



RAPPORT FINANCIER SEMESTRIEL 2022





Kinopolis Group

Rapport financier semestriel au 30 juin 2022

Information réglementée - 18 août 2022

Kinopolis voit la reprise de la fréquentation de ses cinémas se poursuivre et retrouve sa solidité financière

Kinopolis a enregistré une forte reprise de son résultat opérationnel et de son flux de trésorerie libre au cours du premier semestre de 2022. Le Groupe a observé une reprise progressive de la fréquentation de ses cinémas dans tous les pays. Ceux qui étaient initialement à la traîne rattrapent désormais leur retard. Les vacances d'été ont commencé de façon prometteuse, pour ensuite souffrir de la canicule.

Au cours du premier semestre de 2022, Kinopolis a accueilli cinq fois plus de visiteurs qu'au premier semestre de 2021, soit 77,2 % des visiteurs par rapport à la même période en 2019. Alors qu'au premier trimestre, les mesures Covid étaient encore en vigueur dans la plupart des pays et que les cinémas néerlandais, ainsi qu'une partie des cinémas canadiens, sont restés fermés jusqu'à la fin du mois de janvier, les mesures furent levées au deuxième trimestre pour l'ensemble des complexes. Au mois de juin, « Top Gun: Maverick », « Jurassic World : Le Monde d'Après » et « Elvis » ont contribué à une reprise de la fréquentation atteignant jusqu'à 107,0 % de la fréquentation du mois de juin 2019.

Les ventes moyennes par visiteur sont restées élevées grâce à une demande importante d'expérience et de produits premium, permettant une reprise plus rapide du chiffre d'affaires lié aux visiteurs par rapport à la fréquentation. Les autres branches d'activité ont également enregistré une belle reprise, en particulier les activités B2B, grâce à une augmentation significative du nombre d'événements d'entreprise.

La mise en œuvre du plan Entrepreneurship a largement contribué à la reprise du résultat opérationnel ainsi qu'au développement de l'offre de produits. Grâce à sa solidité financière retrouvée, Kinopolis pourra continuer d'investir dans son expansion externe et la premiumisation de son offre.

Principales réalisations au S1 2022

- ★ Nomination de M. Jeroen Mouton en tant que nouveau CFO. Il prendra ses fonctions le 15 novembre 2022.
- ★ Accord pour la reprise de l'exploitation de deux cinémas espagnols (Marbella et Barcelone) à partir de novembre 2022.
- ★ Investissements dans une expérience cinématographique premium avec l'introduction, e.a., des « Premiere Seats » dans dix cinémas Landmark, l'installation de 200 projecteurs laser en 2022 ainsi que la préparation du déploiement des concepts premium aux États-Unis.
- ★ Accord pour le déploiement du système de TMS Eikona Cinema Manager en Europe.



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Chiffres clés S1 2022^{1 2}

- ★ Kinopolis a accueilli 13,7 millions de visiteurs au cours du premier semestre, soit 77,2 % du nombre de visiteurs au cours de la même période en 2019, lui permettant de réaliser 93,5 %³ du chiffre d'affaires par rapport au premier semestre de 2019. Au deuxième trimestre, Kinopolis a enregistré une fréquentation de 86,9 % par rapport au 2e trimestre de 2019, pour un chiffre d'affaires atteignant 103,9 %³ de celui du 2e trimestre de 2019.
- ★ Les ventes par visiteur (tickets, boissons et snacks) sont restées élevées, dépassant même celles de 2021.
- ★ Au premier semestre, l'EBITDA s'élevait à 68,2 millions € et l'EBITDAL (EBITDA ajusté pour les loyers) à 50,4 millions €.
- ★ Le bénéfice total s'élevait à 9,1 millions €.
- ★ Le flux de trésorerie libre s'est rétabli à 25,7 millions €.
- ★ L'endettement financier net (EFN), hors dettes de location, a baissé de 474,5 millions € au 31 décembre 2021 à 450,0 millions € au 30 juin 2022.

Eddy Duquenne, CEO de Kinopolis Group, à propos du premier semestre :

« Je suis fier de la reprise financière de l'entreprise et de notre capacité financière retrouvée qui nous permettra de poursuivre notre expansion interne et externe. Les blockbusters jouent un rôle important dans la reprise de la fréquentation des cinémas, en nous escomptons que les films de moyenne envergure et locaux atteindront leur plein potentiel au cours des mois à venir. Notre stratégie visant à nous concentrer sur la premiumisation de l'expérience client porte ses fruits et contribue significativement, au même titre que la réalisation de notre plan Entrepreneurship, à la reprise de notre résultat opérationnel. »

¹ Chiffres du 1er janvier au 30 juin 2022.

² Communiqué de presse sur la base de chiffres non audités.

³ Chiffre corrigé pour les éléments ponctuels liés au Covid-19.



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Chiffres clés

| En millions d'€ | S1 2022 | S1 2021 | % Augmentation / - Diminution |
|-----------------------------------|---------------|----------------|----------------------------------|
| Produits | 228,0 | 36,8 | 519,9% |
| <i>Visiteurs ('000)</i> | <i>13 668</i> | <i>2 188</i> | <i>524,7%</i> |
| EBITDA | 68,2 | -7,1 | 1 062,2% |
| <i>Marge EBITDA</i> | <i>29,9%</i> | <i>-19,3%</i> | <i>4 920 pb</i> |
| <i>EBITDA / visiteur</i> | <i>4,99</i> | <i>-3,24</i> | <i>254,0%</i> |
| EBITDAL | 50,4 | -24,0 | 309,9% |
| <i>Marge EBITDAL</i> | <i>22,1%</i> | <i>-65,2%</i> | <i>8 732 pb</i> |
| <i>EBITDAL / visiteur</i> | <i>3,68</i> | <i>-10,97</i> | <i>133,6%</i> |
| EBIT | 27,9 | -48,0 | 158,1% |
| <i>Marge EBIT</i> | <i>12,2%</i> | <i>-130,4%</i> | <i>14 258 pb</i> |
| Résultat | 9,1 | -45,8 | 119,8% |
| <i>Résultat par action (en €)</i> | <i>0,34</i> | <i>-1,70</i> | <i>120,0%</i> |
| Flux de trésorerie libre | 25,7 | -21,4 | 220,2% |

| En millions d'€ | 30/06/2022 | 31/12/2021 | % Évolution |
|---|------------|------------|-------------|
| Total des actifs | 1 173,0 | 1 195,1 | -1,9% |
| Capitaux propres | 149,9 | 120,6 | 24,2% |
| Endettement financier net excl. dettes de location (EFN) | 450,0 | 474,5 | -5,2% |



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Explications

Visiteurs

Au cours du premier semestre de 2022, Kinopolis a accueilli 13,7 millions de visiteurs, soit une augmentation de 524,7 % par rapport au premier semestre de 2021 ou 77,2 % du nombre de visiteurs par rapport à la même période en 2019 (avant le Covid). La fréquentation a évolué de manière positive mois après mois, grâce à la levée des mesures Covid-19 et aux blockbusters à succès.

Pratiquement toutes les mesures (dont les limitations de capacité, le port du masque obligatoire, le pass sanitaire et, dans certains pays, la fermeture précoce des cinémas et la fermeture des shops) ont été allégées ou supprimées dans le courant du premier trimestre de 2022. Au début du deuxième trimestre, les cinémas exploités par Kinopolis ne devaient plus respecter aucune mesure restrictive.

Les films qui ont remporté le plus de succès au cours du premier semestre 2022 sont « Top Gun : Maverick », « Doctor Strange in the Multiverse of Madness », « Spider-Man: No Way Home », « The Batman » et « Jurassic World : Le Monde d'Après ». Les films locaux ayant remporté le plus grand succès sont « Nachtwacht 3: De dag van de bloedmaan » en Flandre, « Qu'est-ce qu'on a tous fait au Bon Dieu », « Super-héros malgré lui » et « Maison de retraite » en France et en Wallonie, « Costa!! » aux Pays-Bas et « La Abuela » en Espagne.

| Visiteurs (millions) | Belgique | France | Canada | Espagne | Pays-Bas | États-Unis | Luxembourg | Suisse | Total |
|----------------------|----------|--------|----------|---------|----------|------------|------------|--------|--------|
| Nombre de cinémas* | 11 | 14 | 40 | 8 | 20 | 10 | 3 | 1 | 107 |
| S1 2022 | 2,63 | 2,42 | 3,62 | 1,58 | 1,47 | 1,61 | 0,30 | 0,04 | 13,67 |
| S1 2021 | 0,23 | 0,37 | 0,23 | 0,49 | 0,19 | 0,58 | 0,10 | 0,01 | 2,19 |
| S1 2022 vs S1 2021 | 1 043,0% | 557,1% | 1 466,2% | 224,8% | 684,0% | 177,7% | 200,0% | 720,0% | 524,7% |

| Visiteurs (millions) | Belgique | France | Canada | Espagne | Pays-Bas | États-Unis | Luxembourg | Suisse | Total |
|----------------------|----------|--------|----------|---------|----------|------------|------------|--------|--------|
| Nombre de cinémas* | 11 | 14 | 40 | 8 | 20 | 10 | 3 | 1 | 107 |
| T2 2022 | 1,34 | 1,24 | 2,25 | 0,88 | 0,87 | 0,96 | 0,16 | 0,02 | 7,73 |
| T2 2021 | 0,23 | 0,37 | 0,19 | 0,36 | 0,19 | 0,40 | 0,05 | 0,01 | 1,79 |
| T2 2022 vs T2 2021 | 484,3% | 237,8% | 1 095,2% | 148,5% | 363,3% | 140,1% | 203,7% | 360,0% | 332,9% |

* Exploité par Kinopolis. En outre, 1 cinéma (en Pologne) est loué à des tiers.

Nombre de cinémas au 30/06/2022

Produits

Les **produits totaux** s'élevaient au premier semestre à 228,0 millions €, soit une augmentation de 519,9 % par rapport à la même période en 2021 (ou 93,5 % des produits du premier semestre de 2019, chiffre corrigé pour les éléments ponctuels liés au Covid-19).

Le chiffre d'affaires lié aux visiteurs (vente de tickets, de boissons et de snacks) a progressé davantage que le chiffre d'affaires total grâce à l'augmentation des produits par visiteur. Tant les produits de la vente de tickets que celles de la vente de boissons et de snacks ont augmenté plus significativement que l'augmentation du nombre de visiteurs. Kinopolis a également enregistré une hausse du chiffre d'affaires dans toutes les autres branches d'activité.

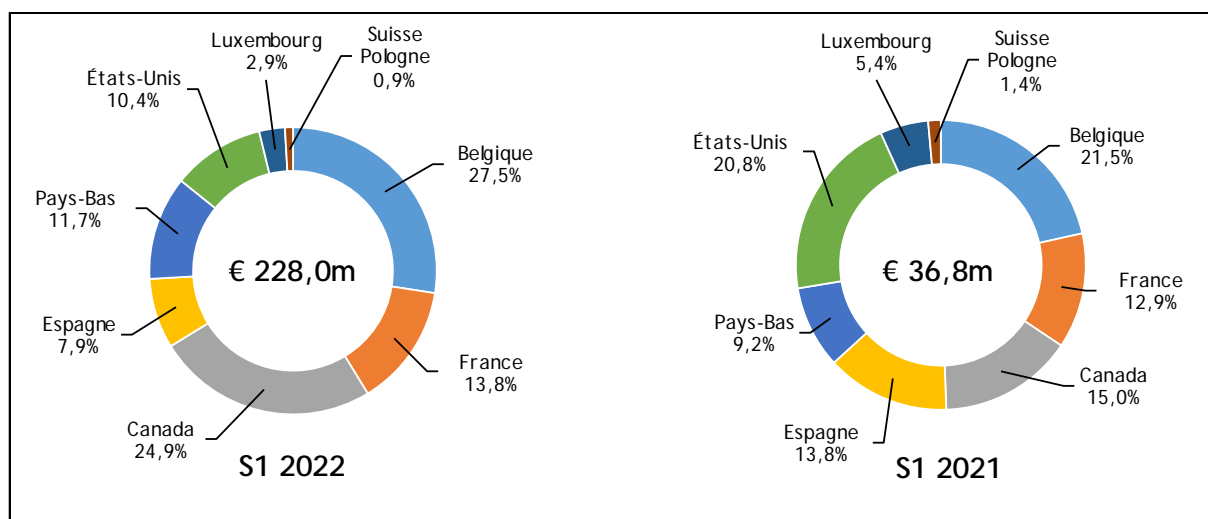


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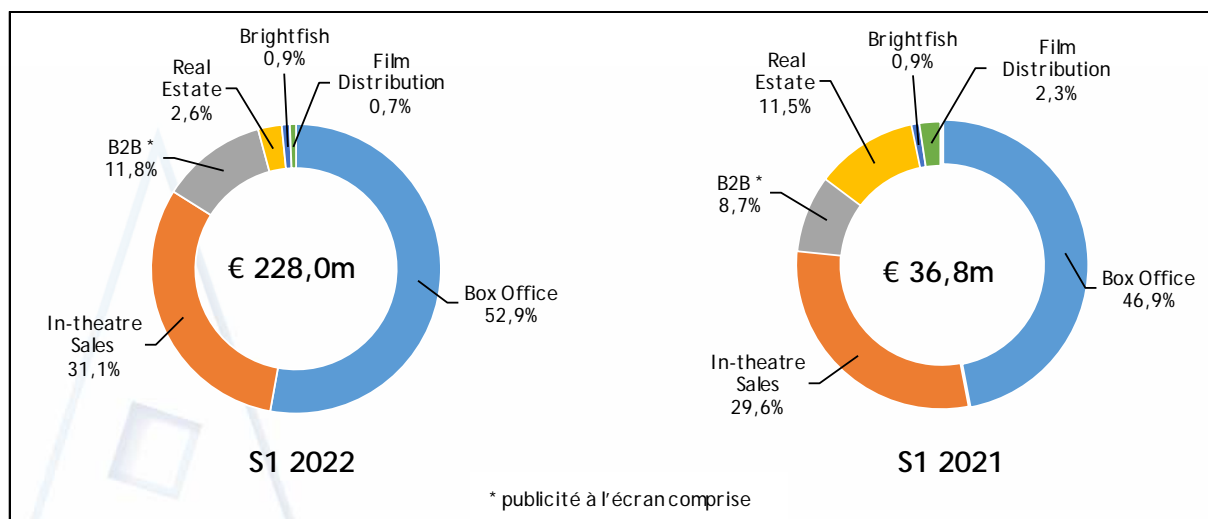
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Produits par pays



Produits par activité



Les produits de la vente de tickets (Box Office, BO) ont augmenté de 598,0 % par rapport à la même période en 2021, pour atteindre 120,5 millions €. Les produits BO par visiteur ont augmenté de 11,7 %, notamment grâce au succès d'expériences cinématographiques premium et à des augmentations de prix compensatrices de l'inflation.

Les produits de la vente de boissons et de snacks (In-theatre Sales, ITS) ont enregistré une hausse de 551,4 % par rapport au premier semestre de 2021, pour atteindre 70,9 millions €. Les produits ITS par



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visiteur ont progressé de 20,3 %, (à l'exclusion des recettes des livraisons à domicile), grâce à une augmentation des produits ITS par visiteur dans pratiquement tous les pays.

Les **produits B2B** ont augmenté de 741,8 % par rapport à la même période en 2021. Tant les recettes provenant des événements que ceux de la publicité à l'écran ont enregistré une forte augmentation.

Les **produits immobiliers** ont augmenté de 43,0 % grâce à une baisse des réductions de loyer accordées, une augmentation des revenus locatifs variables, principalement des revenus du parking, ainsi que des revenus des concessions en propriété.

Le chiffre d'affaires de **Brightfish**, la régie publicitaire belge, a augmenté de 517,8 % grâce à plus de publicité à l'écran et à un plus grand nombre d'événements. **Kinopolis Film Distribution (KFD)** a vu ses revenus augmenter de 83,5 % à la suite du plus grand nombre de sorties au cours du premier semestre 2022 par rapport à la même période l'année passée, ainsi qu'à une augmentation des revenus provenant de la vidéo à la demande (VOD).

Coûts opérationnels

Les **coûts opérationnels** ont augmenté de 372,1 % au cours du premier semestre 2022 en raison de l'augmentation des frais de commercialisation, ainsi que des charges administratives, d'une baisse des subventions Covid-19 et des réductions de loyer accordées, légèrement compensés par la diminution des amortissements.

EBITDA

L'EBITDA s'élevait à 68,2 millions € au premier semestre de 2022. Après ajustement pour les loyers, l'EBITDAL s'élevait à 50,4 millions €. L'EBITDAL par visiteur a progressé, passant de -10,97 € à 3,68 €.

Bénéfice de la période

Le bénéfice au cours du premier semestre s'élevait à 9,1 millions €, principalement grâce au bon résultat opérationnel, légèrement compensés par des coûts financiers plus importants et des charges d'impôt sur le bénéfice plus élevées.

Les coûts financiers nets ont augmenté de 13,1 millions € à 15,6 millions €, principalement en raison d'une augmentation des frais bancaires résultant de la reprise des activités, ainsi que des écarts de change réalisés.

Le taux d'impôt effectif a atteint 26,3 %, contre 25,1 % pour la même période l'an dernier.

Le résultat par action s'est élevé à 0,34 €.

Flux de trésorerie libre et endettement financier net

Au cours du premier semestre de 2022, un flux de trésorerie libre positif de 25,7 millions € a été réalisé, principalement grâce au bon résultat opérationnel, malgré le fonds de roulement négatif de 10,7 millions €, 4,6 millions € d'intérêts payés, des investissements de maintenance d'un montant de 3,8 millions € et 0,6 million € de charges d'impôt payées.



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Au cours du premier semestre de 2022, 3,9 millions € ont été investis dans l'expansion interne et externe, notamment au niveau de l'achèvement et l'aménagement du nouveau cinéma Amphithéâtre Metz (FR), des expériences cinématographiques premium telles que les « Premiere Seats » au Canada, de la rénovation du cinéma du « Pen Centre » à St. Catharines (CA), des investissements en matière d'économie d'énergie et des développements ICT.

L'endettement financier net, hors dettes de location, s'élevait à 450,0 millions € au 30 juin 2022, soit une diminution de 24,4 millions € par rapport au 31 décembre 2021 (474,5 millions €), grâce au flux de trésorerie libre positif.

Les **fonds disponibles** s'élevaient à 163,2 millions € à la fin du mois de juin, contre 199,8 millions € au 31 décembre 2021, compte tenu du remboursement d'un placement privé d'un montant de 61,4 millions € à la fin du mois de janvier 2022.

Bilan

Au 30 juin 2022, les actifs non courants (1 094,9 millions €) représentaient 93,3 % du total du bilan (1 173 millions €). Ce montant comprend les terrains et les bâtiments (y compris les immeubles de placement) d'une valeur comptable de 397,6 millions €.

Au 30 juin 2022, les capitaux propres s'élevaient à 149,9 millions €. La solvabilité atteignait 12,8 %, contre 10,1 % à la fin 2021.

Événements importants depuis le 1er janvier 2022

Kinopolis accueille Jeroen Mouton en tant que nouveau CFO

Kinopolis a nommé M. Jeroen Mouton comme nouveau CFO du Groupe. M. Mouton possède une vaste expérience nationale et internationale acquise dans diverses sociétés cotées en bourse telles que Sioen Industries, Electrawinds, Daikin Europe et actuellement en tant que CFO de Roularta Media Group.

Eddy Duquenne, CEO de Kinopolis Group : « Je suis ravi de la nomination de Jeroen Mouton en tant que nouveau CFO. Je suis convaincu qu'il possède le profil adéquat pour accompagner l'entreprise dans la poursuite du déploiement de son organisation autoapprenante et de sa stratégie d'expansion. »

Jeroen Mouton, CFO de Kinopolis Group à partir du 15 novembre 2022 : « Je suis honoré d'être nommé CFO de Kinopolis. La position unique de Kinopolis en termes de rentabilité, de répartition géographique, de patrimoine immobilier et d'accent mis sur l'entrepreneuriat interne lui assure un excellent positionnement. En tant que professionnel de la finance, je suis très impatient de travailler avec l'équipe à la croissance durable de Kinopolis. »

Accord pour la reprise de l'exploitation de deux cinémas espagnols

Kinopolis a signé un bail avec la société immobilière General de Galerías Comerciales portant sur la reprise de l'exploitation de deux cinémas espagnols, l'un situé à Mataró (Barcelone) et l'autre à Marbella, dans le centre commercial très fréquenté La Cañada. Les deux cinémas se situent dans des marchés avec un pouvoir d'achat important et une forte demande de produits premium.



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Le complexe de Mataró, à 37 km au nord de Barcelone, se situe dans le centre commercial Mataró Parc et dispose de 12 salles et 2 916 sièges. En 2019, ce cinéma a accueilli environ 600 000 visiteurs. Kinopolis l'exploitera à partir du 3 novembre 2022. Le complexe de Marbella se situe dans le centre commercial La Cañada et dispose de 8 salles et 1 610 sièges. En 2019, ce cinéma a accueilli environ 350 000 visiteurs. Kinopolis l'exploitera à partir du 7 novembre 2022.

La suspension des covenants prolongée jusqu'au 31 décembre 2022

En raison de l'impact de la pandémie de Covid-19, Kinopolis a conclu, au début de l'année 2021, un accord de suspension de covenants sur sa dette bancaire (« covenant holiday ») jusqu'au 30 juin 2022 avec ses institutions financières. En mars, elle a conclu un accord avec ses institutions financières pour prolonger la suspension des covenants jusqu'au 31 décembre 2022.

Cela signifie notamment que les conditions relatives au taux d'endettement maximal par rapport à l'EBITDAL restent suspendues jusqu'à la fin de 2022. Ces conditions, qui ne s'appliquent qu'à la dette bancaire, ont été remplacées, entre autres, par une convention de liquidité, en vertu de laquelle la somme des liquidités disponibles et des lignes de crédit confirmées doit être d'au moins 30,0 millions € pendant la durée de la suspension des covenants.

Vente privée d'actions Kinohold

Début juin, Kinohold (Bis) SA a annoncé la vente privée de 180 001 actions, soit environ 0,66 % du capital actuellement en circulation, à Eddy Duquenne (CEO de Kinopolis) et aux membres de la famille Bert. Kinopolis n'a tiré aucun produit de ce placement privé. Kinohold a vendu les actions à la demande de Geert et Koenraad Bert.

Afin de réaffirmer leur confiance dans l'avenir et la stratégie de croissance de Kinopolis et d'assurer une participation stable, Eddy Duquenne, CEO de Kinopolis, a acquis 100 000 actions et 80 001 actions ont été redistribuées entre les membres de la famille Bert⁴.

Suite à une série de transactions entre les membres de la famille destinée à attribuer le produit de la vente des 180 001 actions à Geert et Koenraad Bert et après la mise en œuvre de la recertification envisagée des 80 001 actions dans STAK Kinohold, Kinohold détiendra encore 46,04 % de la participation dans Kinopolis. Kinohold conservera également les droits de vote des 100 000 actions vendues au CEO pendant les quatre prochaines années, conformément aux conditions de vente convenues.

Introduction des « Premiere Seats » dans dix cinémas canadiens

Au cours du premier semestre de l'année, Kinopolis a installé de luxueux « Premiere Seats » dans dix cinémas Landmark. Les « Premiere Seats » consistent en un ensemble de deux ou trois sièges inclinables chauffants, dotés d'un appui-tête réglable, d'une petite tablette et d'un portemanteau, qui offre davantage d'intimité que les sièges inclinables ordinaires. Au total, 11 cinémas Landmark disposent désormais de Premiere Seats (plus particulièrement celui de New Westminster, Surrey, Calgary (3), Edmonton, Fort McMurray, St. Albert, Regina, St. Catharines et Whitby).

⁴ Sur la base des règles de valorisation prévues dans les documents constitutifs de STAK Kinohold, qui incluent une réduction importante à un prix de marché de référence moyen et sont ajustées de façon à tenir compte de la taille et de la nature de la transaction.



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Rénovation de Landmark St. Catharines (CA)

Fin février, Landmark Cinemas a terminé la rénovation de son cinéma situé dans « Pen Centre » à St. Catharines, Ontario. Désormais, les 10 salles sont toutes équipées de sièges inclinables et chaque salle dispose également d'une rangée de « Premiere Seats », la version « Cosy Seat » des sièges inclinables. De plus, l'une des 10 salles a été transformée en salle Laser ULTRA, selon le célèbre concept de Kinopolis associant la projection laser 4K de Cinionic au son Dolby Atmos, pour vivre le film de manière encore plus intense.

Déploiement du système de TMS EIKONA Cinema Manager dans tous les cinémas Kinopolis en Europe

Au terme de tests approfondis, Kinopolis a opté pour EIKONA Cinema Solutions, un leader européen en matière de logiciels de cinéma, pour le déploiement d'EIKONA Cinema Manager dans tous ses complexes en Europe. Le produit est testé au sein de Kinopolis Schaffhausen depuis le mois de mai 2019 et dans les trois cinémas luxembourgeois depuis le mois de juin 2021. Le système de TMS EIKONA Cinema Manager sera déployé en septembre aux Pays-Bas et en octobre en Belgique, puis en France et en Espagne en 2023. Le nouveau système permettra notamment à Kinopolis d'adapter le contenu du preshow à ses groupes cibles de manière organisée ainsi que d'optimiser la gestion énergétique de ses projecteurs.

Kinopolis Belgique surprend avec l'installation d'un F-16 à l'occasion de la sortie de Top Gun

À la fin du mois de mai, les visiteurs de Kinopolis Anvers ont pu prendre place dans le cockpit d'un avion de chasse F-16 installé sur le parking du complexe cinématographique. À l'occasion de la sortie de « Top Gun: Maverick », Kinopolis a en effet collaboré avec la force aérienne belge pour une campagne promotionnelle unique. Durant deux jours, les visiteurs ont eu l'occasion de prendre place dans le cockpit de l'avion de chasse et de se glisser dans la peau de Maverick l'espace d'un instant.

Aménagement de Kinopolis Metz Amphithéâtre

À l'automne de 2022, un nouveau cinéma Kinopolis ouvrira à Metz, en France, plus précisément dans le Quartier de l'Amphithéâtre. Après Kinopolis Saint-Julien-lès-Metz (premier site Kinopolis français, ouvert en 1995), le cinéma art et essai KLUB en centre-ville (ouvert en 2018) et Kinopolis Metz Waves (ouvert en 2021), il s'agit du quatrième cinéma du Groupe dans la région. Le cinéma comptera 8 salles et Kinopolis espère pouvoir y accueillir quelque 300 000 visiteurs par an.

Programmation second semestre 2022

Les films les plus populaires en ce moment sont « Les Minions 2 : Il était une fois Gru », « Thor: Love and Thunder », « Krypto et les Super-Animaux » et « Bullet Train ». Les prochains mois seront marqués, entre autres, par la sortie des films suivants : « Ticket to Paradise », « Black Panther: Wakanda Forever », « Lyle, Lyle, Crocodile », « Le Chat potté : La dernière quête », « Rebel », « Shazam! La rage des Dieux » et « Avatar : La voie de l'eau ». Au niveau local, le programme des films comprend notamment « Ritueel », « Zillion », « Close » et « Le Otto Montagne » en Belgique, « Soof 3 » et « Wolf » aux Pays-Bas, « Novembre », « Mascarade » et « Le Torrent » en France, et « Tadeo Jones 3 », « El Test » et « A Todo Tren; Ahora son Ella 2 » en Espagne. L'opéra et le ballet en direct sont complétés par l'art, du sport et des concerts.



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Calendrier financier

Jeudi 27 octobre 2022
Jeudi 16 février 2023
Jeudi 27 avril 2023
Mercredi 10 mai 2023

Business update troisième trimestre 2022
Résultats annuels 2022
Business update premier trimestre 2023
Assemblée générale

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À propos de Kinopolis

Kinopolis Group SA a vu le jour en 1997 suite à la fusion de deux groupes de cinéma familiaux et a été cotée en bourse en 1998. Kinopolis offre un concept de cinéma innovant, considéré comme un exemple dans le secteur. Outre son activité cinématographique, le Groupe est également actif dans la distribution de films, l'organisation d'événements, la publicité à l'écran et la gestion immobilière.

En Europe, Kinopolis Group SA comptera bientôt 60 cinémas situés en Belgique, aux Pays-Bas, en France, en Espagne, au Luxembourg, en Suisse et en Pologne. Depuis l'acquisition du groupe cinématographique canadien Landmark Cinemas et celle du groupe américain MJR Digital Cinemas, Kinopolis compte également 40 cinémas au Canada et 10 aux États-Unis.

Au total, Kinopolis exploitera bientôt 110 cinémas, soit 1 117 écrans pour presque 200 000 places assises. Chaque jour, les collaborateurs de Kinopolis mettent tout en œuvre pour assurer une expérience cinématographique inoubliable à des millions de visiteurs. Plus d'infos sur www.kinopolis.com/corporate.

| CONDENSED CONSOLIDATED INCOME STATEMENT | | | |
|---|-------|---------------|----------------|
| IN '000 € | Note | 30/06/2022 | 30/06/2021 |
| Revenue | 9 | 228 028 | 36 786 |
| Cost of sales | | -181 192 | -80 719 |
| Gross result | | 46 836 | -43 934 |
| Marketing and selling expenses | | -9 386 | -4 479 |
| Administrative expenses | | -13 199 | -9 822 |
| Other operating income | 6, 12 | 3 665 | 10 359 |
| Other operating expenses | | -49 | -76 |
| Operating result | | 27 866 | -47 952 |
| Financial income | | 473 | 735 |
| Financial expenses | | -16 041 | -13 864 |
| Result before tax | | 12 298 | -61 081 |
| Income tax expenses | | -3 229 | 15 324 |
| RESULT FOR THE PERIOD | | 9 068 | -45 757 |
| Attributable to: | | | |
| Owners of the Company | | 9 075 | -45 641 |
| Non-controlling interests | | -7 | -117 |
| RESULT FOR THE PERIOD | | 9 068 | -45 757 |
| Basic result per share (€) | | 0,34 | -1,70 |
| Diluted result per share (€) | | 0,33 | -1,68 |

The notes are an integral part of the half-yearly financial report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

30/06/2022 30/06/2021

IN '000 €

| | | |
|-------------------------|--------------|----------------|
| Result for the period | 9 068 | -45 757 |
| Realised results | 9 068 | -45 757 |

Items to be reclassified to profit or loss if specific conditions are met in the future:

| | | |
|--|--------|--------|
| Translation differences on intra-group non-current borrowings in foreign currencies | 14 647 | 6 578 |
| Translation differences of annual accounts in foreign currencies | 4 986 | 3 252 |
| Cash flow hedges - effective portion of changes in fair value | 22 | 29 |
| Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods | -618 | -1 268 |

| | | |
|---|---------------|--------------|
| Other comprehensive income for the period, net of income taxes | 19 037 | 8 591 |
|---|---------------|--------------|

| | | |
|--|---------------|----------------|
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 28 106 | -37 167 |
|--|---------------|----------------|

Attributable to:

| | | |
|--|---------------|----------------|
| Owners of the Company | 28 094 | -37 077 |
| Non-controlling interests | 12 | -90 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 28 106 | -37 167 |

The notes are an integral part of the half-yearly financial report.

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS | | | |
|---|------|------------------|------------------|
| IN '000 € | Note | 30/06/2022 | 31/12/2021 |
| Intangible assets | | 11 182 | 11 129 |
| Goodwill | 7 | 176 287 | 169 498 |
| Property, plant and equipment | | 492 994 | 498 087 |
| Right-of-use assets | 12 | 364 895 | 353 320 |
| Investment property | | 17 130 | 17 406 |
| Deferred tax assets | 13 | 25 904 | 23 812 |
| Other receivables | | 6 487 | 6 352 |
| Other financial assets | | 27 | 27 |
| Non-current assets | | 1 094 906 | 1 079 631 |
| Inventories | | 5 996 | 4 980 |
| Trade and other receivables | | 32 589 | 33 754 |
| Current tax assets | | 715 | 1 418 |
| Cash and cash equivalents | 10 | 38 746 | 75 295 |
| Current assets | | 78 046 | 115 447 |
| TOTAL ASSETS | | 1 172 952 | 1 195 078 |

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES | | | |
|---|--------|------------------|------------------|
| IN '000 € | Note | 30/06/2022 | 31/12/2021 |
| Share capital | | 18 952 | 18 952 |
| Share premium | | 1 154 | 1 154 |
| Consolidated reserves | | 110 885 | 100 676 |
| Translation reserve | | 18 949 | -54 |
| Total equity attributable to owners of the Company | | 149 940 | 120 728 |
| Non-controlling interests | | -67 | -79 |
| Total equity | | 149 873 | 120 649 |
| Loans and borrowings | 10, 11 | 462 905 | 478 494 |
| Lease liabilities | 12 | 367 199 | 354 271 |
| Provisions for employee benefits | | 1 519 | 1 491 |
| Provisions | | 1 930 | 1 941 |
| Deferred tax liabilities | | 11 820 | 12 158 |
| Derivative financial instruments | | 6 | 28 |
| Other payables | | 5 058 | 5 396 |
| Non-current liabilities | | 850 437 | 853 779 |
| Bank overdrafts | 11 | 126 | 12 |
| Loans and borrowings | 10, 11 | 26 035 | 71 557 |
| Lease liabilities | 12 | 35 707 | 36 296 |
| Trade and other payables | | 105 957 | 111 543 |
| Provisions | | 358 | 358 |
| Current tax liabilities | | 4 459 | 884 |
| Current liabilities | | 172 642 | 220 650 |
| TOTAL EQUITY AND LIABILITIES | | 1 172 952 | 1 195 078 |

The notes are an integral part of the half-yearly financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

IN '000 €

Note

30/06/2022

30/06/2021

| | | | |
|--|----|----------------|---------------|
| Result before tax | | 12 298 | -61 081 |
| Adjustments for: | | | |
| Depreciations and amortisations | | 40 174 | 41 219 |
| Provisions and impairments | | 198 | -358 |
| Provisions for employee benefits | | 28 | |
| Government grants | | -356 | -705 |
| (Gains) Losses on sale of property, plant and equipment | | -31 | -1 |
| Change in fair value of derivative financial instruments and unrealised foreign exchange results | | 815 | -438 |
| Unwinding of non-current receivables and provisions | | -58 | -86 |
| Share-based payments | | 72 | 146 |
| Amortisation of refinancing transaction costs | | 289 | 306 |
| Interest expenses and income | | 12 675 | 12 859 |
| Forgiveness of lessee's lease payments | 12 | -2 782 | -7 387 |
| Change in inventories | | -900 | -171 |
| Change in trade and other receivables | | 2 052 | 7 426 |
| Change in trade and other payables | | -11 861 | 69 |
| Cash flow from operating activities | | 52 612 | -8 201 |
| Income taxes paid / received | | -563 | -655 |
| Net cash flow - used in / + from operating activities | | 52 049 | -8 856 |
| Acquisition of intangible assets | | -788 | -731 |
| Acquisition of property, plant and equipment and investment property | | -6 904 | -7 593 |
| Advance lease payments | 12 | | -149 |
| Proceeds from sale of investment property, intangible assets and property, plant and equipment | | 148 | |
| Net cash flow used in investing activities | | -7 545 | -8 472 |
| Acquisition of non-controlling interests | | | -320 |
| Investment contributions | 12 | | 1 090 |
| Payment of lease liabilities incl. forgiveness of lessee's lease payments | 12 | -12 720 | -2 913 |
| Proceeds from loans and borrowings | 11 | | 80 000 |
| Repayment of loans and borrowings | 11 | -61 400 | -56 500 |
| Payment of transaction costs with regard to refinancing obligations | | | -329 |
| Interest paid | | -4 552 | -4 809 |
| Paid interest related to lease liabilities | 12 | -5 214 | -5 205 |
| Sale of treasury shares | | 1 045 | 229 |
| Net cash flow - used in / + from financing activities | | -82 840 | 11 242 |
| + INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS | | -38 336 | -6 086 |
| Cash and cash equivalents at beginning of the period | | 75 283 | 32 895 |
| Cash and cash equivalents at end of the period | | 38 620 | 27 361 |
| Effect of exchange rate fluctuations on cash and cash equivalents | | 1 673 | 552 |
| + INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS | | -38 336 | -6 086 |

The notes are an integral part of the half-yearly financial report.

| 2022 | | | | | | | | |
|--|---------------------------------------|------------------------|-----------------|----------------------------|------------------------------------|----------------------|------------------------------|----------------|
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 € | ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | NON-CONTROLLING INTERESTS | TOTAL EQUITY |
| | SHARE CAPITAL AND SHARE PREMIUM | TRANSLATION RESERVE | HEDGING RESERVE | TREASURY SHARES RESERVE | SHARE-BASED PAYMENTS RESERVE | RETAINED EARNINGS | | |
| At 31 December 2021 | 20 106 | -54 | 304 | -21 497 | 3 268 | 118 604 | -79 | 120 649 |
| Result for the period | | | | | | 9 075 | -7 | 9 068 |
| Realised results | | | | | | 9 075 | -7 | 9 068 |
| Items to be reclassified to profit or loss if specific conditions are met in the future: | | | | | | | | |
| Translation differences | | 19 615 | | | | | 18 | 19 633 |
| Cash flow hedges - effective portion of changes in fair value | | | | 22 | | | | 22 |
| Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods | | -612 | | -5 | | | | -618 |
| Other comprehensive income for the period, net of income taxes | | 19 003 | | 16 | | | 18 | 19 037 |
| Total comprehensive income for the period | | 19 003 | | 16 | | 9 075 | 12 | 28 106 |
| Sale of treasury shares | | | | | 480 | | 565 | 1 045 |
| Share-based payments | | | | | | -162 | 234 | 72 |
| Total transactions with owners, recorded directly in equity | | | | | 480 | -162 | 799 | 1 118 |
| At 30 June 2022 | 20 106 | 18 949 | 320 | -21 017 | 3 106 | 128 479 | -67 | 149 873 |

The notes are an integral part of the half-yearly financial report.

| 2021 | | | | | | | | |
|--|---------------------------------------|------------------------|-----------------|----------------------------|------------------------------------|----------------------|------------------------------|----------------|
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 € | ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | NON-CONTROLLING INTERESTS | TOTAL EQUITY |
| | SHARE CAPITAL AND SHARE PREMIUM | TRANSLATION RESERVE | HEDGING RESERVE | TREASURY SHARES RESERVE | SHARE-BASED PAYMENTS RESERVE | RETAINED EARNINGS | | |
| At 31 December 2020 | 20 106 | -17 254 | 260 | -22 610 | 3 445 | 142 548 | 4 | 126 496 |
| Result for the period | | | | | | -45 641 | -117 | -45 757 |
| Realised results | | | | | | -45 641 | -117 | -45 757 |
| Items to be reclassified to profit or loss if specific conditions are met in the future: | | | | | | | | |
| Translation differences | | 9 803 | | | | | 27 | 9 830 |
| Cash flow hedges - effective portion of changes in fair value | | | 29 | | | | | 29 |
| Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods | | -941 | -7 | | | -320 | | -1 268 |
| Other comprehensive income for the period, net of income taxes | | 8 862 | 22 | | | -320 | 27 | 8 591 |
| Total comprehensive income for the period | | 8 862 | 22 | | | -45 961 | -90 | -37 167 |
| Sale of treasury shares | | | | 105 | | 124 | | 229 |
| Share-based payments | | | | | 93 | 53 | | 146 |
| Acquisition of non-controlling interests, without changes in control | | | | | | -319 | | -319 |
| Total transactions with owners, recorded directly in equity | | | | 105 | 93 | -142 | | 56 |
| At 30 June 2021 | 20 106 | -8 392 | 282 | -22 505 | 3 538 | 96 445 | -86 | 89 384 |

The notes are an integral part of the half-yearly financial report.

| 30 June 2022 | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|--------------------|---------------|--------------|--|---------------|----------------|
| CONDENSED SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | THE NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment revenue | 62 996 | 31 385 | 56 734 | 18 069 | 26 645 | 23 778 | 6 666 | 1 961 | | 228 234 |
| Intersegment revenue | -189 | -16 | | | | | | | | -205 |
| Revenue | 62 806 | 31 369 | 56 734 | 18 069 | 26 645 | 23 778 | 6 666 | 1 961 | | 228 028 |
| Segment result | 9 579 | 5 804 | 3 604 | 610 | 4 730 | 2 039 | 1 393 | 108 | | 27 866 |
| Financial income | | | | | | | | | 473 | 473 |
| Financial expenses | | | | | | | | | -16 041 | -16 041 |
| Result before tax | | | | | | | | | | 12 298 |
| Income tax expenses | | | | | | | | | -3 229 | -3 229 |
| RESULT FOR THE PERIOD | | | | | | | | | | 9 068 |
| Capital expenditure | 1 676 | 1 966 | 2 080 | 706 | 227 | 825 | 183 | 32 | | 7 692 |

| 30 June 2022 | | | | | | | | | | |
|---|---------------|----------------|----------------|----------------|--------------------|----------------|---------------|--|----------------|------------------|
| CONDENSED SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | THE NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment assets | 90 693 | 127 343 | 353 661 | 119 449 | 185 223 | 185 770 | 22 341 | 23 080 | 65 391 | 1 172 952 |
| Segment equity and liabilities | 53 255 | 47 999 | 270 066 | 49 068 | 31 228 | 58 171 | 7 271 | 670 | 655 224 | 1 172 952 |

* The other operating segment includes Poland and Switzerland. None of these segments met the quantitative thresholds for reportable segments in 2022.

The notes are an integral part of the half-yearly financial report.

| 30 June 2021 | | | | | | | | | | |
|---|----------------|---------------|----------------|---------------|--------------------|---------------|--------------|--|---------------|----------------|
| CONDENSED SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | THE NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment revenue | 6 973 | 4 746 | 5 532 | 5 089 | 3 388 | 7 660 | 1 986 | 500 | | 35 874 |
| Intersegment revenue | 913 | | | | | | | -1 | | 912 |
| Revenue | 7 886 | 4 746 | 5 532 | 5 089 | 3 388 | 7 660 | 1 986 | 499 | | 36 786 |
| Segment result | -15 190 | -4 087 | -11 554 | -3 631 | -8 511 | -4 505 | -513 | 39 | | -47 952 |
| Financial income | | | | | | | | | 735 | 735 |
| Financial expenses | | | | | | | | | -13 864 | -13 864 |
| Result before tax | | | | | | | | | | -61 081 |
| Income tax expenses | | | | | | | | | 15 324 | 15 324 |
| RESULT FOR THE PERIOD | | | | | | | | | | -45 757 |
| Capital expenditure | 900 | 4 201 | 350 | 162 | 2 359 | 117 | 235 | | | 8 324 |

| 31 December 2021 | | | | | | | | | | |
|---|---------------|----------------|----------------|----------------|--------------------|----------------|---------------|--|----------------|------------------|
| CONDENSED SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | THE NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment assets | 94 104 | 131 307 | 340 966 | 118 240 | 190 276 | 173 607 | 23 026 | 23 000 | 100 552 | 1 195 078 |
| Segment equity and liabilities | 53 322 | 52 761 | 261 174 | 47 752 | 31 067 | 56 810 | 7 863 | 547 | 683 782 | 1 195 078 |

* The other operating segment includes Poland and Switzerland. None of these segments met the quantitative thresholds for reportable segments in 2021.

The notes are an integral part of the half-yearly financial report.

| ADJUSTMENTS IN '000€ | 30/06/2022 | 30/06/2021 |
|--|------------|-------------|
| EBITDA | -41 | -23 |
| Depreciations, amortisations and impairment losses | -115 | -919 |
| Provisions | 115 | |
| Income tax expenses | 10 | 240 |
| Net impact of adjustments | -31 | -702 |

| RECONCILIATION OF ADJUSTED RESULT IN '000€ | 30/06/2022 | 30/06/2021 |
|--|---------------|----------------|
| Operating result | 27 866 | -47 952 |
| Financial result | -15 568 | -13 129 |
| Result before tax | 12 298 | -61 081 |
| Income tax expenses | -3 229 | 15 324 |
| Result for the period | 9 068 | -45 757 |
| Net impact of adjustments | 31 | 702 |
| Adjusted result for the period | 9 100 | -45 055 |

| RECONCILIATION OF EBITDAL IN '000€ | 30/06/2022 | 30/06/2021 |
|---|---------------|----------------|
| EBITDA | 68 238 | -7 092 |
| Costs related to lease contracts (excl. rent abatements and common charges) | -17 872 | -16 903 |
| EBITDAL | 50 366 | -23 995 |

| RECONCILIATION OF ADJUSTED EBITDAL IN '000€ | 30/06/2022 | 30/06/2021 |
|---|---------------|----------------|
| EBITDAL | 50 366 | -23 995 |
| Impact of adjustments on EBITDA | 41 | 23 |
| Adjusted EBITDAL | 50 407 | -23 972 |

| RECONCILIATION ADJUSTED EBITDA VS EBITDA IN '000€ | 30/06/2022 | 30/06/2021 |
|---|---------------|---------------|
| Operating result | 27 866 | -47 952 |
| Depreciations and amortisations | 40 174 | 41 219 |
| Provisions and impairments | 198 | -358 |
| EBITDA | 68 238 | -7 092 |
| Impact of adjustments on EBITDA | 41 | 23 |
| Adjusted EBITDA | 68 279 | -7 069 |

| RECONCILIATION OF NET FINANCIAL DEBT IN '000€ | 30/06/2022 | 31/12/2021 |
|---|----------------|----------------|
| Financial debt | 891 973 | 940 631 |
| Cash and cash equivalents | -38 746 | -75 295 |
| Tax shelter investments | -304 | -304 |
| Net financial debt | 852 923 | 865 032 |

| RECONCILIATION OF NET FINANCIAL DEBT EXCL. LEASE LIABILITIES IN '000€ | 30/06/2022 | 31/12/2021 |
|---|----------------|----------------|
| Financial debt excl. lease liabilities | 489 066 | 550 064 |
| Cash and cash equivalents | -38 746 | -75 295 |
| Tax shelter investments | -304 | -304 |
| Net financial debt excl. lease liabilities | 450 017 | 474 465 |
| Impact lease liabilities | 402 907 | 390 567 |
| Net financial debt | 852 923 | 865 032 |

| RECONCILIATION FREE CASH FLOW IN '000€ | 30/06/2022 | 30/06/2021 |
|---|---------------|----------------|
| Cash flow from operating activities | 52 612 | -8 201 |
| Income taxes paid / received | -563 | -655 |
| Maintenance capital expenditures for intangible assets, property, plant and equipment and investment property | -3 842 | -715 |
| Interest paid / received | -4 552 | -4 809 |
| Payment of lease liabilities | -17 934 | -7 028 |
| Free cash flow | 25 722 | -21 408 |

| RECONCILIATION ROCE IN '000€ (last 4 quarters) | 30/06/2022 | 31/12/2021 |
|--|------------------|------------------|
| Operating result | 69 273 | -6 545 |
| Impact of adjustments on EBIT | -125 | 776 |
| Adjusted EBIT | 69 148 | -5 769 |
| Average non-current assets | 1 096 213 | 1 088 376 |
| Average deferred tax assets | -23 341 | -19 295 |
| Average assets classified as held for sale | 87 | |
| Average inventories | 5 035 | 4 423 |
| Average trade receivables | 15 120 | 17 700 |
| Average trade payables | -50 832 | -56 620 |
| Capital employed | 1 042 281 | 1 034 583 |
| Return on capital employed (ROCE) | 6,6% | -0,6% |

| RECONCILIATION ROCE EXCL. IFRS 16 IN '000€ (last 4 quarters) | 30/06/2022 | 31/12/2021 |
|--|----------------|----------------|
| Operating result + IFRS 16 depreciations - costs related to lease contracts (excl. rent abatements and common charges) | 61 782 | -13 454 |
| Impact of adjustments on EBIT | -125 | 776 |
| Adjusted EBIT excl. IFRS 16 | 61 657 | -12 678 |
| Average non-current assets excl. right-of-use assets | 731 352 | 730 475 |
| Average deferred tax assets excl. impact IFRS 16 | -16 646 | -15 220 |
| Average assets classified as held for sale | 87 | |
| Average inventories | 5 035 | 4 423 |
| Average trade receivables | 15 120 | 17 700 |
| Average trade payables | -50 832 | -56 620 |
| Capital employed excl. IFRS 16 | 684 115 | 680 757 |
| Return on capital employed (ROCE) excl. IFRS 16 | 9,0% | -1,9% |

| RECONCILIATION CURRENT RATIO IN '000€ | 30/06/2022 | 31/12/2021 |
|---------------------------------------|-------------|-------------|
| Current assets | 78 046 | 115 447 |
| Current liabilities | 172 642 | 220 650 |
| Current ratio | 0,45 | 0,52 |

| RECONCILIATION CURRENT RATIO EXCL. CURRENT LEASE LIABILITIES IN '000€ | 30/06/2022 | 31/12/2021 |
|---|-------------|-------------|
| Current assets | 78 046 | 115 447 |
| Current liabilities excl. current lease liabilities | 136 935 | 184 354 |
| Current ratio excl. current lease liabilities | 0,57 | 0,63 |

| RECONCILIATION CAPITAL EXPENDITURE ACCORDING TO THE STATEMENT OF CASH FLOW IN '000€ | 30/06/2022 | 30/06/2021 |
|--|--------------|--------------|
| Acquisition of intangible assets | 788 | 731 |
| Acquisition of property, plant and equipment and investment property | 6 904 | 7 593 |
| Advance lease payments | | 149 |
| Proceeds from sale of investment property, intangible assets and property, plant and equipment | -148 | |
| Total capital expenditure according to the statement of cash flow | 7 545 | 8 472 |

| RECONCILIATION GEARING RATIO IN '000€ | 30/06/2022 | 31/12/2021 |
|---------------------------------------|-------------|-------------|
| Net financial debt | 852 923 | 865 032 |
| Equity | 149 873 | 120 649 |
| Gearing ratio | 5,69 | 7,17 |

| RECONCILIATION GEARING RATIO EXCL. LEASE LIABILITIES IN '000€ | 30/06/2022 | 31/12/2021 |
|---|-------------|-------------|
| Net financial debt excl. lease liabilities | 450 017 | 474 465 |
| Equity | 149 873 | 120 649 |
| Gearing ratio excl. lease liabilities | 3,00 | 3,93 |

The notes are an integral part of the half-yearly financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2022

1. Information about the Company

Kinepolis Group NV (the 'Company') is a company based in Belgium. The condensed consolidated interim financial statements of Kinepolis Group NV for the period ended 30 June 2022 include the Company and its subsidiaries (together referred to as the 'Group').

The unaudited condensed consolidated interim financial statements were approved for publication by the Board of Directors on 16 August 2022.

2. Statement of compliance

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting', as published by the International Accounting Standards Board (IASB) and approved by the European Union. They do not contain all the information required for the financial report, and should be read in conjunction with the Group's consolidated annual report for the financial year ended 31 December 2021.

The Group's consolidated annual financial statements for the financial year 2021 are available on the corporate.kinepolis.com website, and are available free of charge from Investor Relations upon request.

3. Summary of the significant accounting principles

The financial accounting policies, used by the Group in these condensed consolidated interim financial statements, are in accordance with the policies applied by the Group in the consolidated annual financial statements for the financial year 2021.

The amendments to standards that were effective from 1 January 2022 have no material impact on the condensed consolidated interim financial statements for the six months ended 30 June 2022.

Amendments to standards that are not yet applied by the Group

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods ending 31 December 2022, and have not been applied in preparing these condensed consolidated interim financial statements.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, issued on 23 January 2020, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period;
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- clarify how lending conditions affect classification; and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

On July 15, 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the aforementioned amendments by one year to annual reporting periods beginning on or after 1 January 2023 with early application permitted. The amendments have not yet been endorsed by the EU. The IASB has published a new exposure draft on the topic on 19 November 2021.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies, issued on 12 February 2021, include narrow-scope amendments to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. The amendments to IAS 1 require companies to disclose their *material* accounting policy information rather than their *significant* accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual periods beginning on or after 1 January 2023 with early application permitted. These amendments have been endorsed by the EU.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, issued on 12 February 2021, clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments are effective for annual periods beginning on or after 1 January 2023 with early application permitted. These amendments have been endorsed by the EU.

Amendments to IAS 12 Income Taxes: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction, issued on 6 May 2021, clarify how companies should account for deferred taxes on transactions such as leases and decommissioning obligations. IAS 12 Income Taxes specifies how a company accounts for income taxes, including deferred taxes. In specified circumstances, companies are exempt from recognising deferred taxes when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred taxes on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred taxes on leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023 with early application permitted. These amendments have not yet been endorsed by the EU.

4. Going concern principle

As a result of the global outbreak of the Corona virus, Kinopolis was confronted in 2021 and 2020 with alternating periods of closure and opening of cinemas, often with restrictions, with this differing from country to country. Due to the closure of almost all cinemas until the end of May / beginning of June 2021, the majority of the Group's turnover was lost for several months. Even after reopening, there were still measures in place in most countries with regard to capacity restrictions, distancing rules and access restrictions, such as having a Covid passport. In December 2021 cinemas in Belgium and the Netherlands had to close again. All this had a serious impact on the Group's financial results.

In 2022 we saw a promising recovery in terms of visitor numbers, despite the first months of the year Covid measures were still in place in most countries and with Dutch and some Canadian cinemas remaining closed until the end of January. Kinopolis recorded further recovery month on month. The willingness of customers to go to the cinema remains high. Almost all measures (including capacity restrictions, face mask requirement, Covid Pass and, in some countries, an early closing time of cinemas as well as the closure of shops) were phased out or lifted in the course of the first quarter of 2022. Today, there are no longer any restrictive measures in force in the cinemas operated by Kinopolis.

In order to limit the consequences of the Covid-19 pandemic, the Group has taken the necessary measures during the last two years to manage the health and safety risks of its customers and employees, to limit the negative financial impact of the business closures, and to safeguard its liquidity. The strategy and nature of the Company, characterised by a maximum variability of costs, a solid real estate position, with a large proportion of cinema real estate being owned, a decentralised organisation and a 'facts-and-figures' driven corporate culture help Kinopolis Group to manage this crisis optimally.

Kinepolis welcomed 13.7 million visitors in the first half of the year, representing 77.2% of the visitors in the same period in 2019, and realised 93.5% of the revenue compared to the first half of 2019. Kinepolis recorded 86.9% visitors compared to the second quarter of 2019, resulting in a revenue of 103.9% compared to the same period in 2019. Both percentages relating to the revenue of 2022 compared to 2019 were corrected for one-off Covid-19 related items. The Group recorded a profit of € 9.1 million as at 30 June 2022.

In addition, a positive free cash flow of € 25.7 million was realised in the first half of 2022, mainly due to the good operating result, and the net financial debt, excluding lease liabilities, decreased by € 24.4 million compared to 31 December 2021 (€ 474.5 million) to € 450.0 million. Per 30 June 2022, the available financial resources amounted to € 163.2 million compared to €199.8 million per 31 December 2021, taken into account the repayment of a private placement of € 61.4 million at the end of January 2022.

The Group considers the impact of the Covid-19 pandemic as a short-term impact that does not change the underlying parameters of its business model, which is why the Company adopted a going concern principle in preparing the condensed consolidated interim financial statements.

5. Risks and uncertainties

There are no fundamental changes to the risks and uncertainties for the Group as set out in the 2021 Report of the Board of Directors. The information on risks and uncertainties has been included in the 2021 annual report (Chapter 12 Corporate Governance).

6. Government grants and support measures as a result of the Covid-19 pandemic

As a result of the outbreak of the Covid-19 virus, the governments, in the various countries where Kinepolis is active, have taken support measures. The support measures obtained during the first half of the year 2022 are more limited than in 2021.

DIRECTLY ATTRIBUTABLE GRANTS AND SUPPORT MEASURES

Mainly during 2021 the Group was able to make use of the system of economic unemployment in Belgium and Spain, and of the system of wage subsidies in France, the Netherlands, Luxembourg, Canada and Switzerland. In the economic unemployment system, the wage cost does not have to be paid by the Company, but is paid directly to the employee by the government. By contrast, the wage cost in the wage subsidy system is first paid by the Company, and can subsequently be reclaimed from the government entirely or in part. Throughout 2022 the wage subsidy was only a material amount in Canada. In 2021 the social contributions in Spain and France were also partially waived.

Both in 2022 as in 2021 the Group received an additional allowance towards wage costs when employees remained employed during the Covid-19 pandemic in Luxembourg. Throughout the first half of the year 2022, the Group received in Belgium an allowance for property taxes and both in 2022 as in 2021 the Group obtained an allowance from the National Social Security Office (NSSO) for the holiday pay of white-collar workers who made use of the system of economic unemployment. In Canada the Group received a rent subsidy, with part of the rent paid subsidised by the government, and obtained compensations for significant loss, property taxes and energy costs. For Canada, this concerns a total amount of € 2.1 million (30 June 2021: € 1.9 million).

The directly attributable grants and support measures are recognised in the income statement as deductions from the related costs.

GENERAL GRANTS AND SUPPORT MEASURES

The general support measures include grants as a result of the mandatory closure, grants for significant revenue loss and grants for the cultural sector. As at 30 June 2022, the Group has recognised € 0.2 million (30 June 2021: € 2.1 million) in 'Other operating income'.

7. Impairment test

As a result of the global outbreak of the Corona virus, Kinopolis was confronted in 2021 and 2020 with alternating periods of closure and opening of cinemas, often with restrictions, with this differing from country to country. Due to the closure of almost all cinemas until the end of May / beginning of June 2021, the majority of the Group's turnover was lost for several months. Even after reopening as of May / June 2021, there were still measures in place in most countries with regard to capacity restrictions, distancing rules and access restrictions, such as having a Covid passport. In December 2021 cinemas in Belgium and the Netherlands had to close again. This had a serious impact on the Group's financial results in 2021.

In 2022 we saw a promising recovery in terms of visitor numbers, despite the first months of the year Covid measures were still in place in most countries and with Dutch and some Canadian cinemas remaining closed until the end of January. Kinopolis recorded further recovery month on month. The willingness of customers to go to the cinema remains high. In the first quarter of 2022, Kinopolis welcomed 67.3% of the visitors welcomed in the same period in 2019, by the end of the first half of 2022, we reached 77.2% of the 2019 attendance. Total revenue in the first half of 2022 represents 93.5% of the revenue in the first half of 2019, corrected for one-off Covid-19 related items. Almost all measures (including capacity restrictions, face mask requirement, Covid Pass and, in some countries, an early closing time of cinemas as well as the closure of shops) were phased out or lifted in the course of the first quarter of 2022. Today, there are no longer any restrictive measures in force in the cinemas operated by Kinopolis.

In order to limit the consequences of the Covid-19 pandemic, the Group has taken the necessary measures during the last two years to manage the health and safety risks of its customers and employees, to limit the negative financial impact of the business closures, and to safeguard its liquidity. The strategy and nature of the Company, characterised by a maximum variability of costs, a solid real estate position, with a large proportion of cinema real estate being owned, a decentralised organisation and a 'facts-and-figures' driven corporate culture help Kinopolis Group to manage this crisis optimally.

Kinopolis currently sees no reason to expect the business model to be affected in the longer term, this also thanks to all the measures taken, and consequently still considers the impact of the Covid-19 pandemic to be a short-term impact that does not change the underlying parameters of its business model. The evolutions in the first half of 2022 also support this assumption.

At the end of 2021, as in every year, a review was performed to identify indications of a possible impairment of non-financial assets. Management monitors the impairment tests, as always, at country level. This is also the level at which the organisation is monitored for internal control purposes.

Each year, the data from the budget for the next year is taken as the basis for the next 20 years for all cash-generating units. Due to the Covid-19 pandemic, however, a special budget was implemented in 2021, namely an 'Entrepreneurship 2022' plan, aimed at protecting the Group against any negative impacts after the Covid-19 crisis and a possible slower recovery of visitor numbers from 2022 onwards. This 'Entrepreneurship 2022' plan should ensure that, through a combination of turnover, margin and cost measures, the break-even level of the Group decreases substantially, so that an equal or higher profit can be achieved with a lower number of visitors. This budget was taken as the basis for the impairment test, and has the following characteristics:

- The visitor figures, which are the most important driver, are normally based on the budget for the following year that assumes a fictitious low number of visitors (-5% visitors compared to the previous year). In principle, this exercise is carried out annually, with the aim of making the Company look for measures to increase profitability, and thereby lower the break-even point. The Company does not assume that visitor numbers will decrease by 5% but, by working with this visitor evolution, the operational entities of the Group are forced to think about how they can increase the contribution per visitor and the total, in order to compensate for the difference in visitors. For the calculation of 2021, -5% visitors was calculated on the 2020 budget drawn up before corona, which already assumed -5% visitors, thereby taking into account an extra low visitor number of more than 10% lower than the annualised run rate of 2019. By also using this budget in the impairment tests, a prudent budget is therefore assumed. For the United States, it was additionally assumed that only 70% of the budgeted visitor numbers would be achieved in 2022, with 95% in 2023 and 100% in 2024. This is due to the fact that MJR Digital Cinemas in the United States was not acquired until the

end of 2019 and, in addition, the integration into the Group was also delayed due to the Covid-19 pandemic. The roll-out of the Kinopolis concepts and the positive financial impact will therefore only take place in full from 2022.

- All the other drivers are also based on the budget for the coming year, including all the improvements and optimisations included in the 'Entrepreneurship 2022' plan which, in addition to the lowering of the break-even level to compensate for a loss of 5% of visitors, has an additional objective of achieving 20% savings on general overhead and personnel costs. In addition, this budget also contains measures to compensate for a possible permanent loss of B2B income, screen advertising or real estate income. The improvements and optimisations will be realised by, among other things, improvements in the product mix and the launch of new products, more efficient staff planning, the impact of negotiating contracts with suppliers and so on. For the United States, improved KPIs through the implementation of Kinopolis concepts will also be taken into account as of 2023. This deviation is explained by the fact that the impact of the implementation of the Kinopolis concepts and the full impact of the integration has not yet been fully reflected in the 'Entrepreneurship 2022' plan for the United States, as a result of which the EBITDA contribution in the coming years was underestimated in the 'Entrepreneurship 2022' plan.
- The EBITDA grows by 1% annually, and is applied to all countries and for each cash-generating unit.
- The assumptions regarding replacement investments are based on historical ratios, adjusted for changes in the life and replacement cycle of the underlying equipment and are differentiated depending on whether they refer to buildings that are owned or leased. The amounts are determined on the basis of the group guidelines, which must be followed by all countries.

As a result of the impairment tests that were performed at the end of 2021, no impairment was identified, only for the United States a limited headroom was identified. A more prudent approach, compared to the other cash-generating units, was assumed for 2022 regarding visitor numbers in order to evolve to 100% of the budgeted visitor number only in 2024. The test result for the United States is positive for an amount of USD 18.3 million at the end of 2021.

As of 30 June 2022 an update was performed on the impairment tests of end 2021 to verify if there are indications of a possible impairment of non-financial assets. The economic situation, the components that determine the Group's weighted average cost of capital, the expected evolution of visitor numbers, EBITDA and the free cash flow were taken into account in this regard.

In the markets where the Group operates, we are facing inflation which is expected to continue during the second half of 2022. However, due to the specific business model of cinema operation, which, with regard to Box Office revenue, is based on a 'shared revenue model', we can state that only a limited part of our income statement is impacted by inflation. Approximately only 40% to 45% of our cost structure is subject to inflation. In addition, the Group's unique real estate position provides additional protection compared to other players in our sector who often operate from leased buildings where inflation has a significant impact on the rental cost.

In Europe and the United States, Kinopolis owns the majority of the complexes and receives approximately 70% to 75% of its visitors in owned complexes, so that we are not affected by any impact of inflation on rental costs in our income statement. For the limited number of leased complexes, the Group is subject to inflation in terms of rental cost. Our approach is to follow the market and take inflation compensation measures towards the customer. This takes place across all product lines, increasing our operating margin in percentage terms.

In Canada, almost all complexes are leased by the Group. However, the leases contain long-term rent increases that were fixed at the initial conclusion of these contracts, but whose predefined increases are well below the level of current inflation. We believe that, despite inflation, the predetermined margins and EBITDA will be preserved. In addition, we also see that the average revenue per visitor in the first half of 2022 is higher than the forecasted revenue and the visitor-related revenue recovered faster than the visitor numbers, among other things due to the impact of premiumisation. Total revenue in the first half of 2022 represents 93.5% of the revenue in the first half of 2019, corrected for one-off Covid-19 related items.

The update of the impairment tests also took into account the impact of changes in the underlying components of the proposed weighted average cost of capital, which has been diversified at country level since the implementation of IFRS 16. By updating the underlying parameters, we see an increase in the weighted average cost of capital in all countries. This is mainly due to the increase in the risk-free interest rate in all countries and a higher market risk premium. The proposed weighted average cost of capital is 7.77% for Belgium, 7.33% for France, 5.20% for Canada, 7.10% for Spain, 7.24% for the Netherlands, 6.78% for the United States, 7.43% for Luxembourg, 7.53% for Switzerland and 11.54% for Poland (31 December 2021: 7.13% for Belgium, 6.83% for France, 4.94% for Canada, 6.43% for Spain, 6.88% for the Netherlands, 6.38% for the United States, 6.89% for Luxembourg, 7.28% for Switzerland and 7.77% for Poland) and was determined on the basis of the following theoretical parameters:

| | 31/12/2021 | | | | | | 30/06/2022 | | | | | |
|-----------------|-------------------------|---------------------|------|--------------------------------------|--------------------|---------------------|-------------------------|---------------------|------|--------------------------------------|--------------------|---------------------|
| | RISK-FREE INTEREST RATE | MARKET RISK PREMIUM | BETA | PROPOSED COST OF DEBT ⁽¹⁾ | COST OF OWN EQUITY | DEBT CAPITAL/EQUITY | RISK-FREE INTEREST RATE | MARKET RISK PREMIUM | BETA | PROPOSED COST OF DEBT ⁽¹⁾ | COST OF OWN EQUITY | DEBT CAPITAL/EQUITY |
| Belgium | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 26.06% | 2.29% | 7.03% | 1.09 | 2.62% | 9.93% | 27.20% |
| France | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 30.20% | 2.21% | 7.03% | 1.09 | 2.62% | 9.85% | 31.95% |
| Canada | 1.35% | 6.84% | 1.19 | 2.62% | 9.51% | 60.46% | 3.50% | 7.03% | 1.09 | 2.62% | 11.14% | 64.74% |
| Spain | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 36.10% | 2.75% | 7.03% | 1.09 | 2.62% | 10.39% | 39.07% |
| The Netherlands | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 29.75% | 1.97% | 7.03% | 1.09 | 2.62% | 9.61% | 30.96% |
| United States | 1.42% | 6.84% | 1.19 | 2.62% | 9.58% | 41.89% | 3.20% | 7.03% | 1.09 | 2.62% | 10.84% | 45.64% |
| Luxembourg | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 29.50% | 2.29% | 7.03% | 1.09 | 2.62% | 9.93% | 31.41% |
| Switzerland | 0.80% | 6.84% | 1.19 | 2.62% | 8.95% | 25.04% | 1.76% | 7.03% | 1.09 | 2.62% | 9.40% | 26.22% |
| Poland | 1.50% | 6.84% | 1.19 | 2.62% | 9.66% | 25.04% | 7.25% | 7.03% | 1.09 | 2.62% | 14.89% | 26.22% |

⁽¹⁾ Before tax.

For the first half of 2022, the tests were updated with the actual visitor numbers per country up to 30 June 2022. For the second half of 2022, a new estimate was made taking into account the evolution of the growth in visitor numbers per country. Overall, we conclude that for 2022, based on current estimates, we will reach an average of 76% of the forecasted visitors from the impairment tests at the end of 2021. The slower return of visitors in the first half of 2022 is mainly caused by the fact that in the first months of the year Covid measures were still applicable in most countries and the cinemas in the Netherlands, as well as part of the Canadian complexes, were closed until the end of January 2022. However, given the recovery of visitors in the first half of 2022, we currently see no indication that the forecasted visitors and related operating cash flow projections for the coming years would not be met.

The update of the impairment tests based on a new estimate of the visitor numbers for 2022 was also combined with the increase in the weighted average cost of capital for all countries. The test result indicates that no impairment arises for any country as there is sufficient headroom at country level, except for the United States where the limited headroom of USD 18.3 million at year-end 2021 now decreases to USD 9.6 million.

As an additional sensitivity analysis, the impact of a further increase in the weighted average cost of capital by 100 basis points was simulated. This does not give rise to an impairment in any country except the United States. An increase in the weighted average cost of capital from 6.78% to 7.78% indicates a potential impairment of USD 4.7 million in the United States.

In view of the limited headroom in the test results for the United States, an additional sensitivity analysis was performed for this country regarding the evolution of visitor numbers. In this analysis, we assume that after 2022, the United States will meet its visitor numbers as projected in the impairment tests of end 2021, however at a slower pace. In combination with a higher weighted average cost of capital based on the current underlying parameters, the headroom for the United States decreases from USD 18.3 million at year-end 2021 to USD 1.3 million at 30 June 2022. An additional sensitivity analysis assuming a further 50 basis points increase in the weighted average cost of capital for the United States would result in a potential impairment of USD 6.0 million.

Management believes that the assumptions used in the impairment tests provide the best estimates of future developments and believes that no reasonably possible change in any of the key assumptions would lead to a carrying amount of the cash-generating units that would materially exceed their recoverable amount, with the exception of the United States where there is a limited headroom. The acquisition of MJR Digital Cinemas in the United States did not take place until late 2019, just before the Covid-19 pandemic. As a result, the rollout of Kinopolis concepts and further investments in premiumisation, which are characterised by a very short payback period, have not yet been able to take place. This is only planned from 2022 onwards and will result in an additional improvement of the operating margins.

8. Segment information

We refer to the separate table

9. Revenue

The table below shows the breakdown of revenue by activity, product or service offered by the Group.

| IN '000 € | 30/06/2021 | 30/06/2022 |
|----------------------|---------------|----------------|
| Box Office | 17 265 | 120 515 |
| In-theatre Sales | 10 883 | 70 896 |
| Business-to-Business | 3 199 | 26 930 |
| Brightfish | 332 | 2 051 |
| Film distribution | 856 | 1 571 |
| Technical department | 31 | 31 |
| TOTAL IFRS 15 | 32 566 | 221 994 |
| Real estate | 4 220 | 6 034 |
| TOTAL | 36 786 | 228 028 |

10. Liquidity risk

The Group's goal is to ensure that there is sufficient financing for the long term. The financing need is determined on the basis of the strategic long-term plan. Various credit forms are used to guarantee the continuity and flexibility of the financing, including bonds, credit lines and bank loans. The Group's liquidity is managed through the in-house bank, Kinopolis Financial Services NV.

As a result of the impact of the Covid-19 pandemic, Kinopolis reached an agreement with its financial institutions at the beginning of 2021 to exempt its bank debt from covenants (a so-called covenant holiday) until 30 June 2022. In March 2022, Kinopolis has extended this agreement with its financial institutions to a covenant holiday until 31 December 2022. This means that, among other things, the conditions regarding the maximum debt ratio in relation to EBITDAL, being EBITDA adjusted for rent, will remain suspended until the end of 2022. These conditions, which apply solely to bank debt, have been replaced by, among other things, a liquidity covenant, which means that the sum of the available cash and confirmed credit lines must be at least € 30.0 million during the term of the covenant holiday.

Per 30 June 2022 Kinopolis Group had € 163.2 million of available financial resources, consisting of cash and cash equivalents and available credit lines. At the end of January 2022 a significant repayment of its bonds took place (€ 61.4 million), and this from the available financial resources. The Group has pursued a prudent financial policy in recent years, which resulted in an average maturity of 3.67 years for the outstanding financial liabilities per 30 June 2022. There are no more significant financial maturities in 2022 and 2023. In addition, a positive free cash flow of € 25.7 million was realised in the first half of 2022, mainly due to the good operating result, and the net financial debt, excluding lease liabilities, decreased by € 24.4 million compared to 31 December 2021 (€ 474.5 million) to € 450.0 million.

11. Financial instruments

FINANCIAL LIABILITIES - FUTURE CASH FLOWS

The following table gives an overview of the contractual maturities for the non-discounted financial liabilities, including the estimated interest payments.

| IN '000 € | 31/12/2021 | | | | 30/06/2022 | | | |
|---|----------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | < 1 YEAR | 1-5 YEARS | > 5 YEARS | TOTAL | < 1 YEAR | 1-5 YEARS | > 5 YEARS | TOTAL |
| Private placement of bonds | 74 781 | 363 967 | 66 885 | 505 633 | 11 723 | 359 506 | 66 885 | 438 115 |
| Public bond | 635 | 16 513 | | 17 148 | 16 513 | | | 16 513 |
| Trade payables | 56 633 | | | 56 633 | 48 054 | | | 48 054 |
| Loans and borrowings with credit institutions | 11 690 | 81 848 | | 93 537 | 11 585 | 81 184 | | 92 769 |
| Bank overdrafts | 12 | | | 12 | 126 | | | 126 |
| Non-derivative financial liabilities | 143 751 | 462 328 | 66 885 | 672 964 | 88 001 | 440 690 | 66 885 | 595 576 |
| Interest rate swaps | 28 | | | 28 | 6 | | | 6 |
| Derivative financial instruments | 28 | | | 28 | 6 | | | 6 |
| TOTAL | 143 779 | 462 328 | 66 885 | 672 992 | 88 007 | 440 690 | 66 885 | 595 582 |

Kinopolis is only required to comply with conditions relating to, among others, the maximum debt ratio (covenants) on its bank debt. This relates to the roll-over credit of € 120.0 million (no outstanding draw per 30 June 2022), the term loan of € 10.2 million and the credit, taken out at the beginning of 2021, for an amount of € 80.0 million. No covenants apply to the majority of the other debts. There is only an increase in interest on the private placement of 2019 if a specific debt ratio is exceeded.

FAIR VALUE

The fair value is the amount at which an asset can be traded or a liability settled in an orderly transaction between well-informed, willing parties, following the arm's length principle.

The following table discloses the actual fair value and the carrying amount of the main interest-bearing financial loans and borrowings (measured at amortised cost).

| IN '000 € | 31/12/2021 | | 30/06/2022 | |
|--|-----------------|----------------|-----------------|----------------|
| | CARRYING AMOUNT | FAIR VALUE | CARRYING AMOUNT | FAIR VALUE |
| Private placement of bonds – fixed interest rate | 446 000 | 446 000 | 384 600 | 384 600 |
| Public bond – fixed interest rate | 15 878 | 15 878 | 15 878 | 15 878 |
| Interest-bearing loans – variable interest rate | 90 157 | 90 157 | 90 157 | 90 157 |
| Bank overdrafts | 12 | 12 | 126 | 126 |
| Transaction costs refinancing | -1 984 | -1 984 | -1 695 | -1 695 |
| TOTAL | 550 064 | 550 064 | 489 066 | 489 066 |

The majority of the financial loans and borrowings concern private placements of bonds with institutional investors. These are often material transactions as part of their long-term strategy. Given the illiquidity of the market, the fair value is in line with the carrying amount per 30 June 2022 and 31 December 2021.

The fair value of the other non-derivative financial assets (loans and borrowings and receivables) and liabilities, except lease liabilities, (measured at amortised cost) is equal to the carrying amount.

12. Leases

LEASES AS LESSEE

At 30 June 2022, the Group has a lease liability of € 402.9 million (31 December 2021: € 390.6 million) and a right-of-use asset of € 364.9 million (31 December 2021: € 353.3 million). During 2022 the lease liabilities increased with € 12.3 million and the right-of-use assets with € 11.6 million.

RIGHT-OF-USE ASSETS

| IN '000 € | LAND AND BUILDINGS | CARS | IN-THEATRE | PROJECTION EQUIPMENT | TOTAL |
|--|--------------------|--------------|------------|----------------------|----------------|
| Acquisition value | 424 744 | 5 062 | 1 070 | 3 954 | 434 830 |
| Depreciations and impairment losses | -76 118 | -3 212 | -788 | -1 392 | -81 510 |
| NET CARRYING AMOUNT AT 31/12/2021 | 348 626 | 1 850 | 282 | 2 562 | 353 320 |
| New leases | | 226 | | | 226 |
| Adjustments | 6 150 | 50 | | | 6 200 |
| Depreciations | -13 047 | -634 | -146 | -287 | -14 114 |
| Effect of exchange rate fluctuations | 19 158 | | 15 | 88 | 19 262 |
| Acquisition value | 454 053 | 5 135 | 1 148 | 4 095 | 464 431 |
| Depreciations and impairment losses | -93 165 | -3 643 | -996 | -1 731 | -99 536 |
| NET CARRYING AMOUNT AT 30/06/2022 | 360 888 | 1 492 | 151 | 2 363 | 364 895 |

LEASE LIABILITIES

| IN '000 € | TOTAL |
|--|----------------|
| NET CARRYING AMOUNT AT 31/12/2021 | 390 567 |
| New leases | 226 |
| Interest | 5 214 |
| Repayment | -17 934 |
| Forgiveness of lessee's lease payments | -2 782 |
| Adjustments | 6 200 |
| Effect of exchange rate fluctuations | 21 414 |
| NET CARRYING AMOUNT AT 30/06/2022 | 402 907 |

The RealD 3D equipment used by the Group is included under the right-of-use assets (€ 2.4 million). As these assets are fully prepaid, there is no outstanding lease liability for these assets.

NEW LEASES

The new leases mainly consist out of new leases concluded for cars (€ 0.2 million).

ADJUSTMENTS

During 2022 a number of leases for land and buildings were adjusted, mainly due to indexations or new negotiations for future lease payments and changes to the contractual term. There have also been adjustments to the leases of cars. All this led to an adjustment of the lease liabilities and the right-of-use assets of € 6.2 million.

RENT CONCESSIONS AS A RESULT OF THE COVID-19 PANDEMIC

As a result of the Covid-19 pandemic, the Group has obtained rent concessions from the lessor for part of the lease agreements, mainly related to land and buildings. If the rent concessions resulting directly from the Covid-19 pandemic meet the conditions, they are treated as if they were not lease modifications. The rent concessions are then processed in the same way as a negative variable lease payment, and are therefore directly included in the income statement within 'Other operating income', as part of 'Operating result'. Per 30 June 2022 the Group obtained € 2.8 million (30 June 2021: € 7.4 million) rent concessions.

IMPACT ON THE CONSOLIDATED RESULT AND THE STATEMENT OF CASH FLOW

Per 30 June 2022 the Group has € 14.1 million (30 June 2021: € 13.7 million) depreciations on right-of-use assets and € 5.2 million (30 June 2021: € 5.2 million) interest on lease liabilities included in the consolidated income statement. Per 30 June 2022 the Group repaid € 17.9 million lease liabilities (30 June 2021: € 8.1 million), of which € 5.2 million (30 June 2021: € 5.2 million) was interest. Without the rent concessions, received as a result of Covid-19 pandemic, the repayment of lease liabilities as of 30 June 2022 would have been € 20.7 million (30 June 2021: € 15.5 million). In the consolidated statement of cash flow this can be found under 'Cash flow from financing activities'.

FINANCIAL LIABILITIES – FUTURE CASH FLOWS

The following table gives an overview of the contractual maturities of the non-discounted lease liabilities at 30 June 2022 and 31 December 2021.

| IN '000 € | 31/12/2021 | | | | 30/06/2022 | | | |
|----------------------------------|------------|-----------|-----------|----------------|------------|-----------|-----------|----------------|
| | < 1 YEAR | 1-5 YEARS | > 5 YEARS | TOTAL | < 1 YEAR | 1-5 YEARS | > 5 YEARS | TOTAL |
| Non-discounted lease liabilities | 36 958 | 125 312 | 314 641 | 476 911 | 36 373 | 131 644 | 322 104 | 490 121 |

13. Deferred tax assets

Deferred tax assets on tax losses carried forward are only recognised if future taxable profits will be available to recover these losses, based on budgets and estimates for the next five years. The budgets and estimates are further extended to future expected taxable profits in order to analyse the recoverability of the losses and credits.

For tax losses carried forward and unused tax credits amounting to € 11.8 million (31 December 2021: € 11.7 million) no deferred tax asset was recognised in the balance sheet as, based on our budgets and estimates, it seems unlikely that sufficient taxable profits will be available in the foreseeable future to be able to benefit from the tax benefit.

For tax losses carried forward and unused tax credits amounting to € 140.9 million (31 December 2021: € 136.7 million) a deferred tax asset was recognised in the balance sheet. The increase in these losses is mainly attributable to the effect of exchange rate fluctuations of the American Dollar and Canadian Dollar, partially compensated by a use of the tax losses carried forward to compensate the taxable profit in 2022, mainly in Canada. For these losses, it is probable that sufficient taxable profit will be available. The Group bases itself on the assumptions used for the impairment test. We refer to note 7 for the relevant assumptions. These assumptions and estimates of the impairment test are further extended to future expected taxable profits in order to further analyse the recoverability of the losses. After an extensive analysis, it is considered probable for these losses that sufficient taxable profit will be available in the future.

14. Transactions with related parties

There are no additional transactions with related parties other than those disclosed in the 2021 annual report (Chapter 14 Financial Report - Notes to the consolidated financial statements - Note 31).

15. Subsequent events after 30 June 2022

Except for the additional information provided in the first part of the press release, no additional subsequent events have occurred after 30 June 2022.

16. Other disclosures

For additional information, reference is made to the first part of the press release.

STATEMENT OF MANAGEMENT RESPONSIBILITY

Eddy Duquenne, CEO of Kinopolis Group NV declares that, to the best of his knowledge, the condensed consolidated interim financial statements, which have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), give a true and fair view of the net assets, the financial position and the results of Kinopolis Group NV. The interim financial report provides a true and fair view of the development and results of the Company and of the Group's position.

Glossary and APMs

The glossary below also contains Alternative Performance Measures (APMs) that are aimed to improve the transparency of financial information.

Gross result

Revenue – cost of sales

Operating result (EBIT)

Gross result – marketing and selling expenses - administrative expenses + other operating income - other operating expenses

Adjusted operating result

Operating result after eliminating adjustments; is used to reflect the operating result from normal operating activities

EBITDA

Operating result + depreciations + amortisations + impairments + movements in provisions

EBITDAL

EBITDA less costs related to lease contracts (excl. rent abatements and common charges, these are already part of EBITDA and should therefore not be included in the deduction)

Adjusted EBITDA

EBITDA after eliminating adjustments; is used to reflect the EBITDA from normal operating activities

Adjustments

This category primarily includes results from the disposal of fixed assets, impairment losses on assets, provisions, costs from restructuring and acquisitions and other exceptional income and expenses

Financial result

Financial income - financial expenses

Effective tax rate

Income tax expenses / result before tax

Adjusted result

Result for the period after eliminating adjustments; is used to reflect the result from normal operating activities

Result for the period, share of the Group

Result attributable to equity holders of the Company

Basic result per share

Result for the period, share of the Group / (average number of outstanding shares – average number of treasury shares)

Diluted result per share

Result for the period, share of the Group / (average of number of outstanding shares – average number of treasury shares + number of possible new shares that must be issued under the existing share option plans x dilution effect of the share option plans)

Capital expenditure

Capitalised investments in intangible assets, property, plant and equipment and investment property

Gross financial debt

Non-current and current financial liabilities

Net financial debt

Financial debt after deduction of cash and cash equivalents and tax shelter investments

Net financial debt excl. lease liabilities

Financial debt excluding lease liabilities after deduction of cash and cash equivalents and tax shelter investments

ROCE (Return on capital employed)

Adjusted EBIT / (average non-current assets – average deferred tax assets + average assets classified as held for sale + average trade receivables + average inventories – average trade payables)

Current ratio

Current assets / current liabilities

Free cash flow

Cash flow from operating activities – maintenance capital expenditures for intangible assets, property, plant and equipment and investment property – interest paid