



Kinopolis Group

Business Update Q1 2023

Regulatory release - 27 April 2023

Business update first quarter 2023

Kinopolis has posted a solid first quarter. Despite the fact that the Hollywood film offering has still not fully recovered, Kinopolis recorded higher visitor-related revenue (Box Office and In-theatre Sales) than in the first quarter of 2022 and 2019, both overall and per visitor. Even when making abstraction of the Group's expansion since 2019, revenue was higher than in the same period in 2019.

The strong revenue generation was driven by 36.1% more visitors compared to the same period last year or 91.6% of visitors in 2019, combined with the success of premium movie experiences thanks to blockbuster films such as 'Avatar: The Way of Water'. The impact of Kinopolis' Entrepreneurship and Star plans will continue to strengthen revenue and EBITDA development as visitor numbers continue to pick up in line with increasing international offerings.

In any case, the second quarter started with a strong Easter period, partly thanks to the success of 'The Super Mario Bros. Movie', and the film offering for the next few months looks promising. Kinopolis has meanwhile successfully integrated two recently acquired French cinemas, Amnéville and Belfort, and remains focused on customer experience and the further expansion of the Group.

Key figures¹ for the first quarter 2023²

- ★ **Revenue per visitor** remained high and grew compared to 2022, with total revenue increasing proportionally more than visitors and exceeding 2019 levels.
- ★ Kinopolis welcomed **8.1 million visitors** in the first quarter or 36.1% more visitors than in the first quarter of 2022. This is only 8.4% less than in 2019, albeit with an expanded number of cinemas.
- ★ Both **EBITDA and EBITDA adjusted for leases (EBITDAL)** were higher than in the same period in 2022 and 2019.
- ★ There was a positive **net result** every month, leading to a strong **free cash flow**, excluding working capital, for the first quarter.
- ★ The leverage ratio decreased significantly compared to December 2022. **Net financial debt** (excluding lease liabilities) remained roughly constant at € 424.8 million, despite important investments, working capital movements and an acquisition.

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

² Figures from 1 January up to and including 31 March 2023.



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Important achievements

- ★ Successful integration of the newly acquired cinema in Amnéville (FR)
- ★ Acquisition of a cinema in Belfort (FR)
- ★ Introduction of Premiere Seats in five additional Landmark cinemas (CA)
- ★ Progress on laser projection transition: procurement of 171 laser projectors for 2023

Eddy Duquette, CEO Kinopolis Group, on the first quarter:

"I'm excited about the continued market recovery and the impact of the Kinopolis strategy on turnover and EBITDA performance within that context. We can look forward to a further recovering and richer Hollywood film offering in the coming months, and the successful start of 'The Super Mario Bros. Movie' over the past few weeks confirms our confidence in the future and our pace of investment."

Notes

Kinopolis welcomed 36.1% more visitors in the first quarter compared to the first quarter of 2022 (still impacted by Covid measures), which is equivalent to 91.6% of visitors in 2019 (pre-Covid). The upward trend in comparison to 2022 continued at the start of the second quarter, thanks to a number of successful film releases (such as 'The Super Mario Bros. Movie') at the beginning of the Easter holidays.

The top five films in the first quarter of 2023 were 'Avatar: The Way of Water', 'Puss in Boots: The Last Wish', 'Ant-Man and the Wasp: Quantumania', 'Creed III' and 'Scream 6'. The most successful local films were 'Zillion' in Flanders, 'Alibi.com 2' and 'Astérix & Obélix: L'Empire du Milieu' ('Asterix & Obelix: The Middle Kingdom') in France and Wallonia, 'De Tatta's' ('The Tattas') in the Netherlands and 'Moomios' ('Mummies') in Spain.

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	17	38	10	20	10	3	1	110
Q1 2023	1,58	1,65	1,88	0,96	0,91	0,89	0,19	0,03	8,08
Q1 2022	1,29	1,18	1,37	0,70	0,60	0,65	0,13	0,02	5,94
Q1 2023 vs Q1 2022	22,9%	40,0%	37,3%	37,2%	50,3%	36,3%	43,6%	44,2%	36,1%

* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.
Number of cinemas at 31/03/2023

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

Both 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 compared to 2022, thanks to the success of premium cinema experiences and higher consumption.

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



Kinopolis Group Business Update Q1 2023 Regulatory release - 27 April 2023

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

A positive net result for every month of the quarter enabled Kinopolis to post a strong free cash flow (excluding working capital) for the first quarter. Furthermore, an amount of € 10.0 million was invested in maintenance, as well as internal and external expansion in the first quarter.

Net financial debt, excluding lease liabilities, compared to 31 December 2022 remained roughly constant at € 424.8 million at the end of March 2023.

Important events since 1 January 2023

Acquisition of Pathé cinema in Belfort (FR)

Three months after the acquisition of the Gaumont cinema in Amnéville, Kinopolis took over a second French cinema belonging to the Pathé network, Les Quais de Pathé in Belfort, in the department Franche-Comté. Kinopolis acquired the company Pathé Belfort SAS, that is operating the (leased) cinema. The complex has 14 screens and 2,562 seats and is located near the town centre of Belfort. The cinema has a 4DX screen and welcomed close to 500,000 visitors in 2019.

Introduction of Premiere Seats in five additional Landmark cinemas (CA)

Premiere Seats were installed in five additional Landmark cinemas during the first quarter. These are groups of two or three heated recliners that offer more privacy than standard recliners (enabling cinema-goers to enjoy films in their own bubble) and are additionally equipped with a coat hook and table. Each auditorium has one or two rows of Premiere Seats. The Landmark cinemas concerned are Saskatoon Brighton Marketplace (Saskatchewan), Winnipeg Grant Park (Manitoba) and three cinemas in Ontario: Bolton, Kanata and Orleans (Riocan Centre Belcourt). A total of 16 Landmark cinemas are now fitted with Premiere Seats.

Renovation of the Landmark cinema in Waterloo (CA)

The Landmark cinema in Waterloo, Ontario, is currently being renovated and equipped with recliners, Premiere Seats and a Laser ULTRA auditorium. Laser ULTRA is Kinopolis' own Premium Large Format (PLF), a combination of 4K laser projection and Dolby Atmos sound for an even more intense movie experience.

Procurement of 171 laser projectors for 2023

Kinopolis is taking another major step in its transition to laser projection, by procuring 171 laser projectors from Cinionic for 2023. This will result in additional energy savings of approximately 1.5 GW per year. Almost 80% of Kinopolis' European screens is expected to be laser by the end of 2023, and nearly 60% at Group level.

New 'Just Chill' event concept (FR)

Kinopolis France launched the first edition of its new 'Just Chill' film concept in nine cinemas on 30 March. An evening devoted to pure fun and relaxation, with a feel-good film and plenty of thrills and entertainment. The first edition showcased the film classic 'Dirty Dancing'.

Screening of VRT series 'Zonder Afspraak' in aid of Syria and Turkey 12-12 (BE)

VRT (Canvas) and Kinopolis organised three exclusive previews of the fiction series 'Zonder Afspraak' (a colourful comedy about a Ghent-Turkish barber) on 29 and 30 March to raise money for the victims of



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the earthquakes in Syria and Turkey (as part of the nationwide Syria Turkey 12-12 media campaign). This resulted in a total donation of € 11,703.

Line-up for 2023

The most popular films currently showing include 'The Super Mario Bros. Movie', 'Evil Dead Rise', 'John Wick: Chapter 4' and 'Dungeons and Dragons: Honor Among Thieves'. The following blockbusters are due to hit cinemas in the coming weeks and months: 'Fast X (Fast & Furious 10)', 'The Little Mermaid', 'Transformers: Rise of the Beasts', 'The Flash', 'Indiana Jones and the Dial of Destiny', 'Spider-Man: Across the Spider-verse', 'Elemental', 'Mission Impossible: Dead Reckoning Part One', 'Oppenheimer' and 'Barbie'. The local film programme includes 'Het Geheugenspel', 'Het Smelt' and 'Wil' in Flanders, 'Het Verloren Transport' in the Netherlands, 'Les Trois Mousquetaires: D'Artagnan', 'Notre tout petit mariage' and 'Un coup de maître' in France, 'Lassie: Ein Neues Abenteuer' in Luxembourg and 'Como Dios manda', 'Mi Soledad tiene alas' and 'El Favor' in Spain. Live opera and ballet will be complemented by art, sports and concerts.

Financial calendar

Wednesday, 10 May 2023
Thursday, 17 August 2023
Thursday, 26 October 2023

General Meeting
Half-yearly results 2023
Business update third quarter 2023

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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 63 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. Since the acquisition of Canadian movie theatre group Landmark Cinemas and American movie theatre group MJR Digital Cinemas, Kinopolis also operates 38 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 111 cinemas worldwide, with a total of 1,138 screens and more than 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on www.kinopolis.com/corporate.