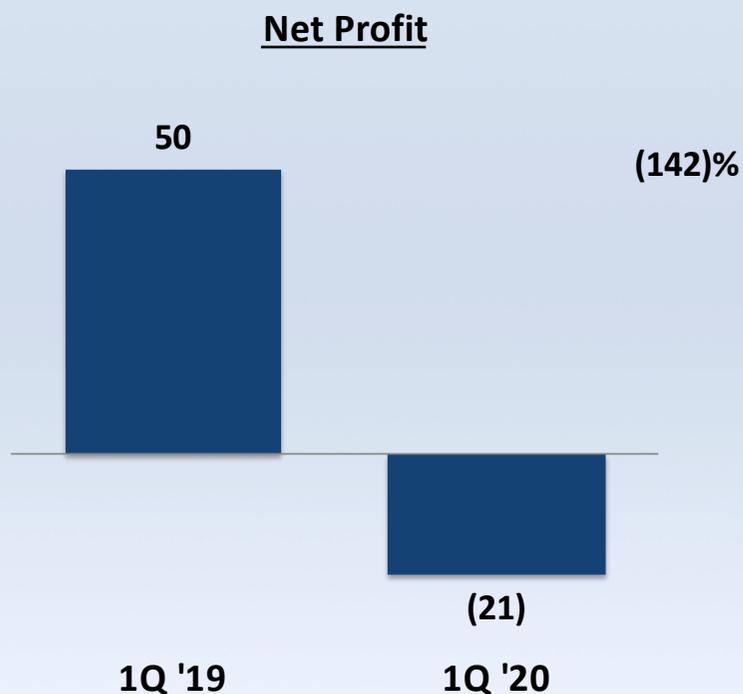
- Future sales growth
- Market acceptance of our product and service offerings
- Our ability to secure adequate financing or equity capital to fund our operations
- Our ability to enter into strategic alliances or transactions
- Regulatory approval processes
- Changes in technology
- Price competition
- Other market conditions and associated risks

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The Mannai Corporation undertakes no obligation to update publicly or otherwise any forward-looking statements, whether as a result of future events, new information, or otherwise.

Impact of COVID-19 Drives First Loss Since QE Listing

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- Damas Loss of (21)m as lockdown and leads to 12% drop in revenues; loss could not be covered by remaining businesses
- Gfi Informatique on-track delivering 5% profit growth to 9m, before acquisition finance costs
- ICT Qatar revenues delayed as ability to achieve contract milestones impacted; results in 27m drop of net profit compared to Q1'19
- Finance cost reduction of 12m or 12% to 91m
- Majority of Qatar and GCC sites closed for 6 weeks; Re-opening of showrooms and retail outlets now commenced as of end-April

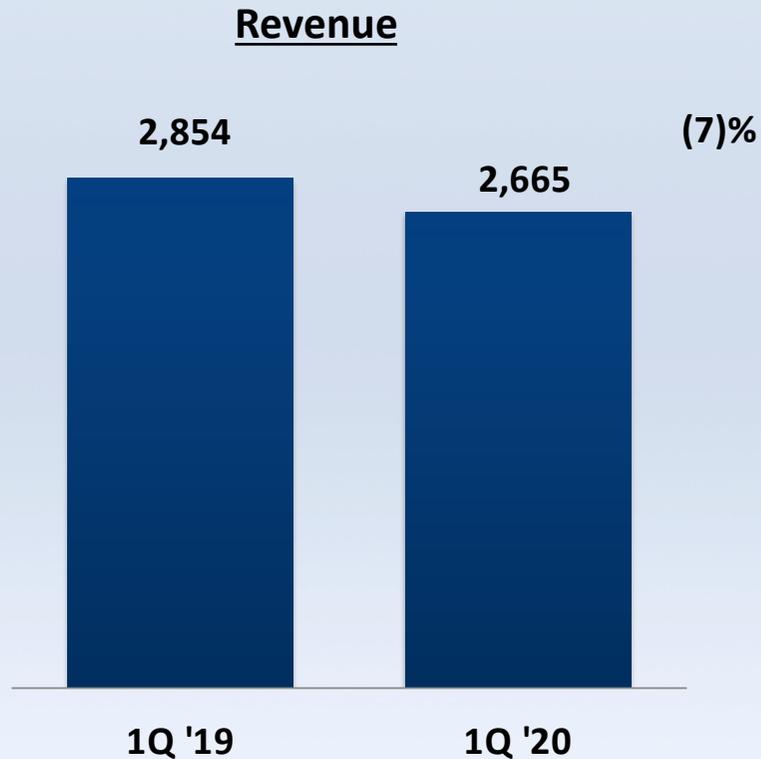
Financial Highlights

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	<u>1Q' 19</u>	<u>1Q '20</u>		
Revenues	2,854m	2,665m	(7)%	▼
EBITDA	271	188	(31)%	▼
SG&A Expenses	416	406	2%	▲
Finance Cost	103	91	(12)%	▼
Net Profit	50m	(21)m	(142)%	▼
Gross Profit %	22.0%	22.0%	- pts	▲
Capital Employed	8,636m	8,365m	(3)%	▼
Earnings Per Share	0.11	(0.05)	(142)%	▼

Revenues Down 7% Due to COVID-19 Impact

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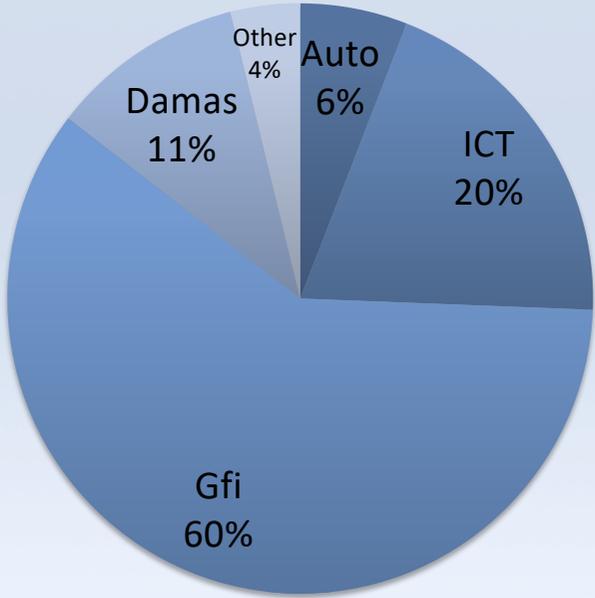


- Revenues down 189m due impact of COVID-19 on Damas and Information Technology
- Damas revenues down 36m or 12% due to GCC-wide store closures during lockdown
- ICT Qatar Revenues fall by 88m or 16% as projects are not able to advance to revenue milestones due to current lockdown, delaying revenues to later in the year
- Gfi revenues down 71m or 4% due to lockdown
- Auto & Other Qatar revenues increase by 2% despite closures during end of March

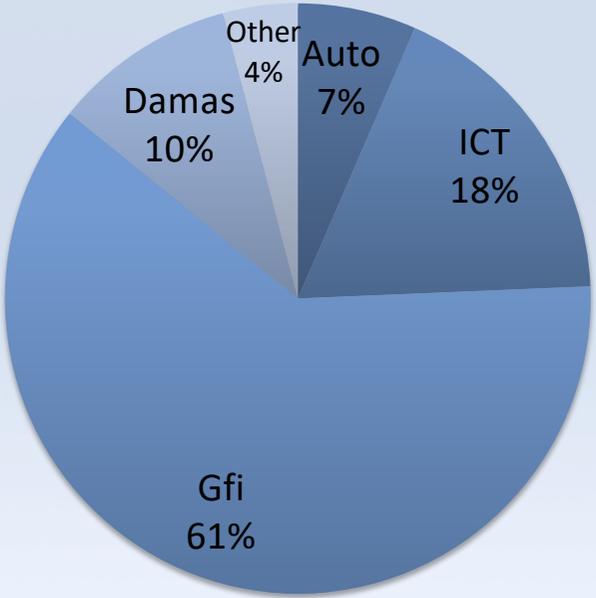
ICT Mix Maintains 80% Share

Revenue Mix

1Q '19



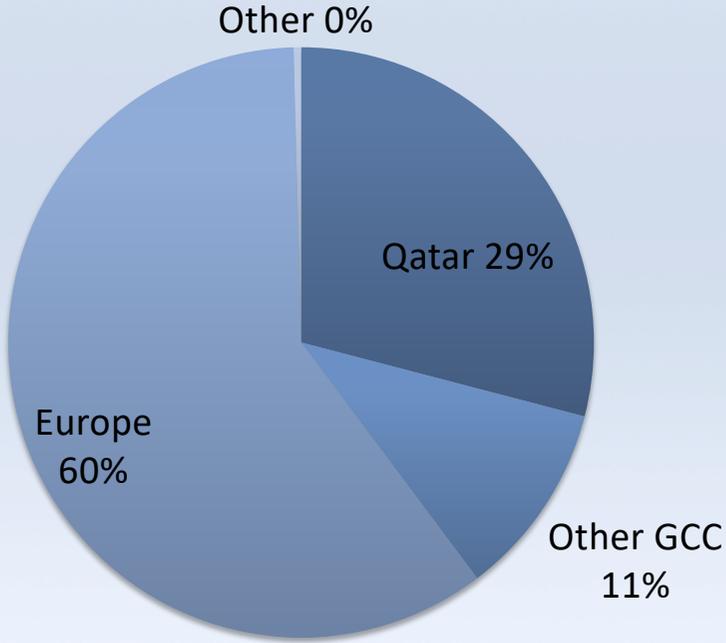
1Q '20



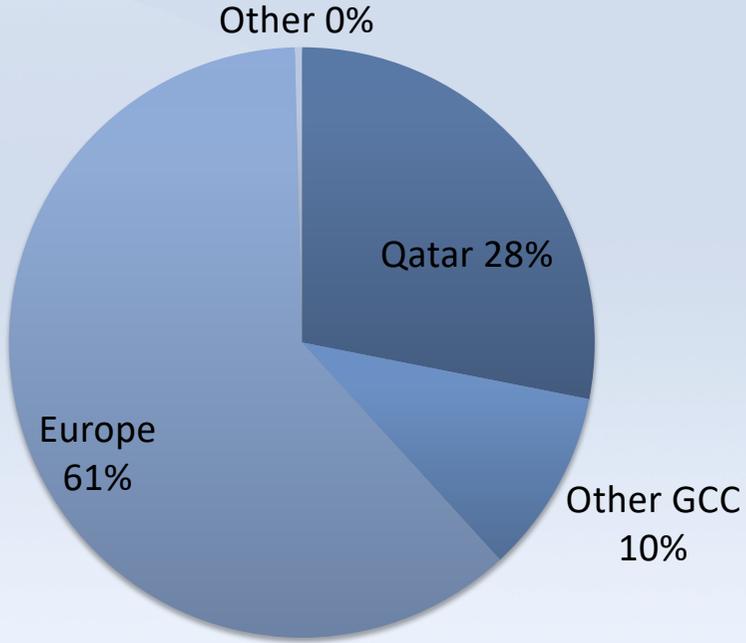
Gfi Increases Europe to 61% of Sales

Revenue Mix

1Q '19



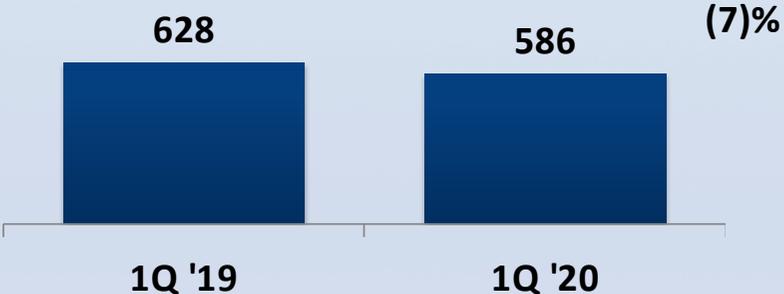
1Q '20



Gross Profit Margins Holding in Challenging Environment

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Gross Profit



Gross Margin %



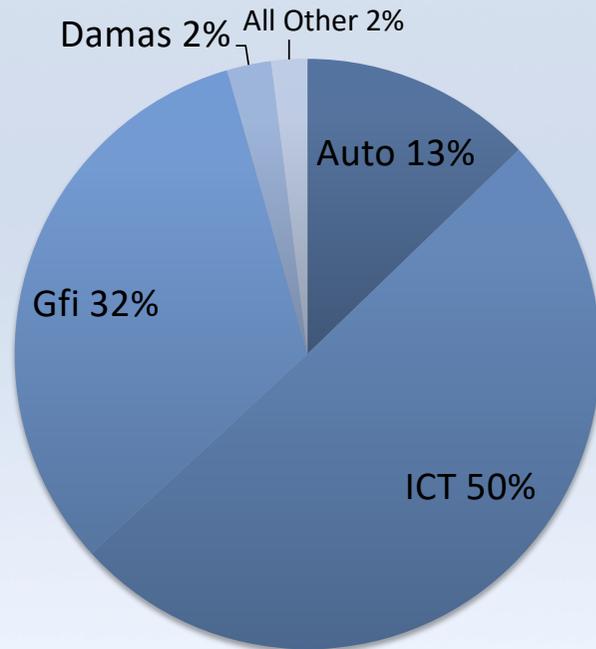
- Fall in Gross Profits Due to 7% drop in Revenue
- Gfi margins improvement drives stable group margins
- ICT Qatar and Auto impacted by loss of sales due to COVID-19 closures during March 2020

	<u>1Q '20</u>	<u>V pts</u>
Gfi	22.6%	0.9 pts
ICT Qatar	17.1%	(1.4) pts
Auto Group	21.0%	(3.6) pts
Damas	22.2%	(2.4) pts
All Other	34.2%	1.1 pts

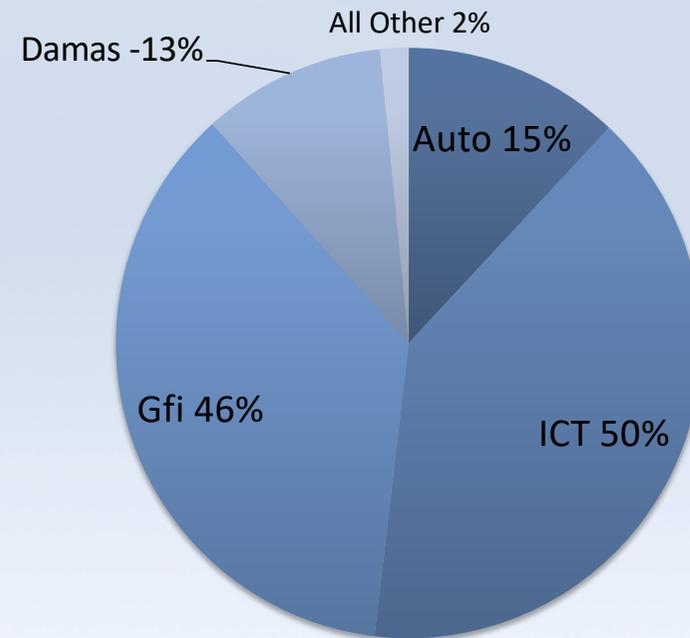
Damas Loss Drives IT Segment to 96% of Group Profits

Profit Mix*

1Q '19



1Q '20



*Profit Before Interest and Tax (EBIT), excluding other/HQ segment

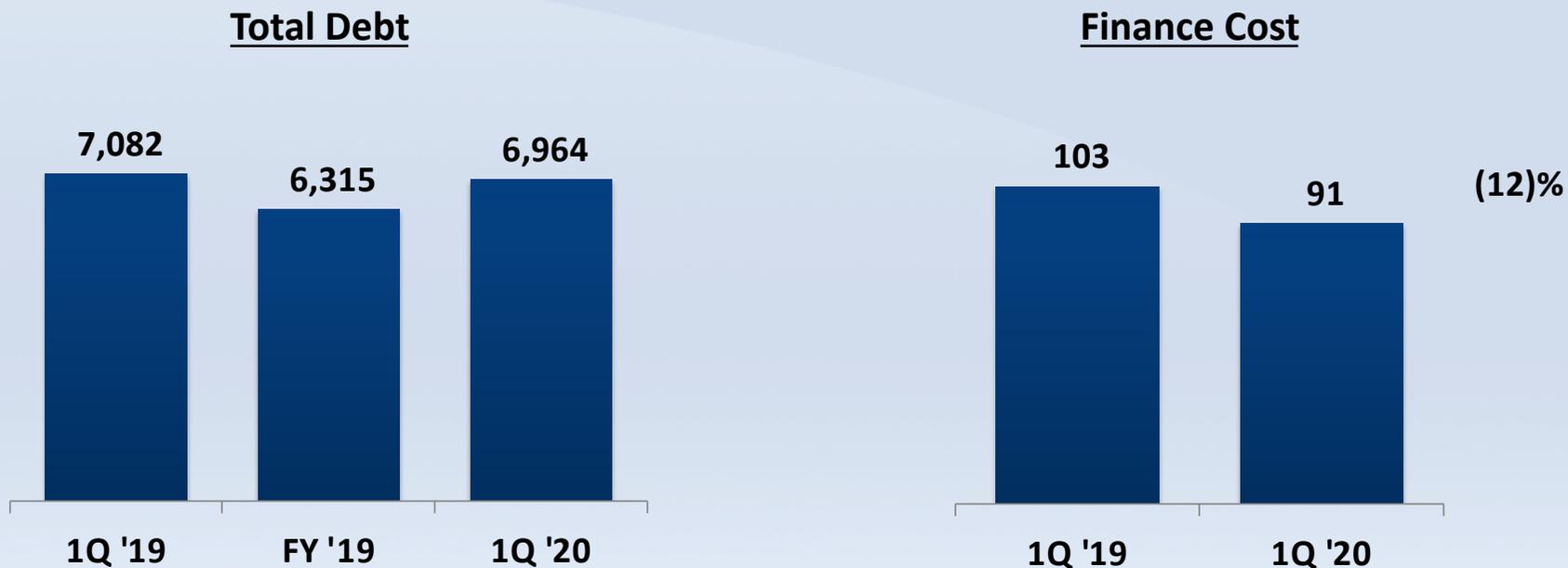
Income Statement

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	31 March 2020	31 March 2019	Variance	V%
Revenue	2,665	2,854	(189)	(7)%
Direct costs	<u>(2,079)</u>	<u>(2,226)</u>	147	(7)%
Gross profit	586	628	(42)	(7)%
Other income	13	19	(5)	(29)%
Share of result from joint venture and associates	8	12	(5)	(39)%
General and administrative expenses	(301)	(289)	(12)	4%
Selling and distribution expenses	(116)	(118)	2	(2)%
Reversal / Impairment loss on financial assets and contract	(2)	19	(21)	(113)%
Profit before interest, tax depreciation and amortisation	188	271	(83)	(31)%
Finance costs	(91)	(103)	12	(12)%
Depreciation and amortisation	<u>(96)</u>	<u>(93)</u>	(3)	3%
Profit for the period before tax	1	75	(74)	(99)%
Income tax	(22)	(25)	3	(13)%
Net profit for the period	<u>(21)</u>	50	(71)	(142)%
Attributable to :				
Shareholders of the Company	(21)	50	(71)	(143)%
Non-controlling interests	0	0	(0)	(62)%
	<u>(21)</u>	<u>50</u>	<u>(71)</u>	<u>(142)%</u>

Debt Levels and Finance Cost Reducing

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- Debt levels down 116m or 2% compared to 1Q'19. YTD'20 increase driven by seasonality in Gfi Informatique
- Finance Cost reduction driven by lowering of index rates; further reductions expected due to recent cuts

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