



Kinopolis Group

Business Update Q3 2022

Regulatory release - 27 October 2022

Business update third quarter 2022

In the third quarter of 2022, Kinopolis welcomed 74.3% of the visitors that were received in the same period in 2019 (pre-Covid). The recovery of cinema attendance was promising in the first half of the year, but then suffered from a weaker offering of films during a very hot summer. In 2022, up to and including the month of September, Kinopolis welcomed 76.1% of the visitors welcomed in the same period in 2019.

Sales per visitor remained high in the third quarter, resulting in a proportionally higher turnover compared to the realised visitor numbers.

Despite a slower than expected recovery in visitor numbers, Kinopolis continued to generate a positive EBITDA and operational cash flow in the third quarter, with the Group remaining financially solid, partly helped by its Entrepreneurship plan. The film offering for the fourth quarter looks promising.

Key figures¹ for the third quarter 2022²

- ★ In the third quarter, Kinopolis welcomed 7.4 million **visitors** or 74.3% of the visitors welcomed in Q3 2019, resulting in a **turnover** of 90.1% compared to Q3 2019.
- ★ **Sales per visitor** (tickets, drinks and snacks) remained high and were higher than in 2021.
- ★ Both **EBITDA** and **EBITDAL** (EBITDA adjusted for leases) were positive for every month in the third quarter.
- ★ The **net profit**, as well as the **free cash flow, excluding working capital**, were positive for the third quarter.
- ★ The **net financial debt**, excluding lease liabilities, increased from € 450.0 million to € 460.1 million compared to 30 June 2022.

Important achievements

- ★ Takeover of the operation of two Spanish cinemas (Marbella and Barcelona) from the beginning of November 2022.
- ★ Introduction of the 'Movie Club' loyalty formula in Belgium and the Netherlands.
- ★ Roll-out of the 'CINE K' programme in Belgium, following the example of Kinopolis France.
- ★ Roll-out of the Eikona Cinema Manager TMS system in European cinemas.

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 2022.



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- ★ Further roll-out of laser projection, mainly in Spain, the Netherlands and Belgium.
- ★ Finishing of Kinopolis Metz Amphithéâtre (opening on 9 November 2022).

Eddy Duquenne, CEO Kinopolis Group: "As anticipated, we had a weaker quarter as a result of the lack of new film releases. As an illustration, in September 'Top Gun: Maverick' - nearly four months after its release - was the most popular film in our cinemas. However, consumption per customer does remain high, and customer satisfaction is also good. We are looking forward to a successful fourth quarter, with a promising offering of films, also in terms of local content."

Notes

In the third quarter, Kinopolis welcomed 74.3% of the visitors welcomed in the same period in 2019, partly thanks to the expansion of the Group since 2019. Although the recovery of cinema attendance was promising in the first half of the year, it then suffered from a weaker offering of films, a hot summer and a large number of leisure alternatives.

The top 5 films in the third quarter of 2022 were 'Minions: The Rise of Gru', 'Thor: Love and Thunder', 'Top Gun: Maverick', 'Bullet Train' and 'Elvis'. The most successful local films were 'Menteur', 'Ducobu Président!' and 'Irréductible' in France, 'Padre no hay más que uno 3' and 'Tad the Lost Explorer and the Emerald Tablet' in Spain, 'Bon Bini Holland 3', 'Soof 3' and 'De Allergrootste Slijmfilm' in the Netherlands and 'Ritueel' and 'Onze Natuur' in Belgium.

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	14	40	8	20	10	3	1	107
YTD Q3 2022	3,82	3,56	5,82	2,58	2,32	2,51	0,44	0,06	21,11
YTD Q3 2021	1,72	1,62	1,72	1,46	1,24	1,25	0,23	0,03	9,26
YTD Q3 2022 vs YTD Q3 2021	121,5%	120,1%	239,0%	77,0%	87,1%	100,9%	96,0%	116,8%	128,0%

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	14	40	8	20	10	3	1	107
Q3 2022	1,19	1,14	2,20	1,00	0,85	0,91	0,15	0,02	7,45
Q3 2021	1,49	1,25	1,49	0,97	1,05	0,67	0,13	0,02	7,07
Q3 2022 vs Q3 2021	-20,5%	-8,7%	48,1%	2,7%	-19,4%	34,9%	15,2%	-11,7%	5,3%

* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.
Number of cinemas at 30/09/2022

In the third quarter, **visitor-related revenue** rose more strongly than visitor numbers compared to the same period last year. Revenue from ticket sales (Box Office), as well as revenue from the sale of drinks and snacks (In-theatre Sales), showed an increase per visitor.

Revenue from almost all other business lines - namely the revenue from **B2B activities**, screen advertising and real estate - increased compared to the same period in 2021.



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Both EBITDA and EBITDAL (EBITDA adjusted for leases) were positive in the third quarter, thanks to the increased visitor numbers, higher consumption in all countries and the impact of the implementation of the Entrepreneurship Plan. EBITDA(L) per visitor, however, decreased compared to the same period last year, mainly as a result of compensations received in the third quarter of 2021 as a consequence of the Covid-19 pandemic.

Free cash flow, excluding working capital, was positive for the third quarter, thanks to the operating result, somewhat offset by higher maintenance investments and income taxes paid.

In the third quarter, € 5.2 million was invested in external and internal expansion.

Although the operating result was positive in the third quarter, the continued investment rhythm, prepaid income taxes and the impact of working capital resulted in an increase of the net financial debt, excluding lease liabilities, from € 450.0 million at the end of June 2022 to € 460.1 million at the end of September 2022.

Important events since 1 July 2022

Takeover of the operation of two Spanish cinemas

In the third quarter, Kinopolis has concluded a lease agreement with real estate company General de Galerías Comerciales to take over the operation of two Spanish cinemas: one in Mataró (Barcelona) and the other in Marbella, in the successful La Cañada shopping mall. Both cinemas operate in markets with high purchasing power and demand for premium products.

The cinema in Mataró, located 37 km to the north of Barcelona, is in the Mataró Parc commercial centre and has 12 screens and 2,916 seats. It welcomed around 600,000 visitors in 2019. Kinopolis will operate the cinema from 3 November 2022. The cinema in Marbella is in the La Cañada commercial centre and has 8 screens and 1,610 seats. It welcomed around 350,000 visitors in 2019. Kinopolis will operate the cinema from 7 November 2022.

Kinopolis welcomes Jeroen Mouton as new CFO

Kinopolis appointed Mr. Jeroen Mouton as the new CFO of the Group last summer. Mr. Mouton has extensive national and international experience in various listed companies, such as Sioen Industries, Electrawinds, Daikin Europe and currently as the CFO of the Roularta Media Group. He will join Kinopolis on 15 November 2022.

Launch of monthly membership 'Movie Club' in Belgium and the Netherlands

Earlier this month, Kinopolis launched its 'Movie Club' formula in Belgium and the Netherlands. Those joining the club pay a fixed amount each month, enabling them to enjoy film on the big screen every month as well as several other film benefits. The 'Movie Club' formula is aimed at both true movie buffs who go to the cinema every week, as well as customers who would like to enjoy a premium film experience more often. The monthly price includes one film visit, with a reduced rate for additional visits during the month, which also applies to the person accompanying the member. In addition, Movie Club members benefit from reductions in the Kinopolis shop as well as exclusive film information and promotions. They also receive a reduction when purchasing tickets for a Kinopolis event.



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Roll-out of CINE K in Belgium

Kinopolis Belgium launched its 'CINE K' programme at the beginning of September. CINE K is a 'cinema-in-cinema' concept that enables Kinopolis to highlight quality films that need a bit more time to attract their audience. CINE K was introduced in France back in 2014 with great success. The CINE K concept allows Kinopolis to promote a different type of film, such as 'Tori et Lokita' from the Dardenne brothers, 'Close' by Lukas Dhont or 'De 8 Bergen' from Felix Van Groeningen and Charlotte Vandermeersch. By showing them in a more intimate setting and with a monthly programming, the artistic importance of these films is highlighted to a wide audience. In nearly all Flemish Kinopolis cinemas, as well as in Kinopolis Brussels and Braine-l'Alleud, one or two screens are devoted to CINE K.

Roll-out of the EIKONA Cinema Manager TMS system in European cinemas

After extensive testing, Kinopolis selected EIKONA Cinema Solutions, a European leader in cinema software, for the roll out of EIKONA Cinema Manager in all its European cinemas. The product has been in use at Kinopolis Schaffhausen since May 2019 and in the three Luxembourg cinemas since June 2021. The EIKONA Cinema Manager TMS system has been rolled out in Belgium and the Netherlands over the past few months. The French and Spanish cinemas are due to follow in 2023. The new system allows Kinopolis to manage content (both pre-show and films) more centrally as well as optimise the energy management of its projectors.

Progress laser projection roll-out

Kinopolis has speeded up the transition to laser projection in 2022 with 220 laser installations this year (both new installations and upgrades). At the end of the third quarter, 130 upgrades had already been carried out, with the rest planned for the fourth quarter. The replacements and new installations in 2022 account for total energy savings of approx. 1,900 MWh per year (compared with Xenon projectors). By the end of 2022, more than half of Kinopolis' screens worldwide will be equipped with laser. In Europe, this will be the case for 67% of its screens.

Finishing of Kinopolis Metz Amphithéâtre

Kinopolis opens a new cinema in Metz (France) in the 'Quartier de l'Amphithéâtre' on 9 November 2022. Following Kinopolis Saint-Julien-lès-Metz (the first French cinema of Kinopolis, opened in 1995), the KLUB arthouse cinema in the city centre (opened in 2018) and Kinopolis Metz Waves (opened in 2021), it is the Group's fourth cinema in the region. Kinopolis Metz Amphithéâtre will have 8 screens and 1,105 seats. Kinopolis expects to receive around 300,000 visitors a year.

Line-up for the second half of 2022

The most popular films are currently 'Smile', 'Black Adam', 'Ticket to Paradise', 'Halloween Ends', 'Lyle, Lyle, Crocodile', 'Rebel' and 'Zillion' (BE). The following blockbusters are due to hit cinemas in the next few months: 'Black Panther: Wakanda Forever', 'Strange World', 'Puss in Boots: The Last Wish', 'She Said', 'I Wanna Dance with Somebody' and 'Avatar: The Way of Water'. The local film programme includes 'Close', 'De 8 Bergen', 'De Zonen van Van As' and 'De Buurtpolitie: De Perfecte Overval' in Belgium, 'De club van Sinterklaas en de race tegen de klok', 'Stromboli', 'Totem' and 'De Tatta's' in the Netherlands, 'L'Innocent', 'Mascarade', 'Le torrent' and 'Le petit piaf' in France and 'A todo tren 2: Ahora son ellas' in Spain. Live opera and theatre will be complemented by art, sports and concerts.



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Financial calendar

Thursday, 16 February 2023
Thursday, 27 April 2023
Wednesday, 10 May 2023

Annual results 2022
Business update first quarter 2023
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.

In Europe, Kinopolis Group NV has 61 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 Digital Cinemas, Kinopolis also operates 40 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 111 cinemas worldwide, with a total of 1,125 screens and approx. 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on www.kinopolis.com/corporate.