



# HALF-YEARLY FINANCIAL REPORT 2022





# Kinopolis Group

## Half-yearly Financial Report 30 June 2022

Regulatory release - 18 August 2022

### Kinopolis sees cinema attendance recover further and is regaining financial strength

Kinopolis recorded a strong recovery in its operating result and free cash flow in the first half of 2022. The Group saw a progressive recovery in cinema attendance in all countries, with countries that initially lagged behind now catching up. The summer holiday started promisingly, but was then plagued by the heat wave.

Kinopolis welcomed five times more visitors in the first half of 2022 than in the first half of 2021, or 77.2% of visitors compared to the same period in 2019. While Covid measures were still in force in most countries in the first quarter, with the Dutch and some of the Canadian cinemas remaining closed until the end of January, all cinemas were free of measures in the second quarter. In the month of June, 'Top Gun: Maverick', 'Jurassic World Dominion' and 'Elvis' ensured a recovery in the number of visitors to 107.0% compared to June 2019.

Average sales per visitor remained high, driven by a high demand for experience and premium products, which has led to a faster recovery in visitor-related revenue compared to the visitors. The other business lines also recorded a smooth recovery, particularly business-to-business activities, thanks to a significant increase in corporate events.

The implementation of the Entrepreneurship plan contributed strongly to the recovery of the operating result and to the development of the product range. The regained financial strength will allow Kinopolis to focus further on external expansion and the premiumisation of its offering.

#### Important achievements in H1 2022

- ★ Appointment of Mr. Jeroen Mouton as the new CFO. He will start on 15 November 2022.
- ★ Agreement to take over the operation of two Spanish cinemas (Marbella and Barcelona) from November 2022.
- ★ Investments in a premium movie experience, including the introduction of 'Premiere Seats' in ten Landmark cinemas and 200 laser upgrades in 2022, as well as the preparation for the roll-out of premium concepts in the US.
- ★ Agreement for the roll-out of Eikona Cinema Manager TMS system in Europe.

#### Key figures H1 2022<sup>1 2</sup>

- ★ Kinopolis welcomed 13.7 million visitors in the first half of the year, corresponding to 77.2% of the visitors in the same period in 2019, thereby generating 93.5%<sup>3</sup> of turnover compared to H1 2019. In the second quarter, Kinopolis recorded a visitor level of 86.9% compared to Q2 2019, resulting in a turnover of 103.9%<sup>3</sup> compared to Q2 2019.

<sup>1</sup> Figures from 1 January to 30 June 2022.

<sup>2</sup> Press release based on unaudited figures.

<sup>3</sup> Corrected for one-off Covid-19 related items.



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- ★ Sales per visitor (ticket sales, drinks and snacks) remained high, and were higher than in 2021.
- ★ EBITDA in the first semester amounted to € 68.2 million, with an EBITDAL (EBITDA adjusted for leases) of € 50.4 million.
- ★ Total profit amounted to € 9.1 million.
- ★ Free cash flow recovered to € 25.7 million.
- ★ The net financial debt (NFD), excluding lease liabilities, decreased from € 474.5 million on 31 December 2021 to € 450.0 million on 30 June 2022.

**Eddy Duquenne, CEO of Kinopolis Group, about the first half of the year:**

"I'm proud of the company's financial recovery and the strength that we are regaining to focus on further internal and external expansion. Blockbusters are playing an important part in the recovery of cinema attendance, and we expect medium-sized and local films to also reach their full potential in the coming months. Our strategy of focusing on premiumisation of the customer experience has been successful and, together with the realisation of our Entrepreneurship plan, has contributed strongly to the recovery of our operating result."



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### Key figures

in million €	H1 2022	H1 2021	% Increase / - Decrease
Revenue	228,0	36,8	519,9%
<i>Visitors ('000)</i>	13 668	2 188	524,7%
<b>EBITDA</b>	<b>68,2</b>	<b>-7,1</b>	<b>1 062,2%</b>
<i>EBITDA margin</i>	<i>29,9%</i>	<i>-19,3%</i>	<i>4 920 bps</i>
<i>EBITDA / visitor</i>	<i>4,99</i>	<i>-3,24</i>	<i>254,0%</i>
<b>EBITDAL</b>	<b>50,4</b>	<b>-24,0</b>	<b>309,9%</b>
<i>EBITDAL margin</i>	<i>22,1%</i>	<i>-65,2%</i>	<i>8 732 bps</i>
<i>EBITDAL / visitor</i>	<i>3,68</i>	<i>-10,97</i>	<i>133,6%</i>
<b>EBIT</b>	<b>27,9</b>	<b>-48,0</b>	<b>158,1%</b>
<i>EBIT margin</i>	<i>12,2%</i>	<i>-130,4%</i>	<i>14 258 bps</i>
<b>Result</b>	<b>9,1</b>	<b>-45,8</b>	<b>119,8%</b>
<i>Result per share (in €)</i>	<i>0,34</i>	<i>-1,70</i>	<i>120,0%</i>
Free Cash Flow	25,7	-21,4	220,2%

in million €	30/06/2022	31/12/2021	% Evolution
Total assets	1 173,0	1 195,1	-1,9%
Total equity	149,9	120,6	24,2%
Net financial debt excl. lease liabilities (NFD)	450,0	474,5	-5,2%



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### Notes

#### Visitors

Kinopolis welcomed 13.7 million visitors in the first half of 2022, an increase of 524.7% compared to the first half of 2021, or 77.2% of visitors compared to the same period in 2019 (pre-Covid). The visitor trend evolved positively month after month, thanks to the lifting of Covid-19 measures and successful blockbusters.

Nearly all measures (including capacity restrictions, face mask requirement, Covid pass, and in some countries, an early closing time for cinemas and the closure of shops) were phased out or lifted during the first quarter of 2022. There were no longer any restrictive measures in force in the cinemas operated by Kinopolis at the start of the second quarter.

The most successful films in the first half of 2022 were 'Top Gun: Maverick', 'Doctor Strange in the Multiverse of Madness', 'Spider-Man: No Way Home', 'The Batman' and 'Jurassic World Dominion'. The most successful local films were 'Nachtwacht 3: De dag van de bloedmaan' in Flanders, 'Qu'est-ce qu'on a tous fait au Bon Dieu', 'Super-héros malgré lui' and 'Maison de retraite' in France and Wallonia, 'Costa!!' in the Netherlands and 'La Abuela' in Spain.

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
H1 2022	2,63	2,42	3,62	1,58	1,47	1,61	0,30	0,04	13,67
H1 2021	0,23	0,37	0,23	0,49	0,19	0,58	0,10	0,01	2,19
H1 2022 vs H1 2021	1 043,0%	557,1%	1 466,2%	224,8%	684,0%	177,7%	200,0%	720,0%	524,7%

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
Q2 2022	1,34	1,24	2,25	0,88	0,87	0,96	0,16	0,02	7,73
Q2 2021	0,23	0,37	0,19	0,36	0,19	0,40	0,05	0,01	1,79
Q2 2022 vs Q2 2021	484,3%	237,8%	1 095,2%	148,5%	363,3%	140,1%	203,7%	360,0%	332,9%

\* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.  
Number of cinemas at 30/06/2022

#### Revenue

Total revenue in the first half-year amounted to € 228.0 million, an increase of 519.9% compared to the same period in 2021 (or 93.5% of the revenue in the first half of 2019, corrected for one-off Covid-19 related items).

Visitor-related revenue (ticket sales, drinks and snacks) grew faster than total revenue, thanks to increased revenue per visitor. Both the revenue from ticket sales and revenue from the sale of drinks and snacks increased stronger than the rise in visitor numbers. Kinopolis also recorded an increase in turnover in all other business lines.

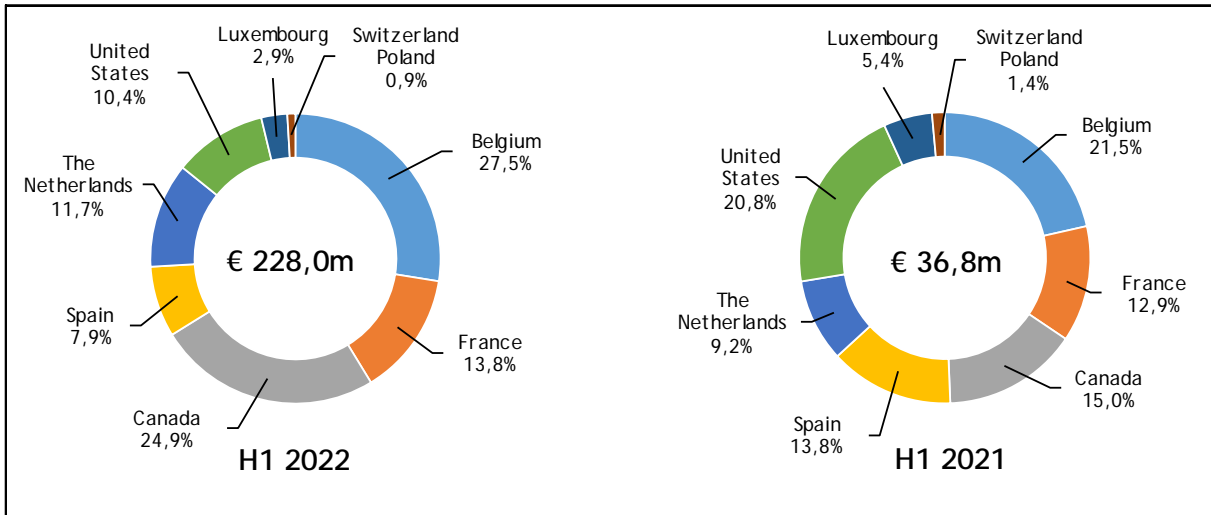


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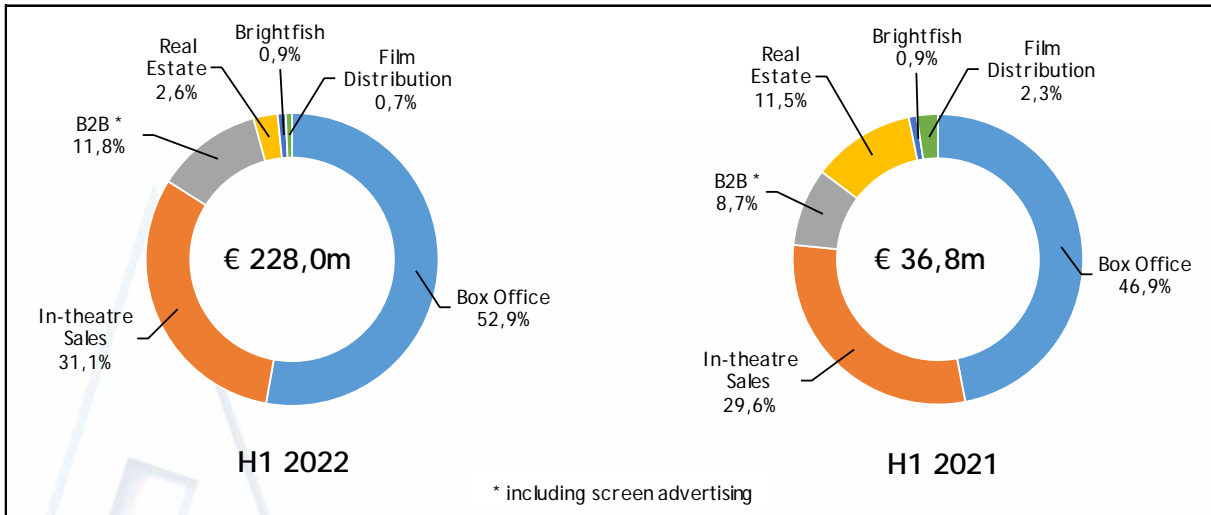
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### Revenue by country



### Revenue by activity



Revenue from ticket sales (Box Office, BO) increased by 598.0%, compared to the same period in 2021, to € 120.5 million. BO revenue per visitor increased by 11.7%, thanks in part to the success of premium cinema experiences and inflation-compensating price increases.

Revenue from the sale of drinks and snacks (In-theatre Sales, ITS) increased by 551.4%, to € 70.9 million compared to the first half of 2021. ITS revenue per visitor increased by 20.3% (excluding home delivery revenue), thanks to an increase in ITS revenue per visitor in almost all countries.



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**B2B revenue** increased by 741.8% compared to the same period in 2021. Both the revenue from events and revenue from screen advertising showed a strong increase.

**Real estate income** increased by 43.0% thanks to a decrease in rent allowances and an increase in variable rental income, mainly parking income, as well as income from owned concessions.

The turnover of **Brightfish**, the Belgian screen advertising agency, increased by 517.8% thanks to more screen advertising and more events. **Kinopolis Film Distribution (KFD)** saw its revenue rise by 83.5% due to more releases in the first half of 2022 compared to the same period last year, as well as more revenue from Video on Demand (VOD).

### Operating costs

**Operating costs** increased by 372.1% in the first half of 2022, due to higher marketing and selling expenses, higher administrative expenses, a decrease in Covid-19 grants and rent abatements obtained, partly offset by lower depreciations.

### EBITDA

EBITDA amounted to € 68.2 million in the first half of 2022. After adjustment for leases, EBITDAL amounted to € 50.4 million. EBITDAL per visitor increased from € -10.97 to € 3.68.

### Profit for the period

Profit in the first half-year amounted to € 9.1 million, mainly due to the good operating result, partly offset by higher financial expenses and income taxes.

Net financial charges increased from € 13.1 million to € 15.6 million, mainly due to an increase in bank charges due to the resumption of activities, as well as realised exchange rate results.

The effective tax rate was 26.3%, compared to 25.1% in the same period of the previous year.

Earnings per share amounted to € 0.34.

### Free cash flow and net financial debt

A positive free cash flow of € 25.7 million was realised in the first half of 2022, mainly due to the good operating result, despite the negative working capital of € 10.7 million, € 4.6 million interest paid, € 3.8 million maintenance investments and € 0.6 million income taxes paid.

€ 3.9 million was invested in internal and external expansion in the first half of 2022, including the finishing and furnishing of the new Amphithéâtre Metz cinema (FR), premium cinema experiences such as the 'Premiere Seats' in Canada, the renovation of the cinema at 'Pen Centre' in St. Catharines (CA), energy saving investments and ICT developments.

The net financial debt, excluding lease liabilities, amounted to € 450.0 million on 30 June 2022, a decrease of € 24.4 million compared with 31 December 2021 (€ 474.5 million), thanks to the positive free cash flow.



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Available financial resources amounted to € 163.2 million at the end of June, compared to € 199.8 million on 31 December 2021, taking into account the repayment of a private placement of € 61.4 million at the end of January 2022.

### Balance sheet

Fixed assets (€ 1,094.9 million) accounted for 93.3% of the balance sheet total (€ 1,173.0 million) on 30 June 2022. This includes land and buildings (including the investment property) with a carrying amount of € 397.6 million.

Equity amounted to € 149.9 million on 30 June 2022. Solvency was 12.8%, compared to 10.1% at the end of 2021.

### Important events since 1 January 2022

#### Kinopolis welcomes Jeroen Mouton as new CFO

Kinopolis has appointed Mr. Jeroen Mouton as the new CFO of the Group. Mr. Mouton has gained extensive national and international experience in several listed companies such as Sioen Industries, Electrawinds, Daikin Europe and, at this moment, as CFO of Roularta Media Group.

Eddy Duquenne, CEO of Kinopolis Group: "I am very enthusiastic about the appointment of Jeroen Mouton as our new CFO. I'm convinced that he has the right profile to guide the company through the further roll-out of its self-learning organisation and expansion strategy."

Jeroen Mouton, CFO of Kinopolis Group as from 15 November 2022: "I am honoured to be appointed as CFO of Kinopolis. The unique position of Kinopolis in terms of profitability, geographical diversification, real estate ownership and focus on internal entrepreneurship lead to an excellent positioning of the company. As a finance professional, I'm very much looking forward to contribute, with the team, to the sustainable growth of Kinopolis."

#### Agreement to take over the operation of two Spanish cinemas

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.

#### Covenant holiday extended until 31 December 2022

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, Kinopolis reached an agreement with its financial institutions to extend the covenant holiday until 31 December 2022.





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This means that, among other things, the conditions regarding the maximum debt ratio in relation to EBITDAL 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.

### Private sale of shares Kinohold

At the beginning of June, Kinohold (Bis) SA announced the private sale of 180,001 shares (or c. 0.66% of the outstanding share capital) to Eddy Duquenne (CEO of Kinopolis) and members of the Bert family. Kinopolis has not received any proceeds from this private placement. Kinohold has sold the shares at the request of Geert and Koenraad Bert.

In order to reaffirm their belief in the future and growth strategy of Kinopolis and ensure a stable shareholding, Eddy Duquenne, Kinopolis' CEO, has acquired 100,000 of the shares and 80,001 of the shares have been reallocated between the members of the Bert family<sup>4</sup>.

Following a series of transactions between the family members designed to allocate the sale proceeds of the 180,001 shares to Geert and Koenraad Bert and after implementation of the contemplated recertification of the 80,001 shares in STAK Kinohold, Kinohold will continue to hold 46.04% of the shares in Kinopolis. Kinohold will also retain the voting rights of the 100,000 shares sold to the CEO for the next four years pursuant to the agreed terms of sale.

### Introduction of 'Premiere Seats' in ten Canadian cinemas

Kinopolis installed luxurious 'Premiere Seats' in ten Landmark cinemas in the first half-year. Premiere Seats are two or three heated recliner seats placed together, with adjustable headrests, a table and a coat rack, that offer more privacy compared to regular recliners. A total of 11 Landmark cinemas now have Premiere Seats (specifically in New Westminster, Surrey, Calgary (3), Edmonton, Fort McMurray, St. Albert, Regina, St. Catharines and Whitby).

### Renovation of Landmark St. Catharines (CA)

At the end of February, Landmark Cinemas has completed the renovation of its cinema complex at 'Pen Centre' in St. Catharines, Ontario. All 10 auditoriums are now entirely fitted with recliner seats and each auditorium now has a row of 'Premiere Seats', the Cosy Seat version of recliner seats. In addition, one of the 10 auditoriums has been converted into a Laser ULTRA theatre, a known Kinopolis concept where 4K laser projection from Cinionic is combined with Dolby Atmos sound for an even more intense movie experience.

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

After extensive testing, Kinopolis selected EIKONA Cinema Solutions, a European leader in cinema software, to roll out EIKONA Cinema Manager in all its European cinemas. The product has been tested in Kinopolis Schaffhausen from May 2019, and in the three cinemas in Luxembourg from June 2021. The EIKONA Cinema Manager TMS system will be rolled out in the Netherlands in September and in Belgium in October, followed by the French and Spanish cinemas in 2023. Among other things, the new system will enable Kinopolis to tailor pre-show content to its target groups in an organised manner, and also optimise the energy management of its projectors.

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<sup>4</sup> Based on the valuation rules provided for in the constitutive documents of STAK Kinohold, which include a material discount to an average reference market price and are adjusted to take into account the size and nature of the transaction.



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### Kinopolis Belgium stunts with installation of F-16 to promote Top Gun sequel

At the end of May, visitors to Kinopolis Antwerp were able to take a seat in the cockpit of an F-16 fighter aircraft standing in the parking lot of the cinema complex. Following the release of 'Top Gun: Maverick', Kinopolis collaborated with the Belgian Air Force to create a unique promotional campaign. For two days, visitors could take a seat in the cockpit of the fighter jet and become Maverick for a moment.

### Furnishing of Kinopolis Metz Amphithéâtre

In the autumn of 2022, Kinopolis will open a new cinema in the French city of Metz, more specifically in the Quartier de l'Amphithéâtre. Following Kinopolis Saint-Julien-lès-Metz (the first French complex of Kinopolis, opened in 1995), the KLUB arthouse cinema in the city centre (opened in 2018) and Kinopolis Metz Waves (opened in 2021), this is the Group's fourth cinema in the region. Kinopolis Metz Amphithéâtre will have 8 screens, and Kinopolis expects to receive around 300,000 visitors a year.

### Line-up for the second half of 2022

The most popular films at the moment are 'Minions: The Rise of Gru', 'Thor: Love and Thunder', 'DC League of Super-Pets' and 'Bullet Train'. The following blockbusters are due to hit the cinemas in the next few months: 'Ticket to Paradise', 'Black Panther: Wakanda Forever', 'Lyle, Lyle, Crocodile', 'Puss in Boots: The Last Wish', 'Rebel', 'Shazam! Fury of the Gods' and 'Avatar: The Way of Water'. The local film programme includes 'Ritueel', 'Zillion', 'Close' and 'Le Otto Montagne' in Belgium, 'Soof 3' and 'Wolf' in the Netherlands, 'Novembre', 'Mascarade' and 'Le Torrent' in France, and 'Tadeo Jones 3', 'El Test' and 'A Todo Tren; Ahora son Ella 2' in Spain. Live opera and ballet will be complemented by art, sports and concerts.

### Financial calendar

Thursday, 27 October 2022  
Thursday, 16 February 2023  
Thursday, 27 April 2023  
Wednesday, 10 May 2023

Business update third quarter 2022  
Annual results for 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 advertising and property management.

In Europe, Kinopolis Group NV will soon have 60 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. Since the acquisition of Canadian movie theatre



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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 will soon operate 110 cinemas worldwide, with a total of 1,117 screens and almost 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on [www.kinopolis.com/corporate](http://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
<b>Gross result</b>		<b>46 836</b>	<b>-43 934</b>
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
<b>Operating result</b>		<b>27 866</b>	<b>-47 952</b>
Financial income		473	735
Financial expenses		-16 041	-13 864
<b>Result before tax</b>		<b>12 298</b>	<b>-61 081</b>
Income tax expenses		-3 229	15 324
<b>RESULT FOR THE PERIOD</b>		<b>9 068</b>	<b>-45 757</b>
Attributable to:			
Owners of the Company		9 075	-45 641
Non-controlling interests		-7	-117
<b>RESULT FOR THE PERIOD</b>		<b>9 068</b>	<b>-45 757</b>
<b>Basic result per share (€)</b>		<b>0,34</b>	<b>-1,70</b>
<b>Diluted result per share (€)</b>		<b>0,33</b>	<b>-1,68</b>

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
<b>Realised results</b>	<b>9 068</b>	<b>-45 757</b>

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

<b>Other comprehensive income for the period, net of income taxes</b>	<b>19 037</b>	<b>8 591</b>
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<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>28 106</b>	<b>-37 167</b>
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Attributable to:

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

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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
<b>Non-current assets</b>		<b>1 094 906</b>	<b>1 079 631</b>
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
<b>Current assets</b>		<b>78 046</b>	<b>115 447</b>
<b>TOTAL ASSETS</b>		<b>1 172 952</b>	<b>1 195 078</b>

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
<b>Total equity attributable to owners of the Company</b>		<b>149 940</b>	<b>120 728</b>
<b>Non-controlling interests</b>		<b>-67</b>	<b>-79</b>
<b>Total equity</b>		<b>149 873</b>	<b>120 649</b>
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
<b>Non-current liabilities</b>		<b>850 437</b>	<b>853 779</b>
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
<b>Current liabilities</b>		<b>172 642</b>	<b>220 650</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 172 952</b>	<b>1 195 078</b>

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## 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
<b>Cash flow from operating activities</b>		<b>52 612</b>	<b>-8 201</b>
Income taxes paid / received		-563	-655
<b>Net cash flow - used in / + from operating activities</b>		<b>52 049</b>	<b>-8 856</b>
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	
<b>Net cash flow used in investing activities</b>		<b>-7 545</b>	<b>-8 472</b>
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
<b>Net cash flow - used in / + from financing activities</b>		<b>-82 840</b>	<b>11 242</b>
<b>+ INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>-38 336</b>	<b>-6 086</b>
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
<b>+ INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>-38 336</b>	<b>-6 086</b>

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		
<b>At 31 December 2021</b>	<b>20 106</b>	<b>-54</b>	<b>304</b>	<b>-21 497</b>	<b>3 268</b>	<b>118 604</b>	<b>-79</b>	<b>120 649</b>
Result for the period						9 075	-7	9 068
<b>Realised results</b>						<b>9 075</b>	<b>-7</b>	<b>9 068</b>
<b>Items to be reclassified to profit or loss if specific conditions are met in the future:</b>								
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
<b>Other comprehensive income for the period, net of income taxes</b>		<b>19 003</b>	<b>16</b>				<b>18</b>	<b>19 037</b>
<b>Total comprehensive income for the period</b>		<b>19 003</b>	<b>16</b>			<b>9 075</b>	<b>12</b>	<b>28 106</b>
Sale of treasury shares				480		565		1 045
Share-based payments					-162	234		72
<b>Total transactions with owners, recorded directly in equity</b>				<b>480</b>	<b>-162</b>	<b>799</b>		<b>1 118</b>
<b>At 30 June 2022</b>	<b>20 106</b>	<b>18 949</b>	<b>320</b>	<b>-21 017</b>	<b>3 106</b>	<b>128 479</b>	<b>-67</b>	<b>149 873</b>

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		
<b>At 31 December 2020</b>	<b>20 106</b>	<b>-17 254</b>	<b>260</b>	<b>-22 610</b>	<b>3 445</b>	<b>142 548</b>	<b>4</b>	<b>126 496</b>
Result for the period						-45 641	-117	-45 757
<b>Realised results</b>						<b>-45 641</b>	<b>-117</b>	<b>-45 757</b>
<b>Items to be reclassified to profit or loss if specific conditions are met in the future:</b>								
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
<b>Other comprehensive income for the period, net of income taxes</b>		<b>8 862</b>	<b>22</b>			<b>-320</b>	<b>27</b>	<b>8 591</b>
<b>Total comprehensive income for the period</b>		<b>8 862</b>	<b>22</b>			<b>-45 961</b>	<b>-90</b>	<b>-37 167</b>
Sale of treasury shares				105		124		229
Share-based payments					93	53		146
Acquisition of non-controlling interests, without changes in control						-319		-319
<b>Total transactions with owners, recorded directly in equity</b>				<b>105</b>	<b>93</b>	<b>-142</b>		<b>56</b>
<b>At 30 June 2021</b>	<b>20 106</b>	<b>-8 392</b>	<b>282</b>	<b>-22 505</b>	<b>3 538</b>	<b>96 445</b>	<b>-86</b>	<b>89 384</b>

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
<b>Revenue</b>	<b>62 806</b>	<b>31 369</b>	<b>56 734</b>	<b>18 069</b>	<b>26 645</b>	<b>23 778</b>	<b>6 666</b>	<b>1 961</b>		<b>228 028</b>
<b>Segment result</b>	<b>9 579</b>	<b>5 804</b>	<b>3 604</b>	<b>610</b>	<b>4 730</b>	<b>2 039</b>	<b>1 393</b>	<b>108</b>		<b>27 866</b>
Financial income									473	473
Financial expenses									-16 041	-16 041
<b>Result before tax</b>										<b>12 298</b>
Income tax expenses									-3 229	-3 229
<b>RESULT FOR THE PERIOD</b>										<b>9 068</b>
<b>Capital expenditure</b>	<b>1 676</b>	<b>1 966</b>	<b>2 080</b>	<b>706</b>	<b>227</b>	<b>825</b>	<b>183</b>	<b>32</b>		<b>7 692</b>

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

\* 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
<b>Revenue</b>	<b>7 886</b>	<b>4 746</b>	<b>5 532</b>	<b>5 089</b>	<b>3 388</b>	<b>7 660</b>	<b>1 986</b>	<b>499</b>		<b>36 786</b>
<b>Segment result</b>	<b>-15 190</b>	<b>-4 087</b>	<b>-11 554</b>	<b>-3 631</b>	<b>-8 511</b>	<b>-4 505</b>	<b>-513</b>	<b>39</b>		<b>-47 952</b>
Financial income									735	735
Financial expenses									-13 864	-13 864
<b>Result before tax</b>										<b>-61 081</b>
Income tax expenses									15 324	15 324
<b>RESULT FOR THE PERIOD</b>										<b>-45 757</b>
<b>Capital expenditure</b>	<b>900</b>	<b>4 201</b>	<b>350</b>	<b>162</b>	<b>2 359</b>	<b>117</b>	<b>235</b>			<b>8 324</b>

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

\* 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
<b>Net impact of adjustments</b>	<b>-31</b>	<b>-702</b>

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

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
<b>EBITDAL</b>	<b>50 366</b>	<b>-23 995</b>

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

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
<b>EBITDA</b>	<b>68 238</b>	<b>-7 092</b>
Impact of adjustments on EBITDA	41	23
<b>Adjusted EBITDA</b>	<b>68 279</b>	<b>-7 069</b>

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
<b>Net financial debt</b>	<b>852 923</b>	<b>865 032</b>

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
<b>Net financial debt excl. lease liabilities</b>	<b>450 017</b>	<b>474 465</b>
Impact lease liabilities	402 907	390 567
<b>Net financial debt</b>	<b>852 923</b>	<b>865 032</b>

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
<b>Free cash flow</b>	<b>25 722</b>	<b>-21 408</b>

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
<b>Adjusted EBIT</b>	<b>69 148</b>	<b>-5 769</b>
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
<b>Capital employed</b>	<b>1 042 281</b>	<b>1 034 583</b>
<b>Return on capital employed (ROCE)</b>	<b>6,6%</b>	<b>-0,6%</b>

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
<b>Adjusted EBIT excl. IFRS 16</b>	<b>61 657</b>	<b>-12 678</b>
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
<b>Capital employed excl. IFRS 16</b>	<b>684 115</b>	<b>680 757</b>
<b>Return on capital employed (ROCE) excl. IFRS 16</b>	<b>9,0%</b>	<b>-1,9%</b>

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

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
<b>Current ratio excl. current lease liabilities</b>	<b>0,57</b>	<b>0,63</b>

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	
<b>Total capital expenditure according to the statement of cash flow</b>	<b>7 545</b>	<b>8 472</b>

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

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
<b>Gearing ratio excl. lease liabilities</b>	<b>3,00</b>	<b>3,93</b>

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](http://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 <sup>(1)</sup>	COST OF OWN EQUITY	DEBT CAPITAL/EQUITY	RISK-FREE INTEREST RATE	MARKET RISK PREMIUM	BETA	PROPOSED COST OF DEBT <sup>(1)</sup>	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%

<sup>(1)</sup> 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
<b>TOTAL IFRS 15</b>	<b>32 566</b>	<b>221 994</b>
Real estate	4 220	6 034
<b>TOTAL</b>	<b>36 786</b>	<b>228 028</b>

## 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
<b>Non-derivative financial liabilities</b>	<b>143 751</b>	<b>462 328</b>	<b>66 885</b>	<b>672 964</b>	<b>88 001</b>	<b>440 690</b>	<b>66 885</b>	<b>595 576</b>
Interest rate swaps	28			28	6			6
<b>Derivative financial instruments</b>	<b>28</b>			<b>28</b>	<b>6</b>			<b>6</b>
<b>TOTAL</b>	<b>143 779</b>	<b>462 328</b>	<b>66 885</b>	<b>672 992</b>	<b>88 007</b>	<b>440 690</b>	<b>66 885</b>	<b>595 582</b>

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
<b>TOTAL</b>	<b>550 064</b>	<b>550 064</b>	<b>489 066</b>	<b>489 066</b>

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
<b>NET CARRYING AMOUNT AT 31/12/2021</b>	<b>348 626</b>	<b>1 850</b>	<b>282</b>	<b>2 562</b>	<b>353 320</b>
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
<b>NET CARRYING AMOUNT AT 30/06/2022</b>	<b>360 888</b>	<b>1 492</b>	<b>151</b>	<b>2 363</b>	<b>364 895</b>

### LEASE LIABILITIES

IN '000 €	TOTAL
<b>NET CARRYING AMOUNT AT 31/12/2021</b>	<b>390 567</b>
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
<b>NET CARRYING AMOUNT AT 30/06/2022</b>	<b>402 907</b>

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	<b>476 911</b>	36 373	131 644	322 104	<b>490 121</b>

## 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