



Kinopolis Group

Business Update Q3 2023

Regulated information - 26 October 2023

Kinopolis reports strong third quarter following strong first half

Kinopolis continued to post strong results in the third quarter. A further recovering Hollywood film offering and the success of 'Barbie' and 'Oppenheimer' ensured a successful summer film season. Kinopolis recorded higher visitor-related revenue (Box Office and In-theatre Sales) than in the third quarter of 2022 and 2019, both overall and per visitor. Even when excluding the Group's expansion since 2019, revenue was higher than in the same period in 2019.

From January to September, Kinopolis welcomed 29.4% more visitors than in the same period last year or 98.5% of the visitors in the record-breaking year of 2019. For the third quarter alone, visitor numbers recovered further, which confirms that visitor numbers are continuing to rebound in line with a larger and still recovering Hollywood film offering.

Investments made in premium film experiences in all of the countries in which the Group operates are paying off, resulting in an enhanced customer experience and higher revenue per visitor.

Key figures¹ for the third quarter 2023²

- ★ **Revenue per visitor** remained high and increased compared to 2022, with total revenue increasing proportionally more than visitors and even exceeding 2019 levels.
- ★ Kinopolis welcomed 10.5 million visitors in the third quarter or 41.5% more visitors than in the third quarter of 2022. This is 5.1% more than in 2019, albeit with an increased number of cinemas.
- ★ Both **EBITDA** and **EBITDAL** (EBITDA adjusted for leases) were significantly higher than in the same period in 2022 and 2019.
- ★ The **net result** was substantially higher than in the third quarter of 2022 and 2019, resulting in a strong **free cash flow**.
- ★ **Net financial debt** fell below € 400 million, which is a significant decrease compared to December 2022 (€ 423.5 million). This is despite significant investments in premium film experiences, maintenance and external expansion.

Important achievements

- ★ Opening of 6 new IMAX screens (Kinopolis Liège, Kirchberg, Nîmes, Madrid, Landmark Waterloo, MJR Southgate)
- ★ Launch of new share buyback program on 25 September 2023
- ★ Completion of the Landmark Waterloo (CA) renovation

¹ An explanatory glossary and APMs can be found on the investor relations website of Kinopolis Group.

² Figures from 1 July up to and including 30 September 2023.



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Eddy Duquenne, CEO Kinopolis Group, on the third quarter:

“With this third quarter, we continue the positive momentum of the first six months. For the fourth quarter, we’re confident that - despite the postponement of ‘Dune: Part Two’ to March next year - new releases such as ‘Killers of the Flower Moon’ and ‘Napoleon’ will perform strongly. We, and the entire film industry, also hope that the actors' strike in Hollywood will shortly be resolved through constructive dialogue, thus limiting longer-term impact on the film programme. As for Kinopolis, I say: ‘so far so good’, both in terms of visitor development, as well as turnover and EBITDA generation which exceed (the record-breaking) 2019 levels so far.”

Notes

Kinopolis welcomed 41.5% more visitors in the third quarter compared to the third quarter of 2022, which is equivalent to 105.1% of visitors in 2019 (pre-Covid). On a comparable basis (excluding the Group’s expansion), Kinopolis welcomed 84.7% of the visitors in Q3 2019. The hugely successful blockbusters ‘Barbie’ and ‘Oppenheimer’ ensured a very strong third quarter.

The top 5 films in the third quarter of 2023 were ‘Barbie’, ‘Oppenheimer’, ‘Mission Impossible: Dead Reckoning Part One’, ‘Indiana Jones and the Dial of Destiny’ and ‘Elemental’. The most successful local films were ‘Campeonex’ and ‘Vacaciones de Verano’ in Spain, ‘Miraculous: Lady Bug & Cat Noir’ in Belgium and France, ‘Les Déguns 2’ and ‘Les Blagues de Toto 2: Classe verte’ in France and ‘De Bellinga’s: Vakantie op stellen’ and ‘De Oneindige Slijmfilm’ in the Netherlands.

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	17	38	10	20	10	3	1	110
YTD Q3 2023	4,72	4,97	7,32	3,70	2,69	3,20	0,62	0,08	27,32
YTD Q3 2022	3,82	3,56	5,82	2,58	2,32	2,51	0,44	0,06	21,11
YTD Q3 2023 vs YTD Q3 2022	23,8%	39,7%	25,9%	43,7%	15,6%	27,5%	40,7%	27,4%	29,4%

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	17	38	10	20	10	3	1	110
Q3 2023	1,85	1,73	2,91	1,58	1,03	1,17	0,24	0,03	10,54
Q3 2022	1,19	1,14	2,20	1,00	0,85	0,91	0,15	0,02	7,45
Q3 2023 vs Q3 2022	56,1%	52,1%	32,1%	58,4%	21,2%	29,0%	63,1%	37,2%	41,5%

* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.
Number of cinemas at 30/09/2023

Total revenue was higher in the third quarter than in the same period in 2022 and 2019.

Both revenue from ticket sales (Box Office) and revenue from the sale of drinks and snacks (In-theatre Sales) showed an increase per visitor compared to 2022, thanks to the success of premium cinema experiences and higher consumption.



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Revenue from all other business lines also increased compared to the third quarter of 2022. This was also the case compared to 2019, with the exception of screen advertising and revenue from concessions which are still recovering.

Both EBITDA and EBITDAL (EBITDA adjusted for leases) were higher than in the third quarter of 2022 and 2019, thanks to the operating result and the impact of the Entrepreneurship plan.

A strong net result enabled Kinopolis to post a strong free cash flow (excluding working capital) for the third quarter. Furthermore, an amount of € 8.2 million was invested in maintenance, and internal and external expansion in the third quarter.

Net financial debt, excluding lease liabilities, amounted to € 394.7 million at the end of September, a decrease in comparison to both 31 December 2022 (€ 423.5 million) and 30 June 2023 (€ 422.6 million).

Important events since 1 July 2023

Opening of new IMAX screens

In May this year, Kinopolis Group and Imax Corporation announced the expansion of their long-standing partnership with a contract that included six new IMAX screens in Europe and North America. All renovations have now been completed and almost all of the new IMAX sites have opened. The IMAX screens at Landmark Waterloo (Ontario, CA), Kinopolis Liège (BE), Kinopolis Kirchberg (LU), Kinopolis Nîmes (FR) and Kinopolis Madrid (ES) opened to the public this month. The new IMAX screen at MJR Southgate (US) is scheduled to open on 9 November with the release of 'The Marvels'.

These openings bring the tally of IMAX screens operated by Kinopolis Group to 13 locations, six of which in Europe, six in Canada and one in Michigan, US. All new locations are equipped with IMAX® with Laser, a next generation laser projection and multi-channel sound system exclusive to IMAX theatres. IMAX with laser is developed specifically to deliver crystal-clear, lifelike images and precision sound for an unparalleled cinematic experience. The technology is distinguished by a pioneering 4K laser projection system with a new optical engine, specially designed lenses and a series of patented technologies that deliver brighter images with higher resolution, deeper contrast and the widest colour palette exclusive to IMAX screens.

Start of new share buyback program

Kinopolis Group NV launched a share buyback program, that started on 25 September 2023, in which an independent intermediary has been given a discretionary mandate to buy back - on behalf of Kinopolis Group NV - up to 151,000 own shares on Euronext Brussels between 25 September 2023 and 24 March 2024, for a maximum amount of € 8,000,000. The share buyback is being carried out within the conditions specified in the authorisation by the Extraordinary General Meeting of May 10, 2023, by which the Board of Directors is authorised to buy back own shares, under certain conditions, to cover share options.

Renovation Landmark Waterloo completed (CA)

The Landmark Cinema in Waterloo, Ontario has been renovated and equipped with recliners, Premiere Seats, a Laser ULTRA auditorium and IMAX screen. Laser ULTRA is Kinopolis' own Premium Large Format, a combination of 4K laser projection and Dolby Atmos sound for an even more intense film experience. The renovation of Landmark Waterloo has been completed in October 2023.



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Closure of Landmark Kitchener (CA)

Partly in response to the renovation of the Landmark cinema in Waterloo, located 16 km from Landmark Kitchener, Kinopolis took the decision not to renew the lease on the latter and to close the 12-screen cinema permanently.

'Taylor Swift: The Eras Tour' concert film screening in cinemas worldwide from 13 October

Taylor Swift released the concert film of her Eras Tour in cinemas worldwide on 13 October. Kinopolis is screening the film over four weekends in all its cinemas (including in IMAX and Laser ULTRA).

Progress transition to laser projection

In 2023, Kinopolis is taking another major step in its transition to laser projection by procuring 171 laser projectors from Cinionic. This will result in additional energy savings of approximately 1.5 GW per year. As per 30 September 2023, 131 of the planned 171 lasers had been installed. Approximately 80% of Kinopolis' European screens is expected to be laser by the end of 2023, and nearly 60% at Group level.

Line-up for 2023

The most popular films currently screening include 'Taylor Swift: The Eras Tour', 'Killers of the Flower Moon', 'Trolls Band Together' and 'PAW Patrol: The Mighty Movie'. The following blockbusters are due to hit screens in the coming weeks and months: 'The Marvels', 'The Hunger Games: The Ballad of Songbirds and Snakes', 'Napoleon', 'Wish', 'Five Nights at Freddy's', 'Wonka', 'Aquaman and the Lost Kingdom' and 'Migration'. The local film programme includes 'Wil', 'Het Smelt' and 'J'aime la vie' in Belgium, 'De Grote Sinterklaasfilm: Strijd om Pakjesavond' and 'De Tatta's 2' in the Netherlands, 'Une année difficile', 'L'Abbé Pierre' and '3 jours max' in France, 'Ein Fest fürs Leben' in Luxembourg and 'El favor' and 'Ocho apellidos marroquís' in Spain. In addition, the programme is supplemented by live opera, art, sports and concerts.

Financial calendar

Thursday 22 February 2024
Thursday 25 April 2024
Wednesday 8 May 2024

Annual results 2023
Business update first quarter 2024
General Meeting

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About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family-run cinema groups and was listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. In addition to its cinema business, the Group is also active in film distribution, event organisation, screen publicity and property management.



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In Europe, Kinopolis Group NV has 63 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. Since the acquisition of Canadian movie theatre group Landmark Cinemas and American movie theatre group MJR Theatres, Kinopolis also operates 37 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 110 cinemas worldwide, with a total of 1,126 screens and more than 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on www.kinopolis.com/corporate.