



Kinopolis Group Annual results 2019*

Regulatory information - 20 February 2020

A strong 2019 for Kinopolis, thanks to the consistent implementation of the business strategy in combination with a successful range of films

The continued implementation of the Kinopolis business strategy, both in new and existing markets, combined with favourable market conditions in Europe, led to excellent results for the Group in 2019. Almost all cinemas received significantly more visitors, particularly in the second half of the year, thanks to very successful international blockbusters. The expansion in the North American market is going according to plan, with a successful roll-out of the business strategy in the Canadian Landmark cinemas, and a further expansion of the activities through the acquisition of MJR Digital Cinemas in the US.

This resulted in a 15.9%¹ increase in revenue for 2019, with 13.3% more visitors and an EBITDA increase of 23.8%, to €145.0 million, excluding the impact of IFRS 16. Including the impact of IFRS 16, EBITDA amounted to €172.3 million. Net profit increased by 14.7%, to €54.4 million. Both the revenue and EBITDA per visitor² increased further, thanks to the success of premium cinema experiences and the continued commitment to operational efficiency.

Major achievements in 2019

- ★ Further investments in the ultimate customer experience through, among others, the roll-out of RealD 3D, laser projection, including Laser ULTRA, the opening of various 4DX and ScreenX theatres, and a new IMAX theatre in Antwerp (BE).
- ★ Successful introduction of Laser ULTRA and the megacandy shop concept in a number of Landmark cinemas.
- ★ Opening of new cinema complexes in France (Servon) and Canada (Regina and Calgary Market Mall).
- ★ Acquisition and integration of the El Punt cinemas in Barcelona and Alzira (ES).
- ★ Entry into the US, thanks to the acquisition of MJR Digital Cinemas in Michigan.
- ★ Acquisition of the Arcaplex cinema in Spijkensisse (NL).
- ★ Kinopolis elected 'Entrepreneur of the Year 2019' in its home market Belgium.

Key figures for 2019 as compared to 2018:

- ★ Total revenue increased by 15.9% to €551.5 million, with visitor-related revenue increasing by 17.8%.

(*) For the Alternative Performance Measures (APMs), we refer to the glossary in attachment.

¹ 15.0% at the same exchange rates.

² Excluding the impact of IFRS 16.



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- ★ The number of visitors increased by 13.3% to 40.3 million, thanks to the expansion of the Group and a successful range of films.
- ★ The adjusted EBITDA, excluding the IFRS 16 impact, increased by 23.4%, to €146.8 million.
- ★ Net profit increased by 14.7% to €54.4 million. Earnings per share amounted to €2.02.
- ★ Free cash flow increased by €25.4 million, to €90.2 million.
- ★ Net financial debt³ increased from €276.8 to € 417.0 million. The debt ratio remains conservative, with an NFD/adjusted EBITDA ratio, both excluding the IFRS16 impact, of 2.84.
- ★ The proposed dividend per share is € 1.0, an increase of 8.7%.

Eddy Duquenne, CEO of Kinopolis Group, about the results for 2019:

“The continued execution of our business strategy, aimed at finding new revenue sources and reducing our break-even point every year by introducing small improvement steps, has been providing solid results for 13 years in a row. On top of that, in 2019, this was supported by a strong content line-up.

We have again taken important steps in the further execution of our expansion in the past year, including the acquisition of the American cinema group MJR. As a result, we now already realise 30% of our visitor numbers in the North American market. In this respect, it is encouraging to see that the introduction of our business strategy and concepts in Canada is going well.”

³ Excluding lease liabilities.



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Key figures

| in million € | 2019 | Impact IFRS 16 | 2019 excl. IFRS 16 | 2018 | % difference excl. IFRS 16 |
|---------------------------|--------|----------------|--------------------|--------|----------------------------|
| Revenue | 551,5 | | 551,5 | 475,9 | 15,9% |
| Visitors ('000) | 40 341 | | 40 341 | 35 591 | 13,3% |
| EBITDA | 172,3 | 27,3 | 145,0 | 117,2 | 23,8% |
| Adjusted EBITDA (*) | 174,1 | 27,3 | 146,8 | 119,0 | 23,4% |
| Adjusted EBITDA margin | 31,6% | | 26,6% | 25,0% | 162 bps |
| Adjusted EBITDA / visitor | 4,32 | | 3,64 | 3,34 | 8,9% |
| EBIT | 101,0 | 3,1 | 98,0 | 79,1 | 23,8% |
| Adjusted EBIT (*) | 104,0 | 3,1 | 100,9 | 80,9 | 24,7% |
| Adjusted EBIT margin | 18,9% | | 18,3% | 17,0% | 129 bps |
| Profit | 54,4 | -4,4 | 58,8 | 47,4 | 24,0% |
| Adjusted Profit (*) | 56,0 | -4,4 | 60,4 | 47,5 | 27,1% |
| Earnings per share (in €) | 2,02 | -0,15 | 2,18 | 1,76 | 23,9% |
| Free Cash Flow (*) | 90,2 | | 90,2 | 64,7 | 39,3% |

(*) For further information, we refer to the annexes

| in million € | 31/12/2019 | 31/12/2018 | % difference |
|--|------------|------------|--------------|
| Total assets | 1.288,1 | 680,9 | 89,2% |
| Equity | 211,3 | 177,6 | 18,9% |
| Net Financial Debt excl. lease liabilities (NFD) (*) | 417,0 | 276,8 | 50,6% |

Notes

Visitors

Kinopolis received 40.3 million visitors (+13,3%) in 2019, thanks to the acquisition of the American group MJR and the El Punt cinemas in Spain, the opening of new complexes in France and Canada, and organic growth in almost all cinemas, thanks to an outstanding range of films. Blockbusters such as 'The Lion King', 'Avengers: Endgame', 'Frozen II', 'Joker' and 'Star Wars': The Rise of Skywalker' ensured an especially strong second half-year, certainly when compared to a rather weak 2018 in Europe. Landmark Cinemas Canada managed to match the previous year's visitor figure, despite an unfavourable comparison basis due to the fact that 2018 was a very successful Box Office year for the North American market (as opposed to Europe).

The decline in the number of visitors in Belgium during the first half of the year (-10.7%) was fully offset by a strong second semester, thanks in part to the success of 'FC De Kampioenen 4: Viva Boma!'. Spain, France and the Netherlands grew strongly, mainly thanks to the addition of new and acquired cinemas, and thanks to the further growth of the cinemas that were opened in recent years.



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The top 5 of 2019 were 'The Lion King', 'Avengers: Endgame', 'Frozen II', 'Joker' and 'Star Wars': The Rise of Skywalker'. The most successful local films were 'FC De Kampioenen 4: Viva Boma!' and 'The Queen's Corgi' in Belgium, 'Qu'est-ce qu'on a encore fait au Bon Dieu?' in France and Belgium, 'Padre no hay más que uno' in Spain, 'Verliefd op Cuba' in the Netherlands, 'Das Perfekte Geheimnis' in Luxembourg and 'Hummingbird Project' in Canada.

| Visitors (in millions) | Belgium | France | Canada | Spain | Netherlands | The United States | Luxembourg | Switzerland | Total |
|---------------------------|---------|--------|--------|-------|-------------|----------------------|------------|-------------|-------|
| Number of cinemas* | 11 | 13 | 46 | 8 | 18 | 10 | 3 | 1 | 110 |
| 2019 | 8,12 | 7,39 | 11,66 | 6,18 | 4,53 | 1,37 | 0,98 | 0,11 | 40,34 |
| 2018 | 7,99 | 6,57 | 11,63 | 4,31 | 4,07 | | 0,92 | 0,10 | 35,59 |
| 2019 vs 2018 | 1,6% | 12,5% | 0,3% | 43,6% | 11,1% | | 6,4% | 3,8% | 13,3% |

| Visitors (in millions) | Belgium | France | Canada | Spain | Netherlands | The United States | Luxembourg | Switzerland | Total |
|---------------------------|---------|--------|--------|-------|-------------|----------------------|------------|-------------|-------|
| Number of cinemas* | 11 | 13 | 46 | 8 | 18 | 10 | 3 | 1 | 110 |
| Q4 2019 | 2,60 | 2,10 | 3,06 | 1,80 | 1,34 | 1,37 | 0,30 | 0,03 | 12,60 |
| Q4 2018 | 2,48 | 1,88 | 3,04 | 1,22 | 1,32 | | 0,29 | 0,03 | 10,26 |
| Q4 2019 vs Q4 2018 | 4,8% | 11,9% | 0,6% | 47,7% | 1,4% | | 2,4% | 10,0% | 22,8% |

* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.
Number of cinemas at 31/12/2019.

Revenue

Total revenue in 2019 was €551.5 million, an increase of 15.9% as compared with 2018. Visitor-related revenue increased by 17.8%, thanks to an increase in sales per visitor in almost all countries, despite the changed country mix, with a lower share by Belgium, a higher share by Spain and the addition of the US.

Revenue from Box Office (BO) increased by 17.0% and revenue from the sale of drinks and snacks (In-theatre sales, ITS) increased by 19.4%.

Revenue from B2B increased by 9.7%; Brightfish (the Belgian screen advertising activity) saw its revenue increase by 20.5%. Only revenue from real estate activities and from the Belgian film distribution branch (Kinopolis Film Distribution, KFD) declined, by 1.1% and 30.3% respectively.

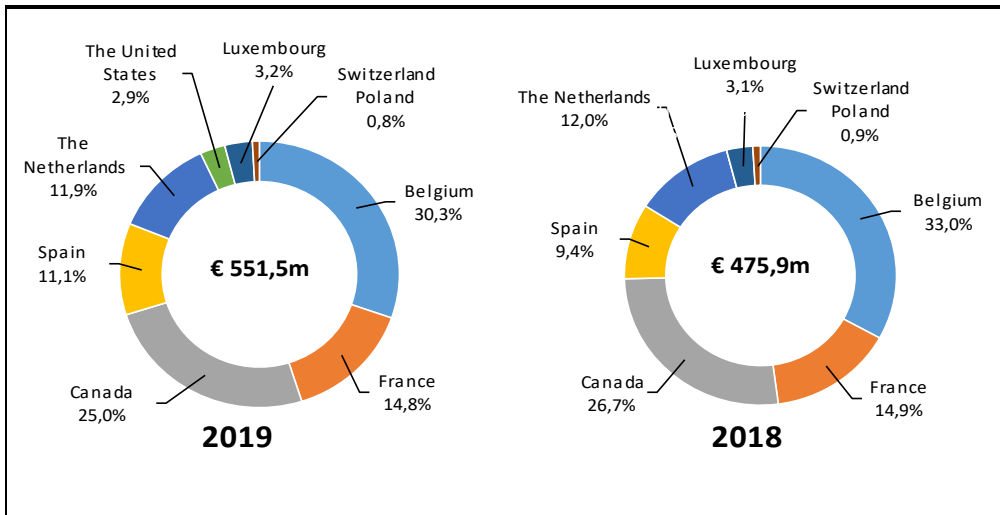


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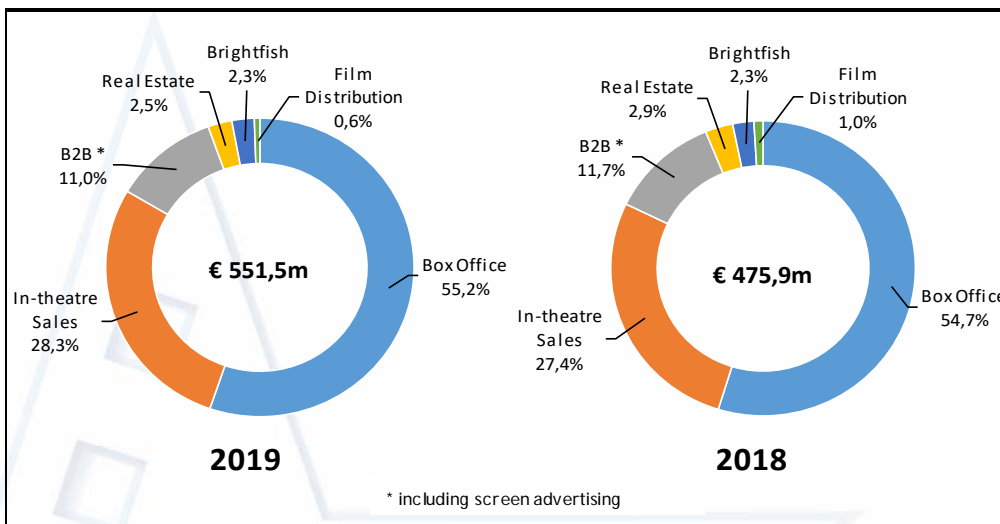
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Revenue by country



The US share relates to the activities of the acquired American MJR cinema group from mid-October 2019. The addition of both the American cinemas and the Spanish El Punt cinemas changes the country mix. Belgium still achieved 30.3% of sales in 2019, while already 27.9% of group sales were achieved in North America.

Revenue by activity





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Box Office revenue increased by 17.0% to €304.7 million. BO per visitor increased in almost all countries, thanks to the success of premium products, such as Cosy Seats, Laser ULTRA, 4DX and ScreenX, a higher share of 3D, the growing success of alternative content in all countries and a number of inflation-compensating measures, and this despite the increased weight of Spain and the US in the country mix. After all, these countries have a lower-than-average BO per visitor. Only in Spain BO revenue per visitor decreased, due to the addition of the El Punt cinemas with a lower BO per visitor.

In-theatre sales increased by 19.4% to €155.9 million, thanks to an increase in ITS consumption per visitor in all countries and the addition of the American cinemas, with a higher-than-average ITS consumption per visitor. In almost all countries, we saw more visitors in the shop, who also bought more products. Constant adjustments to the ITS range and the further roll-out of the megacandy concept in a number of cinemas also contributed to the increased ITS revenue.

B2B revenue increased by 9.7% due to a strong rise in screen advertising in all countries and the expansion of the Group. The sale of events also increased, as did the number of partner deals.

Real estate income decreased by 1.1% due to a decrease in the variable rent in Poland and a number of vacant concessions in Belgium and the Netherlands.

Revenue from **Kinopolis Film Distribution (KFD)** decreased by 30.3%, due to fewer releases as compared to a very successful 2018 (including "Patser" and "Niet Schieten").

Brightfish saw its revenue rise by 20.5%, thanks to an increase in both national and regional screen advertising, and thanks to more events and partner deals.

Adjusted EBITDA excluding IFRS 16 impact

The adjusted EBITDA increased by 23.4%, to €146.8 million. The adjusted EBITDA margin increased from 25.0% to 26.6%, thanks to increased efficiency in all countries combined with a further increase in revenue per visitor.

The adjusted EBITDA per visitor increased from €3.34 to €3.64. This increase was somewhat tempered by the decrease in Belgium's share in the group results.

Profit for the financial year

The adjusted profit for 2019 amounted to €56.0 million, an increase of 17.8% as compared to 2018 (€47.5 million), thanks to increased efficiency combined with a further increase in sales per visitor in all countries, and this despite higher financial costs and depreciation due to investments in newly built complexes and acquisitions.

Total profit amounted to €54.4 million compared to €47.4 million in 2018, an increase of 14.7%.

The most important one-off costs and revenue (adjustments) in 2019 were transformation and expansion costs (-€2.7 million), the added value of the sale of the offices in the complex in 's Hertogenbosch (+€0.9 million), one-off tax effects (+€0.4 million) and a number of other items (-€1.0 million). The positive tax effect on these adjustments amounted to €0.8 million.



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The most important one-off costs and revenue (adjustments) in 2018 were principally one-off tax effects (+€0.7 million), impairment of goodwill (-€0.5 million) related to the closing of Nîmes Forum (France) and transformation and expansion costs (-€0.3 million).

Net financial costs increased due to the impact of IFRS 16 (+€9.35 million) and due to the private placement of bonds amounting to €225 million in July 2019.

The adjusted effective tax rate remained at 30.2%, the same level as in 2018.

Earnings per share amounted to €2.02, which is 14.8 % higher than in 2018.

Free cash flow and net financial debt

Free cash flow amounted to €90.2 million as compared to €64.8 million in 2018, an increase of €25.4 million, thanks to the increased operating result and a positive working capital effect, despite more taxes and interest paid and an increase in the maintenance investments.

The free cash flow after expansion investments, dividends and the sale of assets amounted to -€147.8 million, partly due to €173.9 million of investments in external expansion, with the acquisition of MJR in the United States, El Punt in Spain and Arcaplex in the Netherlands. In addition, €45.3 million was invested in the construction of new complexes, the renovation of acquired cinemas, product innovation and the roll-out of experience concepts in existing and acquired cinemas. This relates particularly to the roll-out of recliner seats in the Canadian cinemas, the installation of the Kinopolis shop concept in Whitby, Kanata and Shawnessy (Canada), and the opening of various 4DX and ScreenX theatres in Europe.

Investments in maintenance increased by €5.0 million to €21.0 million, among other things due to the further roll-out of laser projectors, the replacement of all 3D systems with RealD 3D, renovations of existing cinemas, investments in IT and the growth of the Group.

The net financial debt, adjusted for the impact of IFRS 16, amounted to €417.0 million on 31 December 2019, an increase of 50.6% as compared to the end of 2018 (€276.8 million), due to the acquisition of El Punt in the first half of the year and the acquisition of MJR and Arcaplex in the second half of the year, the dividend payment of €24.7 million, and €66.2 million of investments in maintenance and innovation.

The NFD ratio as compared to adjusted EBITDA, both excluding the impact of IFRS 16, was 2.84 on 31 December 2019. If we take an annualised adjusted EBITDA into account, the ratio is lower than 2.6.

Total gross financial debt, excluding lease liabilities, increased by €147.2 million, to €489.7 million at 31 December 2019, as compared to 31 December 2018 (€ 342.5 million). Kinopolis pursues a very cautious financial policy, and always finances acquisitions over the long term.



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Balance sheet

Equity was €211.3 million on 31 December 2019. Solvency amounted to 16.4%, despite the increase in equity, which is a decrease as compared to 2018 (26.1%) due to the impact of IFRS 16 on the balance sheet.

Dividend of €1.0 per share

The Board of Directors will propose to the General Meeting of 13 May 2020 the payment of a gross dividend of €1.0 per share for the 2019 financial year. This represents an increase of 8.7% as compared with 2018 (€0.92 per share). The dividend will be made available from 19 May 2020 (ex-date: 15 May 2020; record date: 18 May 2020).

Important events in 2019

Acquisition of Spanish cinema group El Punt

Following approval by the Spanish competition authority, Kinopolis Group has, on 28 February 2019, completed the acquisition of the 'Full' cinema complex in Barcelona and 'El Punt Ribera' in Alzira. Both cinemas were part of the El Punt cinema group, which is owned by the Sallent family.

The 'Full' megaplex in Barcelona has 28 screens with in total 2,689 seats and welcomes more than 1.3 million cinema-goers every year. The complex is rented and situated in the commercial centre 'Splau' in Cornellà de Llobregat, close to the airport and 14 km south of Barcelona.

The 'El Punt Ribera' cinema is located in a commercial district in Alzira, 44 km south of Valencia. The complex, of which the property is in ownership, has 10 screens and 2,528 seats, and attracts more than 300,000 visitors annually. Both cinemas were successfully integrated into Kinopolis Group in the second quarter.

Acquisition of the American cinema group MJR

Kinopolis finalised the acquisition of the American cinema group MJR Digital Cinemas on 11 October 2019. MJR Digital Cinemas, which is headquartered in Bloomfield Hills, Michigan, operates 10 movie theater complexes with a total of 164 screens and a seating capacity of over 16,000, all located in Michigan. All movie theaters are multi- and megaplexes with a capacity varying from 10 to 20 screens. In 2018, the 10 movie theaters drew 6.2 million visitors with total revenue of USD 81.2 million.

Seven locations are owned (114 screens), including three on a leasehold site, the remaining three are rented complexes (50 screens). All screens have 5.1 digital surround sound and two complexes feature an 'EPIC experience' auditorium combining 4K projection with Dolby Atmos sound. Furthermore, nearly all movie theaters are equipped with recliner seats. These motorized, fully reclinable seats are also very successful in Canada.

Acquisition of the Arcaplex cinema in the Netherlands

Kinopolis took over both the real estate and the operation of the Arcaplex cinema located in Spijkenisse, the Netherlands, on 14 November 2019. The cinema, which was previously owned and operated by the Rump brothers, has 9 screens and 951 seats, and welcomed more than 200,000 visitors in 2018. The cinema was thoroughly renovated and expanded in the spring of 2018. Three new screens were opened in the process, provided with every seating comfort and equipped with laser projection for a razor-sharp image.



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Opening Kinopolis Servon

On 3 October 2019, Kinopolis has officially inaugurated a new cinema complex in Servon, the second Kinopolis cinema in the Île-de-France region, exactly one year after the first was opened in the same region (Kinopolis Brétigny-sur-Orge). The new cinema, which opened its doors to the public on September 18th, is leased by Kinopolis and is part of the Eden commercial zone, a leisure centre with facilities for bowling, karting, fitness and numerous food establishments. Kinopolis expects to receive 400,000 visitors per year in Servon with 9 screens and 1,200 seats.

Opening Landmark cinema in Regina

On 4 October 2019, Landmark Cinemas Canada has opened a new cinema in Regina, in the Canadian province of Saskatchewan. This cinema is an integral part of the new Aurora retail park. Landmark Aurora Regina has 8 screens and is fully equipped with recliner seats. The new cinema in Regina is the first cinema in Canada to be fully equipped with Barco laser projection from Cinionic. One of the theatres features Laser ULTRA, the Kinopolis concept that combines 4K Barco laser projection with the immersive Dolby Atmos sound, providing an unmatched viewing experience. Laser ULTRA is a well-known European Kinopolis concept that was introduced for the first time in Canada at the Landmark cinema in Shawnessy in the spring of 2019. The concept is very well received by visitors.

Opening Landmark cinema in Calgary Market Mall

Landmark's new premium cinema complex opened its doors to the public in the CF Market Mall just before the end of the year. The five screens of this new cinema are fully equipped with recliner seating, and, thanks to Barco laser projection, visitors can enjoy impeccable image quality on every screen. Laser projection offers a rich, dynamic colour palette, superior contrast ratios and sharper image quality for an unparalleled viewing experience.

Announcement of new Landmark cinema in South East Edmonton

Landmark Cinemas Canada and the Forster Harvard Development Corp. announced in 2019 that Landmark Cinemas is bringing its premium "recliner" cinema experience to the "Grove on 17" site in the Tamarack region in South East Edmonton, Canada. The opening is planned for the fourth quarter of 2020. All eight film screens will be equipped with the Landmark luxury "recliner" seat concept in a complete stadium layout. The new cinema with eight screens will also be equipped with Barco laser projection from Cinionic.

Kinopolis Haarlem construction started

Kinopolis started the construction of a new cinema complex in the Schalkwijk Centre in Haarlem, the Netherlands, in mid-October 2019. The cinema complex will have 6 screens and 934 seats, and all screens will have laser projection technology. Kinopolis expects to receive 330,000 visitors per year in Haarlem. The opening of the new cinema fits in with the redevelopment of the Schalkwijk Centre. The project for the new cinema in Haarlem was acquired by Kinopolis as part of the takeover of the NH cinemas in January 2018. The cinema is scheduled to open in the fourth quarter of 2020.

Inauguration of Kinopolis Kirchberg

Kinopolis Kirchberg (Luxembourg) was officially inaugurated on 22 November 2019, following a thorough renovation. The cinema in Kirchberg was acquired by Kinopolis in 2015 and has been renovated in several phases from 2017 onwards. In the first instance, all screens were renewed and a new B2B area was then added, as well as a 4DX and Laser ULTRA theatre. Finally, the shop was also completely renewed and the outside façade renovated. The former Utopolis complex is now one of the flagship cinemas of Kinopolis Group.



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New, long-term partnership with RealD for 3D equipment

At the beginning of 2019, Kinopolis and RealD have announced a new partnership for RealD 3D equipment and 3D glasses in France, Belgium, the Netherlands, Switzerland, Spain and Luxembourg. Kinopolis will use RealD 3D equipment in all its cinemas to provide all its customers with the best 3D cinema experience. The agreement is part of a larger deal that also includes the Canadian Landmark Cinemas. RealD 3D offers maximum depth and clarity for an ultra-realistic cinema experience. RealD 3D glasses are designed to comfortably watch a movie in 3D while reducing ghosting and image blur. In the meantime, all 3D systems in Europe have been replaced by RealD 3D. The roll-out in Canada is expected to be completed in 2020.

Opening of ScreenX theatres in Madrid, Utrecht Jaarbeurs, Lomme, Metz and Antwerp

In the autumn of 2019, Kinopolis opened ScreenX theatres in Madrid, Utrecht Jaarbeurs, Lomme and Metz. The first Belgian ScreenX theatre opened its doors in Antwerp at the beginning of this month. ScreenX is a multi-projection cinema technology, designed to take the cinema experience to the next level. The technology creates a 270-degree film experience by extending the scenes to the side walls of the theatre, allowing the audience to look beyond the frame of a traditional cinema screen.

Opening of a MX4D theatre in Kinopolis Utrecht Jaarbeurs

In addition to a ScreenX theatre, Kinopolis Utrecht Jaarbeurs (NL) also opened a MX4D theatre at the beginning of October 2019. MX4D is a 4D cinema system - developed by the American company MediaMation - that makes the film experience more intense by means of moving seats, weather simulations and odour effects. MX4D uses seats that tilt forwards, backwards and sideways - in synchronisation with the movement on the screen - and with air gusts, tactile and other effects. The movements feel very smooth and natural due to the pneumatic air technology that is used, which is mainly driven by air pressure and uses a lower voltage.

Opening IMAX Antwerp

Following the successful reopening of IMAX Brussels at the end of 2016, Kinopolis opened a new IMAX® theatre in Kinopolis Antwerp in December 2019. The 371-seat theatre was equipped with IMAX® Laser, the ground-breaking 4K laser projection technology that offers film lovers the sharpest, clearest and most vivid image quality, combined with an unparalleled sound experience that completely immerses you in the action. The inauguration coincided with the Belgian premiere of 'Star Wars: The Rise of Skywalker'.

Kinopolis elected 'Entrepreneur of the Year 2019'

Kinopolis Group proudly received the 'Entrepreneur of the Year 2019' award for Flanders from His Majesty the King of Belgium on the 8th October 2019. The 25th edition of this prestigious event, organised by EY in collaboration with Belgian newspaper De Tijd and BNP Paribas Fortis, took place in Auditorium 2000 at the Heysel in Brussels and was given an extra festive touch to celebrate this anniversary edition. Other nominees for the award besides Kinopolis were Actief Interim, Aertssen and Torfs. The jury eventually chose Kinopolis as the winner because of the company's impressive growth and financial results, its entrepreneurship and international development, innovation culture and good governance.

Introduction of the 'Discovery Day' initiative in all European cinemas

Kinopolis noticed that people are often unaware of the film programme playing in theatres. For years, Kinopolis has been focusing on personalised relationship marketing through social media and email to provide its customers with targeted information, and - in addition to that - has now launched a new initiative: the Kinopolis 'Discovery Day'. Kinopolis will present the upcoming film programme twice a year, absolutely free, in all its Belgian, Dutch, Luxembourg, French and Spanish cinemas.



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The programme for the upcoming cinema season is presented by means of a dynamic trailer show, with a distinction being made between general and family audience. Customer feedback on the first edition was very encouraging and analysis showed that the event has a positive impact on the visit frequency of the participants.

Private placement of bonds

In July 2019, Kinopolis Group successfully concluded a private placement of bonds amounting to €225 million with a term of 7.5 years. Any qualified investor or non-professional investor could sign in to this placement via a private banking network or via an intermediary person. The placement fits in with Kinopolis' strategy to finance its investments on the long term and, as such, ensure cash flow matching.

Kinopolis free to open new cinemas in Belgium from August 2021

On 23 October 2019, the Brussels Court of Appeal annulled the ruling of the Belgian Competition Authority (BCA) of 25 March 2019 and decided to abolish the condition that prevents Kinopolis from growing organically in Belgium. The Competition Authority determined the transitional period on 11 February 2020, and ruled that Kinopolis would no longer require prior permission to open new cinema complexes in its home market from 12 August 2021.

Line-up for 2020

Current hits include 'Star Wars: The Rise of Skywalker', '1917', 'Bad Boys for Life', 'Birds of Prey' and 'Dolittle'. Upcoming hits in 2020 include 'Mulan', 'Black Widow', the new James Bond-film 'No Time To Die', 'The Fast and The Furious 9', 'Trolls', 'Top Gun', 'Minions 2', 'The King's Man', 'Ghostbusters: Afterlife', 'Venom 2' and 'West Side Story'. Many local films also enrich the program, such as 'Red Sandra' and a new K3 film in Belgium, 'Les Tuches 4' in France, 'Operación Camarón' in Spain and 'Soof 3' in the Netherlands. Live opera, ballet and theatre are complemented by art exhibitions and concerts.

Procedures of the auditors

The statutory auditor, KPMG Bedrijfsrevisoren, represented by Mr Serge Cosijns, has confirmed that its audit procedures, which have been substantially completed, have not revealed any derogation of material importance in the accounting data included in this release.

Financial calendar

Thursday, 9 April 2020
Wednesday, 13 May 2020
Wednesday, 13 May 2020
Tuesday, 19 May 2020
Thursday, 20 August 2020
Thursday, 12 November 2020

Publication annual report 2019
Business update first quarter 2020
General Shareholders' Meeting
Payment of dividend
Semestrial results H1 2020
Business update third quarter 2020

Contact

Kinopolis Press Office
+32 (0)9 241 00 16
pressoffice@kinopolis.com

Kinopolis Investor Relations
+32 (0)9 241 00 22
investor-relations@kinopolis.com



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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 organization, screen publicity and property management.

In Europe, Kinopolis Group NV has 55 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, Kinopolis also operates 46 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 111 cinemas worldwide, with a total of 1,079 screens and almost 200,000 seats. Kinopolis employs 4,600 people, all committed to giving millions of visitors an unforgettable movie experience. More information on www.kinopolis.com/corporate.

CONSOLIDATED INCOME STATEMENT

IN '000 €

31/12/2019

31/12/2018

| | | |
|---------------------------------------|----------------|----------------|
| Revenue | 551 482 | 475 880 |
| Cost of sales | -393 886 | -345 651 |
| Gross profit | 157 596 | 130 229 |
| Marketing and selling expenses | -27 886 | -25 246 |
| Administrative expenses | -30 306 | -26 900 |
| Other operating income | 2 441 | 1 904 |
| Other operating expenses | - 808 | - 857 |
| Operating profit | 101 037 | 79 130 |
| Finance income | 941 | 1 362 |
| Finance expenses | -24 667 | -13 733 |
| Profit before tax | 77 311 | 66 759 |
| Income tax expenses | -22 939 | -19 350 |
| PROFIT OF THE PERIOD | 54 372 | 47 409 |
| Attributable to: | | |
| Owners of the Company | 54 352 | 47 356 |
| Non-controlling interests | 20 | 53 |
| PROFIT OF THE PERIOD | 54 372 | 47 409 |
| Basic earnings per share (€) | 2,02 | 1,76 |
| Diluted earnings per share (€) | 2,01 | 1,75 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
IN '000 €

31/12/2019 **31/12/2018**

| | | |
|---|---------------|---------------|
| Profit of the period | 54 372 | 47 409 |
| Realised results | 54 372 | 47 409 |
| Items that are or may be reclassified to profit or loss: | | |
| Translation differences of long term borrowings in foreign currencies | 1 380 | -1 650 |
| Translation differences of annual accounts in foreign currencies | 2 249 | -1 766 |
| Cash flow hedges - effective portion of changes in fair value | 42 | 2 |
| Taxes on other comprehensive income | 110 | 531 |
| | 3 781 | -2 883 |
| Items that will not be reclassified to profit or loss: | | |
| Changes to estimates of defined benefit plans | - 516 | 5 |
| | - 516 | 5 |
| Other comprehensive income for the period, net of tax | 3 265 | -2 878 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 57 637 | 44 531 |
| Attributable to: | | |
| Owners of the Company | 57 570 | 44 478 |
| Non-controlling interests | 67 | 53 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 57 637 | 44 531 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS | | |
|---|------------------|----------------|
| IN '000 € | 31/12/2019 | 31/12/2018 |
| Intangible assets | 12 987 | 9 663 |
| Goodwill | 173 663 | 94 863 |
| Property, plant and equipment | 542 324 | 424 339 |
| Right-of-use assets | 397 212 | |
| Investment property | 16 881 | 17 045 |
| Deferred tax assets | 1 227 | 1 427 |
| Other receivables | 9 011 | 10 786 |
| Other financial assets | 27 | 27 |
| Non-current assets | 1 153 332 | 558 150 |
| Inventories | 5 851 | 4 918 |
| Trade and other receivables | 53 385 | 42 998 |
| Current tax assets | 1 303 | 2 416 |
| Cash and cash equivalents | 72 473 | 65 381 |
| Assets classified as held for sale | 1 767 | 6 991 |
| Current assets | 134 779 | 122 704 |
| TOTAL ASSETS | 1 288 111 | 680 854 |

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES | | |
|---|------------------|----------------|
| IN '000 € | 31/12/2019 | 31/12/2018 |
| Share capital | 18 952 | 18 952 |
| Share premium | 1 154 | 1 154 |
| Consolidated reserves | 191 448 | 161 461 |
| Translation reserve | - 582 | -4 164 |
| Total equity attributable to owners of the Company | 210 972 | 177 403 |
| Non-controlling interests | 281 | 214 |
| Equity | 211 253 | 177 617 |
| Loans and borrowings | 479 513 | 272 677 |
| Lease liabilities | 383 052 | |
| Provision for employee benefits | 1 036 | 557 |
| Provisions | 2 284 | 14 565 |
| Deferred tax liabilities | 24 697 | 20 518 |
| Derivative financial instruments | 169 | 211 |
| Other payables | 6 939 | 10 977 |
| Non-current liabilities | 897 690 | 319 505 |
| Bank overdrafts | 115 | 36 |
| Loans and borrowings | 10 099 | 69 790 |
| Lease liabilities | 33 091 | |
| Trade and other payables | 132 740 | 106 328 |
| Provisions | 549 | 2 241 |
| Current tax liabilities | 2 574 | 5 337 |
| Current liabilities | 179 168 | 183 732 |
| TOTAL EQUITY AND LIABILITIES | 1 288 111 | 680 854 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

IN '000 €

31/12/2019

31/12/2018

| | | |
|--|-----------------|----------------|
| Profit before tax | 77 311 | 66 759 |
| Adjustments for: | | |
| Depreciations and amortisation | 70 734 | 39 039 |
| Provisions and impairments | 568 | -2 865 |
| Government grants | - 750 | -1 121 |
| (Gains) Losses on sale of fixed assets | -1 169 | 261 |
| Change in fair value of derivative financial instruments and unrealised foreign exchange results | 46 | - 51 |
| Change in fair value of contingent considerations | | - 428 |
| Unwinding of non-current receivables and provisions | - 335 | - 364 |
| Share-based payments | 722 | 1 075 |
| Amortisation of refinancing transaction costs | 418 | 364 |
| Interest expenses and income | 20 321 | 10 359 |
| Change in inventory | - 227 | - 54 |
| Change in trade and other receivables | -9 999 | - 817 |
| Change in trade and other payables | 19 002 | 1 203 |
| Cash from operating activities | 176 642 | 113 360 |
| Income taxes paid | -25 718 | -22 382 |
| Net cash from operating activities | 150 924 | 90 978 |
| Acquisition of intangible assets | -2 637 | -2 872 |
| Acquisition of property, plant and equipment and investment property | -60 067 | -58 332 |
| Advance lease payments | -3 519 | |
| Acquisition of subsidiaries, net of acquired cash | -173 930 | -27 493 |
| Proceeds from sale of investment property and intangible and tangible assets | 5 942 | 501 |
| Net cash used in investing activities | -234 211 | -88 196 |
| Investment contributions | 3 388 | |
| Repayment of lease liabilities | -20 918 | |
| Acquisition / sale of non-controlling interests | | 453 |
| New loans and borrowings | 225 000 | |
| Repayment of loans and borrowings | -69 221 | -39 876 |
| Payment of transaction costs with regard to refinancing obligations | -1 663 | |
| Interest paid | -12 941 | -10 302 |
| Interest received | 59 | 15 |
| Paid interest related to lease liabilities | -9 387 | |
| Repurchase of own shares | | -20 303 |
| Dividends paid | -24 723 | -24 533 |
| Net cash - used in / + from financing activities | 89 594 | -94 546 |
| + INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS | 6 307 | -91 764 |
| Cash and cash equivalents at beginning of the period | 65 345 | 157 365 |
| Cash and cash equivalents at end of the period | 72 358 | 65 345 |
| Effect of movement in exchange rate fluctuations on cash and cash equivalents | 706 | - 256 |
| + INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS | 6 307 | -91 764 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

| | | | | | | | | 2019 |
|--|---------------------------------------|------------------------|--------------------|----------------------------|------------------------------------|----------------------|----------------------------------|----------------|
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 € | ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | NON- CONTROLLING INTERESTS | EQUITY |
| | SHARE CAPITAL AND SHARE PREMIUM | TRANSLATION RESERVE | HEDGING RESERVE | TREASURY SHARES RESERVE | SHARE-BASED PAYMENTS RESERVE | RETAINED EARNINGS | | |
| At 31 December 2018 | 20 106 | -4 164 | 54 | -22 830 | 2 365 | 181 872 | 214 | 177 617 |
| Profit of the period | | | | | | 54 352 | 20 | 54 372 |
| Realised results | | | | | | 54 352 | 20 | 54 372 |
| Items that are or may be reclassified to profit or loss: | | | | | | | | |
| Translation differences | | 3 582 | | | | | 47 | 3 629 |
| Cash flow hedges - effective portion of changes in fair value | | | 42 | | | | | 42 |
| Taxes on other comprehensive income | | | 110 | | | | | 110 |
| | | 3 582 | 152 | | | | 47 | 3 781 |
| Items that will not be reclassified to profit or loss: | | | | | | | | |
| Changes to estimates of defined benefit plans | | | | | | - 516 | | - 516 |
| | | | | | | - 516 | | - 516 |
| Other comprehensive income of the period, net of tax | | 3 582 | 152 | | | - 516 | 47 | 3 265 |
| Total comprehensive income | | 3 582 | 152 | | | 53 836 | 67 | 57 637 |
| Dividends | | | | | | -24 723 | | -24 723 |
| Share-based payment transactions | | | | | 723 | | | 723 |
| Total transactions with owners, recorded directly in equity | | | | | 723 | -24 723 | | -24 000 |
| At 31 December 2019 | 20 106 | - 582 | 206 | -22 830 | 3 088 | 210 985 | 281 | 211 254 |

| | | | | | | | | 2018 |
|---|---------------------------------------|------------------------|--------------------|----------------------------|------------------------------------|----------------------|----------------------------------|----------------|
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN '000 € | ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | NON- CONTROLLING INTERESTS | EQUITY |
| | SHARE CAPITAL AND SHARE PREMIUM | TRANSLATION RESERVE | HEDGING RESERVE | TREASURY SHARES RESERVE | SHARE-BASED PAYMENTS RESERVE | RETAINED EARNINGS | | |
| At 31 December 2017 | 20 106 | -1 281 | 54 | -2 527 | 1 290 | 158 752 | | 176 394 |
| Profit of the period | | | | | | 47 356 | 53 | 47 409 |
| Realised results | | | | | | 47 356 | 53 | 47 409 |
| Items that are or may be reclassified to profit or loss: | | | | | | | | |
| Translation differences | | -3 416 | | | | | | -3 416 |
| Cash flow hedges - effective portion of changes in fair value | | | 2 | | | | | 2 |
| Taxes on other comprehensive income | | 533 | - 2 | | | | | 531 |
| | | -2 883 | 0 | | | | | -2 883 |
| Items that will not be reclassified to profit or loss: | | | | | | | | |
| Changes to estimates of defined benefit plans | | | | | | 5 | | 5 |
| | | | | | | 5 | | 5 |
| Other comprehensive income for the period, net of tax | | -2 883 | 0 | | | 5 | | -2 878 |
| Total comprehensive income | | -2 883 | 0 | | | 47 361 | 53 | 44 531 |
| Dividends | | | | | | -24 533 | | -24 533 |
| Own shares acquired / sold | | | | -20 303 | | | | -20 303 |
| Share-based payment transactions | | | | | 1 075 | | | 1 075 |
| Acquisition / sale of non-controlling interests, without changes in control | | | | | | 292 | 161 | 453 |
| Total transactions with owners, recorded directly in equity | | | | -20 303 | 1 075 | -24 241 | 161 | -43 308 |
| At 31 December 2018 | 20 106 | -4 164 | 54 | -22 830 | 2 365 | 181 872 | 214 | 177 617 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

| 31 December 2019 | | | | | | | | | | |
|---------------------------------|---------|--------|---------|--------|-------------|------------------|------------|--|------------------|---------------|
| SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment revenue | 209 382 | 81 754 | 137 712 | 61 369 | 65 738 | 15 728 | 17 550 | 4 682 | | 593 915 |
| Intersegment revenue | -42 360 | - 39 | | | | | | - 34 | | -42 433 |
| Revenue | 167 022 | 81 715 | 137 712 | 61 369 | 65 738 | 15 728 | 17 550 | 4 648 | | 551 482 |
| Segment profit | 29 201 | 20 607 | 12 263 | 13 635 | 16 580 | 2 355 | 4 926 | 1 470 | | 101 037 |
| Finance income | | | | | | | | | 941 | 941 |
| Finance expenses | | | | | | | | | -24 667 | -24 667 |
| Profit before tax | | | | | | | | | | 77 311 |
| Income tax expense | | | | | | | | | -22 939 | -22 939 |
| PROFIT OF THE PERIOD | | | | | | | | | | 54 372 |
| Capital expenditure | 13 802 | 12 409 | 21 023 | 3 672 | 8 511 | 15 | 2 852 | 420 | | 62 704 |

| 31 December 2019 | | | | | | | | | | |
|---------------------------------|---------|---------|---------|---------|-------------|------------------|------------|--|------------------|-----------|
| SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment assets | 119 318 | 138 691 | 377 573 | 148 919 | 181 679 | 201 192 | 21 774 | 23 935 | 75 030 | 1 288 111 |
| Segment equity and liabilities | 62 384 | 52 060 | 277 010 | 67 596 | 33 246 | 61 392 | 5 321 | 682 | 728 420 | 1 288 111 |

| 31 December 2018 | | | | | | | | | | |
|---------------------------------|---------|--------|---------|--------|-------------|------------------|------------|--|------------------|---------------|
| SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (POLAND AND SWITZERLAND) | NOT ALLOCATED | TOTAL |
| Segment revenue | 188 238 | 71 106 | 127 030 | 44 759 | 57 221 | | 14 901 | 4 468 | | 507 723 |
| Intersegment revenue | -31 644 | - 93 | | - 69 | | | | - 37 | | -31 843 |
| Revenue | 156 594 | 71 013 | 127 030 | 44 690 | 57 221 | | 14 901 | 4 431 | | 475 880 |
| Segment profit | 25 333 | 17 426 | 11 117 | 9 130 | 11 121 | | 3 470 | 1 533 | | 79 130 |
| Finance income | | | | | | | | | 1 362 | 1 362 |
| Finance expenses | | | | | | | | | -13 733 | -13 733 |
| Profit before tax | | | | | | | | | | 66 759 |
| Income tax expense | | | | | | | | | -19 350 | -19 350 |
| PROFIT OF THE PERIOD | | | | | | | | | | 47 409 |
| Capital expenditure | 13 308 | 15 004 | 14 788 | 3 362 | 13 778 | | 869 | 95 | | 61 204 |

| 31 December 2018 | | | | | | | | | | |
|---------------------------------|---------|---------|---------|--------|-------------|------------------|------------|-----------------------|------------------|---------|
| SEGMENT INFORMATION IN '000€ | BELGIUM | FRANCE | CANADA | SPAIN | NETHERLANDS | UNITED STATES | LUXEMBOURG | OTHERS* (PL + SWI) | NOT ALLOCATED | TOTAL |
| Segment assets | 105 285 | 110 512 | 125 852 | 62 007 | 165 535 | | 18 646 | 23 766 | 69 251 | 680 854 |
| Segment equity and liabilities | 46 711 | 28 837 | 33 423 | 6 437 | 15 941 | | 2 811 | 507 | 546 187 | 680 854 |

* The other operating segment includes Poland and Switzerland. None of these segments met the quantitative thresholds for reportable segments in 2018 and 2019.

** The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

| ADJUSTMENTS IN '000€ | 31 December 2019 | 31 December 2018 |
|-------------------------------------|------------------|------------------|
| EBITDA | -1 808 | -1 812 |
| Depreciations and impairment losses | -967 | -488 |
| Provisions | -146 | 536 |
| Financial result | | 428 |
| Income tax expense | 1 290 | 1 223 |
| Net impact of adjustments | -1 631 | - 113 |

| RECONCILIATION OF ADJUSTED PROFIT IN '000€ | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| Operating profit | 101 037 | 79 130 |
| Financial result | -23 726 | -12 371 |
| Profit before tax | 77 311 | 66 759 |
| Income tax expenses | -22 939 | -19 350 |
| Profit of the period | 54 372 | 47 409 |
| Net impact of adjustments | 1 631 | 113 |
| Adjusted profit of the period | 56 003 | 47 522 |

| RECONCILIATION OF ADJUSTED PROFIT EXCL. IFRS 16 IN '000€ | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| Operating profit excl. IFRS 16 | 97 955 | 79 130 |
| Financial result excl. IFRS 16 | -14 373 | -12 371 |
| Profit before tax excl. IFRS 16 | 83 582 | 66 759 |
| Income tax expenses excl. IFRS 16 | -24 800 | -19 350 |
| Profit of the period excl. IFRS 16 | 58 782 | 47 409 |
| Net impact of adjustments | 1 631 | 113 |
| Adjusted profit of the period excl. IFRS 16 | 60 413 | 47 522 |

| RECONCILIATION ADJUSTED EBITDA VS EBITDA IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Operating profit | 101 037 | 79 130 |
| Depreciations and amortisation | 70 734 | 39 039 |
| Provisions and impairments | 568 | - 982 |
| EBITDA | 172 339 | 117 187 |
| Impact of adjustments on EBITDA | 1 809 | 1 812 |
| Adjusted EBITDA | 174 148 | 118 999 |

| RECONCILIATION ADJUSTED EBITDA VS EBITDA EXCL. IFRS 16 IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Operating profit excl. IFRS 16 | 97 955 | 79 130 |
| Depreciations and amortisation excl. IFRS 16 | 46 511 | 39 039 |
| Provisions and impairments | 568 | - 982 |
| EBITDA excl. IFRS 16 | 145 034 | 117 187 |
| Impact of adjustments on EBITDA | 1 809 | 1 812 |
| Adjusted EBITDA excl. IFRS 16 | 146 843 | 118 999 |

| RECONCILIATION OF NET FINANCIAL DEBT IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Financial debt | 905 870 | 342 503 |
| Cash and cash equivalents | -72 473 | -65 381 |
| Tax shelter investments | - 304 | - 304 |
| Net financial debt | 833 093 | 276 818 |

| RECONCILIATION OF NET FINANCIAL DEBT EXCL. LEASE LIABILITIES IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Financial debt excl. lease liabilities | 489 727 | 342 503 |
| Cash and cash equivalents | -72 473 | -65 381 |
| Tax shelter investments | - 304 | - 304 |
| Net financial debt excl. lease liabilities | 416 950 | 276 818 |

| RECONCILIATION FREE CASH FLOW IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Cash flow from operating activities | 176 642 | 113 360 |
| Income taxes paid | -25 718 | -22 382 |
| Maintenance capital expenditures for intangible assets, property, plant and equipment and investment property | -20 956 | -15 944 |
| Interest paid | -12 882 | -10 287 |
| Payment of lease liabilities | -26 917 | |
| Free cash flow | 90 169 | 64 747 |

| RECONCILIATION ROCE IN '000€ | 31 December 2019 | 31 December 2018 |
|-----------------------------------|------------------|------------------|
| Operating profit | 101 037 | 79 130 |
| Impact of adjustments on EBIT | 2 921 | 1 764 |
| Adjusted EBIT | 103 958 | 80 894 |
| Average non-current assets | 855 742 | 536 334 |
| Average deferred tax assets | -1 327 | -1 305 |
| Average assets held for sale | 4 379 | 4 830 |
| Average inventories | 5 384 | 4 834 |
| Average trade receivable | 38 515 | 34 118 |
| Average trade payables | -96 187 | -83 189 |
| Capital employed | 806 507 | 495 623 |
| RETURN ON CAPITAL EMPLOYED (ROCE) | 12,9% | 16,3% |

| RECONCILIATION ROCE EXCL. IFRS 16 IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Operating profit excl. IFRS 16 | 97 955 | 79 130 |
| Impact of adjustments on EBIT | 2 921 | 1 764 |
| Adjusted EBIT excl. IFRS 16 | 100 876 | 80 894 |
| Average non-current assets excl. IFRS 16 | 657 136 | 536 334 |
| Average deferred tax assets | -1 327 | -1 305 |
| Average assets held for sale | 4 379 | 4 830 |
| Average inventories | 5 384 | 4 834 |
| Average trade receivable | 38 515 | 34 118 |
| Average trade payables | -96 187 | -83 189 |
| Capital employed excl. IFRS 16 | 607 901 | 495 623 |
| RETURN ON CAPITAL EMPLOYED (ROCE) excl. IFRS 16 | 16,6% | 16,3% |

| RECONCILIATION CURRENT RATIO IN '000€ | 31 December 2019 | 31 December 2018 |
|---------------------------------------|------------------|------------------|
| Current assets | 134 779 | 122 704 |
| Current liabilities | 179 168 | 183 732 |
| CURRENT RATIO | 0,75 | 0,67 |

| RECONCILIATION CURRENT RATIO EXCL. IFRS 16 IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Current assets | 134 779 | 122 704 |
| Current liabilities excl. IFRS 16 | 146 077 | 183 732 |
| CURRENT RATIO excl. IFRS 16 | 0,92 | 0,67 |

| RECONCILIATION CAPITAL EXPENDITURE ACCORDING TO THE CASHFLOW STATEMENT IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Acquisition of intangible assets | 2 637 | 2 872 |
| Acquisition of property, plant and equipment and investment property | 60 067 | 58 332 |
| Advance lease payments | 3 519 | |
| Acquisition of subsidiaries, net of cash acquired | 173 930 | 27 493 |
| Proceeds from sale of investment property and intangible and tangible assets | -5 942 | - 501 |
| Total capital expenditure according to the consolidated statement of cash flow | 234 211 | 88 196 |

| RECONCILIATION GEARING RATIO IN '000€ | 31 December 2019 | 31 December 2018 |
|---------------------------------------|------------------|------------------|
| Net financial debt | 833 093 | 276 818 |
| Equity | 211 253 | 177 617 |
| GEARING RATIO | 3,94 | 1,56 |

| RECONCILIATION GEARING RATIO EXCL. IFRS 16 IN '000€ | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Net financial debt excl. lease liabilities | 416 950 | 276 818 |
| Equity | 211 253 | 177 617 |
| GEARING RATIO EXCL. IFRS 16 | 1,97 | 1,56 |

* The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Comparative information is not restated. The initial application of IFRS 16 has had no impact on the opening equity.

GLOSSARY AND APMs

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

- **Gross profit**
Revenue - Cost of sales
- **Operating profit (EBIT)**
Gross profit - marketing and selling expenses - administrative expenses + other operating income - other operating expenses
- **Adjusted operating profit**
Operating profit after eliminating adjustments; is used to reflect the operating profit from normal operating activities
- **EBITDA**
Operating profit + depreciations + amortizations + impairments + movements in provisions
- **Adjusted EBITDA**
EBITDA after eliminating adjustments; is used to reflect the EBITDA from normal operating activities
- **Adjustments**
This category includes primarily results from the disposal of fixed assets, impairment losses on assets, provisions, costs from restructuring and takeovers and other exceptional income and expenses.
- **Financial result**
Finance income - finance expenses
- **Effective tax rate**
Income tax expense / profit before tax
- **Adjusted profit**
Profit for the period after eliminating adjustments; is used to reflect the profit from normal operating activities
- **Profit for the period, share of the Group**
Profit attributable to equity holders of the Company
- **Basic earnings per share**
Profit for the period, share of the Group / (average number of outstanding shares - average number of treasury shares)
- **Diluted earnings per share**
Profit 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)
- **Dividend**
Payment of the profit of a company to its shareholders

- Pay-out ratio
The pay-out ratio indicates which part of the net profit is being paid to the shareholders
- Capital expenditure
Capitalized investments in intangible assets, property, plant and equipment and investment property
- Gross financial debt
Financial liabilities on the long and short term
- Net financial debt
Financial debt after deduction of cash and cash equivalents and tax shelter investments
- Net financial debt excl. lease liabilities
Financial debt exclusive lease liabilities after deduction of cash and cash equivalents and tax shelter investments
- ROCE (Return on capital employed)
 $\text{Adjusted EBIT} / (\text{average non-current assets} - \text{average deferred tax assets} + \text{average assets held for sale} + \text{average trade receivables} + \text{average inventory} - \text{average trade payables})$
- Current Ratio
 $\text{Current assets} / \text{current liabilities}$
- Free cash flow
 $\text{Cash flow from operating activities} - \text{maintenance capital expenditures for intangible assets, property, plant and equipment and investment property} - \text{interest paid}$
- Excluding IFRS 16
The figures in the current period, applying the new lease standard IFRS 16, have been recalculated according to the former lease standard IAS 17 to make the comparability between the figures of both reporting periods more transparent.