RAPPORT ANNUEL 2021

KINEPOLIS GROUP

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2021

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(1) Chapitres 12 à 14 à consulter en anglais

01 Message du Président et du CEO

Joost Bert — Président du Conseil d'administration
Eddy Duquenne — CEO de Kinepolis Group


Eddy Duquenne et Joost Bert

Mesdames, Messieurs,
Cher actionnaire, client et collaborateur,

Vous n'avez pas pu passer à côté, l'ombre du coronavirus a aussi plané sur 2021. Pour la deuxième année consécutive, nous avons vécu au rythme des fermetures et des réouvertures dans la plupart des pays, et nous avons été confrontés à des mesures changeantes qui ont eu un impact sur l'exploitation de nos cinémas. Le scénario du « meilleur des cas » que nous espérions au début de la campagne de vaccination ne s'est pas réalisé en 2021, mais l'année 2021 fut meilleure que 2020 à de nombreux égards, avec des signaux positifs qui confirment notre confiance dans l'avenir.

”

À de nombreux égards, 2021 a été une année différente et meilleure que 2020, avec des signaux positifs confirmant notre confiance dans l'avenir

Au second semestre, plus particulièrement, nous avons pu compter sur des blockbusters solides – il suffit de penser à *Fast & Furious 9*, *Dune*, *Mourir peut attendre* et *Spider-Man : No Way Home* – qui ont donné lieu à un retour prometteur des visiteurs dans nos cinémas. La preuve que l'expérience du grand écran n'a pas perdu de son attrait. La consommation élevée par visiteur et le succès des expériences cinématographiques premium montrent que nos visiteurs sont plus que jamais à la recherche d'expériences. Et qu'ils veulent vivre ces expériences « ensemble ».

Cependant, l'offre de films et les habitudes de consommation sont des facteurs qui échappent à notre contrôle. Pour nous renforcer en tant qu'entreprise et nous protéger de manière optimale contre une éventuelle reprise plus lente du nombre de visiteurs après la pandémie, nous avons travaillé d'arrache-pied au développement et à la mise en œuvre de notre plan « Entrepreneurship 2022 ». Ce plan repose sur notre stratégie des trois piliers et nous permettra, à partir de 2022, de soutenir au maximum la relance et les résultats financiers du Groupe à l'aide d'optimisations permettant d'économiser les coûts et d'innovations dans tous les départements. La mise en œuvre de ce plan a déjà contribué au résultat financier de 2021.

Nous travaillons également sur des plans plus offensifs, nos plans « Star », qui sont davantage axés sur de nouvelles sources de revenus et de nouvelles approches client, mais dont l'impact concret est plus difficile à évaluer.

Les deux dernières années nous ont beaucoup appris en termes de gestion de la trésorerie. À chaque période de fermeture, nous avons réussi à consommer de moins en moins de liquidités. Une gestion rigoureuse des coûts, des mesures de soutien ponctuelles et la reprise de nos ventes au second semestre ont permis d'assurer une position de trésorerie confortable de près de 200 millions € à la fin de 2021, ce qui est légèrement supérieur à notre position au début de la pandémie au printemps 2020.

Et ce, alors que nous avons continué à investir dans les cinémas nouveaux et existants pendant la pandémie. Nous avons ouvert quatre nouveaux complexes au cours des 18 derniers mois, à savoir Kinepolis Haarlem et Leidschendam aux Pays-Bas, Kinepolis Metz Waves en France et Landmark Tamarack au Canada. Un cinquième nouveau cinéma, le Kinepolis Metz Amphithéâtre, ouvrira ses portes à l'automne 2022. Outre les nouveaux bâtiments, nous avons également investi dans un certain nombre de nouveaux produits, tels que « Landmark EXTRAS », un nouveau programme de fidélité pour les clients, comprenant une formule d'abonnement.

Kinepolis Haarlem (P-B)

Nous nous réjouissons de ramener notre rythme d'investissements au niveau que nous connaissions avant la pandémie, avec un accent sur les expériences cinématographiques premium. En effet, comme nous l'avons déjà évoqué, nous constatons que nos clients valorisent encore plus l'expérience qu'avant la crise. Nous allons aussi à nouveau exploiter et utiliser pleinement notre organisation auto-apprenante. La pandémie nous a obligés à gérer davantage les activités à partir de nos bureaux. Toutefois, notre objectif et le niveau de détail que nous souhaitons atteindre se situent au niveau des personnes qui sont chaque jour en contact avec nos clients. Dans les années à venir, notre organisation auto-apprenante (dans laquelle nous donnons aux collaborateurs un maximum de responsabilités pour la mise en œuvre de notre stratégie) et donc la créativité de nos équipes détermineront plus que jamais le succès de Kinepolis.

Une organisation auto-apprenante que nous voulons aussi impliquer dans notre politique de durabilité. Ces derniers temps, nous avons, en tant que direction, réfléchi à la manière d'intégrer davantage la durabilité dans notre stratégie, à l'impact positif que nous avons ou pouvons avoir sur la société et à la manière de lui donner une force supplémentaire. Sur le plan stratégique, nous avons fixé des priorités et, au cours de la période à venir, nous voulons y ajouter les bons outils opérationnels afin de pouvoir l'intégrer encore davantage dans nos activités quotidiennes.

Kinepolis Leidschendam (P-B)

Landmark Tamarack (CA)

Kinepolis Metz Waves (FR)

Une stratégie intégrée, notre plan Entrepreneurship et nos plans Star sont les fondements de notre avenir dont le moteur reste notre équipe de collaborateurs talentueux. Ces dernières années, Kinepolis a fait preuve d'agilité et de résilience, grâce aux efforts considérables et à la flexibilité de ses collaborateurs. Chez Kinepolis, nous faisons ce que nous pouvons, quelles que soient les circonstances. Nous continuerons à nous adapter, mais en espérant que l'année 2022 soit plus normale et que nous bénéficiérons au maximum de notre travail. L'offre prometteuse de films nous aidera sans aucun doute à cet égard.

Kinepolis ne serait pas en mesure de concrétiser ses objectifs ambitieux sans l'engagement et la confiance de ses collaborateurs, cinéphiles, partenaires, investisseurs et de ses autres parties prenantes. Nous tenons à remercier chacun d'eux et mettons tout en œuvre pour mériter chaque jour cette confiance.

Nous nous réjouissons d'une année 2022 prometteuse et d'un avenir brillant.

Eddy Duquenne
CEO de Kinepolis Group

Joost Bert
Président du Conseil d'administration

02 Notre raison d'être

Pourquoi ?

En tant que Kinepolis, nous voulons

**enrichir
la vie des gens par
la puissance de films**

Quoi ?

Les films ont le pouvoir de divertir, d'inspirer
et de rapprocher les gens

Kinepolis donne vie à cette puissance en

**créant l'expérience
cinématographique ultime**

Une expérience qui vous immerge
dans l'histoire et vous fait partager des émotions

Une expérience totalement
adaptée à vos besoins.

Comment ?

C'est pourquoi Kinepolis veut exceller dans

la manière dont les cinémas sont exploités :

le meilleur exploitant de cinémas

la manière dont nous sommes à l'écoute des clients :

le meilleur marketeur

et la manière dont l'immobilier cinématographique est géré :

le meilleur gestionnaire immobilier

Impact

Trois piliers sous le signe de la création de

valeur durable

pour les collaborateurs, clients, actionnaires, partenaires,

ainsi que pour l'environnement et les communautés dont Kinepolis fait partie.

03 Chiffres clés et ratios [1]

CHIFFRES CLÉS

Réconciliations, glossaire et APM aux p. 206-210

NOMBRE DE COMPLEXES [2] [3]	BELGIQUE	FRANCE	CANADA	ESPAGNE	PAYS-BAS	ÉTATS-UNIS	LUXEMBOURG	AUTRES (POLOGNE, SUISSE)	TOTAL
2021	11	14	40	8	20	10	3	2	108

VISITEURS (MILLIONS) [4]	BELGIQUE	FRANCE	CANADA	ESPAGNE	PAYS-BAS	ÉTATS-UNIS	LUXEMBOURG	SUISSE	TOTAL
2020	2,30	2,11	2,66	1,56	2,00	1,10	0,29	0,04	12,05
2021	3,21	3,22	3,60	2,52	1,96	2,20	0,42	0,06	17,18
2021 par rapport à 2020	39,6 %	52,9 %	35,2 %	61,8 %	-2,3 %	99,5 %	46,9 %	54,1 %	42,6 %

COMPTE DE RÉSULTAT CONSOLIDÉ (EN ’000 €)	2017	2018	2019	2020	2021
Produits	355 427	475 880	551 482	176 282	266 393
EBITDA	103 186	117 187	172 339	17 188	72 667
EBITDAL			142 357	-13 981	38 510
EBITDA ajusté	104 292	118 999	174 148	17 492	72 262
EBITDAL ajusté			144 166	-13 677	38 105
Marge brute	113 395	130 229	157 596	-43 357	6 370
Résultat opérationnel	72 915	79 130	101 037	-65 663	-6 545
Résultat financier	-8 213	-12 371	-23 726	-26 052	-28 362
Résultat avant impôt	64 702	66 759	77 311	-91 715	-34 907
Résultat	**49 067**	**47 409**	**54 372**	**-69 111**	**-25 506**
Résultat ajusté	**44 745**	**47 522**	**56 003**	**-68 678**	**-24 926**

TAUX DE CROISSANCE ANNUELS	2017	2018	2019	2020	2021
Produits	9,4 %	33,9 %	15,9 %	-68,0 %	51,1 %
EBITDA	12,6 %	13,6 %	47,1 %	-90,0 %	322,8 %
EBITDAL				-109,8 %	375,4 %
EBITDA ajusté	10,3 %	14,1 %	46,3 %	-90,0 %	313,1 %
EBITDAL ajusté				-109,5 %	378,6 %
Marge brute	13,2 %	14,8 %	21,0 %	-127,5 %	114,7 %
Résultat opérationnel	15,4 %	8,5 %	27,7 %	-165,0 %	90,0 %
Résultat	**3,0 %**	**-3,4 %**	**14,7 %**	**-227,1 %**	**63,1 %**
Résultat ajusté	**10,7 %**	**6,2 %**	**17,8 %**	**-222,6 %**	**63,7 %**

(1) À partir du 1 janvier 2019 IFRS 16: Contrats de location est appliquée.
(2) Y compris Cinema City Poznań (Pologne), exploité par Cineworld.
(3) Nombre de complexes à la date de publication.
(4) Cinema City Poznań (Pologne) non compris.

Réconciliations, glossaire et APM aux p. 206-210

ÉTAT CONSOLIDÉ DE LA SITUATION FINANCIÈRE (EN '000 €)	2017	2018	2019	2020	2021
Actifs non courants	514 518	558 150	1 149 043	1 097 121	1 079 631
Actifs courants	206 437	122 704	134 779	71 059	115 447
TOTAL DES ACTIFS	**720 955**	**680 854**	**1 283 822**	**1 168 180**	**1 195 078**
Capitaux propres	176 394	177 617	211 253	126 496	120 649
Provisions non courantes et passifs d'impôt différé	35 849	35 640	23 728	16 126	15 590
Obligations financières non courantes	342 106	272 677	479 513	469 882	478 494
Dettes de location non courantes			383 052	358 317	354 271
Obligations financières courantes	39 873	69 790	10 099	76 599	71 557
Dettes de location courantes			33 091	35 295	36 296
Dettes commerciales et autres dettes	116 466	117 516	139 848	84 778	116 967
Autres	10 267	7 614	3 238	687	1 254
TOTAL DES PASSIFS	**720 955**	**680 854**	**1 283 822**	**1 168 180**	**1 195 078**

DONNÉES PAR ACTION [5]	2017	2018	2019	2020	2021
Produits	13,05	17,67	20,52	6,56	9,90
EBITDA	3,79	4,35	6,41	0,64	2,70
EBITDAL			5,30	-0,52	1,43
EBITDA ajusté	3,83	4,42	6,48	0,65	2,69
EBITDAL ajusté			5,36	-0,51	1,42
Résultat	1,80	1,76	2,02	-2,56	-0,94
Résultat ajusté	1,64	1,76	2,08	-2,55	-0,92
Capitaux propres, part du Groupe	6,48	6,59	7,85	4,71	4,49
Dividende brut [6]	0,91	0,92			
Ratio de distribution	50 %	52 %			

(5) Calculé sur la base du nombre moyen pondéré d'actions pour la période concernée.
(6) Calculé sur la base du nombre d'actions ouvrant droit à dividende.

RATIOS

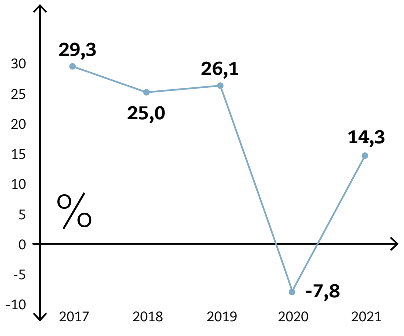
Réconciliations, glossaire et APM aux p. 206-210

RATIOS DE RENTABILITÉ	2017	2018	2019	2020	**2021**
EBITDA / Produits	29,0 %	24,6 %	31,3 %	9,8 %	27,3 %
EBITDAL / Produits			25,8 %	-7,9 %	14,5 %
EBITDA ajusté / Produits	29,3 %	25,0 %	31,6 %	9,9 %	27,1 %
EBITDAL ajusté / Produits			26,1 %	-7,8 %	14,3 %
Marge brute / Produits	31,9 %	27,4 %	28,6 %	-24,6 %	2,4 %
Résultat opérationnel / Produits	20,5 %	16,6 %	18,3 %	-37,2 %	-2,5 %
Résultat / Produits	13,8 %	10,0 %	9,9 %	-39,2 %	-9,6 %

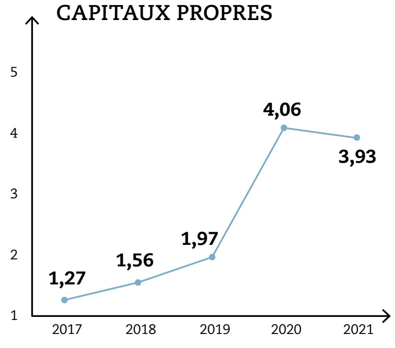
RATIOS STRUCTURE FINANCIÈRE EXCL. DETTES DE LOCATION	2017	2018	2019	2020	**2021**
Endettement financier net			416 950	513 281	474 465
Endettement financier net / EBITDAL			2,93	-36,71	12,32
Endettement financier net / EBITDAL ajusté			2,89	-37,53	12,45
Endettement financier net / Capitaux propres			1,97	4,06	3,93
Capitaux propres / Total des passifs			24,3 %	16,3 %	15,0 %
Ratio courant			0,92	0,46	0,63
ROCE excl. IFRS 16			16,2 %	-10,1 %	-1,9 %

RATIOS STRUCTURE FINANCIÈRE	2017	2018	2019	2020	**2021**
Endettement financier net	224 310	276 818	833 093	906 892	865 032
Endettement financier net / EBITDA	2,17	2,36	4,83	52,76	11,90
Endettement financier net / EBITDA ajusté	2,15	2,33	4,78	51,85	11,97
Endettement financier net / Capitaux propres	1,27	1,56	3,94	7,17	7,17
Capitaux propres / Total des passifs	24,5 %	26,1 %	16,5 %	10,8 %	10,1 %
Ratio courant	1,30	0,67	0,75	0,37	0,52
ROCE	17,3 %	16,3 %	12,9 %	-6,1 %	-0,6 %

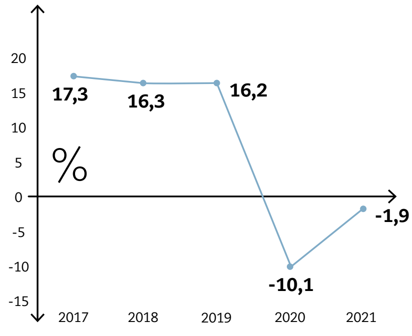
EBITDA(L) AJUSTÉ [1] / PRODUITS



ENDETTEMENT FINANCIER NET EXCL. DETTES DE LOCATION [2] / CAPITAUX PROPRES



ROCE EXCL. IFRS 16 [3]



(1) À partir du 1 janvier 2019 IFRS 16: Contrats de location est appliquée. À partir de 2019 l'EBITDAL ajusté est inclus au lieu de l'EBITDA ajusté.
(2) À partir du 1 janvier 2019 IFRS 16: Contrats de location est appliquée. À partir de 2019 l'endettement financier net excl. dettes de location est inclus au lieu de l'endettement financier net.
(3) À partir du 1 janvier 2019 IFRS 16: Contrats de location est appliquée. À partir de 2019 le ROCE excl. IFRS 16 est inclus au lieu du ROCE.

Impact 2021

Economique Financier

266,4 millions €
de chiffre d'affaires
72,7 millions € d'EBITDA
38,5 millions € d'EBITDAL
-25,5 millions € de résultat

Investissements
10,0 millions € en nouvelle construction
4,3 millions € en rénovation et infrastructure de cinéma premium

4 nouvelles ouvertures [1] (31 écrans)
Haarlem, Metz Waves, Leidschendam, Tamarack

Position de trésorerie en décembre 2021
199,8 millions €

17,2
MILLIONS DE VISITEURS
ont profité d'une expérience cinématographique relaxante

Ecologique

Empreinte carbone totale
en 2021: 19 867,77 tCO_2e

Conception et mise en œuvre durables
de nouveaux projets de construction et rénovations:
Metz Amphithéâtre, Servon, Metz Waves, Leidschendam, Tamarack, Belval, St. Catharines

280 projecteurs laser
à la fin de 2021, entraînant
une réduction d'énergie de 2GWh/an
+ 192 installations laser prévues en 2022

Gestion responsable
des déchets

Social

Nous avons écouté plus de 314 000 de **clients**

4073 employés en 2021 [2]
dont 13,4 % ayant une responsabilité de budget

111 nouveaux jobs grâce aux nouvelles ouvertures

Plus de 1 000 étudiants en Belgique et au Luxembourg accompagnés dans leur première expérience professionnelle

76 % de tous les employés ont participé à **l'enquête de satisfaction de personnel**

1 sur 3 postes vacants ou été pourvus en interne

Soutien aux films locaux, aux organisations caritatives et aux communautés locales

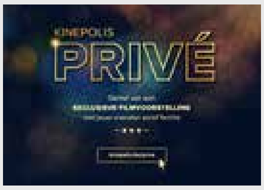
(1) Haarlem a ouvert ses portes brièvement en octobre 2020, mais sa contribution en 2021 était minime suite à la fermeture peu après. Son lancement réel a eu lieu en juin 2021 (à la réouverture des cinémas néerlandais).
(2) Effectif moyen T4 2021.

04 2021 en un clin d'œil

Confinement

Au premier trimestre, seuls les cinémas américains et luxembourgeois étaient ouverts, ainsi que quelques cinémas espagnols et moins de cinq cinémas canadiens. Les cinémas belges, néerlandais, français et suisses ont été fermés pendant tout le trimestre.

17 FÉVRIER 2021
Lancement de Kinepolis Privé au Luxembourg



1-17 AVRIL 2021
Cinéma drive-in « Kinepolis On Tour » à La Panne (BE)

19 AVRIL 2021
Réouverture de Schaffhausen (CH)

JUIN-JUILLET 2021
Réouverture des cinémas canadiens

5 JUIN 2021
Réouverture des cinémas néerlandais

5 JUIN 2021
Ouverture de Kinepolis Leidschendam (Westfield Mall of The Netherlands)

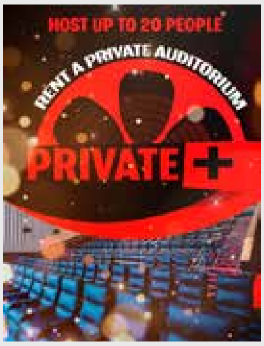
9 JUIN 2021
Réouverture des cinémas belges

2021

DÉC | JANV | FÉV | MARS | AVR | MAI | JUIN

JANVIER 2021
Kinepolis souscrit un crédit bancaire pour un montant de 80 millions €

JANVIER 2021
MJR lance les projections *Private+*



13 JANVIER 2021
Réouverture des cinémas luxembourgeois

24 MARS 2021
Inauguration du studio de streaming BLUE MOON à Kinepolis Anvers

26 MARS 2021
Tous les cinémas espagnols à nouveau ouverts

31 MARS 2021
Lancement de « Kinepolis Play » au LU, suivi par la FR et les P-B

19 MAI 2021
Réouverture des cinémas français

19 MAI 2021
Ouverture de Kinepolis Metz-Waves (FR)

Kinepolis Metz Waves

MAI-JUIN 2021
Lancement du CSI (Customer Satisfaction Index) aux États-Unis

JUIN 2021
Ouverture de l'expérience The Park VR à Kinepolis Anvers, Bruges, Utrecht, Breda

THE PARK

10 JUIN 2021
Ouverture de Landmark Tamarack (SE Edmonton, CA)


Kinepolis Leidschendam (Westfield Mall of The Netherlands)

OCTOBRE 2021
Sortie de « Mourir peut attendre », avec de nouvelles formules VIP

JUILL | AOÛT | SEP | OCT | NOV | DÉC | JANV

2022

AOÛT 2021
Fermeture et vente de petits cinémas canadiens (2 en location et 4 en propriété)

DÈS LA FIN JUILLET 2021
Instauration du Covid Pass en FR et au LU, suivi de CH, P-B, BE et CA

Q3 2021
Rénovation de Kinepolis Belval (LU)

SEPTEMBRE 2021
Lancement du programme de fidélité « Landmark EXTRAS »

13 SEPTEMBRE 2021
Inauguration de Kinepolis Leidschendam avec la première néerlandaise de « Dune »

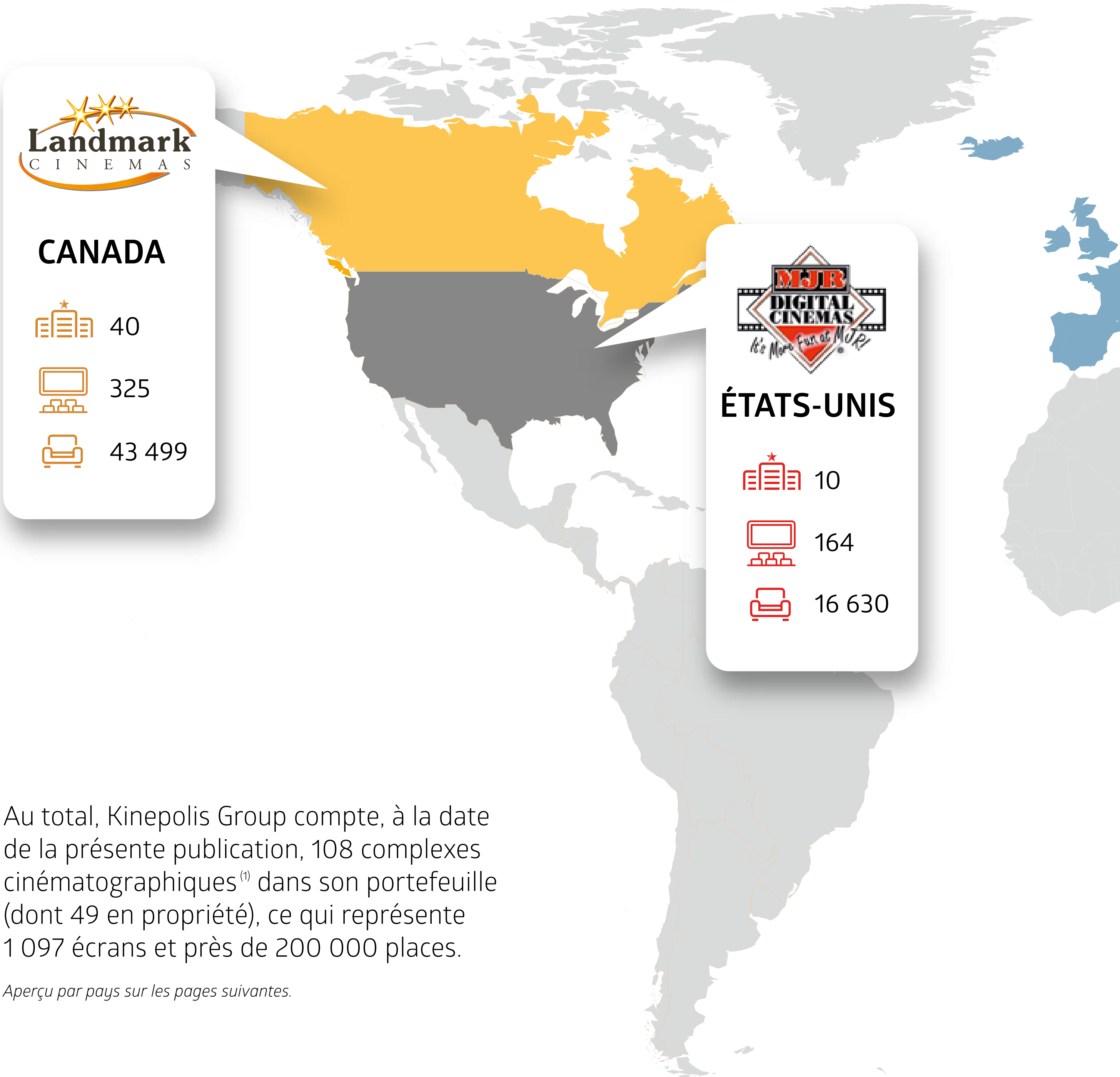
3 OCTOBRE 2021
Prix ICTA de la meilleure construction neuve pour Kinepolis Leidschendam

DÉCEMBRE 2021
Sortie de « Spider-Man : No Way Home », week-end d'ouverture record

18 DÉCEMBRE 2021
Fermeture des cinémas néerlandais jusqu'au 26 janvier 2022

26-31 DÉCEMBRE 2021
Fermeture des cinémas belges

05 Kinepolis dans le monde



Au total, Kinepolis Group compte, à la date de la présente publication, 108 complexes cinématographiques[1] dans son portefeuille (dont 49 en propriété), ce qui représente 1 097 écrans et près de 200 000 places.

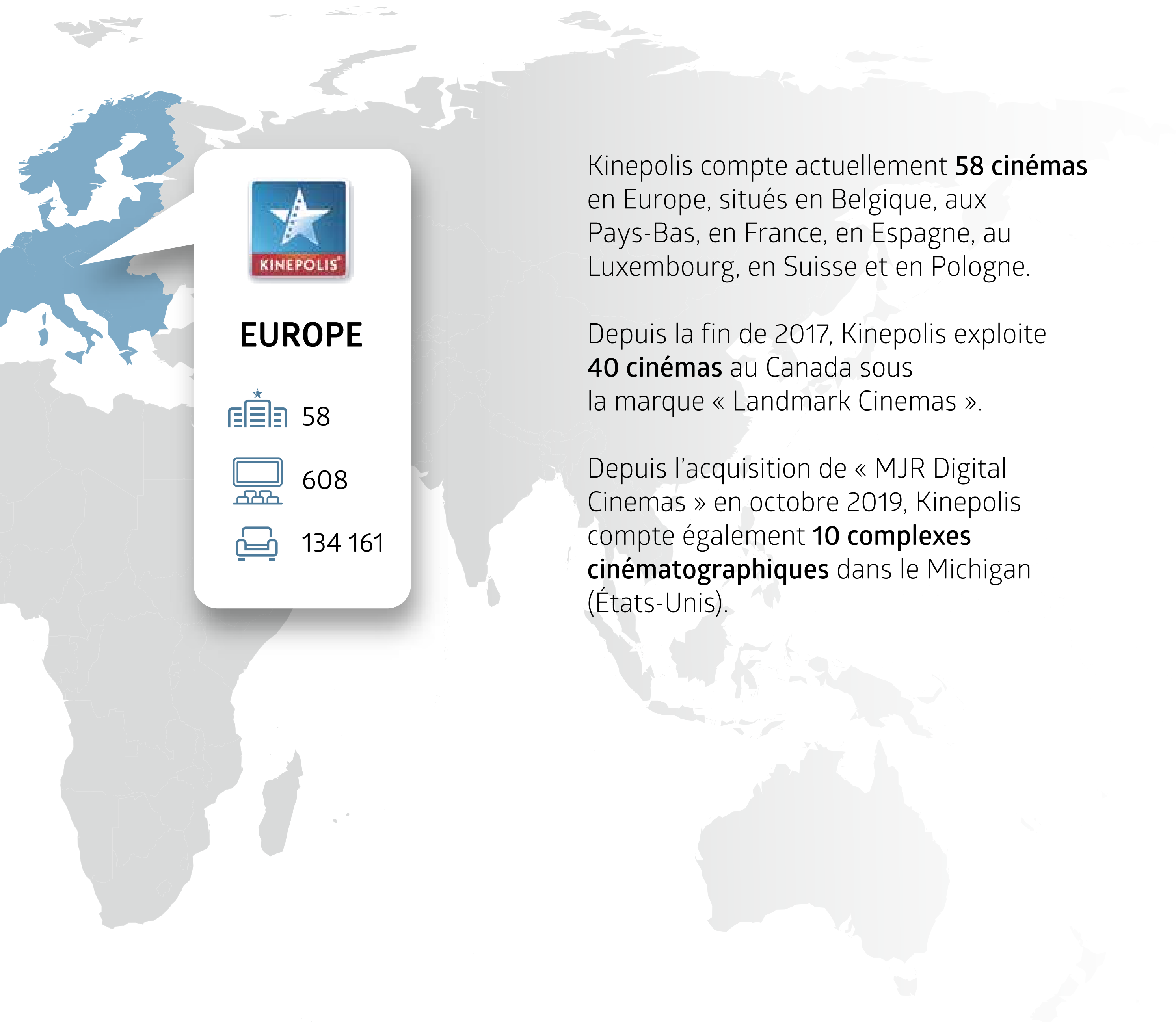
Aperçu par pays sur les pages suivantes.

9
PAYS

17,2 millions
VISITEURS EN 2021[2]

4 073
EMPLOYÉS
Effectif moyen T4 2021

(1) Appartenant, à la date de la présente publication, au portefeuille immobilier et affecté ou non à l'activité cinématographique. Y compris un complexe exploité par Cineworld (Poznań, PL), dont le nombre d'écrans et de places n'est pas compté dans le total.
(2) Fréquentation fortement impactée par la pandémie de Covid-19. Kinepolis a accueilli 40,3 millions de visiteurs en 2019.



Kinepolis compte actuellement **58 cinémas** en Europe, situés en Belgique, aux Pays-Bas, en France, en Espagne, au Luxembourg, en Suisse et en Pologne.

Depuis la fin de 2017, Kinepolis exploite **40 cinémas** au Canada sous la marque « Landmark Cinemas ».

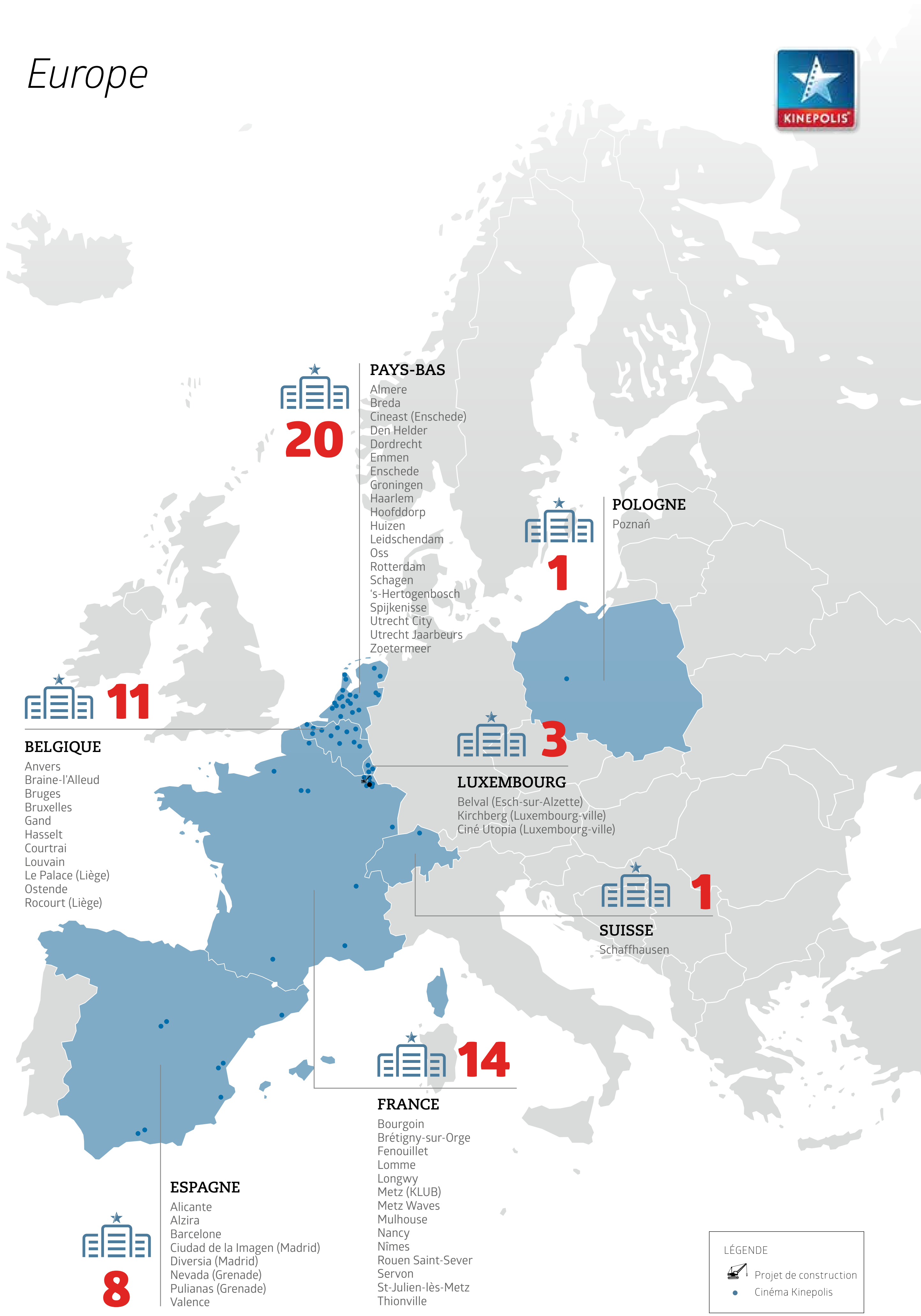
Depuis l'acquisition de « MJR Digital Cinemas » en octobre 2019, Kinepolis compte également **10 complexes cinématographiques** dans le Michigan (États-Unis).

108 COMPLEXES

1 097 ÉCRANS

194 290 SIÈGES

Europe



20
PAYS-BAS
Almere
Breda
Cineast (Enschede)
Den Helder
Dordrecht
Emmen
Enschede
Groningen
Haarlem
Hoofddorp
Huizen
Leidschendam
Oss
Rotterdam
Schagen
's-Hertogenbosch
Spijkenisse
Utrecht City
Utrecht Jaarbeurs
Zoetermeer
1
POLOGNE
Poznań
11
BELGIQUE
Anvers
Braine-l'Alleud
Bruges
Bruxelles
Gand
Hasselt
Courtrai
Louvain
Le Palace (Liège)
Ostende
Rocourt (Liège)
3
LUXEMBOURG
Belval (Esch-sur-Alzette)
Kirchberg (Luxembourg-ville)
Ciné Utopia (Luxembourg-ville)
1
SUISSE
Schaffhausen
14
FRANCE
Bourgoin
Brétigny-sur-Orge
Fenouillet
Lomme
Longwy
Metz (KLUB)
Metz Waves
Mulhouse
Nancy
Nîmes
Rouen Saint-Sever
Servon
St-Julien-lès-Metz
Thionville
8
ESPAGNE
Alicante
Alzira
Barcelone
Ciudad de la Imagen (Madrid)
Diversia (Madrid)
Nevada (Grenade)
Pulianas (Grenade)
Valence
LÉGENDE
Projet de construction
Cinéma Kinepolis

Canada | États-Unis

Nouvelles ouvertures en 2021

Malgré la pandémie de Covid-19 qui a également sévi en 2021, Kinepolis a investi dans plusieurs nouveaux cinémas. L'année dernière, des complexes cinématographiques ont été ouverts sur de nouveaux sites aux Pays-Bas, en France et au Canada. Une ouverture supplémentaire est prévue en 2022 à Metz, en France.

Kinepolis Haarlem (P-B)

Kinepolis Leidschendam (P-B)

KINEPOLIS HAARLEM

Kinepolis Haarlem, situé dans le Centrum Schalkwijk, a initialement ouvert ses portes le 8 octobre 2020, mais a dû les refermer seulement un mois et demi plus tard en raison de la pandémie. Le cinéma a pu réellement prendre son envol lors de la réouverture des cinémas néerlandais en juin 2021. Kinepolis Haarlem compte 937 places réparties dans 6 salles, toutes équipées d'une projection laser. En outre, l'une d'entre elles dispose de la technologie Laser ULTRA. L'ouverture de ce nouveau cinéma s'inscrit dans le cadre du redéveloppement du centre commercial Schalkwijk. Kinepolis a hérité du projet de nouveau cinéma à Haarlem avec l'acquisition des cinémas NH Bioscopen en janvier 2018.

KINEPOLIS LEIDSCHENDAM

Le 5 juin 2021, les cinémas néerlandais ont pu à nouveau accueillir des visiteurs. Cette date marque également l'inauguration du tout nouveau cinéma Kinepolis du centre commercial « Westfield Mall of the Netherlands » à Leidschendam. Le 13 septembre, le cinéma a été inauguré de manière festive avec la première néerlandaise de *Dune*.

« Westfield Mall of the Netherlands » est un projet d'Unibail-Rodamco-Westfield qui a permis de transformer le centre commercial Leidsenhage pour en faire le plus grand centre commercial des Pays-Bas. Le cinéma Kinepolis de Leidschendam compte 11 salles et Kinepolis prévoit d'y accueillir environ 500 000 visiteurs par an. Kinepolis Leidschendam a reçu le prix de la « meilleure construction neuve de l'année » décerné par l'International Cinema Technology Association (ICTA).

ICTA
INTERNATIONAL CINEMA TECHNOLOGY ASSOCIATION
Award

KINEPOLIS METZ WAVES

Le 19 mai 2021, les cinémas français ont pu rouvrir leurs portes. C'était également l'occasion pour le nouveau cinéma Kinepolis du centre commercial Waves-Actisud à Moulins-lès-Metz (FR) d'ouvrir ses portes au public. Le cinéma compte 6 salles et environ 900 places. Kinepolis espère pouvoir accueillir environ 300 000 visiteurs par an sur ce nouveau site français.

Kinepolis Metz Waves (FR)

LANDMARK TAMARACK

Le 10 juin 2021, Landmark Cinemas Canada a inauguré un cinéma flambant neuf sur le site de « Grove on 17 », dans la région de Tamarack, au sud-est d'Edmonton, en Alberta. Les huit salles de cinéma sont équipées du luxueux concept de sièges inclinables Landmark, le tout en configuration de stade, et chaque salle dispose en outre de *Premiere Seats*, la version cosy seat des sièges inclinables. Le nouveau cinéma est entièrement équipé de la projection laser Barco de Cinionic et dispose également d'un magasin *MarketPlace*, conformément au concept bien connu de boutique Kinepolis.


Landmark Cinemas Tamarack (CA)

©Greff Hypolite Arch

Perspectives

KINEPOLIS METZ AMPHITHÉÂTRE (2022)

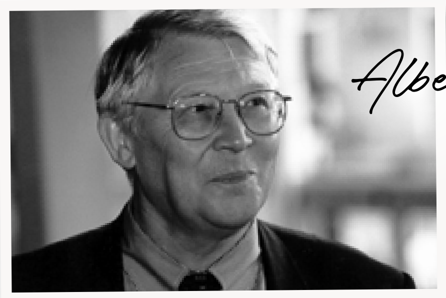
Au troisième trimestre 2022, un autre nouveau cinéma Kinepolis ouvrira à Metz, en France, plus précisément dans le Quartier de l'Amphithéâtre. Après le Kinepolis Saint-Julien-lès-Metz (premier site Kinepolis français, ouvert en 1995), le cinéma art et essai KLUB en centre-ville (ouvert en 2018) et le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

06 Nos marques

KINEPOLIS, NOTRE MARQUE EN EUROPE

Kinepolis Group a été fondé à la fin des années 60, lorsque feu Albert Bert a repris le cinéma de quartier de Harelbeke à son père et l'a agrandi pour en faire un cinéma à deux salles. Dans les années qui ont suivi, Albert Bert a ouvert des cinémas comptant de plus en plus de salles et a ainsi jeté les bases du concept de multiplexe. En 1988, il a ouvert le Kinepolis de Bruxelles avec sa belle-sœur Marie-Rose Claeys-Vereecke. Avec pas moins de 25 salles, il s'agissait du premier mégaplexe au monde. En 1997, les familles Bert et Claeys ont fusionné en un seul groupe, Kinepolis Group. Depuis 2006, la famille Bert est l'unique actionnaire familial.

Animé par la même volonté d'innovation et d'orientation client que ses fondateurs ont démontrée dès le départ, Kinepolis est devenu au fil des ans un exploitant de cinémas européen de premier plan. Kinepolis a fait son entrée en bourse en 1998 et est dirigé depuis 2008 par son CEO Eddy Duquenne, qui a introduit une nouvelle stratégie commerciale fructueuse et a considérablement développé le groupe depuis 2014, notamment par l'acquisition de Landmark Cinemas Canada et de la société américaine MJR Digital Cinemas.



Albert Bert

Premier cinéma à Harelbeke

Cotée en bourse depuis 1998

KLUB, LE CONCEPT DE CINÉMA ART ET ESSAI DE KINEPOLIS

En 2018, Kinepolis a développé un concept et une marque de cinéma alternatifs pour un cinéma plus petit dans le centre de Metz (FR). La programmation du KLUB est composée à 90 % de films d'auteur.

Kinepolis Metz Waves (FR)


MJR Digital Cinemas Partridge Creek (États-Unis)

©Charles V. Tines – The Detroit News

Landmark Cinemas Tamarack (CA)

LANDMARK CINEMAS, NOTRE MARQUE AU CANADA

Landmark Cinemas est le deuxième groupe cinématographique au Canada. Le groupe a été fondé en 1965 et était principalement un groupe de petits cinémas régionaux jusqu'à ce qu'il reprenne en 2013, avec TriWest Capital, les 22 complexes cinématographiques Empire situés en Ontario et dans l'Ouest du Canada. À la fin 2017, Landmark Cinemas a été racheté par Kinepolis Group qui faisait ainsi sa première entrée sur le marché nord-américain. Les cinémas canadiens continuent d'opérer sous la marque établie Landmark Cinemas.

MJR DIGITAL CINEMAS, NOTRE MARQUE AUX ÉTATS-UNIS

MJR Digital Cinemas a été fondé en 1980 par Mike Mihalich et est devenu un groupe de dix multi- et mégaplexes dans le Michigan (région de Detroit). Le groupe cinématographique américain a été racheté en octobre 2019 par Kinepolis Group, qui a ainsi fait ses premiers pas aux États-Unis. Les complexes cinématographiques américains continuent d'opérer sous la marque établie MJR Digital Cinemas.

07 Nos visiteurs

LE CINÉMA EST LÀ POUR TOUT LE MONDE

Jeunes et moins jeunes, cinéphiles invétérés ou amateurs occasionnels de superproductions, couples, familles, amis, fans d'horreur ou même amateurs d'opéra : le cinéma est là pour tout le monde. Ces dernières années, Kinepolis est passé d'une programmation passive à une programmation active. En d'autres termes, Kinepolis veille toujours à avoir une programmation variée pour répondre aux goûts de chacun. Compte tenu de notre société multiculturelle, nous projetons des films de cultures différentes.

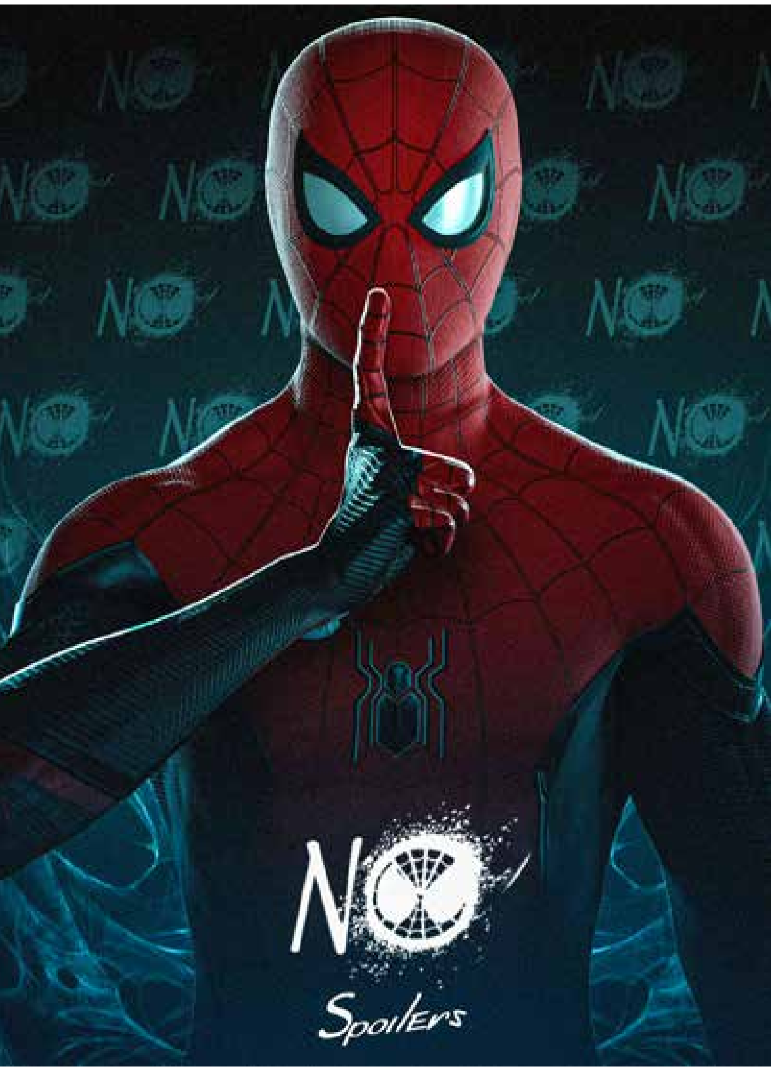
VISITEURS D'ÉVÉNEMENTS D'ENTREPRISE

De nombreux visiteurs se rendent au cinéma grâce aux événements d'entreprise. En 2021, 9,0 % de notre chiffre d'affaires a été généré par les activités Business-to-Business. Il peut s'agir d'avant-premières, de congrès, de projections de films privées, de présentations d'entreprises, etc.

Des activités B2B

08 Activités principales

Notre organisation se compose de sept activités principales, autant d'ingrédients pour l'expérience cinématographique ultime.



BOX OFFICE

L'activité Box Office porte sur la vente de tickets de cinéma. Son évolution est largement tributaire de plusieurs facteurs externes, dont la météo et la programmation.

Kinepolis essaie continuellement d'optimiser la capacité et l'occupation des salles en proposant une offre variée de films et d'événements culturels pour toucher un public aussi large que possible. Grâce à une politique de programmation active, nous nous efforçons d'avoir une offre pour différents groupes cibles à tout moment. L'offre de films est également complétée en permanence par des contenus alternatifs (art, opéra, ballet, concerts...) et des formules événementielles (marathons, nuits d'horreur, expériences VIP, ...).

Contenus alternatifs

OPÉRA AU CINÉMA

ART AU CINÉMA

BALLET AU CINÉMA

THÉÂTRE AU CINÉMA

In-theatre sales Kinepolis Leidschendam (P-B)

IN-THEATRE SALES

In-theatre sales (ITS) comprend toutes les activités liées à la vente de boissons et de snacks dans les complexes cinématographiques. Cette activité n'a cessé de gagner en importance au cours des dernières années par des innovations sur le plan de l'infrastructure et de l'offre. Aujourd'hui, la plupart des cinémas européens disposent de la boutique Kinepolis en libre-service bien connue. Au Canada, elle a été créée sous le nom de *MarketPlace*. Dans chaque pays ou région, l'offre de cette boutique est complétée de produits locaux. Kinepolis développe également d'autres concepts ITS dans le cadre de cette activité, tels que les coins café et le « Leonidas Chocolates Café ». En ce qui concerne l'ITS, nous visons également une offre répondant aux besoins de divers groupes cibles.


MarketPlace Calgary, Shawnessy (CA)

BLUE MOON Studios, Kinepolis Anvers (BE)


Global eSports Summit (2021), Kinepolis Madrid (ES)

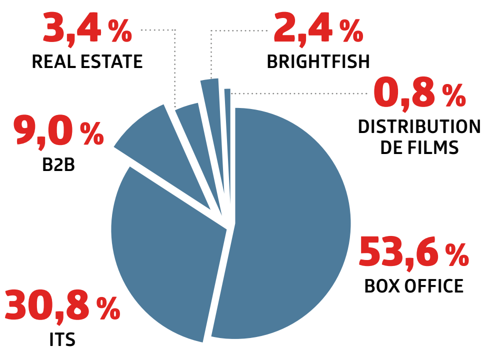
Studio pour événements physiques, virtuels et hybrides

Film Fest Gent, Kinepolis Gand (BE)

BUSINESS-TO-BUSINESS

Grâce à leur infrastructure avancée et flexible, les cinémas Kinepolis se profilent comme des lieux B2B idéaux, pour des congrès, événements d'entreprises et avant-premières. Outre l'organisation d'événements d'entreprise, l'activité B2B comprend la vente de vouchers aux entreprises et les campagnes publicitaires dans les cinémas.

CHIFFRE D'AFFAIRES
PAR ACTIVITÉ EN 2021



REAL ESTATE

Kinepolis dispose d'un département qui coordonne la gestion, la valorisation et le développement du portefeuille immobilier du Groupe. Kinepolis se distingue de nombreux autres exploitants de cinémas par sa position unique en matière d'immobilier. En effet, le Groupe possède une grande partie de son immobilier (49 cinémas, qui génèrent ensemble 59 % des visiteurs). Plus de 90 000 m² dans les cinémas appartenant à Kinepolis sont loués à des tiers. La clientèle de ces commerces (principalement des boutiques et des établissements horeca) est souvent générée par la présence du cinéma.

DIGITAL CINEMA SERVICES

Digital Cinema Services (DCS) concentre toute l'expertise technique de Kinepolis en matière de son et de projection numérique. Cette expertise est exploitée dans un premier temps en interne, mais Kinepolis DCS propose également parfois des services technologiques à des tiers.

DISTRIBUTION DE FILMS EN BELGIQUE ET AU LUXEMBOURG

Kinepolis Film Distribution (KFD) prend en charge la distribution de films internationaux et nationaux en Belgique et au Luxembourg. Spécialiste de films flamands, KFD occupe une place de choix dans le paysage cinématographique belge. Via KFD, Kinepolis soutient également la production et la promotion du cinéma flamand. KFD travaille en étroite collaboration avec d'autres partenaires, dont Dutch FilmWorks, le principal distributeur indépendant des Pays-Bas. KFD diffuse ainsi en Belgique et au Luxembourg des films du catalogue DFW.

LA PUBLICITÉ À L'ÉCRAN EN BELGIQUE

La régie publicitaire belge Brightfish propose un vaste éventail de canaux médias tournant autour du cinéma, pour tous ceux qui recherchent une communication ciblée avec le spectateur.

BRIGHTFISH

Kinepolis Fenouillet (FR)

09 Environnement professionnel

Après une année record pour le Box Office mondial en 2019, l'apparition du coronavirus au printemps 2020 a entraîné des mois de fermeture dans tous les pays, entrecoupés de périodes où la fréquentation des cinémas était soumise à des mesures strictes telles que le masque buccal obligatoire, le pass Covid et des restrictions de capacité.

L'environnement de marché dans lequel opèrent les cinémas a dès lors été sérieusement perturbé au cours des deux dernières années, et ce dans le monde entier.

L'empressement des cinéphiles à retourner dans les salles de cinéma après un confinement a été largement motivé par l'offre de films. Alors qu'en 2020 les films hollywoodiens ont encore été massivement reportés par peur de salles vides, la hausse du taux de vaccination en 2021 a redonné confiance et a entraîné une reprise des sorties de blockbusters au second semestre. *Fast & Furious 9* et *Black Widow* à l'été ont été un avant-goût du succès, entre autres, de *Dune*, *Mourir peut attendre* et *Spider-Man : No Way Home* à l'automne.

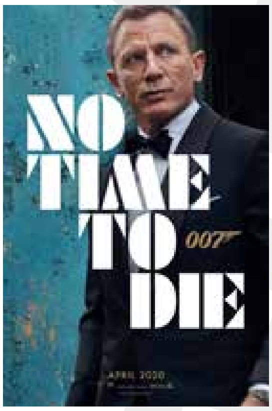
RACCOURCISSEMENT DES FENÊTRES

La stratégie des studios hollywoodiens a toujours été de maximiser le potentiel économique d'un film en optimisant sa sortie dans les salles de cinéma et sur d'autres supports. Le *theatrical window* (la période pendant laquelle un film est exclusivement disponible dans les salles de cinéma) n'a cessé de se raccourcir au cours des 25 dernières années, avec l'apparition des chaînes de divertissement à domicile payantes. Ce raccourcissement a entraîné une augmentation du contenu, à savoir une offre plus étoffée et plus riche de films de cinéma dont la durée de vie est certes plus courte. La forte augmentation des fournisseurs de contenu (y compris les plateformes de streaming) a également contribué à l'expansion de l'offre de films.

La pandémie de Covid-19 a provoqué un boom du divertissement à domicile, les gens étant contraints de rester chez eux. Les studios ont fait des expériences, en quête de liquidités, pendant que les cinémas sont restés fermés pendant de longues périodes ou ont été limités dans leur exploitation. De nouveaux services de streaming de studios hollywoodiens ont vu le jour et ont fait notamment concurrence à Netflix et Amazon. La VOD premium (PVOD) est apparue, avec des films proposés pour la consommation à domicile à un prix premium. Certains studios ont également expérimenté une sortie plus controversée, le « day-and-date », où un film est disponible à la maison et au cinéma en même temps.

Cependant, la plupart des films, en particulier les blockbusters, ont été reportés pendant la pandémie pour une sortie exclusive dans les cinémas à un moment plus opportun. En effet, les cinémas s'avèrent souvent indispensables pour maximiser les recettes d'un film. *There's no substitute for Box Office revenue*, comme on le dit souvent dans le secteur. Une grande partie des recettes générées dans les cinémas revient au producteur, ce qui est beaucoup moins le cas avec les autres supports et plateformes. En outre, une sortie en salle sert de locomotive pour la promotion et le marketing d'un film, en ayant un impact sur tous les maillons ultérieurs tout au long de la vie du film. Plusieurs succès au Box Office en 2021, montrant que les films forts réussissent à ramener le public vers les salles de cinéma – y compris dans un contexte de pandémie – ont renforcé la confiance des producteurs et des distributeurs dans le modèle cinématographique. Au fur et à mesure de la diminution de l'intensité de la pandémie, on assiste à un retour à l'approche des sorties en salles d'avant la pandémie.

Les cinémas s'avèrent souvent indispensables pour maximiser les recettes d'un film.



Top 5 des films en 2021

André Rieu, Together again, Concert au Cinéma

OUT-OF-HOME CONTRE HOME ENTERTAINMENT

Les cinémas et les plateformes de streaming semblent se disputer le public, mais la réalité confirme qu'ils sont complémentaires. Les films au cinéma et sur les plateformes de streaming se rapprochent dans le temps, mais ils restent deux expériences fondamentalement différentes pour le client. Les cinéphiles veulent continuer à regarder des films tant au cinéma qu'à la maison. Alors que le streaming est principalement en concurrence avec la télévision linéaire, le cinéma est principalement en concurrence avec d'autres divertissements hors domicile (par ex. une terrasse ou un événement sportif). Le cinéma est un événement social, une sortie.

Il appartient aux producteurs, aux distributeurs et aux cinémas de faire les bons choix par film, à savoir où, quand et dans quelles conditions il sera diffusé. Avec un objectif commun : maximiser le potentiel économique d'un film afin de pouvoir continuer à soutenir la qualité des futures offres de films.

SÉLECTION DU CONTENU ET PROMOTION CIBLÉE

Comme nous l'avons décrit précédemment, le raccourcissement de la fenêtre cinématographique et l'augmentation du nombre de fournisseurs de contenu signifient que, en tant qu'exploitant de cinémas, nous programmons de plus en plus de films. Cela a également une incidence sur l'impact marketing que les distributeurs peuvent avoir aujourd'hui. En effet, si plusieurs films se succèdent rapidement, il est plus difficile de sensibiliser le grand public à un film particulier. Les cinémas jouent ainsi un rôle de plus en plus important en termes de sélection de contenu et de promotion ciblée par le biais du marketing relationnel.

PLUS D'EXPÉRIENCE

Plus l'offre de contenu est vaste et accessible, plus l'expérience est un facteur de différenciation important pour les cinémas. Aller au cinéma, c'est faire une sortie, vivre un événement. Les cinémas peuvent assurément jouer tous leurs atouts pour les films qui offrent une expérience cinématographique distincte, c'est-à-dire qui doivent être vus sur grand écran, et les films très attendus par les fans. Ces dernières années, Kinepolis a investi massivement dans tous les aspects susceptibles d'élever l'expérience client à un niveau supérieur et de générer ainsi plus de chiffre d'affaires par visiteur. Le succès des expériences cinématographiques premium – allant de la meilleure projection laser et du son immersif à divers concepts de sièges et événements thématiques – a permis au marché de continuer à croître ces dernières années en termes de chiffre d'affaires, y compris les années où les chiffres de fréquentation ne l'ont pas fait. Miser sur l'expérience et la qualité est payant, aujourd'hui plus que jamais. L'essor du 'cinéma événementiel' illustre d'ailleurs cette évolution. Concerts pop exclusifs, opéras, spectacles de stand-up, compétitions sportives... le cinéma est devenu, ces dernières années, bien plus que le simple fait de « regarder des films ». Les multiplexes de Kinepolis sont devenus de véritables centres de divertissement.

FACTEURS DÉMOGRAPHIQUES

Les cinémas doivent s'adapter au vieillissement de la population et s'adresser à un public aussi large que possible, alors que Hollywood s'adresse souvent à un public plus jeune avec ses superproductions. En outre, la proportion croissante de personnes issues de l'immigration entraîne une diversité culturelle croissante. Kinepolis applique donc le principe de la programmation active, dans laquelle l'offre internationale de blockbusters est complétée par des films locaux, des films d'auteur et des contenus alternatifs, en fonction de la composition et de la demande du public.

En effet, les titres locaux obtiennent souvent de meilleurs résultats auprès d'une population plus âgée, et les films multiculturels (tels que les blockbusters japonais, polonais, turcs, indiens, russes et chinois) attirent des communautés spécifiques issues de l'immigration dans les villes. En tant que divertissement accessible, le cinéma est au centre de la société et son offre doit donc évoluer en fonction des développements démographiques et autres développements sociaux. La diversité accrue au sein de la société se reflète dans une offre de contenu de plus en plus diversifiée.

Première de « K3, Dans van de farao », Kinepolis on tour (BE)

Cosy Seats, Kinepolis

Laser ULTRA, Landmark Cinemas (CA)

Informations sur le marché 2021

LE PUBLIC RETROUVE LE CHEMIN DES SALLES OBSCURES DANS TOUTE L'EUROPE

Le nombre d'entrées des salles de cinéma en Europe a connu une croissance estimée de 38 % en 2021, avec plus de 590 millions de visiteurs enregistrés dans la région. Les recettes estimées des billetteries ont atteint 3,7 milliards €, une augmentation de 42 % par rapport à l'année précédente.

Ces résultats positifs illustrent amplement la résilience du secteur et la volonté du public européen de retrouver le chemin des salles obscures.

Au niveau de l'UE, Royaume-Uni compris, plus de 400 millions de tickets ont été vendus, pour une valeur estimée à 2,9 milliards € au Box Office, et ce alors que la plupart des cinémas de la région s'étaient vu imposer une fermeture au premier semestre de l'année et ont opéré au second semestre avec une capacité limitée et des restrictions supplémentaires.

> Reprise des cinémas européens qui enregistrent une croissance de 42 % du Box Office en 2021

L'impact de la pandémie de Covid-19 sur l'industrie cinématographique européenne reste considérable. Par rapport aux résultats pour l'Europe en 2019, année particulièrement faste pour le secteur, les entrées en 2021 accusaient encore un retard de 56 %, tandis que le chiffre d'affaires enregistrait une baisse estimée de 57 %. Si l'on compare les résultats du second semestre de 2019 à la même période en 2021, les recettes de billetterie pour les territoires pour lesquels les données sont disponibles étaient en moyenne de 35 % inférieures aux niveaux d'avant la pandémie. Les grands pays comme la France (-22 % au S2 2021 par rapport au S2 2019), le Royaume-Uni (-26 %), la Russie (-29,5 %) ou la Pologne (-24,3 %) démontrent néanmoins la forte reprise du secteur au cours des derniers mois.

Comme par le passé, le Box Office a été principalement stimulé par les grands films internationaux comme *Spider-Man: No Way Home*, *Mourir peut attendre*, *Fast & Furious 9*, *Venom: Let There Be Carnage* et *Dune*. *Spider-Man: No Way Home*, en particulier, a prouvé une fois de plus la capacité des cinémas à attirer le public et à créer des événements mondiaux, même dans un contexte difficile, avec plus de 1,77 milliard de dollars de recettes brutes enregistrées au Box Office mondial à ce jour ; le sixième meilleur résultat de tous les temps.

En même temps, et comme en 2020, les productions locales ont joué un rôle clé dans le processus de reprise. Dans toute la région, les parts de marché des films nationaux ont été plus élevées qu'au cours d'années normales, et singulièrement en France (40,8 %), en République tchèque (38,3 %) et au Danemark (37,0 %). Le biopic serbe *Toma* à fait mieux que *Spider-Man: No Way Home*, en dominant le Box Office en Serbie ainsi qu'en Bosnie-Herzégovine voisine.

Seul le soutien des distributeurs locaux et internationaux permettra aux exploitants de salles de cinéma de se remettre avec confiance de ces difficultés sans précédent. Un programme de films solide et diversifié sera essentiel pour attirer le public dans les salles obscures.

Le vaste éventail de mécanismes de soutien mis à la disposition du secteur en Europe s'est également révélé crucial, en protégeant les moyens de subsistance et en couvrant certaines des pertes importantes subies par l'industrie. Mais le moment n'est pas venu pour les décideurs politiques de relâcher ces efforts visant à assurer la survie des cinémas locaux, quelle que soit leur taille et leur localisation.

2022 sera une année charnière pour l'industrie. *Gower Street Analytics*, éminents analystes du secteur, prédisent des chiffres provisoires de respectivement 7,8 milliards de dollars (+75 % par rapport à 2021) et 33,2 milliards de dollars (+55 %) pour le Box Office de la région EMEA et dans le monde.

Source : Communiqué de presse de l'Union internationale des cinémas (UNIC) du 7 février 2022.L'UNIC est le groupement professionnel européen représentant les exploitants de salles de cinéma et leurs associations professionnelles nationales à travers 39 territoires européens. De plus amples informations sont disponibles sur unic-cinemas.org.

TABLEAU REPRENANT LES INDICATEURS DE PERFORMANCE PROVISOIRES DU MARCHÉ POUR 2021 (SI DISPONIBLES)

BOX OFFICE (MILLIONS, EN DEVISE LOCALE)

PAYS (DEVISE)	2021	2020	2020-2021 ÉVOLUTION	2019-2021 ÉVOLUTION	2021	2020	2020-2021 ÉVOLUTION
Albanie (ALL)	107,0	80,7	+32,7 %	-69,8 %	0,2	0,1	+26,4 %
Autriche (EUR)	52,7	34,6	+52,0 %	-59,3 %	5,2	3,8	+35,6 %
Belgique (EUR)	n.d	46,9	n.d	n.d	7,9	5,5	+42,8 %
Bosnie-Herzégovine (BAM)	6,8	2,1	+227,4 %	-0,8 %	1,1	0,4	+188,3 %
Bulgarie (BGN)	24,7	12,7	+94,5 %	-49,7 %	2,6	1,3	+90,9 %
Croatie (HRK)	93,6	44,6	+109,9 %	-40,2 %	2,6	1,4	+87,3 %
Chypre (EUR)	2,1	1,5	+42,6 %	-67,9 %	0,3	0,2	+44,6 %
République Tchèque (CZK)	1 088,9	906,0	+20,2 %	-58,4 %	7,1	6,4	+11,9 %
Danemark (DKK)	654,6	627,2	+4,4 %	-39,9 %	6,8	7,2	-4,4 %
Estonie (EUR)	8,2	10,8	-24,1 %	-62,3 %	1,4	1,8	-23,7 %
Finlande (EUR)	43,5	43,6	-0,3 %	-54,7 %	3,4	3,9	-11,7 %
France (EUR)	636,5	432,6	+47,1 %	-56,1 %	96,0	65,2	+47,2 %
Allemagne (EUR) [1]	362,0	287,7	+25,8 %	-62,5 %	40,5	34,2	+18,4 %
Grèce (EUR)	19,5	19,9	-2,2 %	-68,1 %	3,1	3,1	-2,2 %
Hongrie (HUF)	9 680,6	6 508,4	+48,7 %	-56,3 %	6,2	4,3	+44,7 %
Irlande (EUR)	47,2	29,9	+57,6 %	-59,8 %	5,8	3,8	+51,7 %
Israël (ILS)	275,9	77,6	+255,5 %	-50,0 %	8,4	2,5	+239,6 %
Italie (EUR) [2]	169,4	182,5	-7,2 %	-73,4 %	24,8	28,1	-11,9 %
Lettonie (EUR)	3,1	5,1	-39,2 %	-79,3 %	0,5	0,9	-44,0 %
Lituanie (EUR)	7,8	8,5	-8,5 %	-65,5 %	1,3	1,5	-12,8 %
Monténégro et Serbie (RSD) [3]	1 489,3	611,9	+143,4 %	-23,8 %	3,4	1,6	+115,6 %
Pays-Bas (EUR)	143,3	151,6	-5,5 %	-58,8 %	14,3	16,8	-14,6 %
Macédoine du Nord (MKD)	40,0	24,6	+62,9 %	-60,9 %	0,2	0,1	+39,6 %
Norvège (NOK)	678,4	557,7	+21,6 %	-48,0 %	5,7	4,9	+16,7 %
Pologne (PLN)	530,9	357,2	+48,6 %	-53,6 %	29,0	19,7	+47,2 %
Portugal (EUR)	30,6	20,6	+48,7 %	-63,2 %	5,5	3,8	+43,8 %
Russie (RUB)	40 700,0	22 900,0	+77,7 %	-25,7 %	145,7	88,9	+63,9 %
Slovaquie (EUR)	12,4	14,0	-11,6 %	-66,9 %	2,0	2,4	-13,8 %
Slovénie (EUR)	3,9	2,9	+34,5 %	-69,2 %	0,7	0,5	+22,4 %
Espagne (EUR)	252,3	172,3	+46,4 %	-59,6 %	41,4	28,6	+44,7 %
Suède (SEK)	802,5	676,3	+18,7 %	-57,6 %	6,0	5,7	+6,4 %
Suisse (CHF)	87,0	69,3	+25,6 %	-56,1 %	5,5	4,5	+22,5 %
Turquie (TRY)	285,3	302,6	-5,7 %	-70,9 %	12,5	17,5	-28,9 %
Royaume-Uni (GBP)	557,0	296,8	+87,7 %	-55,5 %	76,2	44,0	+73,2 %
Ukraine (UAH)	1 749,5	992,8	+76,2 %	-39,3 %	15,8	10,0	+58,4 %
EUROPE (EUR)	**3 670,0**	**2 580,0**	**+42,0 %**	**-57,0 %**	**590,0**	**430,0**	**+38,0 %**
EU27 ET ROYAUME-UNI (EUR)	**2 950,0**	**2 140,0**	**+38,0 %**	**-59,0 %**	**400,0**	**300,0**	**+33,0 %**

Tous les chiffres ci-dessus sont des estimations. Les résultats finaux seront communiqués au printemps 2022.

(1) Données préliminaires ComScore : 90 % du marché.
(2) Données Cinetel : 95 % du marché.
(3) Les chiffres du Monténégro et de la Serbie sont combinés.

10 Notre stratégie

The Ultimate Movie Experience

Par sa stratégie d'entreprise, Kinepolis vise à créer une valeur durable pour ses clients, ses collaborateurs, ses actionnaires, ses partenaires et l'environnement. **Les trois piliers** de son modèle stratégique vont de pair avec l'entrepreneuriat durable.

Tous ces piliers ont pour objectif la création de **The Ultimate Movie Experience**, une expérience unique pour les amateurs de cinéma et de culture par le biais d'un concept cinématographique centré sur l'expérience intégrale du visiteur.

Kinepolis Anvers (BE)

Les trois piliers

KINEPOLIS VEUT ÊTRE
Le meilleur exploitant de cinémas

KINEPOLIS VEUT ÊTRE
Le meilleur marketeur

KINEPOLIS VEUT ÊTRE
Le meilleur gestionnaire immobilier

Meilleur exploitant de cinémas

Nous voulons être le meilleur exploitant de cinémas et nous nous efforçons donc d'offrir une expérience client et cinématographique de qualité supérieure, afin que les visiteurs puissent profiter d'une petite sortie au cinéma ou d'un événement professionnel dans les meilleures conditions possibles.

Le moteur interne à cette fin est une **organisation auto-apprenante** dans laquelle les idées d'amélioration continue des activités et de l'expérience client sont stimulées de la base vers le sommet.

Chaque année, toutes les équipes de cinéma proposent des mesures à la fois génératrices de chiffre d'affaires et axées sur l'efficacité pour abaisser systématiquement le seuil de rentabilité (à raison d'une hypothétique réduction de 5 % du nombre de visiteurs par an [1]). Cet exercice annuel, associé à une structure d'entreprise uniforme, à des rapports de gestion détaillés et à l'organisation de moments de contact où les responsables d'activité et de budget peuvent s'inspirer mutuellement, assure depuis près de 15 ans la réalisation d'un potentiel d'amélioration continue dans les complexes cinématographiques, qu'ils soient matures ou nouveaux.

En 2016, l'importance croissante de l'innovation de produit à cet égard et, donc, la perpétuation du succès de l'entreprise à plus long terme ont conduit à la création du **Kinepolis Innovation Lab**, une plateforme interne qui vise à stimuler autant que possible l'innovation et l'entrepreneuriat chez chaque collaborateur.

LES COLLABORATEURS DEVIENNENT DES ENTREPRENEURS

Dans chaque cinéma, un certain nombre de managers locaux sont responsables d'une certaine partie de l'activité. Ces responsables d'activité ou de budget ont la possibilité de devenir des « mini-entrepreneurs » et d'échanger régulièrement des expériences et des idées avec leurs collègues d'autres cinémas. De cette façon, ils peuvent s'appuyer sur un trésor de connaissances et d'expérience dans le domaine du cinéma et cela permet aux collaborateurs de s'inspirer mutuellement, y compris au-delà des frontières nationales.

Plus d'un employé de Kinepolis sur dix a la responsabilité finale des objectifs et du budget du département. En s'efforçant de placer les responsabilités au plus bas niveau possible dans l'organisation, on offre de nombreuses possibilités de croissance et de développement à tous les collaborateurs et on cultive l'entrepreneuriat au sein des cinémas.

(1) Une diminution de 5 % du nombre de visiteurs n'est évidemment pas un objectif, mais simplement une approche visant à simuler un abaissement du seuil de rentabilité.

Ouverture de Kinepolis Metz Waves (FR)

L'entrepreneuriat est stimulé au maximum

Lorsque la crise du coronavirus a éclaté, cette stratégie et cette culture d'entreprise ascendantes ont grandement aidé Kinepolis à prendre rapidement les mesures appropriées. Les responsables d'activités et de budgets connaissent leurs recettes et leurs dépenses et peuvent eux-mêmes prendre des mesures immédiates. Grâce à la responsabilité de chacun et à une action rapide, Kinepolis a réussi à réduire encore ses coûts fixes. Ces deux dernières années, les responsables de budgets et leurs équipes ont été plus que jamais mis au défi de réfléchir à des solutions et d'être créatifs dans la gestion de « leur » activité.

INDICE DE SATISFACTION DE LA CLIENTÈLE (CSI)

Grâce à l'indice de satisfaction de la clientèle, nous évaluons, par le biais d'une enquête en ligne après chaque visite, les différents aspects de l'expérience client : ce que les gens pensent du film, la qualité de l'image et du son, le service, la propreté, la convivialité, les temps d'attente, etc. Le CSI nous permet de recueillir en permanence les commentaires des clients, de façon très détaillée. Ces résultats sont analysés et publiés quotidiennement au niveau des équipes, des cinémas et à l'échelle nationale. Kinepolis adapte continuellement ses activités ainsi que la programmation des films sur la base du retour de ses clients.

INDICE DE SATISFACTION DU PERSONNEL

Kinepolis utilise l'indice de satisfaction du personnel (PSI) pour mesurer chaque année la satisfaction de ses collaborateurs. Les collaborateurs sont invités à exprimer, de manière tout à fait anonyme, ce qu'ils pensent de Kinepolis en tant qu'employeur, en mettant en exergue ce qui les satisfait et ce qu'il conviendrait d'améliorer. Les résultats sont ensuite discutés en équipe avant d'être traduits en actes.

MESURER, C'EST SAVOIR

Chez Kinepolis, outre les paramètres financiers, la satisfaction des clients (Customer Satisfaction Index, CSI) et la satisfaction des collaborateurs (People Satisfaction Index, PSI) sont des KPI essentiels qui sont suivis de près à tous les niveaux de l'organisation.

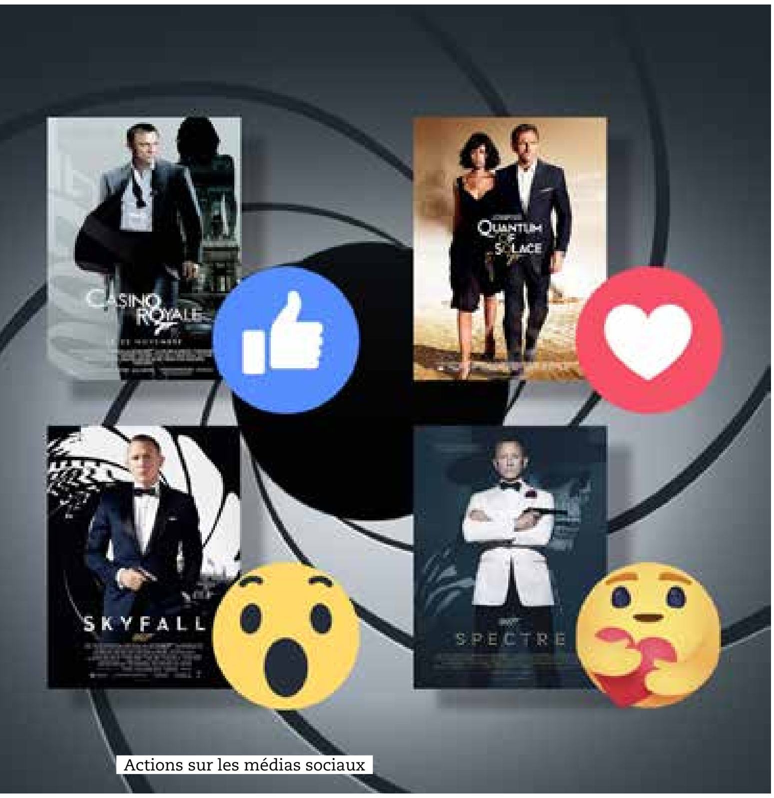
INVESTIR DANS LE TALENT

Avec une stratégie fortement axée sur la créativité des collaborateurs, notre capital humain est notre meilleur atout. Il est essentiel pour Kinepolis de recruter, d'encadrer et de retenir des collaborateurs qui s'intègrent dans la culture d'entreprise de Kinepolis et qui sont capables de mettre en œuvre l'amélioration continue des activités et de l'expérience client de la base au sommet. L'entrepreneuriat est profondément ancré dans l'ADN de l'organisation, c'est pourquoi nous nous efforçons consciemment d'attirer des collaborateurs qui s'autogèrent tout en étant d'excellents équipiers ayant le souci du détail.

Meilleur marketeur

Grâce à une interaction intensive avec nos visiteurs, nous voulons répondre aux souhaits et aux besoins du public, avec une offre sur mesure.

Ces dernières années, Kinepolis a développé une stratégie de marketing relationnel de premier ordre (basée sur une connaissance approfondie du client et de ses préférences) et une politique de programmation active.



Actions sur les médias sociaux

MARKETING RELATIONNEL

La stratégie de marketing de Kinepolis vise à mieux connaître le client et ses préférences. Compte tenu de l'énorme augmentation du nombre de films programmés aujourd'hui et de la pression exercée sur le modèle hollywoodien traditionnel dans lequel le distributeur fait unilatéralement la promotion d'un film mais a de plus en plus de mal à atteindre les consommateurs, Kinepolis veut utiliser le marketing direct pour informer les clients sur les films dont le genre, les acteurs ou le réalisateur correspondent à leurs préférences. C'est ainsi que la mission de Kinepolis a évolué au cours de la dernière décennie, passant de « the ultimate cinema experience » (meilleure image, confort des sièges, etc.) à « the ultimate movie experience ». En effet, le bon film est aussi important pour une sortie au cinéma réussie. Des millions de clients reçoivent par e-mail, l'appli, le site Web et les réseaux sociaux des recommandations pour des films et des événements en fonction de leurs préférences personnelles.

Pour l'avenir, Kinepolis veut investir davantage encore dans la relation avec ses clients, notamment par la fourniture de services en ligne et mobiles.

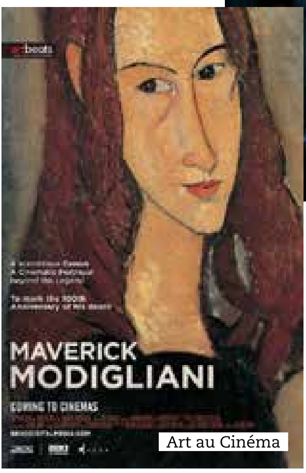
« MARKETING AS A SERVICE »

En Europe, nous pouvons aujourd'hui atteindre 5,6 millions de clients grâce au marketing par e-mail (contre une clientèle que nous estimons à plus de 7,2 millions de visiteurs uniques au niveau européen). Plus de 1,13 million d'entre eux se sont abonnés à la lettre d'information My Kinepolis. Les e-mailings comprenant des recommandations de films et d'événements s'adressent toujours à un groupe cible limité, en fonction des connaissances que nous avons accumulées à propos de nos clients. Si l'on prend l'exemple de la Belgique, un e-mailing est envoyé en moyenne à seulement 7 % de la base de données.

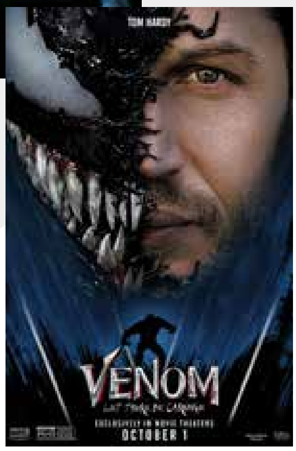
Au Canada, nous pouvons atteindre 1,2 million de clients grâce au marketing par e-mail, dont 350 000 se sont abonnés à la lettre d'information hebdomadaire Landmark.

Il va sans dire que Kinepolis attache la plus grande importance à la protection des données à caractère personnel. Le respect des clients est intrinsèquement lié au respect de leurs données. Deux aspects que Kinepolis prend extrêmement au sérieux (voir chapitre 11 : Entreprendre en ayant un impact et de manière responsable).

The Magic Flute, Opéra au Cinéma



Art au Cinéma



Films d'animation japonais

PROGRAMMATION ACTIVE

L'offre Kinepolis ne se limite pas aux grands succès internationaux du moment. Ces dernières années, Kinepolis est passé d'une programmation passive à une programmation active. Dans cette perspective, Kinepolis choisit les films en fonction des préférences de ses clients, qui peuvent différer d'un complexe à l'autre. Kinepolis s'efforce de proposer, à tout moment de l'année, une offre adéquate pour chacun de ses groupes cibles.

Ces dernières années, Kinepolis a complété avec succès son offre de contenus par des contenus « alternatifs » tels que la culture au cinéma (opéra, ballet, art, théâtre), les films multiculturels (films polonais, russes, turcs, indiens, japonais, ...), les concerts, les transmissions en direct d'événements, etc.

EXPÉRIENCE

L'expérience que nous offrons est une autre clé importante du succès. Avec l'offre croissante de contenus via le divertissement à domicile, les visiteurs sont plus que jamais à la recherche d'une expérience. Voilà pourquoi Kinepolis investit beaucoup dans l'innovation de produits et les concepts d'expérience tels que les Cosy Seats, les sièges inclinables, IMAX, Laser ULTRA, 4DX, ScreenX, etc. La majeure partie de ces produits s'inscrit dans la poursuite de l'élargissement de l'offre, grâce à laquelle Kinepolis entend répondre aux souhaits de différents groupes cibles (voir p. 58-59).

En outre, Kinepolis s'engage pleinement dans des formules événementielles visant à rassembler des fans, comme des marathons, des concerts uniques, les Nuits d'horreur, les Week-ends pour enfants, etc.

Meilleur gestionnaire immobilier

Kinepolis possède une grande partie de son immobilier cinématographique, plus précisément 49 complexes qui ont généré 59 % des visiteurs en 2021.

IMMOBILIER CINÉMATOGRAPHIQUE

Posséder notre immobilier cinématographique a un impact significatif sur le profil de risque de la société. En effet, Kinepolis est moins sensible à l'inflation et cela nous donne la possibilité de réutiliser la surcapacité en cas de changement dans le succès à long terme du cinéma. Citons par exemple l'installation d'une aire de jeux intérieure à Madrid, d'un mur d'escalade en France, etc.

La solide position immobilière du Groupe est également un avantage majeur dans la gestion optimale de l'impact de la crise du coronavirus. En effet, pendant les périodes d'inactivité – ou d'activité très limitée – Kinepolis ne doit pas continuer à payer un loyer pour les complexes qu'il possède.

Kinepolis 's Hertogenbosch (P-B)

49 complexes en propriété


Kinepolis Nîmes (FR)


Kinepolis Thionville (FR)

Giuliano, restaurant à Kinepolis Hasselt (BE)

©Studio EVF

Kinepolis loue plus de 90 000 m² au sein de ses cinémas à des tiers (principalement des établissements horeca). La clientèle de ces commerces est souvent générée par la présence du cinéma.

Le département Real Estate est également étroitement impliqué dans la réalisation de la stratégie d'expansion du Groupe en ce qui concerne le développement, la réalisation et la coordination de nouveaux projets de construction. Kinepolis veut continuer à gérer, valoriser et développer de manière optimale son portefeuille immobilier unique.

Kinepolis Servon (FR)

Kinepolis Metz Waves (FR)

Expansion

Kinepolis souhaite introduire son concept sur de nouveaux marchés et auprès de nouveaux groupes cibles et contribuer ainsi à plus de création de valeur pour toutes les parties prenantes.

Ces dernières années, de grands pas ont été franchis dans le cadre de la mise en œuvre de la stratégie d'expansion du Groupe. Depuis 2014, le nombre de cinémas dans le portefeuille de Kinepolis est passé de 23 à 108.

Depuis le début de la pandémie de Covid-19, Kinepolis a ouvert 4 nouveaux projets de construction (voir p. 20-21). En termes d'acquisitions, le Groupe reste attentif aux opportunités, mais reste prudent tant que l'impact et l'incertitude de la pandémie persistent.

Kinepolis Leidschendam (P-B)

STRATÉGIE D'EXPANSION BASÉE SUR LE POTENTIEL D'AMÉLIORATION

La stratégie commerciale telle que décrite aux pages précédentes est également la base d'une expansion réussie, car Kinepolis se concentre sur les cinémas et les groupes de cinéma où il peut introduire sa culture d'entreprise auto-apprenante et son modèle organisationnel afin de réaliser le potentiel d'amélioration. La réalisation de ce potentiel d'amélioration dépend de la créativité et de la capacité des équipes. C'est pourquoi Kinepolis tiendra toujours compte du capital financier et humain pour son expansion.

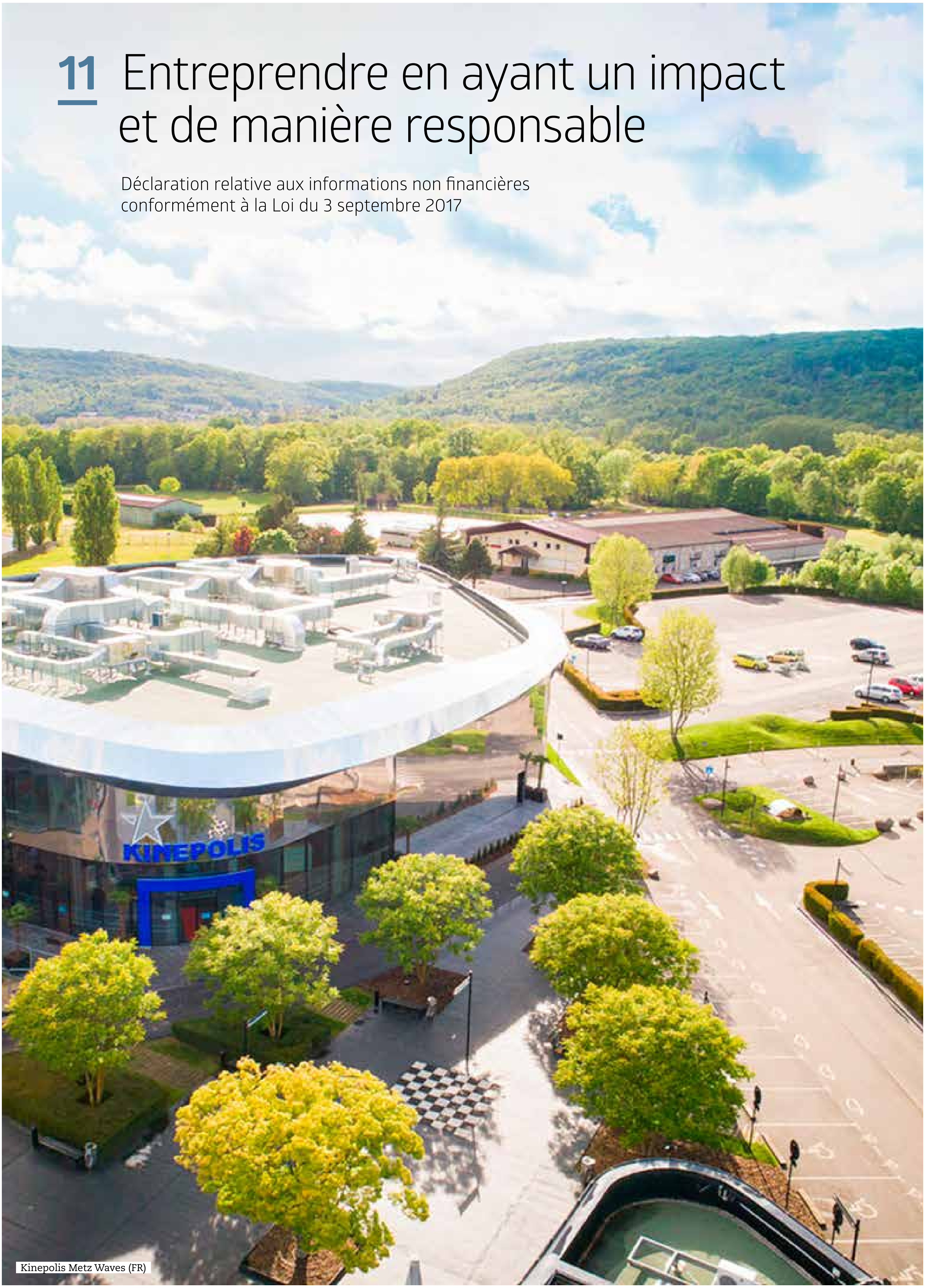
Kinepolis Group est organisé en fonction de ses marchés géographiques. Chaque pays dispose d'un *Cinema Support Centre* national qui gère et soutient les cinémas du pays concerné. En cas d'expansion sur un marché existant, l'équipe nationale est responsable de l'intégration des cinémas concernés, assistée par le *Cinema Support Centre* international, situé à Gand, en Belgique.

En cas de reprise, Kinepolis conserve autant que possible les équipes et la direction locales existantes. Par exemple, les équipes de direction de Landmark Cinemas Canada et de MJR Digital Cinemas aux États-Unis sont restées en grande partie les mêmes. Outre les considérations sociales, l'affinité avec le marché local et la culture locale est un aspect important des activités commerciales de Kinepolis. A ce jour, aucune reprise n'a été associée à des réorganisations ayant un impact social significatif.

Landmark Tamarack (CA)

11 Entreprendre en ayant un impact et de manière responsable

Déclaration relative aux informations non financières conformément à la Loi du 3 septembre 2017



Kinepolis Metz Waves (FR)

Kinepolis fait partie de la vie quotidienne des gens et attache la plus grande importance à l'impact social et écologique de ses activités, en plus de créer une valeur économique.

Le point de départ de Kinepolis est une vision à long terme dans laquelle la création d'un impact positif sur les parties prenantes et la société, ainsi que la réduction maximale de l'impact négatif, mènent automatiquement à une histoire économique durable. Nous nous engageons pleinement à créer une « valeur partagée » fondée sur notre raison d'être, à savoir enrichir la vie des gens par la puissance de films.

Les aspects ESG (Environnementaux, Sociaux et de Gouvernance) abordés dans ce rapport font partie intégrante d'une politique visant à pérenniser les activités de Kinepolis et leur impact. Au cours de la dernière décennie, Kinepolis a pris plusieurs mesures dans le domaine de la durabilité et, depuis 2020, le groupe a entamé une trajectoire guidée par les consultants de Sustainalize afin de professionnaliser davantage son approche de la durabilité et de l'intégrer dans la stratégie d'entreprise. La politique et le cadre élaborés à cette fin garantiront la prise en compte des intérêts de toutes les parties prenantes – et donc la création d'un impact social positif – de manière plus explicite et proactive dans les processus décisionnels et les opérations quotidiennes de l'entreprise.

Bien qu'un cadre stratégique ait déjà été élaboré à cet effet, il ne sera pas expliqué en tant que tel dans le présent rapport annuel, car il n'a pas encore été mis en œuvre au niveau opérationnel. Sa mise en œuvre et la communication interne à son sujet sont prévues pour 2022. L'impact persistant de la pandémie de Covid-19 sur nos activités doit également être pris en compte à cet égard. Toutefois, les engagements actualisés, ainsi que les nouveaux accents et indicateurs de performance ont déjà été inclus dans ce rapport lorsque c'était possible.

Kinepolis Nancy (FR)

CONSULTATION DES PARTIES PRENANTES ET ANALYSE DE LA MATÉRIALITÉ

Kinepolis a mené une vaste enquête auprès des parties prenantes en septembre 2021 afin de mieux connaître leurs opinions et attentes en matière de durabilité et l'impact qu'a Kinepolis, en tant qu'entreprise de divertissement, sur la société. Concrètement, il a été demandé quels aspects les parties prenantes considèrent comme les plus pertinents pour Kinepolis, en termes d'impact sur les parties prenantes et la société d'une part, et en termes d'impact sur Kinepolis lui-même d'autre part.

L'étude sur les parties prenantes a été menée au moyen d'une enquête en ligne, complétée par plusieurs entretiens qualitatifs. L'étude a impliqué différents groupes de parties prenantes, à savoir :

- tous les employés permanents de Kinepolis Group en Belgique, aux Pays-Bas, au Canada, en Espagne, au Luxembourg, en France et aux États-Unis (taux de réponse de 46 %) ;
- le top 15 des investisseurs (taux de réponse de 65 %) ;
- le top 50 des fournisseurs (taux de réponse de 44 %) ;
- +30 000 clients B2C répartis entre la Belgique, les Pays-Bas, le Canada, l'Espagne, le Luxembourg, la France et les États-Unis (taux de réponse de 2 %) ;
- Conseil d'administration et Direction générale (taux de réponse de 84 %).

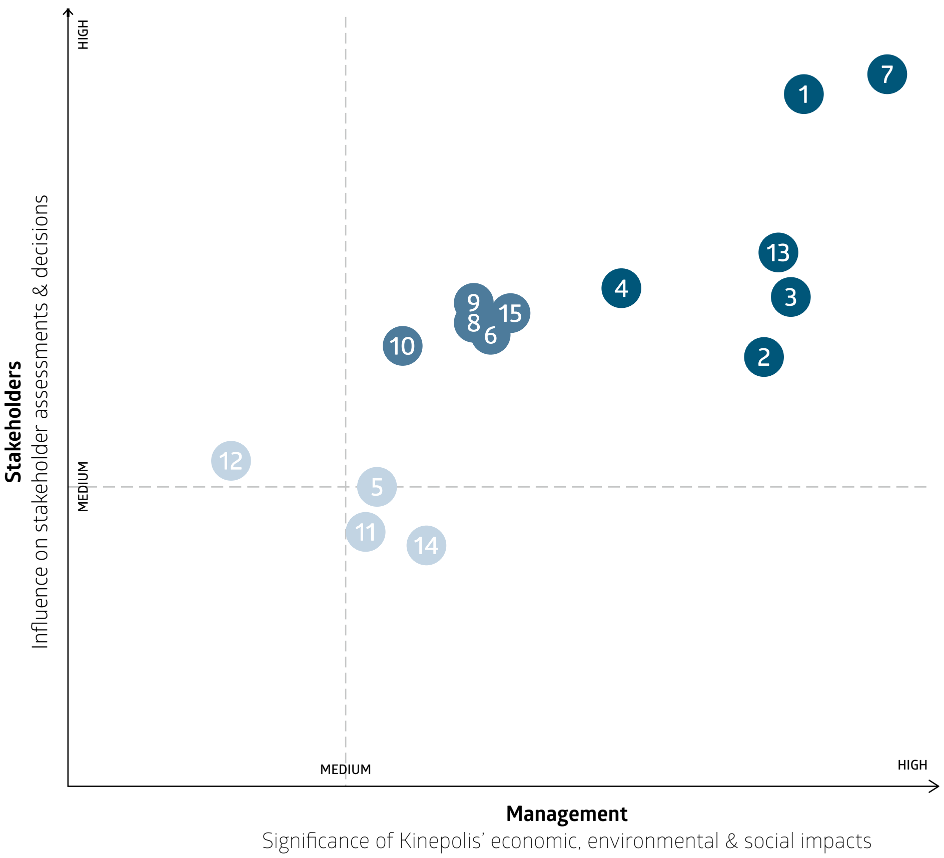
Sur la base de la consultation des parties prenantes et de la direction, une matrice de matérialité a été élaborée, indiquant les aspects que les parties prenantes et la direction considèrent comme les plus pertinents pour Kinepolis. En outre, l'enquête menée auprès des parties prenantes – par le biais de questions supplémentaires sur les sujets désignés comme les plus significatifs – a également fourni à la direction des informations qualitatives précieuses pour la mise en œuvre de la stratégie.

La liste des sujets passés en revue dans le cadre de la consultation des parties prenantes a été établie sur la base d'une analyse par les pairs et de recherches documentaires, ainsi que de plusieurs réunions avec la direction générale, afin de refléter de manière adéquate et complète tous les aspects stratégiques qui conduisent à la création d'un impact de quelque manière que ce soit.

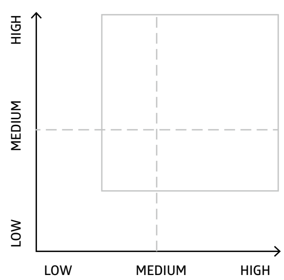
La politique de Kinepolis sur ces sujets est expliquée plus en détail dans ce chapitre, avec comme thèmes principaux le bien-être des clients et des communautés locales, des collaborateurs, l'environnement et l'intégrité dans les affaires.

Pour l'exercice écoulé, une attention particulière a été accordée au bien-être des clients, des collaborateurs et des communautés locales, à la lumière de la pandémie de Covid-19. Les risques éventuels associés au bien-être des clients, des collaborateurs et de l'environnement figurent dans la description des principaux risques pesant sur l'entreprise (voir Gouvernance d'Entreprise, p. 114-116).

MATRICE DE MATÉRIALITÉ KINEPOLIS



HIGH MATERIALITY	7	Customer experience
	1	Affordable entertainment of premium quality
	3	People development and empowerment
	13	Green and resilient building and infrastructure
	2	Social meeting place
	4	Employee wellbeing, diversity and inclusion
MEDIUM MATERIALITY	15	Customer and employee safety and security
	9	Waste management
	8	Content diversity and customised offering
	6	Business ethics
	10	Social inclusion
LOW MATERIALITY	14	Mobility and geographical accessibility
	5	Ethical and sustainable procurement
	11	Charitable support
	12	Customer privacy and data protection



POLITIQUE DE BIEN-ÊTRE DES CLIENTS

(se référant aux sujets 1, 2, 7, 8, 10, 11, 12, 15 de l'analyse de matérialité)

Lors de chaque contact ou visite, Kinepolis s'efforce de proposer une expérience positive à ses clients, en leur faisant vivre une expérience cinématographique de qualité supérieure, en leur fournissant des informations claires, en faisant preuve d'interaction et en répondant au maximum à leurs souhaits. Tous les groupes cibles sont pris en considération, ce dont témoignent tant la programmation des films que l'infrastructure des cinémas.

En 2021, tout comme en 2020, la plus grande attention a été portée à la protection de la santé de chaque client par la mise en œuvre et le respect des mesures de sécurité visant à prévenir toute nouvelle propagation du virus Covid-19. À cet égard, Kinepolis Group a toujours agi dans le respect des mesures imposées par les autorités locales compétentes.

POLITIQUE DE BIEN-ÊTRE DES COLLABORATEURS

(se référant aux sujets 3, 4 et 15 de l'analyse de matérialité)

Kinepolis a pour objectif d'être une entreprise où les gens se sentent en sécurité, écoutés, motivés et valorisés. Kinepolis souhaite développer les talents et laisser les collaborateurs s'épanouir grâce à son organisation auto-apprenante où l'innovation ascendante et la responsabilité sont centrales.

La politique de gestion des ressources humaines de Kinepolis prévoit notamment un programme d'accueil intensif, divers programmes de formation ainsi qu'un accompagnement de carrière. Grâce à une analyse annuelle de la satisfaction du personnel, Kinepolis s'efforce de suivre étroitement les effets de sa politique pour l'améliorer

Ces deux dernières années, le bien-être des collaborateurs a été quasi entièrement axé sur la protection de la santé de chacun à la lumière de la pandémie de Covid-19, et sur l'accompagnement à la fois des équipes et des collaborateurs individuels tout au long de la crise. Depuis début mars 2020, la Covid-19 a eu un impact significatif sur les activités de Kinepolis et de tous ses collaborateurs, avec notamment des périodes prolongées de chômage et de télétravail obligatoire.

POLITIQUE DE RESPECT DE L'ENVIRONNEMENT

(se référant aux sujets 9 et 13 de l'analyse de matérialité)

Avec le programme « Green Star », Kinepolis entend prendre ses responsabilités en matière d'environnement. Kinepolis souhaite ainsi améliorer chaque année l'efficacité énergétique de ses infrastructures cinématographiques et de ses bâtiments, dans le but de rendre ses activités neutres en carbone à plus long terme. En outre, Kinepolis s'oriente résolument vers une conception et une mise en œuvre durables de nouveaux projets de construction, ainsi que vers une rénovation durable de cinémas existants. Lors de chaque aménagement, nouvelle construction ou rénovation, Kinepolis s'attache bien sûr à garantir le confort de ses visiteurs et collaborateurs, et s'efforce aussi de minimiser son empreinte écologique en utilisant des matériaux et techniques de construction innovants et écologiques.

POLITIQUE D'INTÉGRITÉ DANS LES AFFAIRES

(se référant au sujet 6 de l'analyse de matérialité)

Outre ces trois piliers, Kinepolis mène une politique rigoureuse en matière de lutte contre la corruption et les pots-de-vin et déploie des efforts considérables pour sensibiliser ses collaborateurs et le management à ces sujets. En effet, l'intégrité aura toujours la préséance dans la gestion d'entreprise de Kinepolis.

CADRE DE REPORTING

En 2017, Kinepolis a décidé de structurer son approche de la durabilité existante pour la faire correspondre à la norme internationalement reconnue ISO 26000 *(Lignes directrices relatives à la responsabilité sociale des entreprises)*. Dans l'attente des nouveaux développements concernant la standardisation du paysage actuel du reporting ESG, pour lequel diverses initiatives sont en cours, et de la nouvelle directive européenne *(Corporate Sustainability Reporting Directive, CSRD)* ainsi que de nouveaux développements par rapport à la Taxonomie verte de l'UE qui sont prévues pour la fin 2022, Kinepolis a choisi de poursuivre avec le cadre actuel pour 2021. Dès que les résultats des initiatives de normalisation en cours et de la nouvelle directive européenne seront clairs, Kinepolis choisira un nouveau cadre pour rendre public ses informations non-financières, conformément à sa stratégie intégrée.

Kinepolis Leidschendam (P-B)

TAXONOMIE DE L'UE

Cette section contient les informations sur la taxonomie de l'UE requises par l'article 8 du règlement 2020/852 (le règlement sur la taxonomie de l'UE). L'article 9 du règlement sur la taxonomie de l'UE identifie les six objectifs environnementaux suivants : a) l'atténuation du changement climatique, b) l'adaptation au changement climatique, c) l'utilisation durable et la protection des ressources hydriques et marines, d) la transition vers une économie circulaire, e) la prévention et le contrôle de la pollution, f) la protection et la restauration de la biodiversité et des écosystèmes.

L'UE a publié un catalogue d'activités économiques pouvant être envisagées pour les deux premiers objectifs environnementaux : l'atténuation du changement climatique et l'adaptation au changement climatique (les Règlements Délégués Climat).

Les secteurs actuellement couverts comprennent les activités cinématographiques, ainsi que les activités immobilières. Pour le reporting en 2021, seule la proportion des activités économiques éligibles à la taxonomie dans le chiffre d'affaires, les dépenses d'investissement (CapEx) et les dépenses de fonctionnement (OpEx) doit être divulguée. La conformité aux exigences de la taxonomie sera déterminé et divulgué au cours des exercices suivants.

KPI TAXONOMIE DE L'UE	DESCRIPTION DE L'ACTIVITÉ	CHIFFRE D'AFFAIRES	CAPEX [1]	OPEX [2]
Activités éligibles (%)	13.3 Production de films, vidéo et programmes de télévision (code NACE J59) 7.7 Acquisition et propriété de bâtiments (code NACE L68)	97,6 %	99,6 %	99,8 %
Activités non éligibles (%)	Brightfish	2,4 %	0,4 %	0,2 %
TOTAL		**100 %**	**100 %**	**100 %**

(1) Le CapEx total comprend les acquisitions aux immobilisations incorporelles (à l'exclusion du goodwill), les immobilisations corporelles et le droit d'utilisation des actifs. Notre CapEx total peut être rapproché des notes 9 et 11 du rapport financier.
(2) L'OpEx total comprend les coûts directs non capitalisés liés à la recherche et au développement, aux mesures de rénovation des bâtiments, à la location à court terme, à l'entretien et à la réparation, ainsi que toutes les autres dépenses directes liées à la gestion courante des actifs immobiliers.

MESURE DES PRESTATIONS RELATIVES À LA POLITIQUE DE DURABILITÉ

En vue de mesurer l'efficacité et l'efficience de ces mesures, un ou plusieurs indicateurs de performance clés (Key Performance Indicator, KPI) ont été définis pour les sujets les plus significatifs. Par ailleurs, des indicateurs de performance descriptifs et des exemples seront utilisés à travers ce rapport afin d'illustrer la politique.

Au cours des prochaines années, Kinepolis renforcera encore davantage sa stratégie intégrée et ses efforts en matière de durabilité. Une estimation des risques liés à ces sujets sera effectuée régulièrement et il sera vérifié si les mesures appropriées ont été prises pour les limiter.

Dans le tableau ci-dessous, les aspects étudiés lors de la consultation des parties prenantes sont liés aux lignes directrices pertinentes de la norme ISO26000, indiquant les indicateurs de performance clés qui ont été inclus dans ce rapport.

INDICATEURS DE PERFORMANCE CLÉS (KEY PERFORMANCE INDICATORS, KPI)

	SUJETS INCLUS DANS L'ANALYSE DE LA MATÉRIALITÉ	DIRECTIVES ISO 26000 CONCERNÉES	KPI
Bien-être des clients et des communautés locales	• Divertissement de qualité supérieure pour le plus large public possible • Expérience client • Sûreté et sécurité des clients et collaborateurs • Lieu de rencontre sociale • Diversification du contenu et offre personnalisée • Protection des données clients • Inclusion sociale • Soutien d'œuvres caritatives	• Service à la clientèle, soutien et règlement des plaintes et des litiges • Protection de la santé et de la sécurité des consommateurs • Marketing équitable, informations factuelles et impartiales, et pratiques contractuelles équitables • Protection des données des consommateurs et de la vie privée • Éducation et sensibilisation	Réponse au CSI : Customer Satisfaction Index (Indice de satisfaction clientèle) en Europe et aux États-Unis Enquête « Tell Us About Us » (parlez-nous de nous) auprès des visiteurs au Canada KPI 2020–2021 : Évaluation par les clients de la sécurité – « Êtes-vous satisfait des mesures de sécurité/ d'hygiène prises dans le contexte de la crise Covid-19 ? »
Bien-être des collaborateurs	• Développement et épanouissement des collaborateurs • Bien-être des employés, diversité et inclusion	• Emploi et relations de travail • Conditions de travail et protection sociale • Dialogue social • Santé et sécurité au travail • Développement humain et formation sur le lieu de travail	Réponse au PSI (Indice de satisfaction du personnel) Nombre de responsables de budget (« budget owners ») par rapport au nombre total de collaborateurs Cycle d'évaluation Taux de mobilité interne
Respect de l'environnement	• Bâtiments et infrastructures écologiques et résilients • Gestion des déchets • Mobilité verte et accessibilité géographique	• Prévention de la pollution • Utilisation durable des ressources • Atténuation du changement climatique et adaptation au changement climatique	Empreinte carbone Consommation d'énergie par an exprimée en kWh/m² *KPI moins pertinents en 2020 et 2021 en raison de l'impact de la pandémie de Covid-19 (activité limitée et/ou fermeture, besoins de ventilation)*
Intégrité dans les affaires	• Approvisionnement éthique et durable • Éthique dans les affaires (anti-corruption, droits de l'homme, intégrité dans la publicité)	• Droits de l'homme • Pratiques d'exploitation équitables	% de collaborateurs qui ont souscrit au Code de conduite

Nos clients

L'expérience client constitue l'épicentre des activités de Kinepolis. C'est pourquoi Kinepolis attache la plus grande importance à la satisfaction de sa clientèle et veille à son bien-être tout au long du parcours client.

POLITIQUE

Kinepolis s'efforce d'offrir une expérience positive à ses clients lors de chaque visite ou contact et d'accroître ainsi la probabilité d'une nouvelle visite ou d'un bouche-à-oreille positif. Kinepolis se concentre dès lors sur différents aspects qui contribuent tous à faire vivre au client une expérience totale :

- Une offre de films étoffée pour répondre à tous les goûts ;
- Des cinémas et salles modernes, confortables et d'accès aisé ;
- Un service de qualité à la clientèle, où le bien-être et la sécurité des clients et des collaborateurs sont primordiaux.

Depuis l'apparition du virus Covid-19 dans le monde entier, Kinepolis – en concertation avec les autorités compétentes et les fédérations sectorielles de chaque pays – a élaboré et mis en œuvre des protocoles de sécurité étendus pour protéger la santé de ses clients et de ses collaborateurs. Ces protocoles Covid seront expliqués plus en détail dans ce chapitre.

INDICE DE SATISFACTION DE LA CLIENTÈLE (CSI)

NOMBRE D'ENQUÊTES COMPLÉTÉES [1]	EUROPE	CANADA	ÉTATS-UNIS [2]	TOTAL
2019	540 193	17 000	-	557 193
2020	219 635	4 190	-	223 825
2021	295 307	1 101	17 688	314 096

(1) Nombre d'enquêtes moins élevé en 2020 et 2021 en raison de la baisse significative des chiffres de fréquentation due aux fermetures prolongées des salles de cinéma et aux contraintes de capacité.
(2) L'enquête CSI a été introduite dans les cinémas MJR au deuxième trimestre 2021 (Brighton à partir de la fin avril, Waterford à partir de la fin mai et les autres complexes à partir du 1er juin).

ÉVALUATION DE NOTRE POLITIQUE : INDICE DE SATISFACTION DE LA CLIENTÈLE (CSI)

Kinepolis mesure en permanence les efforts déployés en ce qui concerne l'expérience client proposée par le biais du Customer Satisfaction Index (CSI) en Europe et aux États-Unis et de l'enquête « Tell Us About Us » (parlez-nous de nous) auprès des visiteurs au Canada. En 2021, Kinepolis Group a reçu 314 096 questionnaires remplis, dont 295 307 en Europe et 18 789 en Amérique du Nord. Il est important de noter ici que le nombre d'enquêtes a été fortement influencé par la baisse des chiffres de fréquentation due aux fermetures prolongées des cinémas et aux contraintes de capacité. En effet, de nombreux cinémas ont été fermés la moitié du temps en 2021.

Chaque visiteur européen et, depuis juin 2021, également chaque visiteur américain qui a acheté des tickets en ligne et qui a donc laissé son adresse e-mail est systématiquement invité, dans les 24 heures après sa visite au cinéma, à s'exprimer sur la façon dont il a vécu son expérience. Les visiteurs qui n'ont pas acheté de tickets en ligne peuvent partager leur avis par le biais d'un formulaire sur le site web. En sondant les clients, Kinepolis s'efforce d'obtenir des renseignements sur divers aspects de l'expérience client : que pense le visiteur du film, de la qualité de l'image et du son, du service, de la propreté, de l'amabilité du personnel, des délais d'attente, etc. Les clients peuvent également faire part de leurs suggestions par ce biais.

Au Canada, l'enquête « Tell Us About Us » n'est pas encore proposée par courrier électronique, mais par le biais du site web. Les clients sont conviés à la compléter par le personnel du cinéma et par une communication lors de l'avant-programme. Toutefois, en raison des conditions opérationnelles difficiles, cette promotion n'a pas eu lieu en 2021, ce qui a entraîné un taux de réponse nettement inférieur pour le Canada. Landmark Cinemas mettra en œuvre la méthode CSI de Kinepolis (où les clients en ligne sont automatiquement contactés après une visite au cinéma) au Canada en 2022.

Le CSI permet à Kinepolis de recueillir en permanence les commentaires des clients, de façon très détaillée. Les résultats sont analysés et publiés quotidiennement au niveau des équipes, des cinémas et à l'échelle nationale. Kinepolis adapte continuellement ses activités ainsi que la programmation des films sur la base du retour des clients. Par exemple, les remarques relatives à la qualité des sièges sont immédiatement transmises au département concerné. Le siège incriminé sera ensuite rapidement contrôlé et, le cas échéant, réparé.

En outre, la satisfaction client, parallèlement à la satisfaction des collaborateurs et aux paramètres financiers, constitue un KPI essentiel au sein du Groupe pour évaluer la performance des complexes cinématographiques, des managers et des collaborateurs. Les paramètres susmentionnés sont également inclus dans le régime de primes pour les managers et les responsables de budget. Le taux de réponse est suffisamment élevé dans chaque pays – à l'exception du Canada – pour avoir une image représentative de la satisfaction de la clientèle.

LANCEMENT DU PROGRAMME DE FIDÉLITÉ LANDMARK EXTRAS (CA)

Landmark EXTRAS a été lancé le 21 septembre 2021 et propose aux cinéphiles trois formules : Movie Fan, un programme gratuit permettant de collecter des points à chaque achat ; Movie Insider, une formule basée sur une cotisation annuelle qui permet de collecter plus de points ; et Movie Club, une formule d'abonnement avec une cotisation mensuelle fixe pour une visite gratuite au cinéma et toutes les suivantes à prix réduit, ainsi que d'autres avantages pour les membres.

Au début de l'année 2022, Landmark EXTRAS comptait déjà 190 000 membres actifs, dont près de 9 000 abonnés au Movie Club.

Des extras pour les clients fidèles

FEED-BACK DES SUPERFANS (BE)

À l'automne 2021, Kinepolis a interviewé quelques superfans belges. Des cinéphiles venant au cinéma chaque semaine depuis des années ont partagé leurs expériences et leurs suggestions d'amélioration, et ils ont vu leur passion pour le cinéma et Kinepolis récompensée par dix tickets de cinéma gratuits.

GRUPO DE AMIGOS (ES)

En 2021, Kinepolis Espagne a relancé le « Grupo de Amigos », grâce auquel les clients qui remplissent plus de 80 % de leur profil MyKinepolis en ligne et s'abonnent à la newsletter MyKinepolis bénéficient d'avantages spéciaux, notamment, outre un ticket d'anniversaire gratuit, une newsletter mensuelle « Grupo de Amigos » avec des promotions, des invitations et des concours exclusifs, ainsi que des réductions sur les films sur le point d'être retirés de la programmation.

PROTOCOLE DE SÉCURITÉ COVID-19

Ces deux dernières années, Kinepolis a mis tout en œuvre pour offrir aux cinéphiles un moment de détente sûr en dehors de leur domicile, et contribuer ainsi au bien-être de ses clients dans un contexte difficile.

Comme en 2020, Kinepolis a appliqué en 2021 un protocole de sécurité strict dans ses cinémas, élaboré en concertation avec les fédérations sectorielles et les autorités compétentes, afin de protéger la santé de tous. Bien que la mise en place de ces protocoles ait été différente dans chaque pays où le Groupe opère et qu'ils aient été constamment adaptés en fonction de l'actualité, tous reposent sur une base commune:

- Gérer le flux des visiteurs du, vers et dans le cinéma.
- Respecter une distanciation sociale appropriée pendant la durée de la visite au cinéma. En ce qui concerne la distance à respecter dans la salle, les réglementations ont varié d'un pays à l'autre et au fil du temps, en tenant compte, entre autres, de l'instauration du pass Covid (certificat de vaccination, de rétablissement ou de test) et d'une éventuelle interdiction de consommer des boissons et des snacks.
- Restrictions de capacité par salle ou cinéma selon les exigences légales du pays ou de la province concernés.
- Instauration du pass Covid dans les pays ou provinces où il était légalement requis ou lorsque les mesures alternatives rendaient impossible l'exploitation rentable d'un cinéma.
- Masques buccaux obligatoires pendant toute la durée de la visite du cinéma, à l'exception des périodes (plutôt courtes) juste après l'instauration du pass Covid dans certains pays.
- Optimisation des systèmes de ventilation et de purification de l'air
- Des mesures de sécurité et d'hygiène strictes dans tous les espaces et lors de toutes les interactions avec le personnel (désinfection des mains, désinfection des surfaces de contact, etc.)

Dans le cadre de la mise en œuvre concrète de ce protocole, des mesures ont été prises en ce qui concerne le nombre de places, la programmation, le flux de visiteurs et l'achat et le contrôle des billets. Dans un certain nombre de pays, une interdiction temporaire de la vente et de la consommation de snacks et de boissons a également fait partie des mesures imposées.

Le contact physique entre les clients et les collaborateurs a été réduit au strict minimum. La vente de tickets en ligne a dès lors été encouragée pour tous les cinémas. Des mesures ont également été prises dans les boutiques, notamment en autorisant temporairement la vente en ligne de boissons et de snacks (KineGo) et en limitant temporairement l'offre à des produits principalement préemballés.

Le nombre de projections de films – et donc de spectateurs – a été réparti de manière optimale tout au long de la journée. Lors de la première période après le redémarrage, à l'été 2021, les pauses ont été temporairement annulées pour éviter tout rassemblement dans les espaces communs.

Toutes les mesures de sécurité ont été communiquées de manière intensive à nos visiteurs, via nos canaux en ligne ainsi que dans les cinémas proprement dits. Tant sur les sites web Kinepolis que Landmark (respectivement www.kinepolis.com et www.landmarkcinemas.com), une page web spéciale Covid-19 a été créée, contenant des informations à jour sur les mesures prises dans les cinémas, ainsi qu'une liste des questions les plus fréquemment posées, avec leur réponse.

De nombreux collaborateurs ont également été déployés dans le cinéma pour guider les visiteurs si nécessaire et leur indiquer activement les mesures applicables et le comportement souhaité.

VENTILATION

Kinepolis a reprogrammé ses systèmes de ventilation de manière à ce qu'un maximum d'air frais extérieur soit utilisé dans tous les espaces (au lieu de recycler partiellement l'air usagé comme c'est normalement le cas). En outre, en Belgique, des détecteurs de CO_2 mobiles sont utilisés dans les salles.

KPI SCORE DES VISITEURS DES MESURES DE SÉCURITÉ ET D'HYGIÈNE PRISES

78 jusqu'à 86 %

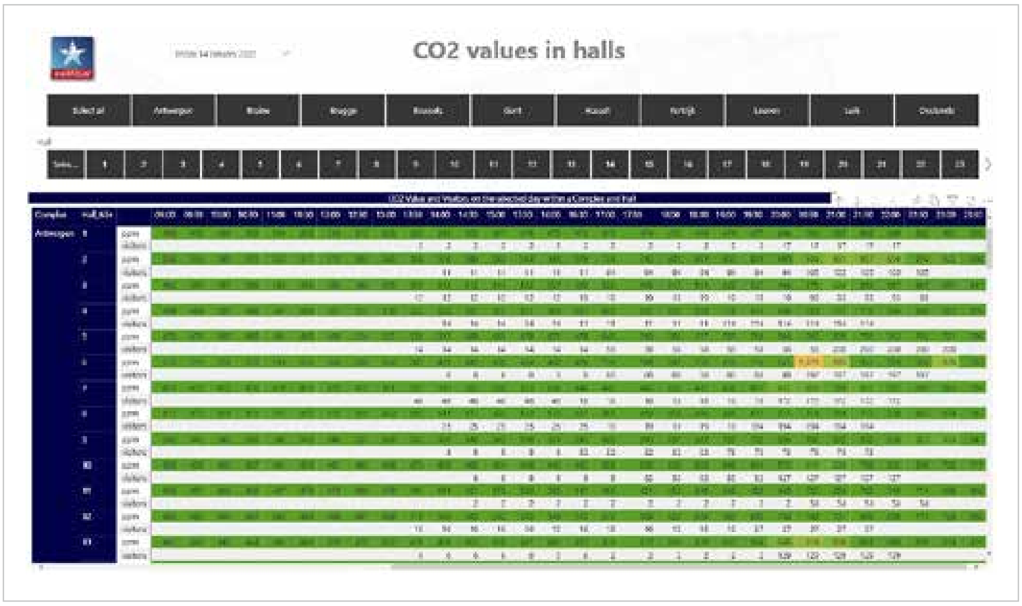
satisfait à très satisfait

KPI: ÉVALUATION DU PROTOCOLE DE SÉCURITÉ

Pour évaluer le protocole de sécurité susmentionné, la question suivante a été ajoutée à l'enquête CSI en 2020 : « Êtes-vous satisfait des mesures de sécurité et d'hygiène prises à la lumière de la pandémie de Covid-19 ? ». Selon les pays, 78 à 86 % des clients [1] ayant répondu à l'enquête en 2021 se sont déclarés satisfaits ou très satisfaits des mesures prises dans les cinémas Kinepolis et MRJ (le reste étant majoritairement neutre).

(1) Ce score ne concerne que Kinepolis Europe et MJR Digital Cinemas aux États-Unis, car cette question spécifique à la crise Covid faisait uniquement partie de l'enquête CSI et non de l'enquête « Parlez-nous de nous » que Landmark Cinemas utilise au Canada.

EXEMPLE DE SURVEILLANCE DES VALEURS DE CO_2 DANS LA SALLE (PPM)



Capture d'écran du 14 janvier 2022, Kinepolis Anvers, valeurs ppm et nombre de visiteurs (à l'époque limités à un maximum de 200) par salle.

SUPPORT CLIENT

Kinepolis souhaite offrir une disponibilité sans faille à ses clients et s'engage à répondre le plus rapidement possible aux questions et remarques. Afin d'informer les clients au mieux et de stimuler l'autonomie, Kinepolis a publié sur son site web, tant en Europe qu'au Canada (respectivement www.kinepolis.com et www.landmarkcinemas.com), une liste des questions les plus fréquemment posées, avec leur réponse. Cette liste est régulièrement mise à jour sur la base des retours des clients. Kinepolis ne manque d'ailleurs pas de rediriger les clients de façon proactive vers cette « foire aux questions » (FAQ) pendant leur parcours en ligne. Si les clients ne trouvent pas réponse à leur question, ils peuvent alors prendre contact au moyen du formulaire de contact disponible sur le site web. Ce formulaire a été conçu de telle sorte que la question posée arrive automatiquement à la personne compétente et/ou au cinéma concerné.

Bien sûr, lorsqu'ils sont sur place au cinéma, les clients peuvent aussi s'adresser au personnel pour tout problème ou toute question. De nombreuses questions des clients sont en outre traitées quotidiennement sur les réseaux sociaux (Twitter, Facebook, Instagram).

POLITIQUE D'INDEMNISATION COVID-19

Depuis le début de la pandémie, Kinepolis s'est engagé à limiter autant que possible l'impact sur les clients et à leur offrir un soutien maximal grâce à sa politique d'indemnisation. Les clients avaient le choix entre un remboursement ou un voucher pour une séance annulée (dans le cas où les clients payaient par un voucher, ils recevaient d'office un voucher). Les acheteurs en ligne ont été contactés de manière proactive et les acheteurs hors ligne pouvaient demander une indemnisation via un formulaire sur le site internet. Même lorsque les cinémas étaient ouverts mais que les clients décidaient de ne pas s'y rendre (par exemple, en raison de symptômes de maladie, quarantaine ou contamination) , ils pouvaient toujours faire appel au régime d'indemnisation. Les vouchers qui expiraient pendant la période de fermeture ont été immanquablement renouvelés, et la période de validité des vouchers anniversaire a également été ajustée.

« THE ULTIMATE MOVIE EXPERIENCE », UNE EXPÉRIENCE CINÉMATOGRAPHIQUE DE QUALITÉ SUPÉRIEURE

La qualité de l'expérience cinématographique que nous offrons détermine dans une large mesure la satisfaction client. Kinepolis s'efforce de respecter les normes de qualité les plus élevées et continue d'investir dans l'innovation des produits et les concepts d'expérience. La majeure partie de ces innovations s'inscrit dans la poursuite de l'élargissement de l'offre, grâce à laquelle Kinepolis entend répondre aux souhaits de différents groupes cibles.

Kinepolis a l'habitude de tester de nouveaux concepts dans quelques cinémas, puis de les déployer dans d'autres pays et cinémas. La satisfaction client est le paramètre le plus important pour la valorisation de nouveaux produits et concepts. Nous constatons également que la satisfaction des clients est en moyenne plus élevée dans les salles Premium (par ex. Laser ULTRA, IMAX...), ce qui indique que les clients sont prêts à payer plus pour une expérience plus intense.

COSY SEATING

Les *Cosy Seats* sont des sièges encore plus confortables dotés d'accoudoirs extra larges, d'une tablette pratique pour les boissons et les snacks et d'un petit porte-manteau. Ils offrent plus d'espace et d'intimité, ce qui vous permet de profiter du film dans votre propre bulle. Au Canada, le concept a été lancé en 2020 sous l'appellation *Premiere Seats*. Le *Cosy Seat Plus* a été introduit pour la première fois en 2021 à Leidschendam (P-B), ce sont des *Cosy Seats* avec un pouf pour les jambes, vous permettant de vous installer confortablement.

Cosy Seat Plus, avec un pouf pour les jambes

SIÈGES INCLINABLES

Le concept de sièges inclinables est très populaire en Amérique du Nord. Il s'agit de sièges entièrement inclinables et automatisés avec repose-pieds, qui garantissent une sortie au cinéma 100 % détendue. Landmark Cinemas Canada, qui a été le premier à introduire ce concept au Canada, a maintenant équipé la plupart de ses multiplexes de sièges inclinables.

PROJECTION LASER

Les projecteurs laser garantissent une qualité d'image sublime tout en permettant d'économiser 40 % d'énergie par rapport aux projecteurs à lampes au xénon. Cette technologie assure un éclairage plus stable, mais aussi plus de lumière dans les coins, ainsi qu'un meilleur contraste. En juin 2018, Kinepolis a conclu un accord avec Cinionic pour équiper environ 300 salles de cinéma avec des lasers Barco d'ici à la mi-2021. Le déploiement a été retardé en raison de la pandémie, mais il progresse : actuellement, 280 salles de projection sur un total de 1 097 sont équipées de la projection laser. 41 d'entre elles sont des salles Laser ULTRA. Tous les cinémas récemment ouverts ont été intégralement équipés de la projection laser (full-laser).

16
CINÉMAS FULL-LASER

41
SALLES LASER ULTRA

58
SALLES AVEC DOLBY ATMOS

Chiffres au 31/12/2021

LASER ULTRA
Avec Laser ULTRA, Kinepolis associe la qualité d'image unique du projecteur laser 4K de Barco au système audio immersif Dolby Atmos. Grâce à la combinaison de ces deux technologies, les visiteurs vivent le film plus intensément encore et s'aventurent au cœur de l'action.

4D
La technologie cinématographique 4D innovante fait passer l'image de superproductions débordant d'actions à un niveau supérieur, bien au-delà de l'expérience au cinéma traditionnelle, grâce à des effets spéciaux tels que des sièges mobiles, des simulations météorologiques et des effets d'odeurs, parfaitement synchronisés avec l'action à l'écran. Cette technologie cinématographique révolutionnaire stimule tous les sens et rend le visionnage de films encore plus intense.

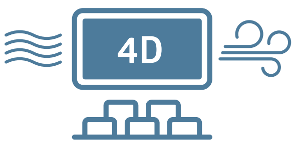
SCREENX
ScreenX est la première technologie multi-projection au monde capable de procurer au spectateur une expérience visuelle à 270° en étendant la scène aux parois latérales de la salle. Kinepolis a ouvert plusieurs salles ScreenX en Europe depuis la fin de l'année 2019.

IMAX
Landmark Cinemas Canada dispose de six salles IMAX. Au Kinepolis de Bruxelles et d'Anvers, les cinéphiles peuvent également vivre une expérience IMAX immersive pour les plus grands films à succès. Il s'agit de salles « IMAX avec Laser » dotées d'un projecteur laser 4K combiné à une expérience audio immersive.

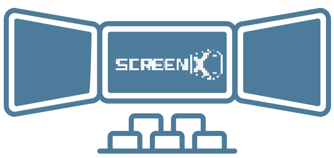
VIVRE LE CINÉMA ENSEMBLE

Se rendre au cinéma est un événement social. C'est du temps de qualité avec la famille ou les amis. Ou l'endroit idéal pour un premier rendez-vous ou une soirée romantique. Rencontrer des personnes et partager des émotions (même avec des inconnus dans la salle) contribue à l'impact positif d'une visite au cinéma. Afin d'encore renforcer cette expérience, Kinepolis s'engage pleinement dans des formules événementielles visant à rassembler des personnes et des fans, comme des marathons, des concerts uniques, les Nuits d'horreur, les week-ends pour enfants, etc.


Expérience 4D avec effets spéciaux



13
SALLES 4D



5
SALLES SCREENX

8
SALLES IMAX

UNE OFFRE CINÉMATOGRAPHIQUE POUR TOUS

Outre le confort des sièges, la technologie de l'image et du son, le film joue également un rôle important dans l'expérience client. Grâce à sa stratégie de marketing relationnel (voir p. 40), Kinepolis s'efforce de fournir aux clients les meilleures informations possibles sur l'offre de films et de faire des recommandations sur la base de préférences personnelles. La publication du score NPS par film (voir l'encadré 'les clients conseillent les clients') aide également les clients à faire le bon choix de film.


Demon Slayer, film japonais

Kinepolis met un point d'honneur à proposer à tout moment une offre de films adaptée à tous les groupes cibles, y compris aux minorités sociales (ethniques ou culturelles). Outre les blockbusters, Kinepolis programme et promeut des films d'auteur, de nombreux films locaux et multiculturels, du cinéma événementiel (y compris des concerts, des compétitions sportives, des comédies stand-up) et développe avec succès son propre programme culturel proposant opéra, ballet, expositions d'art et theâtre sur grand écran. L'offre cinématographique est toujours adaptée au public de chaque cinéma, compte tenu notamment des facteurs démographiques, de l'identité régionale et de l'offre culturelle.

Dans les grandes villes, constituées par exemple d'une importante communauté indienne et/ou turque, Kinepolis assure la programmation de films issus de l'univers Bollywood ainsi que de films à succès turcs. Outre les films polonais et russes, entre autres, des expériences ont été menées avec des films chinois et japonais ces dernières années. Parallèlement, les films abordant des thèmes régionaux, et réalisés par des réalisateurs (souvent-débutants) possédant un fort ancrage régional, bénéficient d'une plateforme dans les cinémas Kinepolis concernés.

SCORE VISITEURS PAR FILM (NPS)
LES CLIENTS CONSEILLENT LES CLIENTS [1]

Le Customer Satisfaction Index mesure également le score visiteurs de chaque film individuel de la programmation de Kinepolis. Ce score visiteurs indique dans quelle mesure les visiteurs conseilleraient à d'autres le film qu'ils viennent de voir. Il est pris en compte pour la programmation hebdomadaire et représente en ce sens un important indicateur de la durée de vie d'un film au cinéma.

Kinepolis publie systématiquement les scores visiteurs sur son site web aux côtés des films auxquels ils se rapportent, même si les scores sont négatifs. Un rôle de facilitateur qui permet aux clients de se conseiller mutuellement sur le choix d'un film. Le score visiteurs influence par ailleurs les recommandations que Kinepolis fournit aux clients. Il constitue l'une des variables de son moteur de recommandation, qui tente, sur la base de l'intelligence artificielle, de déterminer au mieux les films de l'offre actuelle susceptibles de plaire le plus aux clients.

(1) Pas encore d'application pour Landmark Cinemas Canada

CONTENU LOCAL

Landmark Cinemas Canada utilise un label « Canadian Film Spotlight » pour une sélection de films canadiens soigneusement compilée, qui met en valeur les titres du distributeur canadien Independent Film Series et d'autres distributeurs locaux.

En Belgique, Kinepolis investit, via Kinepolis Film Distribution, également dans la production et la promotion de films flamands. Kinepolis a la conviction que le soutien et la production d'un contenu local s'avèrent essentiels pour assurer un avenir durable au cinéma et à la culture cinématographique locale.

FESTIVALS DE CINÉMA LOCAUX

Afin de promouvoir la culture cinématographique locale, Kinepolis en Europe et Landmark Cinemas au Canada soutiennent également chaque année de nombreux festivals de cinéma locaux (par ex. le Film Fest Gent et le Filmfestival Oostende en Belgique). Toutefois, ces deux dernières années, de nombreux festivals ont été annulés en raison de la pandémie de Covid-19.

Promotion du film flamand « K3, la danse du pharaon » (BE)

Film Fest Gent, Kinepolis Gand (BE)

POLITIQUE DE PROGRAMMATION INCLUSIVE

Kinepolis a pris la pleine mesure de sa responsabilité socioculturelle et s'efforce d'offrir en ce sens une programmation qui reflète la diversité de notre société actuelle. La programmation multiculturelle de Kinepolis ainsi que l'offre spécifiquement destinée aux seniors sont autant d'exemples de sa politique de programmation inclusive, qui n'exclut aucun groupe social.

Dans le cadre de ses activités B2B, Kinepolis a également développé un programme destiné aux écoles, qui fait la part belle aux thèmes actuels traités par le programme scolaire et propose des films accompagnés d'un dossier pédagogique. Les écoles bénéficient par ailleurs de tarifs avantageux. Il s'agit d'un excellent moyen de susciter le débat autour des sujets abordés par les films (par ex. dans le contexte de la « Semaine du Harcèlement » ou de la « Journée pour un Internet plus sûr ») ou de familiariser les élèves de manière ludique avec une autre langue ou une autre culture (par ex. « Cinéperles » en faveur de la culture et de la langue françaises).

PROTECTION DES DONNÉES DES CLIENTS

Dans le cadre de sa stratégie de marketing relationnel et de sa devise Marketing as a Service, Kinepolis récolte des données au sujet de ses clients. L'entreprise peut ainsi orienter ses activités de façon optimale en fonction des désirs des visiteurs et propose à ses visiteurs européens des recommandations liées aux films et aux événements sur la base des données recueillies via leur profil personnel.

En Europe, depuis le 25 mai 2018, le traitement des données des clients est régi par le règlement général sur la protection des données (RGPD) de l'Union européenne, qui vise à protéger les données à caractère personnel. Précisons que les valeurs fondamentales contenues dans le RGPD ont toujours été les valeurs que Kinepolis a appliquées pour traiter les données des clients, à savoir :

- Kinepolis mène une politique transparente envers ses clients en ce qui concerne le traitement de leurs données ;
- Le principal objectif de la collecte et du traitement des données des clients est l'amélioration du service à la clientèle ;
- Kinepolis attache une grande importance aux droits de ses clients relatifs aux données et leur permet de les exercer en toute simplicité ;
- Kinepolis mène une politique de sécurité stricte du point de vue organisationnel et technique en ce qui concerne les données de ses clients.

L'équivalent canadien du RGPD est la LPRPDE (Loi sur la protection des renseignements personnels et les documents électroniques). Landmark Cinemas Canada respecte toutes les exigences de la LPRPDE dans son traitement des données des clients et s'efforce d'appliquer les mêmes valeurs.

Le respect des clients est intrinsèquement lié au respect de leurs données. Deux aspects que Kinepolis prend extrêmement au sérieux.

CYBERSÉCURITÉ

Kinepolis prend toute une série de mesures pour protéger ses systèmes informatiques, et donc ses employés, ses clients et ses activités commerciales, contre les cyberattaques. Les risques liés aux TIC (et les mesures de contrôle pour les couvrir) sont examinés tous les quinze jours au sein du Comité de la cybersécurité et font également l'objet d'un point fixe de l'ordre du jour lors du Comité directeur mensuel des TIC. Au moins une fois par an, ces questions sont également discutées formellement au sein du Comité d'audit.

Kinepolis dispose d'un Security & Compliance Officer qui s'entoure de divers consultants externes qui testent en permanence la sécurité des systèmes TIC de Kinepolis. Par exemple, Kinepolis travaille depuis plusieurs années avec Intigriti, une plateforme de « bug bounty » qui réunit des pirates éthiques pour identifier les vulnérabilités à la demande de l'entreprise, afin que Kinepolis puisse y remédier le plus rapidement possible. Kinepolis applique également un code strict pour ses partenaires extérieurs en matière de cybersécurité.

En raison de la pandémie de Covid-19 et de l'utilisation intensive des outils de travail numériques, les efforts de cybersécurité ont encore été renforcés ces deux dernières années. Des investissements ont notamment été réalisés dans des mécanismes de protection supplémentaires. Une politique active de gestion garantit que tous les systèmes sont étroitement surveillés. En interne également, de nombreux efforts ont été déployés pour protéger l'entreprise et les collaborateurs contre le phishing et d'autres formes de cybercriminalité. Ces efforts sont expliqués dans la section relative au bien-être de nos employés.

NORMES SONORES

Kinepolis attache la plus grande importance à la protection de l'ouïe de ses visiteurs et applique à cet égard les normes sonores nationales applicables avec la plus grande rigueur. En Europe, cela signifie entre autres que Kinepolis :

- procède annuellement au calibrage de ses salles de cinéma ;
- soumet les installations audio à un contrôle approfondi toutes les deux semaines ;
- vérifie le niveau sonore maximal des différents types de programmes (par ex. avant-programme, films pour enfants, etc.) ;
- adapte systématiquement les réglages audio au type de programme et à la taille de la salle.

ACCESSIBILITÉ AUX FAUTEUILS ROULANTS

Kinepolis met tout en œuvre pour garantir que les usagers en fauteuil roulant puissent accéder à un maximum de salles. Plus de 90 % des salles Kinepolis et 100 % des salles Landmark sont ainsi accessibles aux personnes à mobilité réduite, et la plupart de ces salles contiennent également des places réservées pour les personnes en fauteuil roulant.

Tous les cinémas récemment ouverts par Kinepolis sont 100 % accessibles en fauteuil roulant. Dans les quelques cinémas où toutes les salles ne sont pas accessibles en fauteuil roulant en raison d'une infrastructure vieillissante, les visiteurs à mobilité réduite ont néanmoins la possibilité de voir tous les films, puisque Kinepolis veille à une rotation suffisante de la programmation dans les salles. Kinepolis entretient à tout moment une communication très claire, en ligne ou sur place dans ses complexes, à propos de l'accessibilité de ses salles. Lors de la réservation en ligne, les places pour les utilisateurs de fauteuils roulants sont clairement indiquées sur le plan de salle, afin que les clients puissent réserver ces places à l'avance lors de l'achat de leur ticket.

Tous les cinémas récemment ouverts par Kinepolis sont 100 % accessibles en fauteuil roulant.

ACCESSIBILITÉ POUR LES PERSONNES AVEC UN HANDICAP AUDIOVISUEL

Conformément à la législation française, Kinepolis a équipé tous ses cinémas français du système Twavox. Celui-ci permet aux personnes présentant un handicap auditif ou visuel d'adapter le son de façon optimale selon leurs désirs (par ex. augmenter le son ou l'égaliser) grâce à une application sur leur smartphone et à des écouteurs. Les personnes atteintes d'un handicap visuel peuvent également recourir à l'audiodescription.

Depuis 2018, l'appli cinéma « Whatscine » est disponible dans tous les cinémas Kinepolis d'Espagne. Whatscine permet aux utilisateurs de choisir entre l'audiodescription, les sous-titres ou la langue des signes grâce à leur smartphone, en parfaite synchronisation avec l'action à l'écran. Bref, les visiteurs qui entendent ou voient mal (ou pas du tout) peuvent, eux aussi, profiter pleinement des derniers films.

Landmark Cinemas Canada soutient les cinéphiles avec un handicap audiovisuel par les systèmes audiovisuels « Fidelio » et « CaptiView » dans 28 de ses cinémas. Fidelio est un système audio sans fil dont le scénario est adapté aux malvoyants et aux malentendants et CaptiView est un système de sous-titrage fermé pour les malentendants ou les personnes sourdes.

Kinepolis continue à évaluer l'utilisation des systèmes précités en vue d'une éventuelle poursuite de leur déploiement dans plus de cinémas.

MOBILITÉ

Afin d'éviter les problèmes de mobilité autour de ses complexes, et dans le cadre de la promotion de la mobilité « verte », Kinepolis promeut le recours aux modes de transport alternatifs. Toutes les informations concernant l'accès aux complexes sont mises à la disposition des clients de la meilleure façon possible, et la plupart des sites Kinepolis sont munis d'un parking à vélos fermé. Lorsque c'est possible, le site est également rendu accessible aux transports publics. Une étude menée en 2019 sur les codes postaux en Belgique a montré que 40 % des visiteurs de Kinepolis Belgique viennent en transports publics, à pied ou à vélo. Dans les villes étudiantes comme Louvain ou Gand, ce chiffre s'élève à plus de 60 %.

SOUTIEN AUX ORGANISATIONS CARITATIVES ET AUX COMMUNAUTÉS LOCALES

Kinepolis entend assumer sa responsabilité sociétale et renforcer son engagement en faveur des communautés locales en soutenant des œuvres caritatives via le parrainage, l'organisation ou le soutien d'actions caritatives ou la promotion de l'emploi social. En 2021, Kinepolis a notamment soutenu la « Journée des Nez Rouges », « KickCancer » et les « 1000 km de Kom op tegen Kanker » en Belgique, « Les Restos du Cœur » en France, la Fondation Bio aux Pays-Bas et « Jeunesse, J'écoute » au Canada.

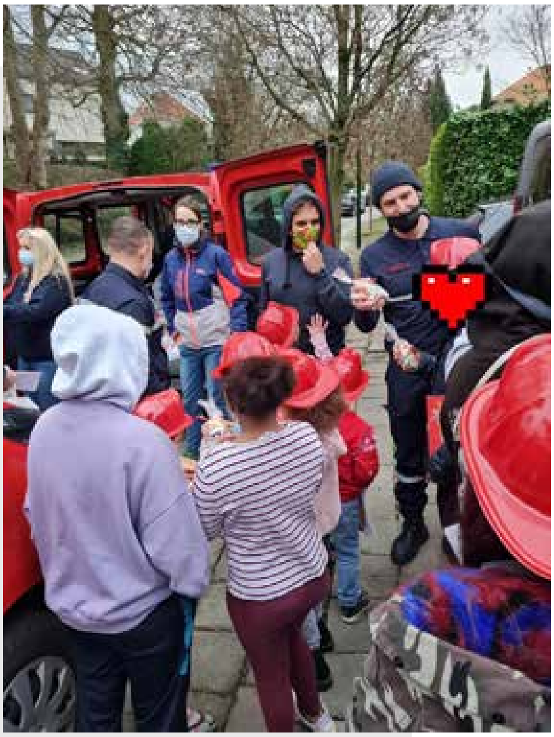
LES RESTOS DU CŒUR

En France, Kinepolis France a un partenariat avec les 'Restaurants du Cœur' pour proposer aux groupes vulnérables des projections de films à un tarif très réduit. Ces projections ont eu lieu en 2021 à Kinepolis Fenouillet, Rouen, Mulhouse, Thionville et au KLUB de Metz.

DON DE STOCKS DE BONBONS À DES CENTRES DE SOINS ET À DES ORGANISATIONS CARITATIVES

Lors des fermetures en 2020 et 2021, Kinepolis a fait don d'importants stocks de bonbons à divers centres de soins et organisations caritatives.

La coopération de Kinepolis Bruxelles avec la brigade des pompiers de Bruxelles à la suite de la fermeture inattendue à Noël 2021 en est un exemple concret. Les pompiers de Bruxelles ont emballé 1,2 tonne de bonbons dans 2 100 sachets, qui ont ensuite été distribués à 16 centres de soins et associations pour enfants défavorisés.



Les pompiers de Bruxelles ont emballé 1,2 tonne de bonbons dans 2100 sachets

LANDMARK, PARTENAIRE DE « JEUNESSE, J'ÉCOUTE »

Landmark Cinemas est un partenaire fidèle de « Jeunesse, J'écoute », la seule ligne d'assistance téléphonique nationale au Canada qui offre aux jeunes un soutien professionnel et des informations 24 heures sur 24, 7 jours sur 7.

En 2021, Landmark a soutenu le projet « Jeunesse, J'écoute Dance (et +) pour demain » par le biais de la promotion et de la collecte de fonds dans ses cinémas et ses centres d'assistance. Cela s'est traduit par une contribution de plus de 100 000 dollars canadiens afin de promouvoir la santé mentale et le bien-être des jeunes dans tout le Canada.

Remise du chèque en 2020 (pas de remise officielle du chèque en 2021)

KINEPOLIS PAYS-BAS SOUTIENT LA FONDATION BIO

Depuis 2019, Kinepolis Pays-Bas permet à chacun de faire facilement un don à la Fondation Bio. Pour l'instant, cela se fait par la collecte de bouteilles en plastique, la totalité de la consigne étant reversée à la Fondation Bio Vakantieoord. Kinepolis participe également à la Bio Run et au Bio gala.

La Fondation Bio a été créée en 1927 par l'industrie cinématographique néerlandaise et lui doit son nom (bioscoop = cinéma en néerlandais). La Fondation s'est engagée à offrir aux enfants handicapés des vacances relaxantes, comme au Bio Vakantieoord d'Arnhem. De temps à autre, des actions sont également organisées autour d'un film spécifique, dont une partie des recettes est reversée à cette œuvre de bienfaisance.

LA JOURNÉE DES NEZ ROUGES EN BELGIQUE

Kinepolis Belgique a soutenu la Journée des Nez Rouges en 2021, la campagne de DPG media pour soutenir la résilience et le bien-être des jeunes. Kinepolis a vendu des broches « Nez Rouges » dans tous les complexes belges, a organisé une projection gratuite de « Ghostbusters : Afterlife » au Kinepolis Gand et a également soutenu financièrement la campagne, ce qui a donné lieu à une contribution de 25 000 €.


Plus est en nous

Notre équipe

Des milliers de collaborateurs mettent chaque jour tout en œuvre afin que des millions de visiteurs vivent une expérience cinématographique inoubliable. Kinepolis a pleinement conscience que le talent et l'investissement de ses collaborateurs constituent le moteur de sa réussite.

La pandémie de Covid-19 a eu de graves répercussions sur les activités de Kinepolis en 2021, tout comme en 2020, et par conséquent, sur tous ses collaborateurs. La majorité de ceux-ci ont été au chômage, totalement ou partiellement, pendant une longue période au cours de l'année écoulée, principalement au cours du premier semestre de l'année. En raison d'un contexte épidémiologique en constante évolution, les équipes ont travaillé dans des conditions difficiles et ont fait preuve d'une grande flexibilité et d'un grand engagement. L'impact de la pandémie sur la politique de ressources humaines de Kinepolis sera expliqué plus en détail dans le présent chapitre.

NOTRE POLITIQUE RH : « PLUS EST EN NOUS »

La Ultimate Movie Experience débute et se termine avec les personnes qui lui donnent vie au quotidien, devant ou derrière les écrans. Kinepolis vise dès lors une croissance durable en recrutant, fidélisant et développant les talents.

La philosophie du capital humain de Kinepolis favorise :

- le recrutement de collaborateurs compétents qui ont une attitude appropriée, conforme aux valeurs fondamentales de Kinepolis (voir plus loin) ;
- la fidélisation et le développement de talents engagés et motivés, en créant un environnement de travail optimal dans lequel :
  - chacun se sent en sécurité, écouté et apprécié ;
  - les valeurs de Kinepolis sont transposées au quotidien ;
  - chaque collaborateur a la possibilité de développer et d'exploiter ses talents de façon optimale ;
  - chaque collaborateur a l'occasion de poursuivre son développement sur le plan personnel et/ou professionnel ;
  - parce que chaque collaborateur a la possibilité de participer au développement de l'entreprise et de ses produits.

La participation des collaborateurs et l'entrepreneuriat sont stimulés et facilités au maximum de deux manières :

- En confiant la responsabilité des objectifs et budgets de départements au plus grand nombre de collaborateurs possible, tout en leur offrant l'espace pour prendre des initiatives et apprendre les uns des autres, Kinepolis s'efforce d'être une entreprise auto-apprenante ;
- Quel que soit le niveau de hiérarchie où ils se situent dans l'entreprise, les collaborateurs sont encouragés à se poser des questions, à se montrer à l'écoute des clients, à penser en dehors des sentiers battus et à faire preuve d'un esprit d'entreprise dans le cadre de leur fonction et au-delà. Kinepolis se veut donc une entreprise non seulement auto-apprenante, mais aussi « auto-innovante ». C'est dans ce contexte que fut créé le Kinepolis Innovation Lab en 2016 (voir plus loin).

Par l'inculcation de cette culture d'entreprise auto-apprenante et auto-innovante aux collaborateurs et par la création de conditions de travail propices à l'éclosion de talents, l'ambition de Kinepolis en tant qu'employeur consiste à obtenir le meilleur de chacun selon la devise « Plus est en nous ».

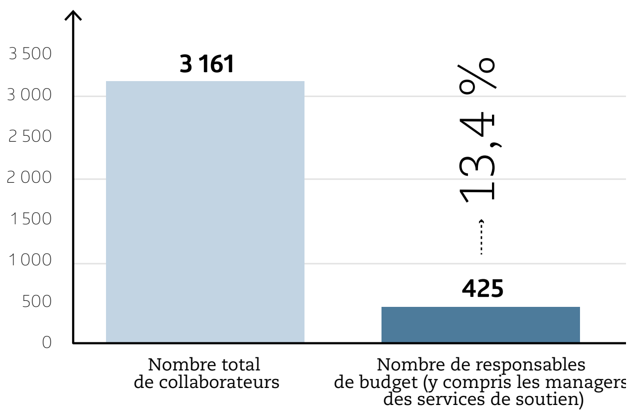
ÉVALUATION DE NOTRE POLITIQUE

Kinepolis veut confier la responsabilité des objectifs et budgets de départements au plus grand nombre de collaborateurs possible, afin de leur permettre de contribuer activement à l'amélioration continue des activités de l'entreprise. Cette approche ascendante fait partie de l'ADN de Kinepolis et est illustrée par le nombre de responsables budget par rapport au nombre total d'employés.

En 2019, le principe du budget ownership a été introduit dans l'organisation canadienne (acquise à la fin 2017). Cette année-là, les équipes canadiennes ont participé pour la première fois à l'exercice dit des 5 % (le plan d'amélioration annuel visant à réduire le seuil de rentabilité de l'entreprise). Dans ce cas, les responsables du budget peuvent eux-mêmes rechercher du potentiel d'amélioration à l'aide des processus, des rapports et des KPI fournis par Kinepolis. En 2021, le principe du budget ownership a également été introduit dans l'organisation américaine (acquise à la fin 2019).

En raison de l'impact de la pandémie et des longues périodes de chômage temporaire, les plans d'amélioration des deux dernières années ont été principalement mis en œuvre par les cadres supérieurs. Lorsque les activités seront normalisées, l'approche ascendante reprendra comme avant.

KPI NOMBRE DE RESPONSABLES DE BUDGET PAR RAPPORT AU NOMBRE TOTAL DE COLLABORATEURS FIN 2021 (1)



(1) Nombre de collaborateurs au 31/12/2022, à l'exclusion des collaborateurs intérimaires.

KPI

76 %

de tous les collaborateurs ont participé au PSI en 2021

INDICE DE SATISFACTION DU PERSONNEL

Chaque année, Kinepolis procède à une analyse de la satisfaction du personnel par le biais d'un sondage baptisé « People Satisfaction Index » ou PSI. En 2021, le PSI a été introduit pour la première fois au Canada (2) et aux États-Unis. Les collaborateurs sont invités à exprimer, de manière tout à fait anonyme, ce qu'ils pensent de Kinepolis (ou de Landmark/MJR) en tant qu'employeur, en mettant en exergue ce qui les satisfait et ce qu'il conviendrait d'améliorer. Les résultats issus de ce sondage sont ensuite discutés en équipe avant d'être traduits en actes.

L'enquête PSI a eu lieu en novembre 2021 et a obtenu un taux de réponse de 76 % au niveau du Groupe. Les points forts et les points d'action diffèrent d'un pays à l'autre et sont analysés et discutés au niveau national, du cinéma et de l'équipe. Le PSI a montré que la confiance des collaborateurs dans l'avenir de Kinepolis n'a pas été affectée de manière significative par l'impact important de la pandémie sur l'entreprise et l'industrie du cinéma.

Depuis l'apparition du virus en mars 2020, des efforts ont été accomplis en permanence pour protéger au maximum la santé des collaborateurs – tant au bureau que dans les complexes cinématographiques – et pour maintenir leur engagement vis-à-vis de l'entreprise pendant les longues périodes d'inactivité.

(2) Landmark Cinemas Canada utilisait auparavant sa propre Employee Engagement Survey ou EES.

LA SANTÉ ET LA SÉCURITÉ DES COLLABORATEURS

Kinepolis s'est toujours attaché à fournir un environnement de travail sûr et prend les mesures appropriées, notamment pour effectuer la maintenance des installations techniques et des écrans en toute sécurité.

Ces deux dernières années, la politique de santé et de bien-être de Kinepolis a été presque entièrement axée sur la pandémie de Covid-19.

Des protocoles de sécurité étendus ont été élaborés pour empêcher la propagation du virus et offrir une protection maximale aux collaborateurs dans l'exercice de leur travail. Ces mesures se sont également avérées efficaces puisqu'aucun cluster n'a été détecté parmi les employés depuis le début de la pandémie.

MESURES COVID-19 AFIN DE PROTÉGER LA SANTÉ DES COLLABORATEURS

Depuis le début de la pandémie, Kinepolis a mis en place des mesures strictes pour garantir un lieu de travail sûr. Ces mesures ont été régulièrement adaptées en fonction des directives fixées par les autorités compétentes.

Les principes suivants s'appliquaient aussi bien dans les cinémas que dans les bureaux en 2021 :

- Le télétravail a été la norme pour les fonctions de bureau pendant la majeure partie de l'année (recommandation ou obligation conformément aux directives gouvernementales) ;
- Le respect d'une distanciation sociale appropriée à tout moment avant, pendant et après le travail ;
- Port obligatoire de masques buccaux partout dans les cinémas et les bureaux, conformément aux mesures imposées par les autorités ;
- Désinfection régulière des mains et attention à l'hygiène respiratoire ;
- Rester à la maison en cas de symptômes de maladie et contacter le médecin traitant pour obtenir des conseils ;
- Respect des entrées et sorties indiquées, ainsi que du parcours à suivre signalé par des marquages au sol (circulation à sens unique) ;
- Nombre maximum de personnes pour les espaces communs tels que la cuisine et les salles de réunion ;
- Les repas sont pris individuellement sur le lieu de travail lorsque c'est possible, et une distance suffisante est également maintenue entre les collaborateurs dans les espaces de restauration des cinémas ;
- Les réunions se tiennent virtuellement ;
- Les voyages d'affaires ont également été limités aux maximum en 2021 et n'ont été autorisés qu'en consultation avec le département RH, dans le respect des directives des autorités compétentes des pays concernés.

'FIT FOR WORK' PROTOCOL LANDMARK

Pour éviter que les collaborateurs malades ne se rendent au travail, Landmark a mis en place un protocole « Aptitude au travail ». Avant chaque prise de poste de travail, le collaborateur répond à un certain nombre de questions visant à détecter tout symptôme de Covid-19. Si le collaborateur répond positivement à l'une de ces questions, il ne peut pas commencer à travailler.

ÉQUIPEMENTS DE PROTECTION

Kinepolis a mis à la disposition de tous les collaborateurs du gel désinfectant pour les mains et du détergent pour les surfaces de contact, ainsi que des masques buccaux et des gants (pour le nettoyage/le shop) dans les cinémas.

Les activités de nettoyage ont été maintenues au même niveau qu'en 2020 et les systèmes de ventilation des cinémas et des bureaux ont été adaptés pour maximiser l'apport d'air frais. Cela a permis d'éliminer toute recirculation ou tout mélange de l'air rejeté. Avant la réouverture des cinémas, des visites de sites ont également été effectuées par les responsables opérationnels afin de tester les mesures mises en place par rapport à la réalité.

FONCTIONS SPÉCIFIQUES COVID

Dans les cinémas Kinepolis, Landmark et MJR, de nouvelles fonctions ont été créées depuis 2020 (Covid-busters, intendants sanitaires...) pour garantir le strict respect des mesures Covid. Pour chacune de ces nouvelles fonctions et d'autres fonctions pertinentes, une fiche de poste de travail a été créée avec une description claire des nouvelles tâches spécifiques Covid.

BIEN-ÊTRE DES COLLABORATEURS

Étant donné l'impact considérable de la pandémie sur les activités de Kinepolis, les collaborateurs ont été frappés par une forte réduction de l'emploi pour la deuxième année consécutive, principalement au cours du premier semestre de l'année et/ou par des conditions de travail difficiles (par ex. le port obligatoire d'un masque buccal pendant le travail, le télétravail obligatoire, etc.).

TÉLÉTRAVAIL ET CYBERSÉCURITÉ

En 2021, Kinepolis a eu recours au télétravail pour les fonctions de bureau, conformément aux mesures imposées par les autorités compétentes. En novembre 2021, Kinepolis a mis en place une politique de télétravail structurel (en vigueur quand il n'y a pas de mesures imposées par les autorités) selon laquelle les collaborateurs des *Cinema Support Centers* [1] ont la possibilité de travailler à domicile deux jours par semaine. Kinepolis reconnaît les avantages du travail à domicile, mais souligne également l'importance du travail au bureau pour le lien avec les collègues et l'engagement envers l'entreprise.

Le télétravail chez Kinepolis implique la conclusion d'accords sur une base quotidienne entre le collaborateur et le manager à propos des heures de travail et des tâches.

L'équipe Kinepolis espagnole pendant le eSports Summit (ES).

(1) Quand la nature de la fonction ou des tâches permet le télétravail.

Pour permettre un télétravail maximal, Kinepolis a réalisé, depuis le début de la pandémie, des investissements supplémentaires destinés à optimiser son infrastructure informatique, et divers efforts ont été accomplis pour surveiller la sécurité des réseaux et des systèmes. Kinepolis a notamment investi dans une sécurité supplémentaire pour les messages électroniques entrants, dans une nouvelle connexion VPN et une authentification à deux facteurs pour l'ensemble de l'environnement Office 365. Outre la surveillance active du comportement des comptes utilisateurs, Kinepolis a également lancé des campagnes régulières de phishing pour garder les collaborateurs sur le qui-vive.

Durant les périodes de fermeture des cinémas, Kinepolis a tenté de préserver le bien-être des collaborateurs en les informant et les impliquant au maximum dans l'entreprise. Kinepolis a eu recours aux outils de communication interne existants de l'entreprise, à des moments de contact personnel avec le manager et à des initiatives ad hoc dans différentes équipes.

COMMUNICATION INTERNE

Les collaborateurs sont tenus informés des initiatives en cours et des nouvelles de l'entreprise par des mises à jour régulières par e-mail et/ou par Kinetalks, un média social interne utilisé en Belgique, aux Pays-Bas, au Luxembourg et en Espagne. Kinetalks est une plateforme interactive qui permet de communiquer avec les collaborateurs au niveau international, national, du cinéma et de l'équipe. En outre, une plateforme sharepoint renouvelée (appelée Kineportal) a été lancée au début de l'année 2021 en tant que pôle central pour les procédures, documents et applications internes.

COMMUNICATION DU CEO

Les communications internes du CEO se font régulièrement par e-mail, deux fois par an par un message vidéo détaillé et sporadiquement par des sessions de Q&R numériques. Pendant la pandémie, cette communication a été étendue, avec une mise à jour mensuelle pendant les périodes de fermeture, ce qui a permis aux employés de suivre l'évolution de l'impact de la pandémie sur l'entreprise et le secteur. Chaque fois, un point a été fait sur l'état actuel de l'entreprise et du secteur, les petits et grands succès obtenus et la stratégie à suivre en vue d'un avenir durable. L'approche de cette communication vise toujours à maintenir les collaborateurs impliqués, motivés et valorisés.

CANADA – BULLETIN D'INFORMATION SUR LE BIEN-ÊTRE

Pour promouvoir la santé mentale de ses collaborateurs, Landmark Cinemas a créé un « Comité de bien-être » en 2020. En 2021, ce groupe de travail a produit une lettre d'information mensuelle sur le bien-être, un groupe Facebook sur le bien-être, avec des conseils et des défis axés sur le bien-être de l'ensemble de la communauté Landmark, ainsi que quelques sessions d'information pour les collaborateurs.

MESURES DE SOUTIEN FINANCIER

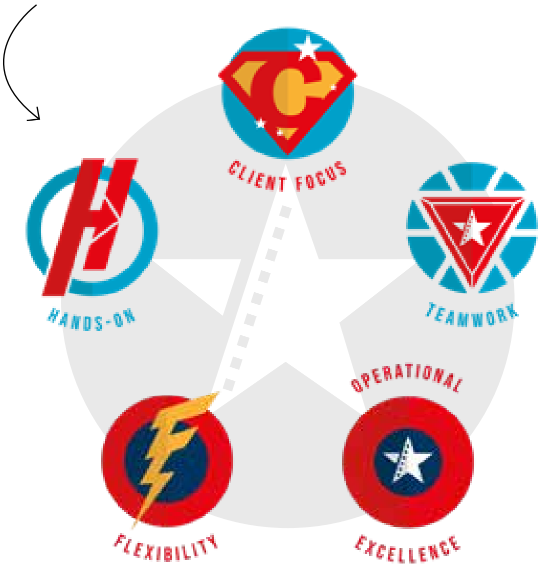
Dans tous les pays où Kinepolis opère, l'entreprise a fait appel aux mesures de soutien accordées par les autorités compétentes. Ces mesures de soutien variaient d'un pays à l'autre et avaient un impact différent sur les collaborateurs concernés. Aux Pays-Bas, en France et au Canada, les collaborateurs ont continué à travailler et Kinepolis a été compensé financièrement par le gouvernement. En Belgique et dans les autres pays, les collaborateurs ont bénéficié d'un statut de chômage technique. Dans ce cas, ils ont reçu une compensation financière du gouvernement. Dans des cas spécifiques, Kinepolis a pris de sa propre initiative des mesures en faveur des collaborateurs, comme l'assimilation des jours de chômage temporaire pour le calcul du pécule de vacances et de la prime de fin d'année en Belgique.

L'indice de satisfaction du personnel (PSI) est le principal critère de mesure et de suivi du bien-être des collaborateurs. La rétention des collaborateurs est également un indicateur possible du bien-être des équipes et des personnes. En raison de la pandémie (et des fermetures allant de pair), le taux de rotation des travailleurs temporaires a évidemment augmenté au cours des deux dernières années. Quant aux collaborateurs fixes, selon les pays, 76 à 86 % [2] du personnel fixe est resté à bord.

(2) Sur la base de données comparables pour la Belgique, le Canada, l'Espagne et le Luxembourg.

Séances d'équipe autour des valeurs K (T1 2020)

Valeurs de Kinepolis



Valeurs fondamentales de Landmark

VALEURS KINEPOLIS

« Client Focus », « Teamwork », « Operational Excellence », « Flexibility » et « Hands-on » sont les valeurs fondamentales qui sous-tendent l'action de chaque collaborateur Kinepolis. Mettre le client au centre, collaborer de manière constructive à un objectif commun, effectuer son travail de manière correcte et efficace, faire preuve de flexibilité par rapport aux changements et faire preuve d'initiative et d'entrepreneuriat : chacun est censé donner vie à ces aspects à titre individuel et en équipe. Lors de nouveaux recrutements, Kinepolis applique une politique « Hire for attitude » : la bonne attitude revêt plus d'importance que le bon diplôme. Kinepolis est disposé à investir plus dans la formation de nouveaux collaborateurs pour autant que le comportement et l'attitude des candidats correspondent aux valeurs défendues par l'entreprise.

Les valeurs fondamentales de Landmark s'accordent parfaitement avec ces valeurs de Kinepolis, mais elles revêtent aujourd'hui une forme et une formulation différentes.


KINEPOLIS
Hendrika

KPI CYCLE D'ÉVALUATION

1x/an

entretien d'évaluation formel pour chaque collaborateur

KINEPOLIS ACADEMY

La formation, pour chaque collaborateur, est également un aspect important de la politique du « capital humain ». La « Kinepolis Academy » aide les collaborateurs à renforcer leurs compétences personnelles, notamment par le biais de l'e-learning. Bon nombre de formations ont lieu dans les cinémas, les collaborateurs plus anciens se transformant en coaches afin de guider les nouveaux collaborateurs pendant leur programme d'accueil. Il existe également des programmes de coaching personnel pour les cadres et, depuis 2017, des formations « Insights Discovery » sont organisées pour les équipes.

En 2019, on a introduit en Europe une nouvelle plateforme numérique « Kinepolis Academy » avec divers nouveaux modules d'apprentissage et programmes de formation en ligne à différents niveaux (Star(t)s, Professional, Lead et Develop).

Les formations Star(t)s concernent des modules généraux pour les nouveaux collaborateurs (par ex. la sécurité, les valeurs K, le RGPD), le module « Professional » contient des formations spécifiques à l'emploi, « Lead » propose des formations aux managers débutants et expérimentés et « Develop » se concentre sur les besoins de développement personnel, tels que des formations linguistiques ou un programme de coaching individuel.

Ces deux dernières années, les activités normales de formation ont été gravement perturbées par l'impact de la pandémie de Covid-19 sur les activités de Kinepolis. La formation dans les cinémas a été principalement axée sur la mise en œuvre de mesures Covid-19. Ces formations ont été organisées par pays et par cinéma, par le biais de l'e-learning et de formations sur le terrain. En outre, des investissements ont été réalisés en 2021 dans la formation interne sur des sujets tels que la cybersécurité, le RGPD et la Business Intelligence en Europe, et sur la gestion des talents et la « diversité et l'inclusion » au Canada.

TALENT FACTORY

Chaque collaborateur de Kinepolis a, au moins une fois par an, un entretien d'évaluation formel avec son manager. Il s'agit d'évaluer les performances de la personne concernée et de discuter de ses objectifs personnels pour l'année à venir. Les collaborateurs et les managers sont coachés et stimulés pour avoir cet entretien en toute franchise et pour discuter des ambitions et des besoins de développement à court et à long terme.

Sous le titre « Talent Factory », Kinepolis propose un cadre ainsi qu'une série d'outils pour déceler les talents et les coacher en vue de renforcer son capital humain. Les talents internes sont ainsi recensés afin de leur fournir des opportunités de développement et des perspectives d'évolution, et les opportunités d'emploi sont toujours communiquées en interne.
La politique de mobilité interne de Kinepolis favorise une meilleure implication et une meilleure employabilité des collaborateurs. Des « talent reviews » sont organisés tout au long de l'année avec les managers afin de permettre à ces derniers de suivre le talent et l'évolution de leurs collaborateurs et d'en assurer la visibilité. Les collaborateurs sont par ailleurs encouragés à orienter eux-mêmes leur carrière dans un dialogue ouvert avec leur manager.

Malgré l'impact de la pandémie de Covid, qui a entraîné un niveau élevé de chômage temporaire et peu ou pas de recrutement au premier semestre de l'année, de nombreux nouveaux collaborateurs ont rejoint l'entreprise en 2021 et plusieurs ont évolué en interne. Sur 216 postes vacants à temps plein en 2021, 67 ont été pourvus en interne. Pendant les mois de fermeture, nous nous sommes efforcés d'utiliser au maximum les capacités internes en faisant appel à du personnel en chômage technique pour apporter un soutien temporaire à d'autres services en cas de besoin.

KPI TAUX DE MOBILITÉ INTERNE [1]

1 poste vacant sur 3

a été pourvu en interne en 2021

(1) Postes fixes, à temps plein

Anouk Fierens

Auparavant graphiste chez Marketing Belgium, actuellement Corporate Digital Marketing Coordinator (BE)

« J'ai travaillé en tant que graphiste dans l'équipe de marketing pendant huit ans, où j'ai évolué avec l'évolution de l'imprimé vers l'en ligne, avec un rôle de premier plan pour les réseaux sociaux. C'est ainsi qu'est née ma passion pour le marketing et la conception en ligne et, lorsque j'ai eu l'occasion de rejoindre l'équipe CRM de l'entreprise, je n'ai pas eu à y réfléchir longtemps. Apprendre à connaître de nouvelles compétences, de nouveaux systèmes, de nouvelles personnes et l'entreprise d'une manière différente, c'est fantastique. Je n'avais jamais pensé que je serais capable de franchir une étape supplémentaire. »

Cielo Diez

Auparavant Supervisor, désormais Local Manager ITS au Full, Barcelone (ES)

« À l'été 2019, j'ai déménagé à Barcelone pour un emploi de superviseur dans le cinéma Full, qui venait d'être acquis par Kinepolis. Je me sentais très bien dans ce travail. Lorsque la pandémie a éclaté, cela m'a initialement semblé être un mur, mais j'ai mis à profit cette période pour continuer à apprendre. Cela a porté ses fruits car, grâce à tous les efforts déployés pour continuer à me développer, quelques mois plus tard, j'ai été promu local manager. Je suis très fière de faire partie d'une équipe où je me suis toujours sentie bienvenue, soutenue et appréciée. J'ai le sentiment que mon travail contribue au cinéma de pointe que nous sommes. »

Schoeib Gholami

Auparavant Local Manager, désormais Theater manager Kinepolis Dordrecht et Spijkenisse (P-B)

« Selon mon expérience, relever un défi offre la possibilité de s'épanouir. Je ne recule devant aucun défi et c'est notamment grâce à cela que j'ai pu passer de LM à TM et maintenant à TM de deux complexes différents. C'est assurément un défi, avec deux cinémas. Cela signifie que vous devez agir de manière ciblée et définir des priorités. J'ai assumé ces tâches avec beaucoup de plaisir et d'enthousiasme et je suis reconnaissant des opportunités qui me sont offertes au sein de Kinepolis. »

Jessica Teves

Auparavant Theatre General Manager, désormais Manager Guest Services chez Landmark Cinemas (CA)

« Depuis 1999, ce secteur m'a donné des occasions fantastiques de développer mes compétences en matière de leadership. Je suis reconnaissante du soutien, de la confiance et des conseils que j'ai reçus de la part d'une direction attentive au fil des ans, ce qui m'a permis de passer tout naturellement du poste de Theatre General Manager à celui de Manager Guest Services. Je suis très heureuse de partager ma passion pour l'expérience client avec un public beaucoup plus large et je suis fière de pouvoir soutenir nos cinémas dans notre objectif de créer une expérience cinématographique inoubliable. Une citation à laquelle j'aime me référer : *La croissance n'est jamais le fruit du hasard, elle est le résultat de forces qui travaillent ensemble* (James Cash Penney). »

ENTREPRISE AUTO-APPRENANTE

Dans le cadre de ses activités quotidiennes, Kinepolis s'efforce de créer et de stimuler des réseaux apprenants, au moyen notamment des « operating reviews ». Des collaborateurs ayant des fonctions similaires, mais dans des cinémas différents, ont ainsi des échanges pour acquérir de nouvelles connaissances et apprendre les uns des autres. Kinepolis investit ce faisant dans un environnement de travail centré sur le feed-back et l'entrepreneuriat.

Comme mentionné précédemment, une nouvelle structure organisationnelle a été mise en place en 2019 au Canada et en 2021 aux États-Unis afin d'introduire et d'entretenir la culture d'entreprise auto-apprenante de Kinepolis.

Depuis le déclenchement de la pandémie et son impact sur les activités et l'emploi, l'organisation d'auto-apprentissage propre à Kinepolis ne s'est pas matérialisée comme elle l'avait fait jusqu'au début 2020. Une approche plus descendante a été temporairement adoptée pour les plans d'amélioration et les exercices budgétaires, sous la houlette de la direction du pays. Kinepolis prévoit de pouvoir à nouveau appliquer de manière optimale sa culture d'auto-apprentissage et ses méthodes de travail à partir de 2022, et donc d'impliquer activement un maximum de collaborateurs dans le développement de l'entreprise et de ses produits.

ENTREPRISE AUTO-INNOVANTE

Grâce à l'introduction du Kinepolis Innovation Lab en 2016 qui incite tous les collaborateurs à fournir des idées innovantes que des équipes de projets se chargeront par la suite de mettre en œuvre, Kinepolis ne s'attache pas seulement à être une entreprise auto-apprenante, mais aussi une entreprise auto-innovante. Tout le monde chez Kinepolis – de l'étudiant au manager – est encouragé à penser hors des sentiers battus et à oser « entreprendre ».

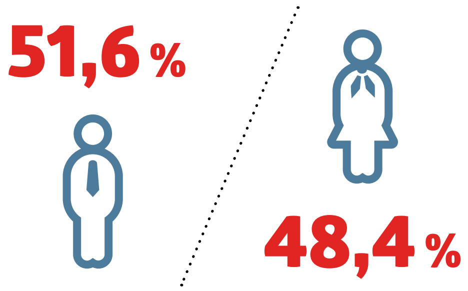
Les meilleures idées sont sélectionnées par un jury Innovation Lab, et des équipes sont constituées en vue de les étudier en détail et de les mettre en œuvre. De cette manière, l'Innovation Lab a pour effet que les collaborateurs coopèrent davantage, au-delà de leur département. Chaque année, des « Innovation Awards » sont décernés aux meilleures idées. Même si un projet s'avère infructueux, l'initiateur est récompensé par une prime d'entrepreneur. L'Innovation Lab n'a pas encore été mis en place en Amérique du Nord.

Le fonctionnement de l'Innovation Lab a été mis en pause depuis le début de 2020 par la pandémie de Covid. Toutefois, ces deux dernières années, Kinepolis a continué à travailler intensivement sur l'innovation, y compris pendant les périodes de fermeture, en vue de développer de nouvelles sources de revenus à la lumière du contexte actuel du marché. Outre l'élaboration de solutions concrètes et créatives aux défis Covid, des équipes interdépartementales ont également commencé à plancher sur de nouveaux projets stratégiques, tels qu'une nouvelle formule de fidélisation (Landmark EXTRAS), un nouvel aménagement du shop (déjà mis en œuvre à Leidschendam et Belval) et de nouvelles expériences cinématographiques premium.

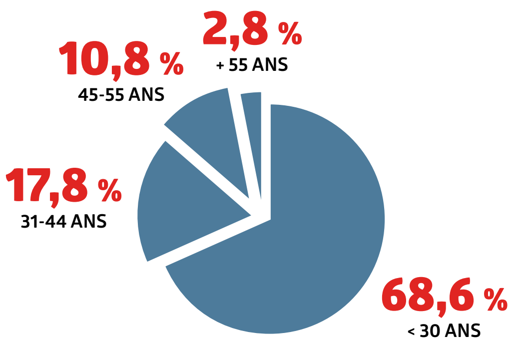
TRAVAILLER ENSEMBLE À UNE NOUVELLE MACHINE À POPCORN

Une équipe espagnole de Kinepolis a construit l'année dernière un prototype de machine à pop-corn sur mesure. Le pop-corn est cuit sur place dans le shop et les visiteurs peuvent remplir leur propre gobelet de pop-corn. La machine – résultat d'un travail d'équipe à un niveau de détail très élevé – est actuellement en cours de test à Kinepolis Madrid (Diversia).

H / F
RÉPARTITION



ÂGE
RÉPARTITION



DIALOGUE CONSTRUCTIF AVEC LES PARTENAIRES SOCIAUX

Sur la base de son cadre de gouvernance, Kinepolis met tout en œuvre dans chaque pays pour nouer un dialogue social et des relations durables avec ses collaborateurs et/ou les organisations de travailleurs externes concernées. Dans le respect des obligations légales, Kinepolis cherche à trouver avec les partenaires sociaux les meilleures solutions qui puissent convenir tant aux collaborateurs qu'à l'entreprise, qu'il s'agisse du dialogue social, des relations sociales ou de la sécurité.

DIVERSITÉ

Kinepolis respecte le caractère unique de chacun de ses collaborateurs et favorise l'égalité des chances, indépendamment de l'âge, le sexe, l'origine, la religion, des handicaps ou conditions médicales, orientation sexuelle, conditions familiales (comme une grossesse) ou affiliation syndicale. L'entreprise fait en sorte que ses effectifs reflètent fidèlement la société, dans toute sa diversité. La discrimination, quelle que soit sa forme, n'est pas tolérée au sein de l'entreprise. Ces deux dernières années, Landmark Cinemas Canada a revu et redéfini ses procédures internes, ainsi que son approche du recrutement et sa formation, avec une attention accrue portée à la diversité et à l'inclusion sur le lieu de travail.

KINEPOLIS COMME PREMIÈRE EXPÉRIENCE PROFESSIONNELLE

Les fermetures, le peu ou l'absence d'événements et les contraintes de capacité ont eu l'année dernière, tout comme en 2020, un impact sur l'emploi de collaborateurs temporaires et d'étudiants. Néanmoins, Kinepolis a employé au total plus de 1 000 étudiants en Belgique et au Luxembourg en 2021, et a ainsi encadré de nombreux jeunes dans leur première expérience professionnelle.

Les étudiants de Kinepolis sont engagés pour travailler au moins un jour de semaine et un jour de week-end par semaine dans les cinémas. Les tâches sont variées : travail de caisse, travail en boutique, nettoyage, coordination d'événements. Kinepolis les accompagne dans l'acquisition d'une multitude de compétences professionnelles, comme le travail en équipe et la prise de responsabilités. Bon nombre d'entre eux travaillent pour Kinepolis pendant des années, et les exemples d'étudiants qui deviennent par la suite employés de Kinepolis pour y réaliser une carrière riche sont légion.

KIRSTEN GORDON – ÉTUDIANTE KINEPOLIS ANVERS (DEPUIS OCTOBRE 2021)
« Chez Kinepolis, les tâches sont très variées, allant du nettoyage des salles de projection et de la vérification qu'elles sont prêtes pour le prochain film à la vérification covid et au scan des tickets. Accueillir chaleureusement les personnes et contribuer à leur offrir l'expérience cinématographique ultime est ce que j'aime le plus dans ce travail. »

OUMAIMA JIDAR – ÉTUDIANTE KINEPOLIS ANVERS (DEPUIS JUIN 2021)
« Je trouve que travailler chez Kinepolis est le job d'étudiant parfait. On se retrouve dans une équipe composée principalement d'étudiants, ce que je trouve très agréable. En outre, j'apprécie de pouvoir indiquer mes propres disponibilités et de pouvoir ainsi combiner parfaitement mes études et ma vie quotidienne avec le travail. La certitude d'un emploi étudiant à l'année est également un atout. »

Pour la construction de nouveaux cinémas comme pour la rénovation de complexes existants, les paramètres verts sont cruciaux, au même titre que le confort des visiteurs et des collaborateurs.

Kinepolis s'efforce au maximum de réduire son empreinte écologique dans le choix de ses sources d'énergie et de ses matériaux de construction.

Kinepolis Leidschendam (P-B)

Respect de l’environnement

Kinepolis s’efforce de réduire au maximum son empreinte écologique grâce à la mise en œuvre de sa politique « Green Star », lancée en 2011. Cette politique a également servi de base à la politique de durabilité actuelle du groupe, qui a été considérablement élargie.

POLITIQUE GREEN STAR

La politique « Green Star » de Kinepolis repose sur les principes suivants :

- La conception et la réalisation durables des projets de construction ;
- La rénovation durable des cinémas existants ;
- La mise en œuvre de techniques d’économie d’eau et d’énergie ;
- Une technologie cinématographique durable ;
- La stimulation de la billetterie mobile et la recherche d’un parcours client sans ticket ;
- La limitation des déchets et la sensibilisation en matière de tri des déchets.

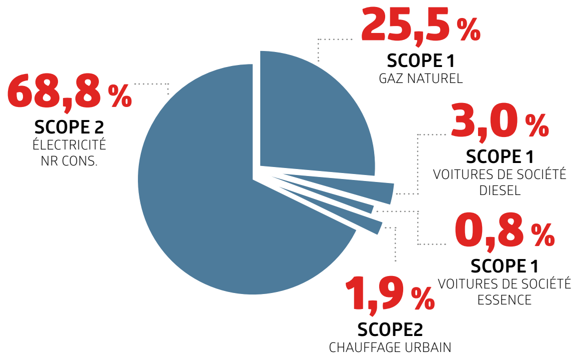
Le principal objectif des mesures susmentionnées est d’améliorer systématiquement l’efficacité énergétique, en vue de rendre les activités de Kinepolis neutres en carbone à long terme. En 2017, la mesure de l’évolution de la consommation d’énergie (exprimée en kWh/m²) dans ses complexes européens est devenu un indicateur de performance clé (KPI) de Kinepolis. En raison de l’activité limitée et des fermetures prolongées des cinémas en 2020 et 2021, ainsi que de l’impact des mesures Covid-19 sur la consommation d’énergie (par ex. la ventilation) ce KPI est considéré moins pertinent pour les années susmentionnées. Le reporting en kWh/m² au niveau du Groupe (y compris MJR et Landmark) est prévu à partir de 2022.

KPI ÉVOLUTION CONSOMMATION D’ÉNERGIE KINEPOLIS EUROPE [1][2]

En kWh/m²	2017	2018	2019	**2021**
Belgique	171,55	169,95	160,92	102,53
Pays-Bas			235,62	161,23
France			162,88	121,21
Espagne	101,43	99,6	107,24	72,46
Luxembourg			192,30	133,41

(1) Basé sur les données de surface disponibles (m²). Reporting complet prévu à partir de 2022.
(2) Pas de reporting en 2020 à cause de l’impact de Covid-19. Consommation en 2021 impactée par les fermetures et restrictions.

KPI EMPREINTE CARBONE [3] SCOPE 1 ET 2



EMPREINTE CARBONE TOTALE : 19 867,77 tCO_2e

(année atypique à cause de l’impact de Covid-19)

La consommation d’énergie représente une part importante de l’empreinte carbone totale d’une entreprise. Bien que Kinepolis, en tant que pure société de services, n’ait pas d’activités très polluantes, elle a jugé opportun de cartographier ses émissions de CO_2 (émissions de gaz à effet de serre de scope 1 et de scope 2) comme base en vue d’actions supplémentaires visant à réduire son empreinte. À partir de 2021, Kinepolis rendra compte chaque année de son empreinte carbone de scope 1 et 2. Il est important de savoir que l’année 2021 était une année très atypique en raison de l’impact de la pandémie, vu l’activité limitée en raison des fermetures et restrictions.

Les émissions de scope 1 sont des émissions directes de gaz à effet de serre provenant de sources contrôlées par l’entreprise elle-même. Les émissions de scope 2 sont des émissions indirectes provenant de la production d’énergie achetée. Pour Kinepolis, cela concerne concrètement la consommation d’électricité, l’utilisation de gaz naturel, le chauffage et la consommation de carburant.

(3) Emissions provenant de fuites de liquide de refroidissement (scope 1) ne sont pas comprises dans l’empreinte 2021 suite à l’indisponibilité de données.

Kinepolis Braine-L'Alleud (BE)

IMMOBILIER DURABLE

Pour la construction de nouveaux cinémas comme pour la rénovation de complexes existants, les paramètres verts sont cruciaux, au même titre que le confort des visiteurs et des collaborateurs. Kinepolis s'efforce au maximum de réduire son empreinte écologique dans le choix de ses sources d'énergie et de ses matériaux de construction.

Les principes Green Star suivants sont appliqués pour les projets de construction :

- Utilisation de matériaux et de techniques certifiés avec un impact écologique limité ;
- Adaptation des installations à des sources énergétiques durables, notamment les installations de conservation de la chaleur et de la fraîcheur à Utrecht, Dordrecht et Bois-le-Duc ;
- Lorsque c'est possible, alimentation des complexes cinématographiques en électricité renouvelable (par la conclusion de contrats en matière d'électricité verte) ;
- Choix standard d'un éclairage LED ;
- Simplification de l'entretien, en tant que facteur important du coût total de possession (somme des frais de construction et d'exploitation) ;
- Investissement dans des espaces multifonctionnels capables de s'adapter à diverses configurations d'utilisation sans avoir à procéder à des transformations en profondeur ;
- Isolation performante des murs et des toits ;
- Obtention d'un certificat de durabilité pour les projets de construction (par ex. GPR aux Pays-Bas) ;
- Installation de la technologie d'économie d'eau dans les espaces sanitaires.

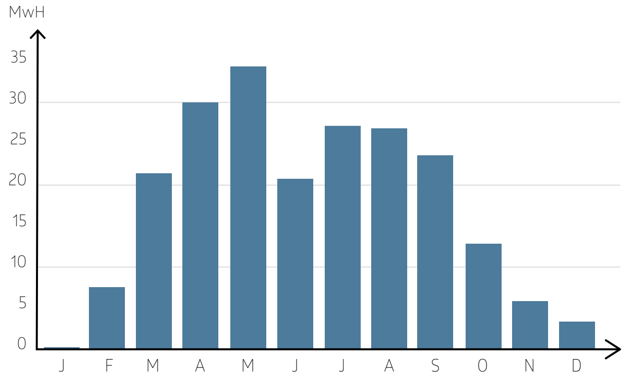
La réalisation de rénovations est souvent une occasion idéale de mise en œuvre de mesures supplémentaires, notamment :

- Le renforcement de l'isolation lors de travaux de rénovation de la toiture ;
- L'isolation des parkings sous les salles ;
- L'utilisation d'un asphalte perméable lors de la rénovation des parkings afin d'exploiter les capacités d'absorption du sol ;
- L'installation de citernes pour la collecte des eaux de surface ;
- L'installation de systèmes de commande novateurs afin d'assurer une gestion centralisée de tous les systèmes de chauffage et de refroidissement (par ex. BaOpt, Optivolt) ;
- Le remplacement des sols existants dans les boutiques par du Gerflor, un revêtement PVC entièrement recyclable qui ne contient pas de formaldéhydes ;
- L'installation de la technologie d'économie d'eau dans les espaces sanitaires.

PANNEAUX SOLAIRES

Kinepolis Bois-le-Duc dispose d'une installation photovoltaïque depuis le début de 2019. Fin 2020, des panneaux solaires ont également été installés sur le toit de Kinepolis Braine-L'Alleud. Cette installation a généré 206 634 kWh en 2021. Vu l'impact de la crise Covid-19, l'installation de panneaux solaires pour d'autres cinémas ne figure pas à l'agenda des investissement à court terme. Elle sera néanmoins évaluée ultérieurement (notamment pour les cinémas de Breda, Utrecht, Madrid et Grenade).

PRODUITS DES PANNEAUX SOLAIRES À BRAINE-L'ALLEUD EN 2021, SOIT **UN TOTAL DE 206 634 KWH**



APPLICATION DE TECHNIQUES D'ÉCONOMIE D'ÉNERGIE AVANCÉES

Le suivi et le contrôle innovants des installations techniques permettent à Kinepolis de poursuivre la diminution de sa consommation d'énergie au fil des ans. Kinepolis mesure et évalue systématiquement la consommation énergétique de ses cinémas et prend, le cas échéant, des mesures pour faire baisser encore davantage la consommation. Au Kinepolis Bois-le-Duc, Haarlem et Leidschendam, par exemple, la station d'épuration de l'air a été équipée d'un système de pression variable commandé par fréquence. Il s'agit d'une technologie de contrôle révolutionnaire qui crée un climat intérieur beaucoup plus naturel et agréable et qui consomme jusqu'à 40 % d'énergie en moins que les systèmes traditionnels de traitement de l'air. Kinepolis choisit cette technique comme norme pour les nouveaux cinémas.

CERTIFICATION GPR

Kinepolis Bois-le-Duc (photo) et Dordrecht ont reçu la certification néerlandaise GPR, un label pour l'immobilier durable basé sur cinq critères (énergie, environnement, santé, qualité d'utilisation et valeur d'avenir).

En outre, Kinepolis a recours à des systèmes d'économie d'énergie en Europe (par ex. Optivolt en Belgique, aux Pays-Bas et en France), grâce auxquels les installations de contrôle des bâtiments existants sont réglées pour une efficacité maximale et les pics de consommation d'électricité sont neutralisés. En réglant efficacement les installations, en veillant surtout aux interactions qui les relient, il est en effet possible de réduire sensiblement la consommation d'énergie et de diminuer les pics de capacité d'environ 20 %.

Au Canada, l'équipe de Landmark a commencé à mettre en œuvre diverses mesures d'économie d'énergie en 2019. Il s'agit notamment de passer à un éclairage à LED, à des détecteurs de présence, à des commandes de CVC à vitesse variable et à de meilleurs systèmes d'automatisation et de contrôle des bâtiments. Les mesures précitées ont déjà été mises en œuvre dans la plupart des complexes cinématographiques européens ; ces pratiques sont déjà bien établies en Europe.

Kinepolis explore sans cesse de nouvelles pistes pour réduire sa consommation énergétique. À titre d'exemple, la chaleur générée notamment dans les cabines de projection est également utilisée, lorsque c'est possible, pour chauffer les foyers. Un autre exemple réside dans le remplacement des réchauffeurs à popcorn et réfrigérateurs ouverts par des modèles fermés dans la boutique. Les réchauffeurs fermés consomment 30 à 60 % d'énergie en moins que la version ouverte. Depuis 2017, Kinepolis a commencé à remplacer les réchauffeurs ouverts par la version fermée et des réchauffeurs à popcorn fermés sont désormais utilisés dans presque tous les complexes. Les réfrigérateurs, eux aussi, sont désormais des modèles fermés presque partout.

ÉCONOMIES D'EAU

Kinepolis fait également preuve de parcimonie en matière de consommation d'eau et prend diverses mesures pour la réduire et éviter les gaspillages. Pour y parvenir, la technologie « Ipee » a été installée dans les toilettes de plusieurs complexes cinématographiques. Celle-ci consiste en des capteurs intelligents placés dans les urinoirs, qui adaptent le volume de la chasse d'eau à chaque passage, pour une hygiène optimale sans gaspillage d'eau. Dans le tout nouveau cinéma de Leidschendam (ouvert en juin 2021), cette technologie a été appliquée non seulement aux urinoirs, mais aussi pour la première fois aux toilettes ordinaires. Ces dernières années, Kinepolis a aussi remplacé les robinets traditionnels dans la plupart des complexes par des robinets automatiques fonctionnant sur la base de la détection optique.

Passage des appareils ouverts à des appareils fermés

Les réchauffeurs de popcorn fermés consomment 30 à 60 % d'énergie en moins


À Kinepolis Leidschendam, les toilettes fonctionnent sur la base de la technologie infrarouge pour limiter la consommation d'eau

Réfrigérateurs fermés

TECHNOLOGIE DURABLE

PROJECTION LASER
La numérisation des systèmes de projection a marqué une étape historique importante dans la politique de durabilité de Kinepolis. Cette évolution technologique marquait la fin de la production chimique de pellicules de film et le transport de rouleaux de film volumineux. Entre-temps, les DCP (fichiers de films) sont livrés presque exclusivement par lignes de données et, en ce qui concerne la technologie de projection, Kinepolis a opté depuis plusieurs années pour la projection laser. En juin 2018, le Groupe a signé un contrat avec Cinionic, co-entreprise cinématographique de Barco, pour équiper quelque 300 salles de la projection laser d'ici au milieu de l'année 2021. Il s'agit à la fois d'installations dans des cinémas neufs et de remplacements d'anciens modèles dans des sites existants.

Les projecteurs laser garantissent non seulement une qualité d'image sublime, mais permettent aussi d'économiser 30 à 40 % d'énergie par rapport aux projecteurs à lampes au xénon. Du fait que le projecteur est dépourvu d'ampoules, il nécessite par ailleurs un refroidissement moins important et les lampes ne doivent pas être remplacées.

Bien que le déploiement ait été quelque peu retardé en raison de la pandémie, 280 projecteurs laser sont désormais utilisés, permettant d'économiser 2 GWh par an [1] par rapport aux projecteurs au xénon.

Projecteurs laser Barco de Cinionic


Distributeurs automatiques de tickets Kinepolis

En 2022, 192 mises à niveau laser supplémentaires sont prévues, ce qui engendrera une économie d'énergie annuelle supplémentaire de 1,7 GWh (dont 1,3 GWh en Europe et 0,4 GWh au Canada). À la fin de 2022, plus de 40 % du parc de projecteurs de Kinepolis sera constitué de laser.

BILLETTERIE EN LIGNE ET MOBILE
De même, l'importance grandissante de la vente de tickets en ligne et mobile réduit l'impact écologique des activités opérationnelles de Kinepolis. Kinepolis fut un des premiers exploitants de cinéma à lancer, il y a longtemps, un système de réservation et de numérotation des sièges, ce qui a permis de stimuler les ventes en ligne de tickets.

En 2021, 62 % des tickets (au niveau du groupe) ont été achetés en ligne ou via l'application. Grâce au système de billetterie mobile, les clients peuvent acheter des tickets via leur smartphone ou leur tablette, sans avoir à les imprimer. Les clients qui achètent des tickets aux distributeurs automatiques dans les cinémas européens peuvent également entrer sans ticket imprimé.

En 2022, 192 installations laser supplémentaires sont prévues

(1) Économie d'énergie calculée sur la base d'un nombre normal de projections ; en 2021, en raison des fermetures, ce nombre était évidemment inférieur.

GESTION DES DÉCHETS

Kinepolis s'est toujours préoccupé de réduire sa production de déchets, d'en assurer correctement le tri et de les traiter de façon professionnelle.

Kinepolis s'efforce, partout où c'est possible, de limiter les quantités de déchets et a notamment pris la décision de remplacer les distributeurs automatiques de serviettes dans les sanitaires par des systèmes de séchage électriques. Lors des rénovations, les sièges sont quant à eux uniquement remplacés quand ils sont trop usés. Et, dans la mesure du possible, ils sont simplement recouverts d'un nouveau tissu.

Les visiteurs sont en outre sensibilisés en permanence au respect du tri des déchets. Des poubelles avec des compartiments séparés sont placées à l'entrée et à la sortie des salles et dans le foyer. Les déchets sont ensuite récupérés et traités par des entreprises spécialisées.

REMETTEZ VOTRE BOUTEILLE EN PLASTIQUE ET FAITES UN DON À BIO VAKANTIEOORD (KINEPOLIS PAYS-BAS)

Le 1er juillet 2021, une consigne de 15 cents sur les petites bouteilles en plastique a été instaurée aux Pays-Bas. Il s'agit d'une modification importante de la loi, qui devrait permettre de réduire les déchets plastiques. Kinepolis offre également la possibilité de remettre les petites bouteilles en plastique. Chaque cinéma néerlandais est doté d'une poubelle spéciale où les bouteilles peuvent être remises. La consigne des bouteilles en plastique est intégralement reversée à la Fondation Bio Vakantieoord (voir p. 65).

Les renseignements concernant le tri des déchets sont souvent rappelés lors de l'avant-programme (les communications qui défilent à l'écran avant la diffusion du film). Les règles et les possibilités de recyclage varient d'un pays à l'autre. Au Canada, par exemple, on n'opère encore qu'une seule distinction entre le papier/carton et les autres déchets. En Belgique et aux Pays-Bas, Kinepolis collabore avec Fost Plus (BE) et Milieu Service Nederland (P-B) pour des projets (tests) relatifs au tri des déchets.

MOINS DE DÉCHETS ET UNE DURÉE DE VIE PLUS LONGUE DES MATÉRIAUX

Le département Refresh & Remodeling de Kinepolis coordonne tous les travaux d'entretien et de rénovation sur les sites de Kinepolis. Diverses actions ont été menées ces dernières années pour éviter autant que possible les déchets résiduels et le gaspillage de matériaux.

- Ainsi, le tissu et la mousse des sièges de cinéma sont équipés de velcro, de sorte qu'il n'est plus nécessaire de coller le tissu à la mousse. Cela permet d'éviter l'utilisation de colle et de réduire les dommages causés à la mousse lors de rénovations, pour qu'elle puisse être réutilisée.

- De plus, la mousse des sièges n'est plus découpée, mais injectée dans un moule. La qualité de la mousse est ainsi garantie pendant au moins 20 ans, ce qui signifie qu'elle doit être remplacée moins rapidement.
- Les revêtements de sol dans les salles et les revêtements muraux sont achetés dans des dimensions appropriées et plus petites qui garantissent une perte de coupe minimale lors de l'installation. En travaillant avec des bandes verticales dans le revêtement mural, les dommages peuvent être réparés de manière ciblée sans devoir remplacer l'ensemble du revêtement mural.
- Lors de la conversion des sièges standard en *Cosy Seats*, la structure métallique des sièges est conservée. Les sièges qui sont retirés pour cette raison et qui ne sont pas endommagés seront utilisés, dans la mesure du possible, dans l'aménagement d'autres complexes à rénover.


Le vieux matériel informatique de Kinepolis retrouve une nouvelle vie dans les pays en voie de développement et offre ainsi aux jeunes des possibilités supplémentaires, notamment au Malawi (photo)

IN-THEATRE SALES OPTE POUR DES SOLUTIONS DURABLES

Kinepolis est passé aux pailles et aux sachets de bonbons en papier dans la plupart des pays européens. Les barquettes de nachos et les emballages de pop-corn sont en carton (recyclé) et les couvercles de boissons gazeuses ont été modifiés dans la plupart des pays pour interdire le plastique à usage unique.

Barquettes de nachos et emballages de pop-corn en carton recyclé

Le transport est également pris au sérieux : le pop-corn est produit localement dans la mesure du possible et, en Espagne, les fournisseurs nationaux vont bientôt passer à une livraison bimensuelle plutôt qu'hebdomadaire. En 2021, Kinepolis a opté pour un nouveau fournisseur de pop-corn (Jimmy's), qui dispose d'un certificat de durabilité notamment en ce qui concerne l'utilisation d'huile de palme.

MATÉRIEL INFORMATIQUE

Kinepolis fait don d'ordinateurs, d'ordinateurs portables et de serveurs usagés à « Close the Gap », une organisation qui donne une seconde vie à ce type de matériel dans les pays en voie de développement. De cette façon, nous apportons notre contribution afin de donner au plus grand nombre de personnes possible l'accès à la technologie et à l'éducation. Avec Close the Gap, nous veillons à ce que le matériel revienne en Europe par la suite et soit démantelé de manière écologique. En outre, Kinepolis a réduit de moitié son matériel serveur en 2021, dans le cadre de plans d'efficacité et d'amélioration pour 2022.

MATÉRIEL DE PROJECTION ET SONORE

Les vieux équipements audiovisuels (tels que les projecteurs) qui sont retirés de la circulation sont conservés par Kinepolis pour pièces de rechange, afin de prolonger la durée de vie de l'équipement.

En général, Kinepolis s'efforce de conclure des partenariats au niveau national afin d'unir les forces et de parvenir ensemble à des solutions durables. Parmi les interlocuteurs réguliers figurent Coca-Cola, les entreprises de gestion des déchets, mais aussi les villes et les communes ou les groupes de développement durable. Kinepolis, par exemple, est un membre actif du Green Business Club Utrecht Centraal, où l'on cherche à regrouper les flux logistiques des entreprises dans la zone de la gare afin de réduire les émissions des camions.

Le télétravail et les vidéoconférences continueront après la pandémie.

MOBILITÉ

Kinepolis s'efforce toujours de rendre ses complexes cinématographiques facilement accessibles, que ce soit par les transports publics, à vélo ou en voiture.

En mettant en œuvre l'obligation de télétravail et en limitant fortement les déplacements professionnels, Kinepolis a contribué à une réduction globale des émissions de CO_2 à cause de la pandémie de Covid-19. Bien que ce trafic soit amené à augmenter à nouveau après la pandémie, Kinepolis conservera également le télétravail et la vidéoconférence sous une forme plus permanente. En conséquence, le trafic de voyageurs ne reviendra en aucun cas à son niveau d'avant la pandémie.

Kinepolis Mulhouse (FR), facilement accessible en transports publics

CHANGEMENT CLIMATIQUE

Dans ses analyses de risques (voir p. 114-116), Kinepolis tient compte des éventuelles catastrophes naturelles qui pourraient affecter ses activités en raison du réchauffement climatique, et prend des mesures appropriées lorsque c'est possible pour les anticiper et minimiser les risques. Grâce à la cartographie de son empreinte carbone et à ses efforts continus pour réduire sa consommation d'énergie, Kinepolis vise à atteindre la neutralité carbone de ses activités à plus long terme.

Kinepolis Leidschendam (P-B), facilement accessible à vélo et en transports publics

Intégrité dans les affaires

Kinepolis Bretigny-sur-Orge (FR)

POLITIQUE DE LUTTE CONTRE LA CORRUPTION ET LES POTS-DE-VIN

Kinepolis applique une politique rigoureuse en matière de lutte contre la corruption et les pots-de-vin :

- Kinepolis interdit l'offre et/ou le versement de pots-de-vin à des membres de l'administration (et n'en accepte pas) ;
- Kinepolis interdit la proposition, l'attribution, le versement, l'exigence ou l'acceptation de pots-de-vin et d'autres avantages illégitimes, de manière directe ou indirecte, afin d'obtenir ou de conserver des contrats ou des avantages indus. Kinepolis prend soin d'éviter toute implication, de quelque manière que ce soit, dans des activités de blanchiment de capitaux ;
- Kinepolis traite exclusivement avec des partenaires qui font preuve d'intégrité dans les affaires et qui ne sont associés, en aucune manière, à la fraude.

Kinepolis applique par conséquent une politique stricte en matière de lutte contre la corruption et les pots-de-vin, partant de la conviction que, outre leur aspect non déontologique, ces activités sont susceptibles in fine d'entacher irrémédiablement la réputation de l'entreprise ainsi que de ses parties prenantes et de leur causer des dommages économiques irréversibles.

MESURES POLITIQUES

Ladite politique est explicitement énoncée dans le Code de conduite de Kinepolis, que chaque collaborateur fixe reçoit lors de sa prise de fonction et doit signer. En outre, tout manager doit, chaque année, formellement déclarer avoir respecté les dispositions dudit Code de conduite (dont la politique susmentionnée).

KPI % DE COLLABORATEURS QUI ONT SOUSCRIT AU CODE DE CONDUITE EN 2021 (1)

100 %

(1) Joint au contrat de travail et signé par chaque nouveau collaborateur.

Kinepolis ne lésine pas sur les efforts pour sensibiliser la direction sur sa politique de lutte contre la corruption et les pots-de-vin par le biais de formations obligatoires relatives à la gestion des risques et aux mesures de contrôle. Les membres du personnel sont également invités, lorsqu'ils pensent être confrontés à une situation à risque, à en informer leur manager direct dans les plus brefs délais, en ayant recours ou non à la procédure « lanceurs d'alerte » formelle, tout en veillant à ce qu'une réponse adéquate soit apportée.

Les infractions au Code peuvent donner lieu à des sanctions, conformément au règlement de travail et/ou à la législation du pays concerné.

A partir de 2022, Kinepolis utilisera un code éthique pour les fournisseurs afin de s'assurer que les valeurs de l'entreprise en ce qui concerne les conditions de travail, la santé, la sécurité, l'environnement et l'éthique sont également respectées par ses fournisseurs.

RESPECT DES DROITS DE L'HOMME

Kinepolis adhère à la Déclaration universelle des droits de l'homme telle qu'elle a été adoptée par les Nations Unies, et s'engage à la respecter dans tous les aspects de ses activités. Lesdits droits sont garantis par le respect de la législation des pays dans lesquels Kinepolis opère. Parallèlement, le respect des droits de l'homme constitue pour Kinepolis un critère essentiel dans son choix de partenaires, de fournisseurs et de matériaux.

Outre l'aspect non déontologique, le non-respect des droits humains est susceptible in fine d'entacher irrémédiablement la réputation de l'entreprise ainsi que de ses parties prenantes et de leur causer des dommages économiques irréversibles.

12 Corporate Governance

Kinepolis Leidschendam (NL)

Discussion of the results

2021 was a year in which the Covid-19 pandemic had an ongoing impact on Kinepolis' activities, with prolonged closures – mainly in the first half of the year – and reopenings with ever-changing, restrictive measures in almost all countries.

Thanks to strong cost management and one-off support measures, Kinepolis was able to further limit its cash consumption to € 3.6 million per month in the first half of 2021. The numerous blockbusters that were released in the second half of the year performed strongly – in a pandemic context – and led to a promising return of visitors to the cinemas. Kinepolis noted an increased demand for premium cinema experiences and higher consumption in all countries, especially in the start-up phase.

This enabled Kinepolis to build up significant cash again in the second half of the year, resulting in € 199.8 million of available financial resources at the end of December 2021, as well as a decrease of the net financial debt, excluding lease liabilities, by € 67.8 million compared to the end of June 2021.

Spider-Man: No Way Home

The result of the second half of the year was largely supported by the implementation of Kinepolis' 'Entrepreneurship 2022' plan, which has now been fully implemented. This concerns cost-saving optimisations as well as innovations that build on Kinepolis' business strategy and protect the company against a possible slower recovery in visitor numbers from 2022 on.

Eddy Duquenne

CEO of Kinepolis Group, about the results for 2021

"We did not get the best case-scenario in 2021 for which we had hoped at the start of the vaccination campaign. Nevertheless, I look back with satisfaction on a year in which we, as a company and as a team, did everything that was within our power and which has led to a more than decent result given the circumstances.

We have used the past two years to strengthen our company. We managed to be profitable from a relatively low occupancy rate of our cinemas, something that was supported by the implementation of our 'Entrepreneurship 2022' plan, all the measures of which have now been implemented and are effective. We are also continuing to work on our Star plans, which are focused more on innovation and new sources of income, and we have also recently taken steps to further integrate our sustainability policy in our strategy.

All of this, coupled with a promising visitor recovery thanks to high-performing blockbusters, means we can look to the future with confidence. We can already conclude that we shall come out of this crisis stronger and I am very proud of that."

VISITORS

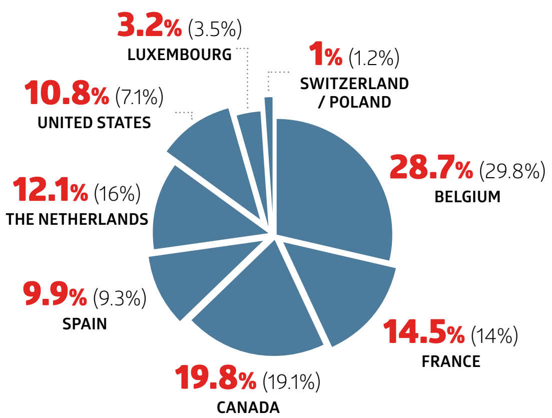
Kinepolis received only 2.2 million visitors in the first half of 2021 due to the closure of most cinemas worldwide, except for the cinemas in the US and Luxembourg and a few Spanish and Canadian complexes. In the second half of the year, Kinepolis received 15.0 million visitors, which corresponds to 33.7% fewer visitors compared to the same period in 2019. The French, Dutch, Belgian and Canadian cinemas were successively reopened from mid-May to mid-July. In Canada, the reopening took place per province, with Ontario and Manitoba being the last provinces in mid-July. The operation of cinemas continued to be subject to ever-changing measures to prevent the spread of the Covid-19 virus in the second half of the year, including capacity restrictions in almost all countries and a new closure in December in the Netherlands and Belgium.

From mid-November 2021, the impact of the fourth corona wave caused the number of visitors to decline. Despite new closures in Belgium and the Netherlands, December was the best month of the year, thanks to the success of *Spider Man: No Way Home*.

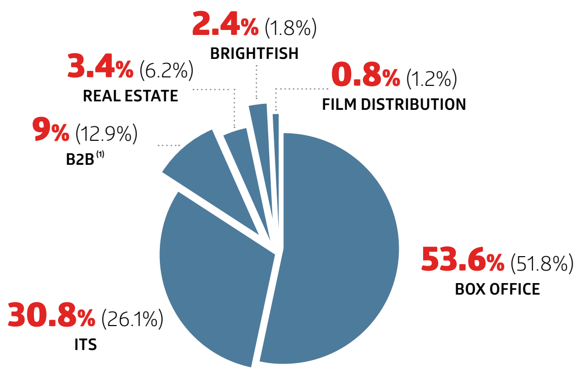
The top five of 2021 were *Spider Man: No Way Home*, No *Time to Die*, *Dune*, *Fast & Furious 9* and *Shang-Chi and the Legend of the Ten Rings*. The most successful local films were *Sinterklaas en Koning Kabberdas* in Belgium, *Les Tuches 4*, *Kaamelott: Premier volet* and *BAC Nord* in France, *Luizenmoeder – De Film* and *De Slag om de Schelde* in the Netherlands, and *A todo tren! Destino Asturias* and *Way Down* (*The Vault*) in Spain.

REVENUE IN 2021 (compared to 2020)

BY COUNTRY



BY ACTIVITY



TOTAL 2021: € 266.4 MILLION
(2020: € 176.3 MILLION)

REVENUE

Total revenue in 2021 amounted to € 266.4 million, an increase of 51.1% compared to 2020. Visitor-related turnover (sales of tickets, drinks and snacks) increased by 63.8% thanks to increased revenue per visitor. Kinepolis also recorded an increase in turnover in all other business lines, except in real estate due to the impact of the Corona crisis on rental income.

Revenue from ticket sales (Box Office) increased by 56.4%, to € 142.9 million. BO revenue per visitor increased by 9.7%. This increase was seen in all countries, 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) increased by 78.5%, to € 82.0 million. ITS revenue per visitor rose by 20.7%[2], driven by an increase in ITS revenue per visitor in almost all countries. Only in Luxembourg and Switzerland ITS revenue per visitor decreased due to the ban on the sale of drinks and snacks for a number of months.

B2B revenue increased by 4.7%. Although there was an increase in income from events, growth was limited by the arrival of the fourth corona wave in the fourth quarter. Screen advertising also showed a strong increase. The increase in the number of events as well as the increase in screen advertising were negatively offset in total B2B turnover by fewer vouchers being sold as a result of the pandemic.

Real estate income decreased by 17.1% due to the loss of variable rental income, rent concessions and a decrease in both parking income and income from owned concessions.

The turnover of **Brightfish**, the Belgian screen advertising management agency, rose by 103.5% thanks to more screen advertising and more events, and Kinepolis Film Distribution (KFD) saw its income rise by 2.2%.

(1) Including screen advertising.
(2) Excluding home delivery revenue.

OPERATING COSTS

Operating costs fell by 42.1% in 2021 thanks to increased Covid-19 grants, more rent concessions obtained, lower depreciations and lower sales and marketing costs.

EBITDA

EBITDA amounted to € 72.7 million in 2021. Since June, a positive EBITDA(L) has been recorded every month.

After leases, EBITDAL amounted to € 38.5 million. EBITDA per visitor increased from € 1.43 to € 4.23.

RESULT FOR THE PERIOD

The net result amounted to € -25.5 million, due to the negative result of the first half year of € -45.8 million.

The net financial result decreased from € -26.1 million to € -28.4 million, mainly due to the interest on the new loan of € 80.0 million concluded at the beginning of January 2021, partly offset by the fact that less use was made of the roll-over credit in 2021.

The effective tax rate was 26.9%, compared with 24.6% in the same period of the previous year.

The result per share amounted to € -0.94.

Kinepolis Metz Waves (FR)

FREE CASH FLOW AND NET FINANCIAL DEBT

A positive free cash flow of € 48.9 million was generated in 2021, with € 70.3 million realised in the second half of the year, thanks to the positive operating result and the recovery of working capital amounting to € 27.4 million.

Kinepolis strengthened its liquidity reserve at the beginning of January 2021 with an additional loan of € 80.0 million. At the end of June 2021, the available financial resources amounted to € 141.9 million and increased to € 199.8 million as per 31 December 2021.

€ 17.1 million was invested in 2021, of which € 10.0 million went to the finishing and construction of new cinemas (Metz Amphithéâtre (FR), Leidschendam (NL), Metz Waves (FR), Servon (FR) and Tamarack (CA)). Maintenance investments amounted to only € 2.8 million, due to the discontinuation of a number of maintenance programmes as a result of the pandemic. € 4.3 million was invested in internal expansion, mainly in premium cinema experiences and the renovation of St. Catharines (CA) and Belval (LUX).

Net financial debt, excluding lease liabilities, decreased from € 513.3 million at the end of 2020 to € 474.5 million as per 31 December 2021, due to the positive free cash flow resulting from the resumption of operations.

Kinepolis only applies conditions to its bank debt with regard to, among other things, the maximum debt ratio (covenants). Following the Covid-19 pandemic, Kinepolis has reached an agreement with its financial institutions to extend the suspension of the so-called *'covenant holiday'* until 31 December 2022. This means that, among other things, the conditions relating to the maximum debt ratio in relation to the EBITDAL will be temporarily suspended until the full year figures of 31 December 2022. Based on current results and assumptions, the Group should be able to succeed in its covenants by 30 June 2022. However given the uncertainty associated with the pandemic, it has been decided to request an extension of the suspension from the banks until 31 December 2022, as a precautionary measure. This extension of the suspension until 31 December 2022 was received in March 2022.

Kinepolis Servon (FR)

These conditions, which apply solely to bank debt, were 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 this *'covenant holiday'*.

Kinepolis Group NV has been a regular issuer in the debt capital markets. As part of its funding strategy, Kinepolis has put in place a new CP/MTN treasury notes programme of € 150.0 million. This programme provides the company with another tool to finance its business with maturities of minimum 7 days and maximum 10 years.

BALANCE SHEET

The land and buildings (including the investment property) have a book value of € 398.0 million.

Equity amounted to € 120.6 million on 31 December 2021. Solvency was 10.1%.

DIVIDEND

The Board of Directors will make a proposal to the General Meeting of 11 May 2022 not to distribute a dividend for the 2021 financial year.

IMPORTANT EVENTS IN 2021 AND AFTER CLOSING DATE

KINEPOLIS CONCLUDES 3-YEAR CREDIT AND NEW CP/MTN PROGRAMME AND EXTENDS THE '*COVENANT HOLIDAY*'

In order to be prepared for possible longer delays before the full resumption of its activities, Kinepolis has taken out, in early January 2021, an additional loan of € 80.0 million with its main bankers for a period of 3 years. On account of its strong balance sheet, the rigorous cost control measures applied, the solid real estate position and the back-up of an 80% guarantee provided by Gigarant (the state guarantee fund), Kinepolis succeeded in concluding the additional credit at attractive commercial terms.

In this context, the banks also extended the suspension of the credit covenants ('*covenant holiday*') until 30 June 2022. Based on current results and assumptions, the Group should be able to succeed in its covenants by 30 June 2022. However given the uncertainty associated with the pandemic, it has been decided to request an extension of the suspension from the banks until 31 December 2022, as a precautionary measure. This extension of the suspension until 31 December 2022 was received in March 2022. These covenants – which include a maximum debt level – were replaced by a liquidity covenant following the suspension.

Kinepolis Group NV has been a regular issuer in the debt capital markets. As part of its funding strategy, Kinepolis has put in place a new CP/MTN treasury notes programme of € 150.0 million. This programme provides Kinepolis with another tool to finance its business with maturities of minimum 7 days and maximum 10 years.

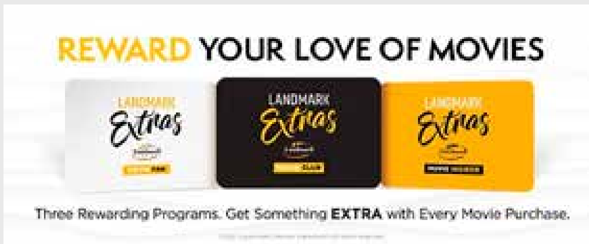
OPENING OF LANDMARK TAMARACK

Landmark Cinemas Canada opened a brand new cinema at the 'Grove on 17' site in the Tamarack region of South East Edmonton, Alberta, on 10 June 2021.

All eight film theatres feature Landmark's luxurious 'recliner' seating concept in a full stadium layout, and each theatre also features *Premiere Seats*, the cosy seat version of the recliner seats. The new cinema is fully equipped with Barco laser projection from Cinionic, and also has a 'MarketPlace' shop, in line with the well-known Kinepolis shop concept.

OPENING OF KINEPOLIS METZ WAVES

With the reopening of the French cinemas on 19 May 2021, the new Kinepolis cinema in the Waves-Actisud commercial centre in Moulins-lès-Metz (FR) also welcomed visitors for the first time. The cinema has 6 screens and around 900 seats. Kinepolis expects to welcome around 300 000 visitors per year to this new French cinema complex.



LAUNCH OF LANDMARK EXTRAS

Landmark Cinemas introduced a brand new loyalty program in September, under the name 'Landmark EXTRAS'. These are three different formulas that enable customers to collect points with every purchase and to be rewarded with 'extras'. The 'Movie Club' is a subscription formula in which the customer pays CAD 9.99 per month for a package of benefits, including one free movie visit per month. More information on www.landmarkextras.com.

INAUGURATION OF KINEPOLIS LEIDSCHENDAM IN THE 'WESTFIELD MALL OF THE NETHERLANDS'

Together with the reopening of the Dutch cinemas on 5 June 2021, the brand new Kinepolis cinema in the 'Westfield Mall of the Netherlands' shopping centre in Leidschendam also opened its doors. The cinema was festively inaugurated on 13 September with the Dutch premiere of 'Dune'.

The 'Westfield Mall of the Netherlands' is a project by Unibail-Rodamco-Westfield, in which the Leidsenhage shopping centre was transformed into the largest shopping centre in the Netherlands. Kinepolis Leidschendam has 11 screens, and Kinepolis expects to welcome around 500 000 visitors per year. The International Cinema Technology Association (ICTA) honoured the brand new cinema with the award for 'Best New-Build of the Year', a great recognition for the teams involved.

©File Photo, Sask Today

CLOSURE AND SALE OF SMALL CANADIAN CINEMAS

Kinepolis decided to close a few Canadian cinemas, each with only one or two screens, as the maintenance investments required were disproportionate to the contribution of these cinemas to the evolution of turnover of the Group. Specifically, it concerns two leased Landmark cinemas, Dawson Creek (BC) and Airdrie (Alberta), and four owned Landmark cinemas, namely Yorkton (Saskatchewan), Selkirk (Manitoba) and the two cinemas located in the Yukon province. The owned cinemas were all sold at the end of the summer.

JAMES BOND VIP EXPERIENCE

At the end of September, on the occasion of the release of 'No Time to Die', Kinepolis organised a James Bond 'VIP experience' in the Laser ULTRA auditoriums of its Belgian and Luxembourg cinemas. Attendees received a VIP welcome with a photo opportunity, champaign, a goodie bag and drinks and snacks. Dressed in their most glamorous outfits, guests were able to enjoy Daniel Craig's final performance as Agent 007 in style. A special formula was also developed in France following the release: the 'Séance Super Fan', an evening dedicated to the new James Bond film, with various animations and goodies.

Corporate Governance Statement

The governance structure of the Company, and more specifically the role and responsibilities, the composition and the functioning of the Board of Directors, its advisory Committees and the Executive Management are described in the **Corporate Governance Charter** (the ‘Charter’), of which a revised version was adopted by the Board of Directors on 23 February 2021.

The Board of Directors has reviewed the Corporate Governance Charter at the beginning of 2021 using the Belgian Corporate Governance Code 2020 (the ‘2020 Code’) as a reference code.

This chapter of the annual report provides more factual information on the corporate governance policy pursued in the financial year 2021, with the aim of applying the principles resulting from this charter as much as possible without affecting the unique character of the Company. Where necessary, the required explanation of the deviations from the Code is given in accordance with the ‘comply or explain’ principle.

The Charter can be consulted on the website of Kinepolis Group: www.kinepolis.com/corporate.

SHARE CAPITAL

The share capital on 31 December 2021 amounted to € 18 952 288.41, and is represented by 27 365 197 shares, without nominal value, all of which benefit the same corporate rights.

After the delivery of 58 299 shares to beneficiaries of stock options, Kinepolis Group held 422 552 treasury shares on 31 December 2021, with a capital value of € 292 646.


Kinepolis management team on a VIP James Bond event, October 2021

RIGHTS TO NOMINATE CANDIDATES TO THE BOARD OF DIRECTORS

According to the articles of association, 8 directors can be appointed from among the candidates nominated by 'Kinohold Bis', a public limited company under the laws of Luxembourg, insofar as it or its legal successors, as well as all entities directly or indirectly controlled by (one of) them or (one of) their respective legal successors (within the meaning of Article 1:20 of the *Belgian Companies and Associations Code*, (the 'BCAC')), solely or jointly, hold at least thirty-five per cent (35%) of the shares of the Company at the moment the candidate is nominated, as well as at the moment of appointment by the General Meeting, on the understanding that, if the shares held by Kinohold Bis SA or its respective legal successors, as well as all entities directly or indirectly controlled by (one of) them or (one of) their respective legal successors (within the meaning of Article 1:20 of the BCAC) represent less than thirty-five per cent (35%) of the capital of the Company, Kinohold Bis SA or its respective legal successors shall only be entitled to nominate candidates to the Board of Directors for each group of shares representing five per cent (5%) of the Company's capital.

SHAREHOLDER AGREEMENTS

No shareholder agreements are known within the Company that could restrict the transfer of securities and/or the exercise of voting rights in the context of a public acquisition bid.

CHANGE OF CONTROL

The Credit Agreement concluded on 15 February 2012 between Kinepolis Group NV and some of its subsidiaries on the one hand, and BNP Paribas Fortis Bank NV, KBC Bank NV and ING Belgium NV (and with the addition of Belfius Bank from 16 December 2019) on the other hand, and as amended and restated several times and most recently as of 8 January 2021, provides for a participating financial institution being able to end its participation in said agreement, whereby the relevant part of the outstanding loan amount will become immediately due if natural or legal persons other than Kinohold Bis SA (or its legal successors) and Mr Joost Bert acquire control (as defined in the Credit Agreement) of Kinepolis Group NV.

The General Terms and Conditions of the Listing and Offering Prospectus dated 17 February 2012 with regard to a bond issue in Belgium also provide that, in the case of a change of control (as defined in the Prospectus), any bond holder shall have the right to oblige Kinepolis Group NV to repay all or a part of his/her bonds under the conditions set forth in the Prospectus. This Prospectus can be consulted on the website of Kinepolis Group.

The General Terms and Conditions of the Prospectus dated 12 May 2015 regarding an Unconditional Public Exchange Offer with respect to the above-mentioned bonds also provide that, in the event of a change of control (as defined in the Prospectus), each bond holder will have the right to oblige Kinepolis Group NV to repay all or a part of his/her bonds under the conditions set out in the Prospectus. This Prospectus can also be consulted on the website of Kinepolis Group.

Finally, the General Terms and Conditions dated 16 January 2015 regarding the private placement of bonds with institutional investors to the amount of € 96.0 million, as well as the General Terms and Conditions dated 5 December 2017 regarding the private placement with institutional investors to the amount of € 125 million, and the General Terms and Conditions dated 5 July 2019 relating to the private placement with institutional investors for an amount of € 225 million, contain clauses for the case of a change of control that are identical to those defined in the above-mentioned Prospectus.

SHAREHOLDER STRUCTURE AND NOTIFICATIONS RECEIVED

Based on the notifications received pursuant to Article 74 of the Public Acquisition Bids Act of 1 April 2007 from Kinepolis Group NV, Kinohold Bis SA, Stichting Administratiekantoor *(Administration Trust Office)* Kinohold, Joost Bert, Koenraad Bert, Geert Bert and Peter Bert, acting by mutual agreement (either because they are 'affiliated persons' within the meaning of Article 1:20 of the BCAC or there is mutual consultation between them) collectively hold more than 30% of the voting shares of Kinepolis Group NV, from subsequent transparency statements (pursuant to the Act of 2 May 2007 and the Royal Decree of 14 February 2008 regarding the disclosure of major holdings) and from notifications within the framework of the share buyback programme, it is shown that, as of 31 December 2021:

- Kinohold Bis SA, held 12 700 050 shares, or 46.41% of the shares of the Company;
- Kinohold Bis SA is controlled by Kinohold, Stichting Administratiekantoor under Dutch law, which is in turn jointly controlled by the following natural persons (in their capacity as directors of the Stichting Administratiekantoor): Joost Bert, Koenraad Bert, Geert Bert and Peter Bert;
- Kinohold Bis SA shall continue to act in close consultation with Mr. Joost Bert;
- Kinepolis Group NV, which is controlled by Kinohold Bis SA, held 422 552 or 1.54 % treasury shares;
- Mr Joost Bert, who acts in close consultation with Kinohold Bis SA and together with Pentascoop NV (a company controlled 100% by him) held 492 218 shares, or 1.80% of the shares of the Company.

The table below shows the situation based on the transparency notifications received under the Law of 2 May 2007. Any amendments communicated since 31 December 2021 have been published in accordance with the provisions of the above-mentioned law and can be consulted at www.kinepolis.com/corporate.

Shareholders' structure as per 31 December 2021

SHAREHOLDER	NUMBER OF SHARES	%
Kinohold BIS SA	12 700 050	46.41
Mr. Joost Bert	492 218	1.80
Kinepolis Group NV	422 552	1.54
Free Float, of which:	13 750 377	50.24
- BNP Paribas Asset Management SA	1 366 585	4.99
TOTAL	**27 365 197**	**100%**

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments may be made to the articles of association with due consideration for the stipulations set out in the BCAC.

The Extraordinary General Meeting of 12 May 2021 has introduced a new article in the articles of association regarding the voting at distance before the General Meeting by electronic means and has adapted accordingly article 36. Moreover the Extraordinary General Meeting authorised the Board of Directors to increase the capital within the framework of the authorised capital as described in more detail in transitional decision 2 of the Articles of Association (https://corporate.kinepolis.com/en/investor-relations/corporate-governance/articles-association).

Joost Bert, chair of the Board of Directors

BOARD OF DIRECTORS AND SPECIAL COMMITTEES

The Company has opted for a one-tier governance structure, whereby the Board is authorised to carry out all actions that are necessary or useful to achieve the Company's purpose, except for those for which the General Meeting is authorised. The Company considers the one-tier structure to be the most appropriate governance structure that permits a rapid decision making and has proven its efficiency.

COMPOSITION OF THE BOARD OF DIRECTORS

From 8 May 2019, the Board of Directors consists of eight members, seven of whom have a non-executive role, and four of whom are to be considered independent of the reference shareholders and the management.

The Company considers Marion Debruyne BV, with Mrs. Marion Debruyne as permanent representative, as an independent director within the meaning of article 7:87 of the BCAC and article 3.5 of the Corporate Governance Code 2020 as she meets all criteria as provided for in the Corporate Governance Code of 2020 except the fact that the mandate has been held for more than 12 years what in view of the Company does not compromise the independent state of mind of the director who has always executed the mandate independent from the vision of the Executive Management and the reference shareholders and has at all times used her special and specific knowledge and know how, amongst others resulting from its academic career, exclusively in the interests of the Company and all stakeholders.

The other independent directors fulfil all the criteria described in the BCAC and the Corporate Governance Code 2020 and were appointed on the recommendation of the Board of Directors, which was advised on this by the Nomination and Remuneration Committee. The reference shareholders did not exercise their nomination right with regard to these appointments.

Furthermore, the Board regularly reviews the criteria for its composition and that of its committees in light of ongoing and future developments, expectations and the risks to which the Company may be exposed, as well as its strategic objectives. The Board pays due attention in this regard to complementarity and diversity among its members, including gender and age diversity, while ensuring that a balance is maintained between renewal and continuity, in order to enable the acquired knowledge and history to be passed on efficiently, while still being able to stay on top of new social and other trends, both in the Board and its committees.

The chairmanship of the Board of Directors is held by Pentascoop NV [1], with Mr. Joost Bert as its permanent representative who in view of his extensive knowledge and experience in the national and international cinema sector, assists the CEO with respect for his executive responsibilities, with the necessary support and advice. He also supports the Board of Directors in conducting a high-quality dialogue with the shareholders, including the reference shareholders and thereby further contributes to sustainable value creation for the Company, with a focus on the long-term interests of all stakeholders.

Mr. Philip Ghekiere, as vice-chair, assisted the chair in the fulfilment of his mandate, and took over his role in the event of unavailability. As from fiscal year 2022 the role of vice-chair will not longer be filled in and in case of unavailability of the chair, his role will be taken over by the oldest director.

Contrary to Stipulation 3.19 et seq. of the Belgian Corporate Governance Code 2020, the Board of Directors has not appointed a secretary, as it believes that these duties can be fulfilled by the chair, assisted by the Corporate Counsel.

The **table below** gives an overview of the composition of the Board of Directors, as well as the attendance record of the various directors with regard to the 7 meetings that took place in 2021 .

ACTIVITY REPORT OF THE BOARD OF DIRECTORS
In view of the in 2021 ongoing Covid-19 pandemic and its impact on the Company, the agenda of the Board of Directors remained in 2021 adjusted to the circumstances and, in addition to the tasks assigned to the Board of Directors by the BCAC, the Articles of Association and the Charter, mainly the following issues were discussed:

- the impact of the Covid-19 pandemic on the Company and the cinema sector, and the measures taken to minimise it at most;
- the commercial and financial results, together with forecasts;
- the cash planning, taking different scenarios into account;
- the long and short-term financing;
- the long and short-term strategy and strategic projects;
- the 2022 budget plan and the 2022 'Entrepreneurship' plan;
- the ongoing cinema and real estate projects;
- the reports of the audit committee and the nomination and remuneration committee;
- the adoption of the new corporate governance charter;
- the remuneration policy;
- the management objectives and the variable remuneration related to these;
- the treasury policy;
- the sustainability strategy;
- the ICT policy, including the ICT security policy;
- the main business risks and the methods applied to mitigate them.

Other items, including human resources, external communication, investor relations, disputes and legal and tax issues, are addressed as needed or desired.

At least seven meetings are scheduled for the year 2022. Additional meetings may be held if needed.

Composition of the Board of Directors

NAME	POSITION	END DATE	OTHER POSITIONS AT LISTED COMPANIES	ATTENDANCE OF MEETINGS (7)
Mr. Joost Bert permanent representative of Pentascoop NV [1]	Chair	2024	/	All meetings
Mr. Philip Ghekiere [1]	Vice-chair	2024	/	All meetings
Mr. Eddy Duquenne [2]	Managing Director	2024	/	All meetings
Mrs. Sonja Rottiers, permanent representative of SDL Advice BV	Independent director	2022	bPost Independent non-executive director and member of the audit committee	All meetings
Mrs. Marleen Vaesen, permanent representative of Mavac BV	Independent director	2022	Van de Velde NV [3] Non-executive director	6 meetings
Mr. Ignace Van Doorselaere, permanent representative of 4F BV	Independent director	2023	/	All meetings
Mrs. Marion Debruyne, permanent representative of Marion Debruyne BV	Independent director	2023	Ackermans & van Haaren NV: Independent non-executive director	6 meetings
Mr. Geert Vanderstappen, permanent representative of Pallanza Invest BV [1]	Director	2022	Smartphoto Group NV: Non-executive director	All meetings

(1) Representing the reference shareholders
(2) Executive director
(3) CEO until 30 April 2022 and non-executive director as of 1 May 2022

Board of Directors: from left to right Marion Debruyne, Ignace Van Doorselaere, Eddy Duquenne, Marleen Vaesen, Philip Ghekiere, Joost Bert, Sonja Rottiers and Geert Vanderstappen

COMPOSITION AND ACTIVITY REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

In accordance with the applicable governance rules, the Company has one joint committee, the Nomination and Remuneration Committee. This committee consists of the following non-executive directors, the majority of whom are independent directors with the necessary expertise and professional experience in the field of human resources, given their previous and/or current professional activities as CEO:

- Pentascoop NV, with Mr. Joost Bert as the permanent representative and chair and former co-CEO of Kinepolis;
- 4F BV, with Mr. Ignace Van Doorselaere, as the permanent representative and CEO of Neuhaus;
- SDL Advice BV with Mrs. Sonja Rottiers as permanent representative and former CEO of Lloyds Insurance Company SA.

The CEO may attend the meetings of the Nomination and Remuneration Committee by invitation, without participating in the deliberations or decisions.

The Nomination and Remuneration Committee met four times in 2021, headed by its chair, and all members of the committee were present.

The following topics were primarily discussed during these meetings:

- the preparation of the renewed remuneration policy in light of the Implementation of the Shareholders rights directive in Belgian law;
- the feedback received on the remuneration policy and the remuneration report further to the General Meeting of 12 May 2021;
- the remuneration report to be included in the 2020 Annual Report;
- the evaluation of the 2020 targets for the Executive Management, and the variable remuneration linked to these;
- the target setting (both quantitative as qualitative) for the variable incentive for the Executive Management for 2021 as well as the related remuneration in case of achievement of the targets;
- the renewal of directorship mandates.

COMPOSITION AND ACTIVITY REPORT OF THE AUDIT COMMITTEE

In accordance with the applicable rules in this respect, the Audit Committee is composed exclusively of nonexecutive directors, the majority of whom are also independent. The Audit Committee as a whole has the appropriate expertise with regard to accounting and auditing, and was composed as follows:

- Pallanza Invest BV, with permanent representative Mr. Geert Vanderstappen, who combines 5 years' experience as a Corporate Officer at Corporate & Investment Banking at the Generale Bank with 7 years of operational experience as finance director at Smartphoto Group NV, and who is currently Managing Partner at Pentahold NV;
- Mavac BV, with permanent representative Mrs. Marleen Vaesen who, among other things, has held the position of CEO at Greenyard, and as of 1 May 2022 functions as non-executive director at Van de Velde NV after having fulfilled the role of CEO;
- SDL Advice BV, with permanent representative Mrs. Sonja Rottiers who held the position of CEO and executive director of Lloyd's Insurance Company SA and of CFO at Dexia Verzekeringen and Axa Belgium.

The CFO, the CEO, the chair of the Board of Directors, the vice-chair and the internal auditor attend the meetings of the Audit Committee.

The representatives of the reference shareholders may attend the meetings by way of invitation.

In 2021, the Audit Committee, under the chair of Mr. Geert Vanderstappen, met five times in the presence (or via representatives) of all members, and dealt mainly with the following items:

- the financial reporting in general, and of annual statutory and consolidated financial report, the half-yearly financial report, and the related press releases in particular;
- establishment and monitoring of the internal audit activities, including discussion of the annual report of the Internal Audit department and the internal audit plan 2021;
- the impact of Covid-19 on the financial reporting;
- the WACC for investment models;
- discussion and evaluation of the internal control and risk management systems, as well as the annual 'risk-management action plan';
- evaluation of the effectiveness of the external audit process;
- evaluation of the work of the internal auditor;
- monitoring of the financial reporting and its compliance with the applicable reporting standards;
- the treasury policy;
- evaluation of the renewal of the mandate of the external auditor;
- the ICT security policy;
- monitoring of the Non-Audit Services regulations.

EVALUATION OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND ITS INDIVIDUAL DIRECTORS

As part of the open and transparent manner in which the meetings of the Board and its committees are held, its operation and performances are constantly and informally evaluated during the meetings, as is the interaction with the Executive Management, with whom is communicated in the same transparent manner.

As the results of the performance assessment carried out in 2019 were discussed in 2020, a new formal evaluation will be organised in 2023.

DIVERSITY

The Board has three female members, accounting for more than one third of the Board of Directors, and therefore meets the legal requirement that at least one-third of the members of the Board must be of a different gender than the other members.

In the coming years, the Board will not only focus its diversity policy on gender, skills and age, but also pay further attention to the international management experience of its directors in order to enable the Board to keep a close eye on the social and economic context and structure in the various geographical areas in which Kinepolis Group operates. The above-mentioned diversity goals were included in the selection process applied by the Nomination and Remuneration Committee and the Board of Directors when searching for potential directors and, among other things, have resulted in a Board of Directors composed not only with three female directors, but also with directors with complementary profiles in terms of competence, knowledge and experience, including international management experience.

EXECUTIVE MANAGEMENT

Following the resignation in 2018 of Mr Bert as managing director, Mr Duquenne, as CEO, is the only member of the Executive Management. The Board of Directors has the authority to appoint further members of the Executive Management and discusses the succession plan for the CEO annually in an informal manner. Given the above-mentioned composition and the fact that no formal or informal executive committee has been set up within Kinepolis Group, no specific diversity policy applicable to the persons charged with day-to-day management has been developed, although the focus is placed on the required management and business experience, insights, skills and know-how needed to perform the function. The above-mentioned basic principle is applied throughout the organisation, regardless of the nationality, cultural background, age or gender of the employees.


Eddy Duquenne, CEO

INSIDER TRADING POLICY – CODE OF CONDUCT – TRANSACTIONS WITH AFFILIATES

The Dealing Code, approved in 2016 and updated in 2019, applies to the members of the Board of Directors, the Chief Executive Officer, persons closely related to the aforementioned persons, and all other persons who might have inside knowledge. The Protocol is designed to ensure that share trading by the persons in question only occurs strictly in accordance with applicable EU and national rules, as well as in accordance with the guidelines issued by the Board of Directors. As the Compliance Officer, the Chief Financial Officer (CFO) is responsible for monitoring compliance with the rules on insider trading, as set out in this Protocol.

A Code of Conduct has also been in force since 2013, containing the appropriate guidelines, values and standards with regard to the ethical and appropriate way in which Kinepolis wishes to treat employees, customers, suppliers, shareholders and the general public. In this document, the employees are reminded that any form of bribery is unacceptable and that personal gifts should not be accepted, except in the case of small gifts in line with generally accepted corporate practices. This corporate culture is adhered to by all employees of the Company at all times.

The limited transactions with affiliated companies, as included in Notes to the Consolidated Financial Statements, were conducted in complete transparency with the Board of Directors.

Nicolas De Clercq, CFO and Compliance Officer

Remuneration report

I. INTRODUCTION

The remuneration policy of Kinepolis Group NV (hereafter Kinepolis) is designed to attract, motivate, and retain board and management members who can develop and implement Kinepolis' sustainable and long-term value creation strategy through their extended, complementary, and international know-how and experience. On proposal of the Nomination and Remuneration Committee the Board of Directors adopted the remuneration policy on 24 March 2021 (https://corporate.kinepolis.com/en/remuneration-policy), which was approved by the General Meeting of Shareholders of 12 May 2021 in line with the new requirements of Article 7:89/1 of the Belgian Code on Companies and Associations (hereafter BCAC). Kinepolis remuneration policy sets out the remuneration principles for the members of the Board of Directors and the Executive Management that currently consists of the CEO.

As Kinepolis values its stakeholders' views very highly, it has conducted a thorough analysis of the votes cast at the 2021 General Meeting and has, where appropriate, taken these into consideration in the renewed remuneration policy, (https://corporate.kinepolis.com/en/investor-relations/shareholders-meeting), which will be proposed to the 2022 General Meeting and will be applicable as of 1 January 2022, and in the current report as described under section VIII.

II. GENERAL PRINCIPLES OF THE KINEPOLIS REMUNERATION POLICY

The remuneration for the 2021 period was allocated to the Board of Directors and Executive Management based on the principles set out in the remuneration policy.

The remuneration policy is designed to enable Kinepolis to attract, develop and retain the right kinds of talent for the Board of Directors and for Executive Management. It will assure that they are compensated in accordance with their contribution to the long-term strategy of Kinepolis i.e. to remain a resilient, sustainable and innovative Group with an important added value for all stakeholders.

BOARD OF DIRECTORS

The chair and vice-chair of the Board of Directors as well as the Executive Director are allocated a fixed annual amount as determined in the remuneration policy. In the revised remuneration policy the fixed amount of € 100 000 for the vice-chair has not been retained as the role of vice-chair will no longer be filled.

The fixed annual amount allocated to the chair also includes a fee for chairing and participating in the Nomination and Remuneration Committee and for participation as non-executive board member in board meetings of other group companies and is set taking into account that the chair regularly represents Kinepolis on the international stage for the cinema business.

In accordance with the remuneration policy, the remuneration of the other non-executive members of the Board consists of a fixed remuneration that is composed of a basic annual amount for attending a set minimum number of board meetings, an attendance fee for participation in committee meetings and an additional fixed annual amount for the chair of the Audit Committee.

The fixed fees and attendance fees are determined in the remuneration policy and are granted every year at the General Meeting on the proposal of the Board of Directors assisted by the Nomination and Remuneration Committee.

Overview of the annual fixed fee and attendance fee applicable for the financial year 2021

	BOARD RELATED ACTIVITIES		COMMITTEE RELATED ACTIVITIES	
	CHAIR	MEMBER	CHAIR	MEMBER
Annual fixed fee	€ 570 000 (chair) € 100 000 (vice-chair)	€ 32 500 (1)	€ 3 750 (2)	n/a
Attendance fee	n/a	n/a	€ 3 000	€ 3 000

(1) The Non-Executive Directors each receive a yearly amount of € 32 500 if they attend at least 6 board meetings; if they attend less than 6 board meetings, the compensation will be reduced proportionally. The CEO is awarded an annual fixed amount of € 30 000 to participate as a board member in the board meetings.
(2) Applicable if different from the chair of the Board of Directors.

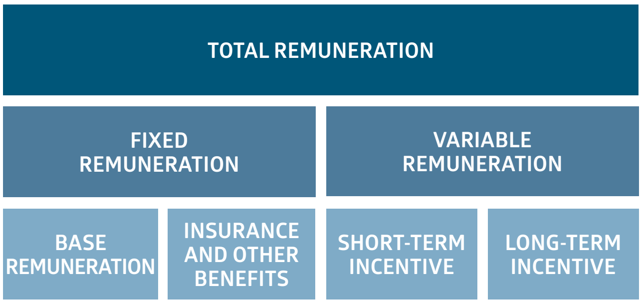
The newly proposed amounts applicable as of 1 January 2022 can be consulted in the revised remuneration policy.

The non-executive directors are not granted shares as part of their remuneration as Kinepolis is of the opinion that its strategy and general mode of operation focussed on long-term value creation is an inherent part of the vision of the Board of Directors without the necessity to on top (partially) link the remuneration to shares in Kinepolis. The non-executive directors do not receive any bonuses or share-related long-term incentive programmes, or any benefits in kind with the exception of the right to attend a number of film screenings every year.

EXECUTIVE MANAGEMENT

The remuneration paid to the Executive Management consists of four components: (i) a base remuneration, (ii) an annual short-term incentive, (iii) a long-term incentive (LTI) and (iv) insurance and other benefits.

Remuneration of the Executive Management



As the Executive Management already holds a significant and meaningful number of shares and stock options in the Company and is thus aligned with the long-term interest of Kinepolis, the Kinepolis remuneration policy does not currently prescribe any explicit minimum shareholding requirements.

Fixed remuneration

(1) Base remuneration

The base remuneration is determined bi-annually and is evaluated by the Board of Directors according to the Nomination and Remuneration Committee's proposal and reflects the experience, competences, activities and responsibilities of the person concerned. The evaluation takes into account a number of criteria such as:

- benchmark data of companies that are part of the Reference Framework in order to ensure that the remuneration is in line with market rates taking into account if the executive management is self-employed; the Reference Framework is composed by a selection of Belgian listed companies whose international activities, turnover and number of employees are comparable to those of Kinepolis ;
- changes in the job profile such as changes in the level of responsibilities or in the level of complexity; and/or
- changes in the size or activities of Kinepolis.

(2) Insurance and other benefits

Apart from a yearly cost allowance of € 9 000 and the benefit of a liability insurance scheme for directors and officers, the Executive Management will receive no fringe benefits. In line with market practices, the revised remuneration policy also provides the Board the possibility to integrate contributions to a pension scheme in the remuneration package of the Executive Management.

Variable Remuneration

The purpose of the variable component is to ensure that the interests of Executive Management are aligned with those of the Company and its stakeholders , i.e. that they lead to sustainable and long-term value creation, and provide the appropriate incentive to optimise the short-term and long-term objectives of the Group and its stakeholders.

In view of the fact that the performance criteria are set to ensure creation of long-term sustainable growth and value, and that the 2016 Share Option Plan incentivizes in a significant manner Executive Management in the long-term, the General Meeting of 12 May 2021 has, in accordance with article 7:91 of the BCAC, approved the Board of Directors' proposal to base the integral annual variable remuneration of the Executive Management for the periods of 2021 to 2024 included on objective and measurable performance indicators measured over a period of one year.

(1) Annual Short-term incentive (STI)

Although the STI is based on the realisation of short-term objectives, it needs to be emphasised that these objectives all support Kinepolis' long-term strategy.

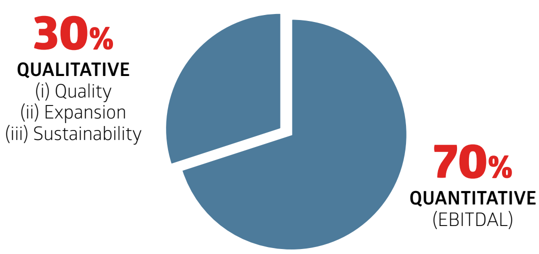
In accordance with principle 7.10 of the 2020 Belgian Code on Corporate Governance the short-term incentive on target is on a two yearly basis set by the Board of Directors at a percentage of the fixed remuneration. In case of significant outperformance or exceptional achievement the maximum pay out (cap) can be increased to 100% of the fixed remuneration.

The targets customarily consist of both quantitative and qualitative targets, with 30% of the variable remuneration being linked to the achievement of the qualitative targets (being a mix of individual qualitative targets and qualitative targets of the Company to be achieved over a one-year period), and 70% being linked to the achievement of the quantitative targets to be realized over a one-year period:

- with respect to the quantitative objectives, the Board of Directors in normal times uses the evolution of the EBITDAL versus the targets set by the Board of Directors as a performance criterion, as this criterion is the relevant parameter for measuring the development of value creation within Kinepolis. If the EBITDAL achieved for the relevant year is situated in the predefined range, an amount between 0 and 100% of the variable compensation linked to the realisation of the quantitative objectives will be paid pro rata.
- the qualitative criteria are based on (a) Kinepolis's well known three pillar strategy (Best Cinema Operator, Best Marketer, Best Real Estate Manager), (b) the internal and external expansion strategy and (c) the sustainability strategy.

The concrete objectives and milestones are determined and evaluated every year by the Board of Directors on the Nomination and Remuneration Committee's proposal.

SHORT-TERM INCENTIVE



(2) Long-term incentive (LTI)

On 11 May 2016, the General Meeting approved the 2016 Share Option Plan, under which 543 304 options (with a term up to 10 May 2024) on existing shares could be granted to the then chair of the Board of Directors, the Executive Management and eligible executives of the Company or its subsidiaries in order to enable the aforementioned persons to participate in the long-term shareholder value they will help create, thereby aligning their interests with the interests of the shareholders. By granting stock options, Kinepolis aims to be able to attract, motivate, commit and retain the best management talent for Kinepolis in the long-term.

Notwithstanding the fact that, in line with the Belgian market practice for small and mid-cap companies, the granting of stock options is not linked to predetermined and objectively quantifiable performance criteria, the interest of the Executive Management is however considered to be aligned with that of Kinepolis on a long-term basis as the value of the remuneration element lies in the long term evolution of the share price.

Moreover, the goal to retain valuable key personnel who contribute to the long-term growth of Kinepolis is achieved amongst other things by the gradual vesting of the stock options over a period of 5 years and the fact that the vested stock options can only be exercised as of the 4th year after they were granted.

The main features of the stock options can be summarised as follows:

- The exercise price is determined in accordance with the Belgian Share Options Law;
- The options are vested over a period of 5 years;
- The vested options become exercisable as from the 4th year following the date they were granted;
- The term of the options is limited to 8 years as from the date of the approval of the plan by the general shareholders' meeting;
- The options are subject to Bad Leaver provisions;
- The options will not be transferable, except in the event of death.

A more detailed description of the features of these options can be found in Note 20 to the Consolidated Financial Statements and on https://corporate.kinepolis.com/en/investor-relations/share-kinepolis/information-memorandum.

Claw-back provision
There are no explicit contractual claw-back provisions provided for up to 31 December 2021. The general provisions provided for in the Belgian Civil Code apply in case of fraud or malicious intent with regard to the figures on which the variable remuneration has been calculated on.

In accordance with provision 7.12. of the Code and based on the Nomination and Remuneration committee's proposal, the Board has proposed the General Meeting of 11 May 2022 to insert a claw-back provision in the contractual arrangements with the Executive Management applicable as of 1 January 2022.

This will enable the Board to fully or partially reclaim the settled variable remuneration:

(i) where there is a material misstatement in the Company's financial results on which the variable remuneration has been calculated on leading to a restatement of the audited accounts; or

(ii) in the event of fraud or malicious intent by a member of the Executive Management which has a material adverse effect on the Company's financial results on which the variable remuneration has been calculated on.

The claw-back clause can be applied for a period of 3 years following the pay-out of the variable remuneration.

III. APPLICATION OF THE POLICY IN 2021

The Remuneration Report gives an overview of the remuneration policy as applied in 2021.

As in 2020, the past year was dominated by the Covid-19 crisis, which of course had an impact on the activities and results of Kinepolis. However, notwithstanding these challenging financial and operational Covid-19 related circumstances, Kinepolis succeeded in finishing the construction of 3 new movie theatres, in limiting its cash drain and even in building up significant cash reserves in the second half of the year thanks to strong cost management.

The results from the second half of the year were largely supported by the implementation of the Kinepolis 'Entrepreneurship 2022' plan. The plan is based on cost saving and innovative solutions, and strives to make Kinepolis future proof in a challenging environment for the cinema industry.

REMUNERATION OF THE BOARD OF DIRECTORS
The board of directors was remunerated in accordance with the principles described in the remuneration policy. After the 20% remuneration cut in 2020, the 2021 remuneration was restored at the level as described in the remuneration policy.

Remuneration of the Board of Directors

NAME	TITLE	2020 REMUNERATION (IN €)	REMUNERATION FOR ATTENDANCE TO BOARD MEETINGS	REMUNERATION FOR ATTENDANCE TO COMMITTEEE MEETINGS	2021 TOTAL REMUNERATION (IN €) (1)
Mr. Joost Bert, Permanent representative of Pentascoop NV	Chair	454 531	568 164	-	568 164 (2)
Mr. Philip Ghekiere	Vice-chair	80 000	100 000	-	100 000
Mr. Eddy Duquenne	Managing Director	24 000	30 000	-	30 000
Mrs. Sonja Rottiers, Permanent representative of SDL Advice BV	Independent director	40 400	32 500	27 000	59 500
Mrs. Marleen Vaesen, Permanent representative of Mavac BV	Independent director	35 600	32 500	15 000	47 500
Mr. Ignace Van Doorselaere, Permanent representative of 4F BV	Independent director	30 800	32 500	12 000	44 500
Mrs. Marion Debruyne, Permanent representative of Marion Debruyne BV	Independent director	26 000	32 500	-	32 500
Mr. Geert Vanderstappen, Permanent representative of Pallanza Invest BV	Director	38 600	32 500	18 750	51 250
TOTAL		**729 931**			**933 414**

(1) All amounts are gross amounts before tax.
(2) Of which a significant amount was in light of the Covid-19 crisis deferred to a later stage.

All members of the Board of Directors, as well as the directors of the subsidiaries of the Company, are insured via a 'civil liability of directors' policy', for which the total premium amounts to € 63 000, excluding taxes, and which is paid by Kinepolis.

With the exception of the right to attend film screenings in Kinepolis cinemas, the non-executive directors received no other remuneration, benefits, share-based or other incentive bonuses from Kinepolis in 2021.

As reported in previous years, the chair of the Board of Directors was granted 45 000 options in 2017 in his then capacity as co-CEO and the vice-chair the same number in his then capacity of executive chair of the Board of Directors.

In accordance with the Share Option Plan 2016 the last tranche of the share options vested in the beginning of 2022, i.e. 7 515 options for both members who exercised no share options in 2021.

REMUNERATION OF THE CEO

While the remuneration envelope for the CEO remained unchanged in 2021 [1], the Nomination and Remuneration Committee and the Board of Directors will evaluate the package in 2022 in line with the principles described in the remuneration policy and will make sure that an appropriate balance is maintained between the fixed and the variable part. In the current package the variable part amounts to approximately 40% of the total remuneration if all targets are met and up to 50% in cases of an exceptional performance.

Base remuneration

While the base salary remained at the amount of € 725 242, the payment of a significant part was during the ongoing Covid-19 crisis spontaneously deferred by the CEO until a later stage.

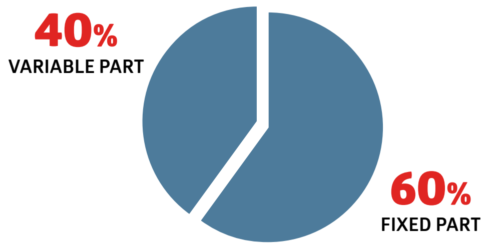
Insurance and other benefits

Apart from a yearly cost allowance of € 9 000 and the benefit of a liability insurance scheme for directors and officers, the Executive Management received no fringe benefits nor contributions to a pension scheme.

Variable remuneration (STI)

As the remuneration report describes the variable remuneration that is awarded by the board in 2021 for the performance in 2020, the performance targets and amount of variable remuneration in this report refer to those for the fiscal year 2020.

TOTAL REMUNERATION



Quantitative target

As the Covid-19 crisis led to unpredictable forecasts for Kinepolis, the Board of Directors decided in 2020, in line with the remuneration policy, to replace the 'classic' quantitative EBITDAL performance target by a more general performance target that evaluates how Kinepolis faces the Covid-19 crisis from an operational and financial point of view.

Qualitative target

The qualitative targets were designed to not only take into account long-term sustainable value creation but also the consequences of the Covid-19 crisis. The management objectives for the fiscal year 2020 therefore consisted of (i) the further development of the improvement potential of the MJR theatres, (ii) optimisation of internal reporting tools and administrative processes leading to a more efficient organisation, (iii) further development of Kinepolis's sustainability strategy and (iv) development of a resilient and agile business strategy to face the Covid-19 crisis which includes further development of internal and external expansion opportunities.

(1) Namely a base salary of € 725 242 and variable remuneration of € 485 000 if all targets are met.

Overview of performance measures used for the financial year 2020

PERFORMANCE MEASURE		DESCRIPTION & RELEVANCE TO OUR STRATEGY	RELATIVE WEIGTING
Quantitative	Ability of Kinepolis to cope with the Covid-19 pandemic	To achieve its three pillar strategy [1], Kinepolis needs to ensure its financial stability over the long-term, in particular in a crisis context.	70%
Qualitative	Ability of Kinepolis to increase the potential of MJR cinemas	The increase of this potential will contribute to the long term growth strategy of Kinepolis.	30%
	Optimisation of internal reporting tools	The optimisation of internal reporting, management and forecasting tools contributes to the effectiveness of the organisation and supports Kinepolis in the implementation of her three pillar strategy.	
	Further development of the sustainability strategy	Kinepolis wants to create sustainable value for customers, employees, shareholders, business partners and the community.	
	Development of a resilient and agile business strategy to face the Covid-19 pandemic	This business strategy is obviously focussed on supporting the long term growth strategy.	
TOTAL			**100%**

(1) To achieve this objective, Kinepolis's strategy relies on three pillars: (i) the best marketer, (ii) the best cinema operator, and (iii) the best real estate manager.

Evaluation of the 2020 performance
The consolidated results clearly establish that Kinepolis maintained a solid financial basis throughout the fiscal year 2020 — a year in which the cinema industry was extremely badly hit by the pandemic with long periods of cinema closures followed by periods of restrictive measures as well as repeated postponements of blockbuster releases. However, thanks to the financial and operational business strategy, not only was the operational cash drain limited to € 3.6 million per month in the second half of 2020 and the EBITDAL loss of 2020 limited to -€ 14 million but also an additional loan of € 80 million was secured providing Kinepolis with sufficient financial reserves to face the ongoing consequences of the pandemic and to launch four new construction projects.

Furthermore, Kinepolis showed itself to be very agile by swiftly implementing the rapidly changing restrictive operational measures imposed by the various governments. It also succeeded in maintaining a safe and welcoming environment not only for its visitors but also for its employees which enabled it to limit the talent drain.

As far as the qualitative targets are concerned, the predominant focus of the Executive Management shifted, as the pandemic continued for a longer period than initially anticipated, to the adaptation of the business strategy to the Covid-19 crisis. This has resulted in the development of the Entrepreneurship 2022 plan which, based on further optimisation and innovation measures, will support the future profitable performance of Kinepolis.

In view of the ongoing Covid-19 pandemic the CEO decided however to waive any right to an STI for the performances in the year 2020.

Total remuneration granted in 2021 [1]

EDDY DUQUENNE BV	FIXED REMUNERATION		VARIABLE REMUNERATION IN THE SHORT-TERM	EXCEPTIONAL ITEMS	PENSION COST	TOTAL REMUNERATION	RATIO OF FIXED AND VARIABLE REMUNERATION
	BASIS	ADDITIONAL BENEFITS [2]					
2021	725 242 [3]	9 000	0	0	0	734 242	Fixed: 100% Variable: 0%

(1) The payment of the variable remuneration granted for the fiscal year 2019 was deferred by the CEO and paid in 2021.
(2) Expense allowance
(3) Of which an important part is deferred to 2022 in the context of the pandemic.

Long term incentives (LTI)
In accordance with the Share Option Plan 2016, the last tranche of the share options, that were granted in 2017, vested in the beginning of 2022.

The CEO exercised no share options in 2021 nor were any additional share options granted.

BENEFICIARY	NUMBER OF OPTIONS GRANTED IN 2017	TOTAL NUMBER OF OPTIONS VESTED	NUMBER OF OPTIONS EXERCISED
Eddy Duquenne	90 000	90 000	0

IV. SEVERANCE PAYMENTS

There were no severance payments as no members of the Board of Directors or Executive Management left the Company in 2021.

V. CLAW-BACK RIGHTS

No circumstances arose in 2021 that would give cause to reclaim all or part of the variable remuneration.

VI. EVOLUTION OF THE REMUNERATION AND PERFORMANCE OF KINEPOLIS

	2017	2018	2019	2020	2021
Remuneration of directors	+6.53%	+89.73% [1]	+19.52%	-21.90% [2]	+27.87 %
Remuneration CEO Eddy Duquenne [3]	-11.66%	+19.74%	+1.08%	+10.57% [4]	-42.1 %
Remuneration CEO Joost Bert	-6.46%	-34.98%	-100% [5]	/	/
Net profit	+2.98%	-3.38%	+14.69%	-227.11%	+63.53%
Adjusted EBITDA	+10.28%	+14.10%	+46.34%	-89.96%	+313.11%
Average remuneration of employees [6]	+12%	+5%	-14%	-31% [7]	+21%

(1) The increase is explained by the fact that a new chair was appointed as of 11 May 2018.
(2) The remuneration of the board was cut with 20% in 2020.
(3) In this evolution we have considered the total remuneration where, as for the STI, we have taken into account the amount which has been awarded for targets realised in the prior year; the evolution does not include the remuneration as director.
(4) For the sake of comparability, the deferred payment in 2021 of the variable remuneration for performance in 2019 has in line with Kinepolis's reporting, been added to the remuneration for 2020.
(5) Mr. Bert was CEO until 10 May 2018.
(6) The evolution is based on the cost of labor of Kinepolis Group NV of all employees and of all natural and legal persons linked to Kinepolis by a management agreement or similar and takes into account the fixed and variable remuneration, vacation pay, end-of-year pay, all extra-legal payments and employer contributions.
(7) Corrected number as the figure reported in 2020 was erroneous.

VII. RATIO BETWEEN THE HIGHEST AND LOWEST REMUNERATION

The ratio between the highest and lowest remuneration within Kinepolis Group NV is a factor of 17,64. This includes all components of the remuneration. More specifically for the lowest remuneration, this includes: fixed remuneration, variable remuneration, vacation pay, end-of-year pay, all extra-legal payments and employer contributions.

VIII. SHAREHOLDER'S VOTE

In accordance with section 7:149, paragraph 3 of the BCAC, Kinepolis has reflected on the votes casted by shareholders when determining the remuneration for the 2021 period. After careful review, the Board of Directors considers the remuneration policy as approved in 2021 to be a balanced and transparent policy. The performance goals enhance the long-term financial and operational performance of Kinepolis as clearly appreciated by the investor community and as demonstrated by the financial results prior to the Covid-19 pandemic as well as during the pandemic.

Notwithstanding this, Kinepolis has, where appropriate, explained in more detail in this remuneration report the rationale behind the choices made regarding the remuneration policy and has proposed the 2022 General Meeting to introduce a claw-back mechanism as prescribed in the 2020 Belgian Corporate Governance Code.

As Kinepolis values the feedback of its shareholders, she will continue to integrate their feedback into the discussions of the Nomination and Remuneration Committee in 2022. Looking to the future, the Nominations and Remuneration Committee will also evaluate the current design of the different variable remuneration components for Executive Management.

DESCRIPTION OF THE MAIN CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In accordance with the Corporate Governance rules and the various relevant regulations, the Company has developed a process for risk management. Kinepolis Group makes use of the 'Integrated Framework for Enterprise Risk Management' in this regard as developed by the Committee of Sponsoring Organisations of the Treadway Commission ('COSO'). This framework integrates both the internal control and risk management processes and is aimed at the identification and management of strategic, operational and reporting risks, as well as legal and regulatory risks in order to ensure the achievement of the corporate objectives.

Kinepolis Group uses this framework to implement a system of Risk Management or to control the above risks in the business processes and financial reporting. The system is developed centrally and is uniformly applied as far as possible in the various parts of the organisation and its subsidiaries. The system deals with the various components as prescribed by the reference model, as well as the various roles and responsibilities with regard to internal controls and risk control.

ROLES AND RESPONSIBILITIES

Risk management is not the exclusive responsibility of the Board of Directors and Executive Management within Kinepolis Group; every employee is responsible for the proper and timely application of the various risk management activities within the scope of his or her job.

The responsibilities of the Board of Directors (and its various committees) and the Executive Management regarding risk-management are established and described in detail in legal stipulations, the Belgian Corporate Governance Code 2020 and the Kinepolis Corporate Governance Charter. In brief, it can be stated that the Executive Management bears final responsibility for the appropriate implementation and management of the risk-management system, while the Board of Directors has a supervisory role in this matter.

The implementation and management of the risk-management system is based on a pyramidal responsibility structure, in which each manager is not only responsible for the proper introduction and application of the risk-management processes within the scope of his or her job, but also has a duty to monitor its proper implementation by his or her subordinates (who may, in turn, be managers).

In this way, management can be confident of proper and comprehensive risk management throughout the Company and be assured that related risks in the various business processes and departments are being tackled in an integrated way.

APPLICATION OF THE VARIOUS COMPONENTS

The way in which the Group applies the various components of the COSO framework is outlined below. This description covers only the most important elements and is therefore not comprehensive. In addition, the appropriateness of the application is evaluated on a regular basis and is therefore continually subject to change.

INTERNAL CONTROL ENVIRONMENT

An appropriate internal environment is a precondition for being able to effectively apply other risk-management components. With this in mind, Kinepolis Group highly values integrity and ethical action. In addition to the existing legal framework, Kinepolis Group endeavours to encourage and enforce such behaviour by means of both preventive measures (e.g. via the Charter, the Code of Conduct, the work regulations, the application of strict criteria in the area of human resources, in particular with regard to the areas of the selection and recruitment of staff and periodic evaluations, and various procedures and policies) as well as investigative measures (e.g. reporting procedure, compliance inspections).

Another important aspect of the internal environment is the organisational structure. Kinepolis has a clear and uniform organisational structure, which matches the various countries and business processes. The organisational structure, the determination of the various objectives, the management of the budget and the remuneration process are also aligned to each other.

In addition, correct employee training and guidance is essential for the proper application of risk management. To this end, the training needs of every employee are evaluated on an annual basis, distinct from the existing compulsory courses for certain jobs. New managers also follow an introductory risk-management training.

SETTING OF OBJECTIVES

In line with the Company's mission, business objectives are set for different terms. As described in the Charter, these are confirmed on an annual basis by the Board of Directors, which also ensures that they are in line with the Company's risk appetite, as determined by the Board of Directors.

The (financial and non-financial) objectives established at consolidated level are gradually developed into specific objectives for individual countries, business units and departments on an annual basis. The lowest level is the determination of the individual objectives for each employee. The attainment of these objectives is linked to the remuneration policy.

Progress with regard to these objectives is regularly assessed through business-controlling activities based on management reports. The individual objectives are assessed at least once a year as part of a formal HR evaluation process.

INTERNAL CONTROL

Internal Control is defined as the identification and assessment of business risks, as well as the selection, implementation and management of the appropriate risk responses (including the various internal control activities).

As stated above, it is first and foremost the duty of every manager to properly set up and implement the various internal risk-management activities (including monitoring) within the scope of his/her job. In other words, each line manager is responsible for the appropriate and timely identification and evaluation of business risks and the ensuring that control measures are taken and managed. Although the individual line manager has some latitude when applying these rules, Kinepolis aims to standardise the process as much as possible. This is achieved by organising e-learning ERM training courses, implementing the structured policy guidelines and procedures, and using standard lists for the internal controls to be carried out.

The Board of Directors and Management of Kinepolis conduct an annual risk assessment to acquire a general understanding of the business risk profile. The acceptability of residual risks is also assessed as part of this. If these are not acceptable, additional risk-response measures are taken.

INFORMATION AND COMMUNICATION

The appropriate structures, consultation bodies, reporting and communication channels have been set up within Kinepolis Group for business operations, in general, and risk management in particular in order to ensure that the information required for those operations, including risk management, is made available to the appropriate persons in a timely and proper way. The information in question is retrieved from data warehouse systems that are set up and maintained in such a way as to meet the reporting and communication requirements.

MONITORING

In addition to the monitoring activities by the Board of Directors (including the Audit Committee) as stipulated by law, the applicable governance provisions and the Charter, Kinepolis mainly relies on the following monitoring activities:

- Business Controlling: The Management, supported by the Business Controlling department, shall analyse the progress made towards meeting the objectives and explain the discrepancies on a monthly basis. This analysis may identify potential improvements with regard to the existing risk management activities and measures;

- Internal Audit: the existing risk management activities and measures will be regularly assessed by the Internal Audit department with regard to internal rules and best practices. Possible improvements will be discussed with the Management and will result in the implementation of concrete action points that further tighten risk management.

DESCRIPTION OF THE MAIN BUSINESS RISKS

In order to gain insight into the main business risks, the Board of Directors and the Management of the Company conducts a risk assessment on an annual basis, and this assessment is subsequently analysed and validated by the Board of Directors. As in previous years, this took place in 2021 on the basis of a written survey of the participants in order to gain both quantitative and qualitative results, enabling risks to be assessed in order of scale. Although this way of working enables Kinepolis to distinguish important risks from less important risks in a well-founded way, it remains an estimation that, inherent in the definition of risk, provides no guarantee whatsoever of the actual occurrence of risk events. The following list (in random order) therefore contains only some of the risks to which Kinepolis is exposed.

AVAILABILITY AND QUALITY OF SUPPLIED CONTENT

Bearing in mind that Kinepolis Group does not produce any content itself (such as films, etc.), it is dependent on the availability, diversity and quality of films, as well as the possibility of being able to rent this content from distributors. To the extent possible, Kinepolis Group endeavours to protect itself against this by maintaining or establishing good long-term relations with the major film distributors and producers or other content providers, by pursuing a policy of content diversification, and by playing a role as a distributor in Belgium. The investments in Tax Shelter projects in Belgium should also be viewed in this light.

SEASONAL EFFECTS

The operating revenue of Kinepolis Group can vary from period to period, as the producers and distributors decide independently of the cinema operators, when their movies are released, and because certain periods, such as holidays, can traditionally have an impact on visitor numbers. The weather can also play an important role in the frequency of cinema visits. Kinepolis largely accepts this risk, considering that the costs of a financial hedging policy would exceed the revenue from it, but endeavours to mitigate the consequences, among other things, by varying its cost structure to a maximum degree.

COMPETITION

The position of Kinepolis Group as a cinema operator is subject to competition, just like every other product or service for which substitutes exist. This competition not only results from the presence of cinemas run by other operators in the markets in which the Group is active, and from the possible opening of new cinema complexes in those markets, but also from the increasing availability and sometimes even simultaneous or exclusive availability of films and series via online content media, such as Netflix, Apple and Disney+. This development may be further influenced by the continuous technical improvement of the quality of these alternative ways of viewing a film. In addition to these legal alternatives, the cinema industry also has to deal with illegal downloads. Kinepolis is working actively together with distributors to agree measures to counter a possible increase in the illegal online sharing of content. Finally, the position of Kinepolis Group is impacted by increasing competition from other forms of leisure activities, such as concerts, sporting events, gaming, etc., that can have an influence on the behaviour of Kinepolis customers.

Kinepolis Group strives to strengthen its competitive position as a cinema operator by implementing its strategic vision, which is focused on being able to provide customers with a premium service, content and film experience.

ECONOMIC SITUATION

Changes to the general, global or regional economic situations, or the economic situations in areas where Kinepolis Group is active and that can impact consumer behaviour and the production of new movies, can have a negative impact on the operating profits of Kinepolis Group. Kinepolis endeavours to arm itself against this threat by implementing decisive efficiency measures and by closely monitoring and controlling costs and margins. Changing economic conditions can also increase competitive risks.

RISKS ASSOCIATED WITH GROWTH OPPORTUNITIES

With further growth, competition authorities can impose (additional) conditions and restrictions on the growth of Kinepolis Group (see also 'Political, regulatory and competition risks' below). In addition, certain inherent risks are also associated with growth opportunities, either through acquisition or new-build projects, which can have a negative impact on the targets set. Kinepolis Group will thereby also thoroughly examine growth opportunities in advance to ensure these risks are properly assessed and, where necessary, managed.

POLITICAL, REGULATORY AND COMPETITIVE RISKS

Kinepolis Group strives to operate at all times within the legal framework. However, additional or amended legislation, including tax laws, could restrict Kinepolis's growth and/or operations, or result in additional investments or costs. Where possible, Kinepolis Group actively manages these risks by notifying the relevant political, administrative or legal bodies of its views and defending them in an appropriate way. Furthermore, the Belgian Competition Authority has imposed a number of conditions and restrictions on Kinepolis Group, such as the requirement of obtaining the prior approval of the Competition Authority for acquisitions of existing cinema complexes in Belgium.

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TECHNOLOGICAL RISKS
Cinema has become a highly computerised and automated sector, in which the correct technological choices and the optimal functioning of projection systems, sales systems and other ICT systems are critical in order to be able to offer an optimal service to the customer. Kinepolis Group tries to manage these risks by closely following the latest technological developments, regularly analysing the systems architecture, securing its networks and optimising them where necessary, and by implementing ICT best practices.

PERSONNEL RISKS
As a service company, Kinepolis Group largely depends on its employees to provide a high-quality service. Hiring and retaining the right managers and employees with the required knowledge and experience in all parts of the Company is therefore a constant challenge, which is magnified even more in the Covid period. Kinepolis accepts this challenge by offering attractive terms of employment, good knowledge management and a pleasant working atmosphere. Kinepolis measures employee satisfaction on the basis of employee surveys and adapts its policies where necessary. Furthermore, Kinepolis also attaches great importance to the health of its employees, and endeavours to create a work environment that is as free of risks as possible. To this end, and in addition to compliance with the legal obligations with regard to safety and prevention, it has taken a number of further measures, such as the organisation of preventive examinations by the Company doctor, the organisation of evacuation exercises, prevention training, etc. In the context of the Covid-19 pandemic, Kinepolis also drew up the necessary protocols in which, in order to protect the health of the employees, working from home was the guiding principle for the office employees, strict guidelines were issued for the employees active in the cinemas, and the necessary protective material was made available to every employee.

CUSTOMER RISKS

Customer experience is key at Kinepolis Group, which is why Kinepolis places the greatest importance on the management of the risks that could have a negative impact on the customer experience in all aspects of the Kinepolis 'customer journey'. In the first place, Kinepolis is concerned with the physical integrity of its customers, and therefore ensures that the health and safety risks for its customers are reduced to a minimum when they are in the complexes. This includes numerous aspects, ranging from user-friendly buildings and installations to user-friendly products (e.g. compliance with HCCP standards, noise levels in the theatres) and the prevention of feelings of insecurity through an adapted surveillance policy. In the context of the Covid-19 pandemic, extensive safety protocols were developed and implemented in consultation with the competent local authorities and sector federations, with the main pillars being:

- Managing the flow of visitors to, from and in the cinema.
- Maintaining appropriate social distancing throughout the entire cinema visit.
- Strict safety and hygiene measures in all areas and in all interactions with staff.
- Providing maximum information to customers about all necessary and useful safety measures.

Measures were also taken to adjust the ventilation systems to ensure a maximum supply of outside air in all the rooms.

In addition, in line with its best marketer strategy, Kinepolis also respects the privacy and data integrity of its customers. To this end, it has appointed a 'data protection officer' (DPO) and implemented a number of legal and security measures to protect customer data, and has organised GDPR training for staff, while the DPO carries out the necessary audits to ensure that the Company's privacy policy remains up-to-date at all times, and the status of the Company's GDPR maturity is discussed in internal committees as well as in the Audit Committee.

Last but not least, Kinepolis tries to respond to any questions or dissatisfactions as quickly as possible by offering its clients timely and adequate services so that potential complaints or disputes can be prevented or be resolved as quickly as possible. Poor management of the above-mentioned risks would lead to a decline in customer satisfaction, reputational damage and, ultimately, a decline in visitor numbers. In addition, the likelihood of disputes and/or administrative fines would also increase considerably.

RISKS RELATED TO EXCEPTIONAL EVENTS

Events of an exceptional nature, including but not limited to extreme weather, political unrest, terrorist attacks, pandemics etc., in one or more countries where Kinepolis Group is active and that result in material damage to one of the multiplexes, a fall in the number of customers or disruption in the delivery of products, can have a negative impact on activities. Kinepolis strives to minimise the potential impact of such risks as far as possible through a combination of preventive measures (such as structural engineering decisions, evacuation planning) and detection measures (such as fire detection systems) by taking out adequate insurance, and through a strong focus on cost management.

ENVIRONMENTAL LIABILITY AND PROPERTY RISKS

Given the fact that Kinepolis Group owns and leases real estate, the latter is subject to regulations with regard to environmental liability and potential property risks. In addition to the above-mentioned measures to manage political and regulatory risks, Kinepolis will take appropriate measures to prevent environmental damage and limit property risks.

OTHER RISKS

Following the annulment by the Court of the decisions of the Belgian Competition Authority (BMA) of 31 May 2017 and 26 April 2018 to relax the behavioural conditions imposed on Kinepolis Group by the BMA in 1997, the BMA lifted the condition prohibiting organic growth without prior consent on 11 February 2020, with effect from 12 August 2021. The other behavioural conditions, including those related to the prior approval by the BMA regarding acquisitions in Belgium, remain in force.

FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

The Kinepolis Group is exposed to a number of financial risks in its daily operations, such as interest risk, currency risk, credit risk and liquidity risk.

Derivative financial products concluded with third parties can be used to manage these financial risks. The use of derivative financial products is subject to strict internal controls and regulations. It is Group policy not to undertake any trading positions in derivative financial instruments for speculative purposes.

Kinepolis manages its debts by combining short-, medium- and long-term borrowings. The mix of debts with fixed and floating interest rates is established at Group level. At the end of December 2021, net financial debt of the Group was € 474,5 million, excluding lease liabilities. In order to hedge the interest risk on a fixed-term loan of € 5,9 million, Interest Rate Swaps were entered into for the same amount.

The Notes to the Consolidated Financial Statements provide a detailed description of how the Group manages the above-mentioned risks.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The company complies with the principles of the 2020 Code.

In line with the 'comply or explain principle', the Company has decided that it was in the best interests of the Company and its share-holders to deviate from the stipulations of the Code in a limited number of specific cases in addition to the circumstances described above:

- Provision 4.6. of the Code: the professional qualifications and duties of the directors to be re-appointed were not stipulated in the convening notices to the General Meeting of 12 May 2021, given that these qualifications were already published in several press releases and annual reports.

- Provision 7.6. of the Code: the non-executive directors will not be partly remunerated in shares, as the Company considers that sustainable value creation is an essential pillar of the Kinepolis strategy that is subscribed to by all directors, whether they are share-holders or not.

- Provision 7.9. of the Code: no minimum threshold has been set for shares to be held by the Executive Management, as the remuneration package for the Executive Management is already sufficiently geared towards sustainable value creation and Executive Management already holds a significant participation in the Company.

- Provision 7.12 of the Code: no formal claw-back stipulation was introduced as the Company was of the opinion that the civil code rules provide sufficient mechanics to recover any remuneration paid on the basis of false financial statements. In view of the votes casted at the General Meeting of 12 May 2021, the Company has decided to propose to the General Meeting to be held in 2022 the introduction of a claw-back clause as described in the remuneration report.

Other information

RESEARCH AND DEVELOPMENT

In the year under review, Kinepolis developed a number of new concepts for the benefit of the operating entities within the framework of the three strategic pillars. In this regard, Kinepolis strives to constantly adapt the experience it provides to the changing demographic trends, and to be innovative with regard to picture, sound and other factors in order to improve the customer experience and protect the profitability of the Group.

Kinepolis continued to invest in 2021 in, amongst others, new customer experiences such as new seating concepts and subscription formulas, new marketing and CRM concepts.

ScreenX theatre

POLICY WITH REGARD TO CONFLICTS OF INTERESTS

On 24 March 2021, the following decisions were taken by the Board of Directors, pursuant to Article 7:96 of the BCAC:

- the evaluation of the CEO's 2020 management targets and the related variable remuneration;
- the establishment of the management objectives for the 2021 period and the related variable remuneration.

PROFIT APPROPRIATION AND DIVIDEND PAYMENT

In its proposal to the General Meeting regarding the allocation and distribution of the result, various factors were taken into consideration by the Board of Directors, including the financial situation of the Company, the operating profits, the current and expected cash flows and the plans for expansion.

In view of the impact of the Covid-19 pandemic on business operations and the impact on the financial results, the Board of Directors proposes to the General Meeting not to distribute a dividend.

Improving the customer experience

Statement with regard to the information incorporated in the annual report

The undersigned certifies that, to his knowledge:

- The financial statements, which have been prepared in accordance with the applicable standards, give a true and fair view of the equity, financial position and performance of the Company and the entities included in the consolidation as a whole;

- The report of the Board of Directors gives a fair view of the development and performance of the business and the position of the Company and the entities included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

23 March 2022

Eddy Duquenne
CEO Kinepolis Group

Euronext Bell Ceremony, April 2018

13 Share information

The Kinepolis Group share (ISIN: BE0974274061 / mnemo: KIN) has been listed on Euronext Brussels since 9 April 1998 under compartiment B (Mid Caps).

NUMBER OF SHARES

	2017	2018	2019	2020	**2021**
Number of shares at 31 December	27 365 197	27 365 197	27 365 197	27 365 197	27 365 197
Weighted average number of ordinary shares [1]	27 232 851	26 936 217	26 872 851	26 884 346	26 900 080
Weighted average number of diluted ordinary shares [2]	27 268 051	27 010 648	27 084 005	27 158 344	27 186 753

SHARE TRADING

	2017	2018	2019	2020	**2021**
Closing price at 31 December (in €)	55.66	48.80	59.20	34.75	54.80
Market value at closing price (in '000 €)	1 523 147	1 335 422	1 620 020	950 941	1 499 613
Lowest price of the year (in €)	42.1	42.6	45.8	18.8	32.1
Highest price of the year (in €)	61.3	61.4	62.3	62.0	58.3
Traded volume per year	3 891 319	4 590 753	3 224 004	19 055 736	13 831 920
Average traded volume per day	15 260	18 059	12 643	74 147	53 612

Source: Euronext

EVOLUTION SHARE PRICE AND VOLUME OVER THE LAST 5 YEARS

(1) Weighted average number of ordinary shares: average number of outstanding shares – average number of treasury shares.
(2) Weighted average number of diluted ordinary shares: average 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.

Tickets
WELKOM
KINEPOLIS
KINEPOLIS LEIDSCHENDAM
HITMAN'S WIFE'S BODYGUARD
STORMWIND
now

14 Financial report

Consolidated income statement

at 31 December

IN '000 €	NOTE	2020	2021
Revenue	3	176 282	266 393
Cost of sales	6	-219 639	-260 023
Gross result		-43 357	6 370
Marketing and selling expenses	6	-17 314	-14 274
Administrative expenses	6	-20 234	-22 370
Other operating income	4	15 536	24 485
Other operating expenses	4	-294	-756
Operating result		-65 663	-6 545
Financial income	7	1 552	851
Financial expenses	7	-27 604	-29 213
Result before tax		-91 715	-34 907
Income tax expenses	8	22 604	9 401
RESULT FOR THE PERIOD		-69 111	-25 506
Attributable to:			
Owners of the Company		-68 879	-25 399
Non-controlling interests		-232	-107
RESULT FOR THE PERIOD		-69 111	-25 506
Basic result per share (€)	19	-2.56	-0.94
Diluted result per share (€)	19	-2.54	-0.93

Consolidated statement of profit or loss and other comprehensive income

at 31 December

IN '000 €	NOTE	2020	2021
Result for the period		-69 111	-25 506
Realised results		**-69 111**	**-25 506**
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	*18, 26*	-10 890	13 359
Translation differences of annual accounts in foreign currencies	*18*	-8 250	5 766
Cash flow hedges – effective portion of changes in fair value	*26*	82	59
Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods	*13*	2 395	-2 229
		-16 664	16 955
Items that will not be reclassified to profit or loss:			
Changes to estimates of employee benefits	*22*	96	441
Income taxes relating to the components of other comprehensive income not to be reclassified to profit or loss in subsequent periods	*13*	-24	-110
		72	331
Other comprehensive income for the period, net of income taxes		-16 592	17 286
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-85 703	-8 221
Attributable to:			
Owners of the Company		-85 426	-8 145
Non-controlling interests		-277	-76
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-85 703**	**-8 221**

THE NOTES ON P. 130-199 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Consolidated statement of financial position

at 31 December

ASSETS

IN '000 €	NOTE	2020	2021
Intangible assets	9	11 673	11 129
Goodwill	10	163 148	169 498
Property, plant and equipment	11	521 136	498 087
Right-of-use assets	27	362 481	353 320
Investment property	12	17 557	17 406
Deferred tax assets	13	14 778	23 812
Other receivables	15	6 321	6 352
Other financial assets		27	27
Non-current assets		1 097 121	1 079 631
Inventories	14	3 865	4 980
Trade and other receivables	15	26 756	33 754
Current tax assets	25	7 431	1 418
Cash and cash equivalents	16	33 007	75 295
Current assets		71 059	115 447
TOTAL ASSETS		**1 168 180**	**1 195 078**

EQUITY AND LIABILITIES

IN '000 €	NOTE	2020	2021
Share capital	18	18 952	18 952
Share premium	18	1 154	1 154
Consolidated reserves		123 640	100 676
Translation reserve	18	-17 254	-54
Total equity attributable to the owners of the Company		126 492	120 728
Non-controlling interests	18	4	-79
Total equity		126 496	120 649
Loans and borrowings	21	469 882	478 494
Lease liabilities	27	358 317	354 271
Provisions for employee benefits	22	998	1 491
Provisions	23	2 021	1 941
Deferred tax liabilities	13	13 107	12 158
Derivative financial instruments	26	87	28
Other payables	24	6 356	5 396
Non-current liabilities		850 768	853 779
Bank overdrafts	16	112	12
Loans and borrowings	21	76 599	71 557
Lease liabilities	27	35 295	36 296
Trade and other payables	24	78 335	111 543
Provisions	23	269	358
Current tax liabilities	25	306	884
Current liabilities		190 916	220 650
TOTAL EQUITY AND LIABILITIES		**1 168 180**	**1 195 078**

Consolidated statement of cash flow

at 31 December

IN '000 €	NOTE	2020	**2021**
Result before tax		-91 715	-34 907
Adjustments for:			
Depreciations and amortisations	*6*	80 442	81 031
Provisions and impairments	*15, 23*	2 282	-1 819
Government grants	*4*	-950	-1 409
(Gains) Losses on sale of property, plant and equipment	*4*	-25	-459
Change in fair value of derivative financial instruments and unrealised foreign exchange results	*26*	48	-148
Unwinding of non-current receivables and provisions	*7, 23*	-259	-171
Share-based payments	*5*	469	293
Amortisation of refinancing transaction costs	*7*	513	619
Interest expenses and income	*7*	24 917	25 775
Forgiveness of lessee's lease payments	*4, 27*	-7 540	-11 750
Change in inventories		2 148	-1 033
Change in trade and other receivables		25 868	-4 019
Change in trade and other payables		-52 364	32 407
Cash flow from operating activities		**-16 166**	**84 409**
Income taxes paid / received		-4 074	4 465
Net cash flow - used in / + from operating activities		**-20 240**	**88 874**
Acquisition of intangible assets	*9*	-1 848	-1 648
Acquisition of property, plant and equipment and investment property	*11, 12*	-43 372	-15 406
Advance lease payments	*27*	-40	-254
Acquisition of subsidiaries, net of acquired cash	*10*	-87	
Proceeds from sales of investment property, intangible assets and property, plant and equipment	*9, 11, 17*	995	1 579
Net cash flow used in investing activities		**-44 352**	**-15 730**
Acquisition of non-controlling interests	*18, 21, 34*		-341
Investment contributions	*21, 27*	3 340	1 298
Payment of lease liabilities incl. forgiveness of lessee's lease payments	*21, 27*	-9 244	-12 599
Proceeds from loans and borrowings	*21, 26*	66 500	80 000
Repayment of loans and borrowings	*21, 26*	-10 099	-76 599
Payment of transaction costs with regard to refinancing obligations	*7, 21, 26*	-45	-449
Interest paid	*7, 21*	-14 501	-15 534
Interest received	*7, 21*	5	
Paid interest related to lease liabilities	*21, 27*	-10 248	-10 323
Sale of treasury shares	*18, 20, 21, 26*	478	2 422
Net cash flow - used in / + from financing activities		**26 186**	**-32 124**
+ INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS		**-38 406**	**41 019**
Cash and cash equivalents at beginning of the period	*16*	72 358	32 895
Cash and cash equivalents at end of the period	*16*	32 895	75 283
Effect of exchange rate fluctuations on cash and cash equivalents		-1 057	1 368
+ INCREASE / - DECREASE IN CASH AND CASH EQUIVALENTS		**-38 406**	**41 019**

THE NOTES ON P. 130-199 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Consolidated statement of changes in equity

at 31 December

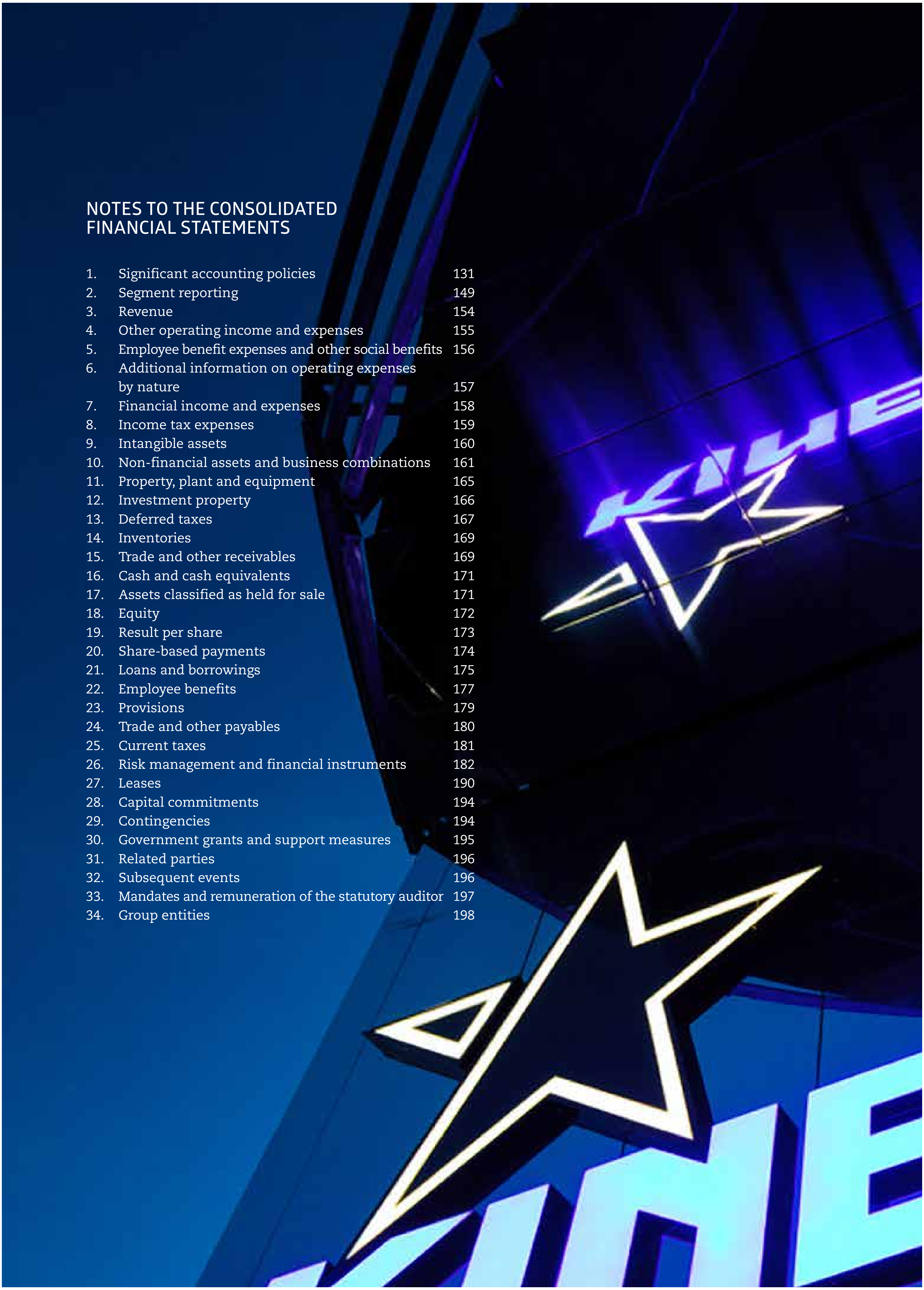
IN '000 €	2021							
	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS		
AT 31 DECEMBER 2020	**20 106**	**-17 254**	**260**	**-22 610**	**3 445**	**142 548**	**4**	**126 496**
Result for the period						-25 399	-107	-25 506
Realised results						-25 399	-107	-25 506
Items to be reclassified to profit or loss if specific conditions are met in the future:								
Translation differences [1]		19 094					31	19 125
Cash flow hedges – effective portion of changes in fair value			59					59
Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods [2]		-1 894	-15			-320		-2 229
		17 200	44			-320	31	16 955
Items that will not be reclassified to profit or loss:								
Changes to estimates of employee benefits [3]						441		441
Income taxes relating to the components of other comprehensive income not to be reclassified to profit or loss in subsequent periods [2]						-110		-110
						331		331
Other comprehensive income for the period, net of income taxes		17 200	44			11	31	17 286
Total comprehensive income for the period		17 200	44			-25 389	-76	-8 221
Sale of treasury shares [4]				1 113		1 309		2 422
Share-based payments [4]					-177	470		293
Acquisition of non-controlling interests, without changes in control [5]						-334	-6	-341
Total transactions with owners, recorded directly in equity				1 113	-177	1 445	-6	2 374
AT 31 DECEMBER 2021	**20 106**	**-54**	**304**	**-21 497**	**3 268**	**118 604**	**-79**	**120 649**

(1) For more information, we refer to note 18.
(2) For more information, we refer to note 13.
(3) For more information, we refer to note 22.
(4) For more information, we refer to notes 18 and 20.
(5) For more information, we refer to notes 18 and 34.

IN '000 €	2020							
	ATTRIBUTABLE TO OWNERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL AND SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	TREASURY SHARES RESERVE	SHARE-BASED PAYMENTS RESERVE	RETAINED EARNINGS		
AT 31 DECEMBER 2019	**20 106**	**-582**	**206**	**-22 830**	**3 088**	**210 985**	**281**	**211 253**
Result for the period						-68 879	-232	-69 111
Realised results						-68 879	-232	-69 111
Items to be reclassified to profit or loss if specific conditions are met in the future:								
Translation differences		-19 095					-45	-19 140
Cash flow hedges – effective portion of changes in fair value			82					82
Income taxes relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods (1)		2 423	-28					2 395
		-16 672	54				-45	-16 664
Items that will not be reclassified to profit or loss:								
Changes to estimates of employee benefits (2)						96		96
Income taxes relating to the components of other comprehensive income not to be reclassified to profit or loss in subsequent periods (1)						-24		-24
						72		72
Other comprehensive income for the period, net of income taxes		-16 672	54			72	-45	-16 592
Total comprehensive income for the period		-16 672	54			-68 807	-277	-85 703
Sale of treasury shares (3)				220		258		478
Share-based payments (3)					357	112		469
Total transactions with owners, recorded directly in equity				220	357	370		947
AT 31 DECEMBER 2020	**20 106**	**-17 254**	**260**	**-22 610**	**3 445**	**142 548**	**4**	**126 496**

(1) For more information, we refer to note 13.
(2) For more information, we refer to note 22.
(3) For more information, we refer to notes 18 and 20.

THE NOTES ON P. 130-199 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies

Kinepolis Group NV (the 'Company') is a company established in Belgium. The consolidated financial statements of Kinepolis Group for the year ending 31 December 2021 include the Company and its subsidiaries (together referred to as the 'Group'). These consolidated financial statements were approved for publication by the Board of Directors on 23 March 2022.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and adopted by the European Union until 31 December 2021.

GOING CONCERN PRINCIPLE

As described in the Corporate Governance chapter, the business risks associated with the activities of Kinepolis include the availability and quality of the content supplied, seasonal effects, competition and risks associated with exceptional circumstances.

As a result of the global outbreak of the Corona virus, there were alternating periods of closure and opening of cinemas in 2021 and 2020, 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, and there were closures again in Belgium and the Netherlands in the fourth quarter. This has a serious impact on the Group's financial results in 2021.

In order to limit the consequences of the Covid-19 pandemic, the Group has taken the necessary measures 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 Kinepolis Group to manage this crisis optimally.

However, the willingness of customers to go to the cinema remains high. A big difference in comparison with 2020 was the fact that the blockbusters, with which the Group generates 80% of its visitors under 'normal' circumstances, were launched in cinemas, partly thanks to the reopening of the cinemas on the North American continent in the first half of the year. Successful releases such as 'No Time to Die' (James Bond) and 'Spider-Man: No Way Home' showed that customers would massively come back for good, high-quality content, despite the continuous obstacles and impact of the Covid-19 pandemic. For more detailed information in this regard, we refer to note 10.

At the start of the crisis in 2020, Kinepolis had a strong balance sheet, sufficient financial reserves and credit lines that allowed the Company to close for more than a year. In order to be prepared for possible longer delays before the full resumption of its activities, Kinepolis has taken out an additional loan of € 80.0 million with its main bankers in January 2021, for a period of 3 years. In this context, the banks also extended the suspension of the credit covenants ('covenant holiday') until 30 June 2022. Based on the current results and assumptions, the Group should be able to comply with its covenants as of 30 June 2022. However given the uncertainty associated with the pandemic, it has been decided, as a precautionary measure, to request an extension of the suspension from the banks until 31 December 2022. This extension of the suspension until 31 December 2022 was obtained in March 2022.

As soon as the cinemas were able to reopen in most markets and the film releases returned to a normal pace, the Group was able to present strong free cash flow generation, thanks in part to the recovery of the lost working capital. As per 31 December 2021, free cash flow was € 48.9 million, with net financial debt, excluding lease liabilities, amounting to € 474.5 million. Net financial debt decreased by € 38.8 million compared to 31 December 2020.

Kinepolis Group had € 171.0 million in liquidity at the start of 2021, consisting of cash and cash equivalents and available credit lines, including the new € 80.0 million credit concluded at the beginning of January 2021. The liquidity position at the end of June amounted to € 141.9 million. Thanks to strong cost management, one-off support measures and the good operating result, Kinepolis was able to limit its free cash flow in the first half of the year to an average of € -3.6 million per month, even under the circumstances of the majority of the cinemas remaining closed until June. In the second half of the year, the reopening of the cinemas and the return of the blockbusters, together with the measures taken to improve the Company's performance, ensured a further increase of the liquidity position to € 199.8 million.

Kinepolis therefore has, thanks to the measures taken, sufficient available financial resources to deal with this crisis. Kinepolis has pursued a prudent financial policy in recent years. This has resulted in an average maturity of more than 3.5 years for the outstanding financial liabilities as per 31 December 2021. The next significant repayment of its bonds took place at the end of January 2022 (€ 61.4 million), and this from the available financial resources. The remaining average maturity as per 31 January 2022 is equal to 4.08 years. After the repayment in January 2022, there are no more significant financial maturities in 2022 and 2023. In December 2021, the maturity date of the roll-over credit was also extended from December 2024 to December 2026 by exercising the two foreseen extension options. For more information we refer to notes 21 and 26.

Based on the availability of content in the coming years, the customer demand, the financial reserves, the limited negative cash flow when closed and the development of the measures to control the Covid pandemic in the various countries, Kinepolis currently sees no reason to expect that the business model will be affected over the longer term. The Group currently 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, which is why the Company has adopted the going concern principle in preparing this annual report.

BASIS OF PREPARATION

The consolidated financial statements are presented in Euro, rounded to the nearest thousand. In certain cases, rounding up or down can lead to a non-material deviation of the total amount.

The consolidated financial statements were drawn up on a historical cost basis, with the exception of the following assets and liabilities, which are recorded at fair value: derivative financial instruments, contingent considerations and financial assets measured at fair value through other comprehensive income. In accordance with IFRS 5, assets classified as held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

The accounting policies have been applied consistently across the Group. They are consistent with those applied in the previous financial period, except for the following.

The amendments to standards applicable as of 1 January 2021, have no material impact on the consolidated financial statements, except for the second amendment to IFRS 16, Covid-19 Related Rent Concessions beyond 30 June 2021. This second amendment provides an extension of the application period of one year and is applicable as of 1 April 2021, with early application permitted.

The preparation of the financial statements under IFRS requires management to make judgements, estimates and assumptions that influence the application of the policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and related assumptions are based on past experience and on various other factors that are considered reasonable in the given circumstances. The outcomes of these form the basis for the judgement as to the carrying amount of assets and liabilities when this is not evident from other sources.

Actual results can differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which the estimates are revised if the revision affects only this period, or in the revision period and future periods if the revision affects both the reporting period and future periods.

Judgements, estimates and assumptions are made, among other things, when:

- Determining the useful life of intangible assets and property, plant and equipment (see the related accounting policies);
- Assessing the necessity of and estimating impairment losses on intangible assets, goodwill, property, plant and equipment, right-of-use assets and investment property;
- Recording and calculating provisions;
- Assessing the degree to which losses carried forward will be used in the future;
- Determining whether a lease meets the requirements of IFRS 16;
- Determining the term of the leases under IFRS 16.

The estimates and assumptions with a significant probability of causing a material adjustment to the value of the assets and liabilities during the next financial period are stated below.

IMPAIRMENT TESTS FOR INTANGIBLE ASSETS, GOODWILL, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTY

The recoverable amount of the cash-generating units is defined as the higher of their value in use or their fair value less costs to sell. These calculations require the use of estimates and assumptions with regard to, among other things, discount rates, future investments and expected operating performance. We refer to note 10 for the relevant assumptions.

PROVISIONS

The estimates and judgements that most impact the amount of the provisions are the estimated costs and the expected likelihood and timing of the cash outflows. They are based on the most recent available information at balance sheet date. We refer to note 23 for the relevant assumptions.

RECOVERABILITY OF DEFERRED TAX ASSETS

Deferred tax assets for unused tax losses will only be recognised if future taxable profits will be available to be able to recover these losses (based on budgets and estimates). The budgets and estimates are further expanded to future expected taxable profits in order to analyse the recoverability of the losses and credits.

The actual tax result may differ from the assumption made when the deferred tax was recorded. For more information we refer to note 13.

LEASES (IFRS 16): DETERMINING WHETHER A LEASE MEETS THE REQUIREMENTS AND DETERMINING THE TERM OF A LEASE

A contract is classified as a lease if it includes the right to control the use of an identified asset for a specified period of time in exchange for a consideration. When determining the term of a lease, the Group took into account any possible extension options and whether or not to exercise an early termination option. This is assessed for each contract separately. As a general principle in making this assessment for the key lease assets, lease agreements for land and buildings (cinema complexes), Kinepolis Group has considered that a term between 15 and 20 years reflects the entity's reasonable expectation of the period during which the underlying asset will be used. The same term is also used in our valuation and impairment models to determine future cash flows. Moreover, the lease term is considered reasonably certain in view of the useful life of the leasehold improvements and the investments made. For more information we refer to note 27.

Other assumptions and estimates will be discussed in the respective notes where they are used.

BASIS OF CONSOLIDATION

BUSINESS COMBINATIONS

A business combination is defined as a transaction or other event in which the Group obtains control of one or more businesses. The Group shall determine whether a transaction or other event is a business combination by applying the definition, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, the reporting entity shall account for the transaction or other event as an asset acquisition.

A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. A business generally consists of inputs, processes applied to those inputs and the ability to contribute to the creation of outputs. To determine whether an acquired set of activities and assets is a business or not, the Group may use a concentration test. This is a simplified assessment that will result in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If the Group does not apply the concentration test, or the test is failed, then the assessment focuses on the existence of substantive processes.

Business combinations are accounted for using the acquisition method on the date when control is transferred to the Group (see Basis of Consolidation – Subsidiaries). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Intangible assets – Goodwill). Any gain on an advantageous purchase is immediately recognised in profit or loss. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), and if they relate to services provided in the past, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination is based on the market value of the replacement awards compared with the market value of the acquiree's awards and the extent to which the replacement awards relate to services provided before the business combination.

SUBSIDIARIES

Subsidiaries are those entities over which the Company exercises control. Control means that the Company is exposed to, or has rights to variable returns from its involvement in the entity, and has the ability to affect these returns through its power over the entity.

The financial statements of subsidiaries are recognised in the consolidated financial statements from the date that control commences, until the date that control ceases.

Losses realised by subsidiaries with non-controlling interests are proportionally allocated to the non-controlling interests in these subsidiaries, even if this means that the non-controlling interests display a negative balance.

If the Group no longer has control over a subsidiary, all assets and liabilities of the subsidiary, any non-controlling interests and other equity components with regard to the subsidiary are derecognised. As a result of the loss of control, certain components are recorded in the income statement. Any remaining interest in the former subsidiary will be recognised at fair value on the date of the loss of control, after which it will be recognised as an associated company or as a financial asset measured at fair value, depending on the level of control retained.

EQUITY ACCOUNTED INVESTEES

Equity accounted investees are entities over which the Group exercises significant influence over the financial and operating policies, but has no control or joint control. Significant influence is deemed to exist when the Group holds between 20 and 50 percent of the voting rights of another entity. Participating interests in equity accounted investees are recorded using the equity method, and are initially recognised at cost. The transaction costs are included in the cost price of the investment.

The consolidated financial statements include the Group's share in the comprehensive income of the investments, which is recorded following the equity method, from the start to the end date of this significant influence. Whenever the Group's share in the losses exceeds the carrying amount of the investments in equity accounted investees, the carrying amount is reduced to zero and future losses are no longer recognised, except to the extent that the Group has an obligation on behalf of the investees. When there are impairment indicators, the accounting policy concerning impairment losses is applied.

ACQUISITION OF NON-CONTROLLING INTERESTS

The acquisition of non-controlling interests in a subsidiary does not lead to the recognition of goodwill, because this is deemed to be a shareholders transaction and is recognised directly in equity. The non-controlling interests are adjusted on the basis of the proportional part in the equity of the subsidiary.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intercompany balances and transactions, along with any unrealised gains and losses on transactions within the Group or gains or losses from such transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated proportionally to the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only where there is no indication of impairment.

FOREIGN CURRENCY

TRANSACTIONS IN FOREIGN CURRENCIES
Transactions in foreign currencies are translated to the relevant functional currency of the Group entities at the exchange rate on the transaction date. Monetary assets and liabilities expressed on the balance sheet date in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date. Non-monetary assets and liabilities expressed in foreign currency are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities in foreign currencies measured at fair value are translated to the functional currency at the exchange rates on the date on which the fair value was determined. Exchange rate differences that arise in the translation are immediately recognised in the income statement, with the exception of:

- Exchange rate differences arising from the translation of the net investment in foreign operations, and from loans and other currency instruments intended as hedges of such investments, included in other comprehensive income;
- Qualifying cash flow hedges to the extent that the hedges are effective.

Advance payments in foreign currencies are translated at the exchange rate on the transaction date specified in IFRIC 22. The transaction date, as a basis for determining the exchange rate, is set on the initial date on which the non-monetary assets and liabilities are recognised. If multiple advance payments are applicable, a transaction date is determined for each advance payment.

FINANCIAL STATEMENTS IN FOREIGN CURRENCIES
Assets and liabilities relating to foreign operations, including goodwill and fair value adjustments on acquisition, are translated to Euro at the exchange rate on the balance sheet date. Income and expenses of foreign entities are translated to Euro at exchange rates approaching the exchange rates prevailing on the transaction dates.

The exchange differences arising from the translation are recognised directly in equity, under translation reserve.

If the settlement of monetary receivables from, or payables to foreign entities is neither planned nor likely in the foreseeable future, exchange rate gains and losses on these monetary items are deemed to be part of the net investment in these foreign entities, and are recognised in other comprehensive income, under the translation differences. Translation differences that arise from the revaluation of non-current loans from foreign subsidiaries with a different functional currency are also included in other comprehensive income in equity, as they form part of a net investment hedge of the participating interests in the same subsidiaries. The potential repayments of these loans are not considered to be a realisation of the net investment. Consequently, no reclassification to the income statement takes place.

FINANCIAL INSTRUMENTS

Issued loans, receivables and deposits, issued debt instruments and loans received are initially recognised by the Group on the date they originated. All other financial assets and liabilities are initially recognised on the transaction date. The transaction date is the date on which the contractual terms of the instrument become binding for the Group.

IFRS 9 has three classifications for financial assets: measured at amortised cost, measured at fair value through other comprehensive income and measured at fair value through profit or loss. This classification is based on the ‘business model’ in which the financial assets are managed, and on the contractual cash flows that result from these financial assets. The business model used to manage the financial assets determines whether the cash flow results from:

- A contractual cash flow;
- A sale of financial assets; or
- A combination of both.

This contractual cash flow may relate to payments of the principal amount (capital) and interest on the outstanding amount.

NON-DERIVATIVE FINANCIAL INSTRUMENTS
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value plus (or minus for loans and borrowings), for instruments not measured at fair value with changes in value recognised through profit or loss, any directly attributable transaction costs. After the initial recognition, non-derivative financial instruments are measured as described below.

Financial assets measured at amortised cost
Financial assets are measured at amortised cost when the business model aims to hold the financial assets to obtain the contractual cash flows. The contractual cash flows consist of the repayment of the principal amount (capital) and interest on the outstanding amount and on specific dates.

After the initial recognition, these financial assets are measured at amortised cost using the effective interest method, less impairment losses, if any.

Significant financial assets measured at amortised cost are individually tested for impairment. The other financial assets measured at amortised cost are classified in groups with comparable credit risk characteristics, and are assessed collectively. When assessing whether there is a collective impairment, the Group uses historical trends with regard to the likelihood that payment obligations will not be fulfilled, the time period within which collection occurs, and the level of the losses incurred. The outcomes are adjusted if management judges that the current economic and credit circumstances are such that it is likely that the actual losses will be higher or lower than the historical trends imply.

An impairment loss is determined as the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate of the asset. Current receivables are not discounted. Impairment losses are recognised in the income statement. If an event leads to a reduction of the impairment, this reduction is reversed through profit or loss.

Financial assets measured at amortised cost include cash and cash equivalents, which are cash and deposits with a residual maturity of less than three months and where the risk of changes in fair value is negligible. Bank overdrafts, which are an integral part of the Group's cash management, are viewed as part of cash and cash equivalents in the presentation of the statement of cash flow.

Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value, with the recognition of changes in value through other comprehensive income when the business model aims to both hold the financial assets to obtain the contractual cash flows and to sell the financial assets. The contractual cash flows consist of the repayment of the principal amount (capital) and interest on the outstanding amount.

In addition, the Group can make the irrevocable choice to measure equity instruments that are measured at fair value through profit or loss at fair value through other comprehensive income. This choice is irrevocable and is only allowed in order to eliminate or limit an inconsistency in the measurement on initial recognition.

These financial assets measured at fair value through other comprehensive income are measured at fair value after initial recognition. Gains and losses resulting from the change in fair value of a participating interest that is classified as a financial asset measured at fair value through other comprehensive income are recognised directly via equity. When the participating interest is sold, disposed or otherwise disposed of, the profit or loss accumulated at that point, which was previously included in equity, will not be transferred to profit or loss. When repayments are made on the financial assets, or when the carrying amount of the participating interest is written off due to an impairment, the profit or loss accumulated at that point, which was previously included in equity, will not be transferred to profit or loss, but to retained earnings.

Impairment losses on financial assets recognised at fair value through other comprehensive income are only recognised for debt instruments. In accordance with IFRS 9, there are no impairment losses for equity instruments.

The impairment losses on debt instruments are recognised by transferring the accumulated loss in the fair value reserve in equity to profit or loss. The amount of the cumulative loss transferred from equity to profit or loss is equal to the difference between the acquisition price, less any repayment of the principal amount, and the actual fair value, less any impairment loss that has already been recognised in profit or loss.

If in a subsequent period the fair value of a financial asset measured at fair value through other comprehensive income increases, the recovered amount is recognised in other comprehensive income.

Financial assets measured at fair value through other comprehensive income include investments in equity securities, i.e. participating interests in companies over which the Group has no control or significant influence.

Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss if the conditions of the above categories are not met, or if the Group irrevocably chooses debt instruments that are measured at fair value through other comprehensive income to be measured at fair value through profit or loss account. This choice is irrevocable, and is only allowed in order to eliminate or limit an inconsistency in the valuation on initial recognition.

After initial recognition, these financial assets are measured at fair value with fair value changes through profit or loss.

Financial liabilities
Financial liabilities can be classified as financial liabilities at amortised cost or as financial liabilities at fair value with the recognition of changes in value through profit or loss.

After initial recognition, the first category is measured at amortised cost using the effective interest method, including any interest expense, while the second is measured at fair value with fair value changes through profit or loss.

Expected credit losses
Impairment losses on financial assets are determined as follows:

- *The 12-month expected credit losses:* these are expected credit losses that result from possible default events that take place within 12 months after the end of the reporting date.
- *Expected credit losses over the full life cycle:* these are expected credit losses that result from possible default events over the expected life of a financial instrument.

The determination on the basis of expected credit losses over the full life cycle always applies to trade receivables without a significant financing component.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets
The Group derecognises a financial asset when (i) the contractual rights to the cash flows arising from the financial asset expire, (ii) it transfers the rights to the cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or (iii) in a transaction in which the Group neither transfers nor retains the risks and benefits, but no longer retains control of the financial asset.

When the Group enters into a transaction in which it transfers financial assets that are included in the balance sheet, but retains substantially all risks and benefits of the transferred assets, the transferred assets remain recognised in the balance sheet.

Financial liabilities
The Group derecognises a financial liability when the contractual obligations are terminated or expired. The Group also derecognises a financial liability if the conditions are changed and the cash flows of the changed financial liability are significantly different, in which case a new financial liability is recognised at fair value based on the changed conditions.

When a financial liability is derecognised, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

OFFSETTING
The financial assets and financial liabilities are offset and the net amount is recognised in the consolidated balance sheet if, and only if, the Group has a legally enforceable right to offset the amounts and it intends to settle the financial instruments on a net basis or to realise the financial asset and settle the financial liability simultaneously.

SHARE CAPITAL
Ordinary shares are classified as equity. Additional costs that are directly attributable to the issuance of ordinary shares and share options are deducted from equity, after deducting any tax effects.

Treasury shares: when share capital, classified as equity, is reacquired by the Company, the amount paid, including the directly attributable costs, is viewed as a change in equity. Purchased treasury shares are recognised as a deduction of equity. The profit or loss pursuant to the sale or cancellation of treasury shares is directly recognised in equity.

Dividends are recognised as amounts payable in the period in which they are declared.

DERIVATIVE FINANCIAL INSTRUMENTS
The Group uses derivative financial instruments to manage the exchange rate and interest risks deriving from operational, financial and investment activities. Under its treasury management policy, the Group does not use derivative financial instruments for trading purposes. Derivative financial instruments that do not meet the requirements of hedge accounting are, however, accounted for in the same way as derivatives held for trading purposes.

Derivative financial instruments are initially measured at fair value. Attributable transaction costs are expensed in the income statement as incurred. Subsequent to initial recognition, these instruments are measured at fair value. The accounting treatment of the resulting profits or losses depends on the nature of the derivative financial instrument.

The fair value of derivative financial instruments is the estimated amount that the Group will obtain or pay in an orderly transaction on the balance sheet date at the end of the contract in question, with reference to present interest and exchange rates and the creditworthiness of the counterparty.

HEDGING

Cash flow hedges

Whenever derivative financial instruments serve to hedge the variability in cash flows of a liability or a highly probable future transaction, the effective portion of the changes in fair value of these derivatives is recorded directly in equity. When the future transaction results in the recording of an asset or liability, the cumulative profits or losses are removed from equity and transferred to the carrying amount of the asset or liability. In the other case, the cumulative profits or losses are removed from equity and transferred to the income statement at the same time as the hedged transaction. The non-effective portion of profits and losses is recognised immediately in the income statement. Profits or losses deriving from changes in the time value of derivatives are not taken into consideration in determining the effectiveness of the hedging transaction, and are recognised immediately in the income statement.

At the initial recognition of a derivative financial instrument as a hedging instrument, the Group formally documents the relationship between hedging instrument(s) and hedged item(s), including its risk management goals and strategy when entering the hedging transaction, the risk to be hedged and the methods used to assess the effectiveness of the hedge relationship. When entering the hedge relationship and subsequently, the Group assesses whether, during the period for which the hedge is designated, the hedging instruments are expected to be 'highly effective' in offsetting the changes in fair value or cash flows allocated to the hedged position(s) and whether the actual results of each hedge are within the range of 80% to 125%. A cash flow hedge of an expected transaction requires that it is highly likely that the transaction will occur and that this transaction results in exposure to the variability of cash flows such that this can ultimately impact the reported profit or loss.

Whenever a hedging instrument or hedge relationship is ended, but the hedged transaction has still not taken place, the cumulative gains or losses remain in equity and will be recognised in accordance with the above policies once the transaction takes place.

When the hedged transaction is no longer likely, the cumulative gains or losses included in equity are immediately recorded in the income statement.

Fair value hedges

Hedge accounting is not applied to derivative instruments that are used for fair value hedging of foreign currency denominated monetary assets and liabilities. Changes in the fair value of such derivatives are recognised in the income statement as part of the foreign exchange gains and losses.

PROPERTY, PLANT AND EQUIPMENT

OWNED ASSETS

Items of property, plant and equipment are measured at cost less accumulated depreciations and impairments (see below). The cost of self-constructed assets includes the cost price of the materials, direct employee benefit expenses, any costs of dismantling and removal of the asset and the costs of restoring the location where the asset is located. Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate property, plant and equipment items. The fair value of the land and buildings from acquisition is established on the basis of a valuation report or a concrete offer.

Gains and losses on the sale of property, plant and equipment are determined by comparing the sales proceeds with the carrying amount of the assets, and are recognised within 'Other operating income and expenses' in the income statement.

SUBSEQUENT EXPENDITURE

The cost price of replacing part of property, plant and equipment is included in the carrying amount of the asset whenever it is probable that the future economic benefits relating to the assets will flow to the Group and the cost price of the assets can be measured reliably. The replaced part of property, plant and equipment will therefore be derecognised, and the result of the remaining carrying amount will be included in the income statement. The costs of the daily maintenance of property, plant and equipment are recognised in the income statement as and when incurred.

DEPRECIATIONS
Depreciations are charged to the income statement using the straight-line method over the expected useful life of the asset, and of the separately recorded major components of an asset. It begins when the asset is ready for its intended use. The residual value, useful lives and depreciation methods are reviewed annually. Land is not depreciated. The fair value adjustments for buildings from acquisition are depreciated over the estimated expected remaining useful life.

The estimated useful lives are as follows:

- buildings: 30 years
- photovoltaic panels: 20 years
- building fixtures: 5 – 15 years
- computers: 3 years
- machinery and equipment: 5 – 10 years
- furniture and vehicles: 3 – 10 years.

LEASES

The Group leases several sites, buildings, cars, equipment for in-theatre sales and projection equipment.

A contract is classified as a lease if it includes the right to control the use of an identified asset for a specified period of time, in exchange for a consideration. Leases are recognised as right-of-use assets and the corresponding lease liabilities at the date on which the leased asset is available for use by the Group.

The lease term considered in the calculation of the lease liabilities is determined on the basis of the underlying lease contracts, taking into account any extensions that can be estimated with reasonable certainty and whether or not to exercise an early termination option. As a general principle in making this assessment for the key lease assets, lease agreements for land and buildings (cinema complexes), Kinepolis Group has considered that a term between 15 and 20 years reflects the entity's reasonable expectation of the period during which the underlying asset will be used. The same term is also used in our valuation and impairment models to determine future cash flows. Moreover, the lease term is considered reasonably certain in view of the useful life of the leasehold improvements and the investments made.

The Group will only reassess the term of a lease when there has been a significant event or a significant change in circumstances, within the control of the Group. Significant events or changes in circumstances within the control of the Group include but are not limited to significant changes to the contract terms, exercise a renewal option or termination option and significant leasehold improvements.

The Group submits all its lease contracts to an extensive analysis to determine whether the contracts meet the lease definition. The Group has thereby decided to make use of the following exemptions:

- leases with a lease term of 12 months or less;
- leases for which the underlying asset has a limited value.

The payments for the exempt leases are recognised as an expense in the income statement.

RIGHT-OF-USE ASSETS
Right-of-use assets are measured at the cost that includes:

- initial recognition of the lease liabilities;
- advance lease payments;
- initial direct costs;
- estimated costs for dismantling and repairs;
- deferred investment contributions.

The right-of-use assets are depreciated on a straight-line basis, from the commencement date of the agreement, over the lease term, taking into account extensions that can be estimated with reasonable certainty. If the ownership of the leased asset is transferred to the Group at the end of the lease term or if the costs of the right-of-use assets reflect that the Group will exercise a purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The useful life is determined in the same way as for other property, plant and equipment.

In addition, the right-of-use assets are reduced by impairments where applicable, and are adjusted for certain remeasurements to the lease liabilities.

LEASE LIABILITIES
Lease liabilities are initially measured at the present value of future lease payments. Only the lease component of the payment is recognised. The lease payments are discounted at the rate implicit in the lease, or, if this is not available, at the average interest rate of the Group. As the Group makes use of a general financing policy, this is the average interest rate of the Group for external financing taking into account the credit standing of the Group, the parent company, rather than each individual subsidiary. Kinepolis Financial Services NV acts as an in-house bank for the entire Group. As a result, the interest rate is the interest rate that the Group would have to pay to obtain an asset with similar value to the right-of-use asset, taken into account in a similar economic environment, term and security. The discount rate is updated on a yearly basis and will be applied to new leases or for changes to lease agreements which are to be measured at a revised discount rate.

Lease payments recognised in the valuation of the lease liabilities include:

- fixed lease payments;
- minimum variable lease payments based on an index or rate;
- amounts that are expected to be payable under a residual value guarantee;
- the exercise price of a purchase option that the Group will exercise with reasonable certainty, lease payments in an optional extension period that the Group believes will be exercised with reasonable certainty, and penalties for early termination of a lease, unless the Group is reasonably certain that it will not end early.

Lease liabilities are remeasured whenever there is a change in future lease payments as a result of a change in an index or a rate, if there is a change in the estimate of the amount that the Group will owe under a residual value guarantee, if the Group assesses whether or not it will exercise an option to purchase, extend or terminate, or if there is a change in expected future lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the right-of-use asset no longer has a carrying amount, this is recognised in the income statement when the lease liability decreases.

All lease payments that expire within 12 months are recognised as current liabilities. All lease payments that expire after 12 months are recognised as non-current liabilities.

Lease payments are split into the repayment of the lease liability and the financial interest cost. In the consolidated statement of cash flow, both can be found under 'Cash flow from financing activities'. Interests are recognised as an expense in the income statement.

COVID-19 RELATED RENT CONCESSIONS

The IASB issued Covid-19 Related Rent Concessions (Amendment to IFRS 16) on 28 May 2020. This first amendment provides an optional practical expedient that permits lessees not to assess whether rent concessions, that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions, are lease modifications and should therefore be processed via the balance sheet, and instead to account for those rent concessions as if they were not lease modifications and are therefore processed through the income statement.

As of 2020, the Group makes use of the practical expedient, and applies it retroactively to all rent concessions, that are a direct result of the Covid-19 pandemic, and that meet the following conditions:

- the change in lease payments results in revised consideration for the lease, which is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- the reduction in lease payments relates to payments originally due on or before 30 June 2021;
- no substantive changes have been made to other terms of the lease.

On 31 March 2021, Covid-19 Related Rent Concessions beyond 30 June 2021 was issued by the IASB. In this second amendment, the application period was extended by one year. This amendment is applicable as of 1 April 2021, but early application is permitted. The Group has made use of this early application. This second amendment modifies the second condition as follows:

- the reduction in lease payments relates to payments originally due on or before 30 June 2022.

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 included in the income statement within 'Other operating income', as part of Operating result. The rent concessions are recognised in the income statement in the period in which the event or condition, that causes the payment, occurs. For more information we refer to note 27.

LEASES AS LESSOR

The Group leases out its investment properties and owned land and buildings. The Group has classified these leases as operating leases.

For the leases in which the Group acts as a lessor, each of the leases must be classified as an operating or finance lease. A lease is classified as a finance lease if substantially all of the risks and rewards associated with ownership of an underlying asset are transferred. If this is not the case, the lease is recognised as an operational lease.

The Group also leases out parts of leased buildings, which, under the application of IFRS 16, are recognised under Right-of-use assets (the so-called subleases). When the right-of-use of these assets is not fully transferred to the sublessee (which is the case, amongst others, when the rental period of the sublease is significantly shorter than the one of the head lease), these subleases are classified as operating sublease agreements and the rental income is recognised in the income statement on a straight-line basis over the lease term. The Group assessed the classification of the subleases with reference to the right-of-use assets rather than the underlying assets, and concluded that all subleases are classified as operating leases.

Income from leases, both fixed and variable, is recognised as lease income. The variable rent is recognised when it is highly probably that the lease income will be received. If an agreement contains both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract. We refer to the related accounting policies.

INVESTMENT PROPERTY

Investment property is property that is held in order to earn lease income or for capital appreciation or both, but is not intended for sale in the context of usual business operations, for use in the production, for delivery of goods or for administrative purposes.

Investment property is measured at cost, less accumulated depreciations and impairments. The accounting policies for property, plant and equipment apply.

Lease income from investment property is accounted for as described below in the accounting policy for revenue.

IAS 40 requires real estate to be transferred to or from investment property whenever there is an actual change in use. A change in management intention alone does not support a transfer.

INTANGIBLE ASSETS AND GOODWILL

GOODWILL

Goodwill arising from an acquisition is determined as the positive difference between the fair value of the consideration transferred plus the carrying amount of any non-controlling interest in the acquired entity, on the one hand, and the fair value of the acquired identifiable assets and liabilities, on the other. If this difference is negative, it is immediately recognised in the income statement.

Goodwill is measured at cost less impairment losses. In respect of equity accounted investees, the carrying amount of the investment in the entity also includes the carrying amount of the goodwill. Goodwill is not amortised. Instead, it is subject to an annual impairment test.

INTANGIBLE ASSETS

Intangible assets acquired by the Group are measured at cost less accumulated amortisations and impairment losses (see below). Costs of internally generated goodwill and brands are recognised in the income statement as incurred. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, or whenever there is a valid reason to do so. The indefinite life is reassessed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

INTERNALLY GENERATED INTANGIBLE ASSETS

Development activities entail a plan or design for the production of new or fundamentally improved products and processes. Internally developed intangible assets are capitalised whenever the development costs can be reliably determined, the product or process is technically and commercially feasible, the future economic benefits are probable, and the Group intends and has sufficient resources to complete the development and to actively use or sell it. The cost of internally generated intangible assets includes all costs directly attributable to the asset, primarily direct employee benefit expenses.

Other development costs and expenditures for research activities are expensed to the income statement as and when incurred.

SUBSEQUENT EXPENDITURE
Subsequent expenditure in respect of intangible assets is capitalised only when it increases the future economic benefits specific to the related asset. All other expenditure is expensed as incurred.

AMORTISATIONS
Amortisations are charged to the income statement by the straight-line method over the expected useful life of the intangible assets. Intangible assets are amortised from the date on which they are ready for their intended use. Their estimated useful life is 3 to 15 years. The residual value, useful lives and amortisation methods are reviewed annually.

INVENTORIES

Inventories are measured at the lower of cost or net realisable value. The net realisable value is equal to the estimated sales price less the estimated costs of completion and selling expenses.

The cost of inventories includes the costs incurred in acquiring the inventories and bringing them to their present location and condition. Inventories are measured according to the latest purchase price.

IMPAIRMENT LOSSES

The carrying amounts of the non-financial assets of the Group, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of the asset is estimated. In case of goodwill and intangible assets with an indefinite useful life or which are not yet ready for their intended use, the recoverable amount is estimated at the same date each year. An impairment loss is recorded whenever the carrying amount of an asset, or the cash-generating unit to which the asset belongs, is higher than the recoverable amount.

The recoverable amount is the higher of the value in use or the fair value less costs to sell. When determining the value in use, the discounted value of the estimated future cash flows is calculated using a proposed weighted average cost of capital, that reflects both the current market rate and the specific risks with regard to the asset or the cash-generating unit. Where an asset does not generate significant cash flows by itself, the recoverable amount is determined based on the cash-generating unit to which the asset belongs. Goodwill acquired in a business combination is allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

Impairment losses are recorded in the income statement. Impairment losses recorded with respect to cash-generating units are first deducted from the carrying amount of any goodwill assigned to cash-generating units (or groups of units), and then deducted proportionally from the carrying amount of the other assets of the unit (or group of units), excluding financial assets.

An impairment is reversed when the reversal can be objectively linked to an event occurring after the impairment was recorded. A previously recorded impairment is reversed when a change has occurred in the estimates used to determine the recoverable value, but not in a higher amount than the net carrying amount that would have been determined if no impairment had been recorded in previous years. Goodwill impairments are not reversed.

ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets (or groups of assets and liabilities being disposed of) for which the carrying amount is expected to be recovered mainly via a sales transaction and not through the continuing use thereof are classified as ‘held for sale’. Directly prior to this classification, the assets (or the components of a group of assets being disposed of) are remeasured in accordance with the financial accounting policies of the Group. Hereafter, the assets (or a group of assets to be disposed of) are measured on the basis of their carrying amount or, if lower, fair value less cost to sell. Non-current assets are no longer depreciated as soon as they are classified as held for sale. Any impairment loss on a group of assets being disposed of is allocated in the first place against goodwill and then, proportionally, against the remaining assets and liabilities, except that no impairments are allocated against inventories, financial assets, deferred tax assets and employee benefit assets, which will continue to be measured in accordance with the Group’s accounting policies. Impairment losses on initial classification and gains and losses on subsequent measurement are recognised in the income statement.

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS
Short-term employment benefit obligations include wages, salaries and social security contributions, holiday pay, continued payment of wage in the event of illness, bonuses and benefits in kind. These are expensed when the services in question are provided. Some of the Group’s employees are eligible for a bonus, based on personal performance and financial objectives. The amount of the bonus that is recognised in the income statement is based on an estimation at the balance sheet date.

POST EMPLOYMENT BENEFITS
Post employment benefits include the pension plans. The Group provides post employment remuneration for some of its employees in the form of 'defined contribution plans'.

OTHER LONG-TERM EMPLOYEE BENEFITS
The Group has an obligation in France to pay a retirement premium to employees upon their retirement. This compensation is also accounted for as a defined benefit plan.

DEFINED CONTRIBUTION PLANS
A defined contribution plan is a post employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined pension plans are recognised as an employee benefit expense in the income statement in the periods during which related services are rendered by employees.

In Belgium, employers are obliged to guarantee a minimum return on defined contribution plans throughout the employee's career (Art. 24 of the Law of 28 April 2003 – WAP). To the extent that the legally guaranteed return is adequately covered by the insurance company, the Group has no further payment obligation towards the insurance company or the employee beyond the pension contributions, recognised through profit and loss in the year in which they are owed. As a consequence of this guaranteed minimum return, all Belgian plans with defined contributions under IFRS are qualified as defined benefit plans.

The liability recognised on the balance sheet for these defined benefit plans is the current value of the future benefit obligations that employees have accrued in the fiscal year and previous years, minus the fair value of the fund investments. The liability is calculated periodically by an independent actuary using the 'projected unit credit method'. The fair value of the fund investments is determined as the mathematical reserves that are accrued within the insured plans.

Revaluations of the net liability arising from defined pension plans, which consist of actuarial profit and loss, the return on the fund investments (excluding interest) and the effect of the asset ceiling (if present, excluding interest), are recognised directly in other comprehensive income.

The Group determines the net liability (the net asset) ensuing from defined contribution plans for the fiscal year using the discount rate employed to value the net liability (the net asset) at the beginning of the fiscal year, with due consideration for any changes to the net liability (the net asset) during the fiscal year as a consequence of contributions and pay-outs. Net interest charges and other charges with regard to defined contribution plans are recognised in profit and loss.

If the pension entitlements arising from a plan are changed or a plan is restricted, the resulting change in entitlements with regard to past service or the profit or loss on that restriction is recognised directly in profit or loss. The Group justifies profit or loss on the settlement of a defined contribution plan at the time of that settlement.

SHARE-BASED PAYMENTS AND RELATED BENEFITS
The stock option plan enables Group employees to acquire shares of the Company. The option exercise price is equal to the average of the closing price of the underlying shares over thirty days prior to the date of offer. No compensation costs or liabilities are recognised.

Share transactions with employees are charged to the income statement over the vesting period, based on the fair value on the date of offering, with a corresponding increase in equity. The fair value is determined using an option valuation model. The amount expensed is determined on the basis of the number of awards for which the service conditions are expected to be fulfilled.

To hedge its liabilities within the framework of the allocation of stock options to its directors and executives, the Group buys back its treasury shares at the specific times those options are allocated. This can occur by means of several buybacks. These shares will be charged to equity on transaction date for the sum paid, including the related costs. When the options are exercised, treasury shares are derecognised by applying the FIFO-principle. The difference between the option exercise price and the average price of the shares in question is recognised directly in equity.

TERMINATION BENEFITS
Termination benefits are expensed when the Group can no longer withdraw the offer of those benefits or, if earlier, when the Group recognises the restructuring expenses. If benefits are payable more than twelve months after the reporting date, they are then discounted to their present value.

PROVISIONS

A provision is recorded in the statement of financial position whenever the Group has an existing (legal or constructive) obligation as a result of a past event and where it is probable that the settlement of this obligation will result in an outflow of resources containing economic benefits. Where the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax discount rate that reflects both the current market assessment of the time value of money and, where applicable, the risks inherent to the obligation.

RESTRUCTURING

A provision for restructuring is set up whenever the Group has approved a detailed, formal restructuring plan and the restructuring has either been commenced or publicly announced before the balance sheet date. No provisions are recognised for future operating costs.

SITE RESTORATION

In accordance with the contractual obligations of the Group, a provision for site restoration is set up whenever the Group is obliged to restore land to its original condition.

ONEROUS CONTRACTS

A provision for onerous contracts is set up whenever the economic benefits expected from a contract are lower than the unavoidable costs of meeting the contract obligations. Before a provision is set up, the Group first recognises any impairment loss on the assets relating to the contract.

REVENUE

SALES OF GOODS AND SERVICES

The Group applies the 5-step model to include revenue in the income statement. When selling goods or services, the Group will recognise the proceeds of the amount to which the Group expects to be entitled in exchange for those goods or services. In order to apply this principle, the Group must go through the following steps:

1. identification of the contract with a customer;
2. identification of the performance obligations in the contract;
3. determination of the transaction price;
4. allocation of the transaction price to the performance obligations in the contract; and
5. recognition of revenue when the Company fulfils a performance obligation.

More specifically, the Group will apply the following principles and recognition rules when selling goods and delivering services:

- Box Office is the result of the sale of cinema tickets (and 3D glasses). Box Office sales are recognised as revenue on the date of the showing of the film they relate to;
- In-theatre Sales (ITS) include all revenue from the sale of beverage, snacks and merchandising in the complexes. In-theatre sales are recognised as revenue at the checkout;
- Revenue from the advance sale of tickets or other prepaid gift vouchers are recognised in current liabilities, and are recognised as revenue when the ticket holder uses the ticket.
- Gift vouchers that have not been exercised ('breakage fees') are recognised as revenue, taking into account the expected non-redemption, and no later than the expiry date of the gift vouchers;
- Revenue from exchange deals is recognised as revenue at the moment the service has been delivered;
- Events (business-to-business) are recognised as revenue when the event takes place. If the event takes place over a longer period of time, the revenue is recognised in the income statement on a straight-line basis over the duration of the event;
- Turnover resulting from screen advertising is recognised as revenue spread over the period (number of film days per month) in which the advertisement is shown;
- Turnover from promotions (business-to-customer) is recognised as revenue when the promotion takes place;
- The theatrical revenue from film distribution is recognised over the term of the film based on the number of visitors. The revenue from after theatrical rights are recognised in the first period on the basis of usage, and in the following period on the basis of a fixed price that is recognised as one-off revenue when the rights are transferred. Whereas the Group does not act as an agent for revenue from theatrical and after theatrical rights, this revenue is not offset by the related costs.

Supplier discounts (PET intervention, volume discounts, collaboration costs and media or marketing support) are deducted from the cost of sales or from marketing costs.

LEASE INCOME
Lease income, both fixed and variable lease income, is recognised in the income statement on a straight-line basis over the lease period. This with the exception of Covid-19 related rent concessions, on amounts already invoiced in the past, which are recognised directly in the income statement. Lease incentives granted are regarded as an integral part of lease income.

GOVERNMENT GRANTS
Government grants are initially recognised at fair value whenever a reasonable certainty exists that they will be received and that the Group will comply with the conditions associated with them. The Group makes a distinction between grants received from the Centre National du Cinéma et de l'Image Animée (CNC) and other grants.

Grants received from the Centre National du Cinéma et de l'Image Animée
The Group receives grants in France from the CNC for cinema related investments. These grants come from a fund financed by contributions from cinema operators in the form of a percentage of ticket sales. The grants are recorded as liabilities as deferred revenue, and are taken into the income statement, within 'Other operating income', over the useful life of the related assets. The unwinding of receivables related to the grants is included under financial income.

Other grants
Other grants relate on the one hand to grants obtained as compensation for specific costs incurred and on the other hand to general government and CNC support measures. Grants obtained as compensation for directly attributable costs are taken directly to the income statement, deducted from the related costs. General support measures received from the government are also included in the income statement, within 'Other operating income'.

FINANCIAL INCOME
Financial income consists of interest received on investments, dividends, foreign exchange gains, the unwinding of receivables with regard to government grants and the profits on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement based on the effective interest method. Dividend income is included in the income statement on the date that the dividend is declared.

Foreign exchange gains and losses are offset per currency.

EXPENSES

EXPENSES RELATED TO LEASES
For leases that meet the requirements of IFRS 16, a depreciation expense linked to the right-of-use asset and an interest expense linked to the lease liability are recognised. These are recognised as expenses in the income statement.

Leases that are exempted under IFRS 16 are recognised in the income statement using a straight-line method.

FINANCIAL EXPENSES
The financial expenses comprise interest to be paid on loans, interest costs on lease liabilities, foreign exchange losses, the unwinding of discounts on non-current provisions and losses on hedging instruments that are recognised in the income statement.

Interest charges are recognised based on the effective interest method.

Financial expenses directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset.

Foreign exchange gains and losses are compensated per currency.

INCOME TAX EXPENSES

Income tax expenses consist of current and deferred taxes. Income taxes are recorded in the income statement except where they relate to a business combination or elements recorded directly in equity. In this case, the income taxes are recognised directly in equity or goodwill.

Current taxes consist of the expected tax payable on the taxable profit of the year, calculated using tax rates enacted or substantively enacted at the balance sheet date, as well as tax adjustments in respect of prior years. The amount of current income taxes is determined on the basis of the best estimate of the tax gain or expense, with due consideration for any uncertainty with regard to income tax.

Additional income taxes resulting from issuing dividends are recognised simultaneously with the liability to pay the dividend in question.

Deferred taxes are recorded based on the balance sheet method, for all temporary differences between the taxable base and the carrying amount for financial reporting purposes, for both assets and liabilities. No deferred taxes are recognised for the following temporary differences:

- initial recognition of assets and liabilities in a transaction that is not a business combination and that does not affect accounting or taxable profits;
- differences with regard to investments in subsidiaries to the extent that an offsetting entry is unlikely in the near future;
- taxable temporary differences that arise at the initial recognition of goodwill.

The amount of the deferred taxes is based on expectations with regard to the realisation of the carrying value of the assets and liabilities, whereby the tax rates enacted or substantively enacted at the balance sheet date are used.

A deferred tax asset is only recorded in the consolidated statement of financial position when it is probable that adequate future taxable profits are available against which the tax benefit can be utilised. Deferred tax assets are reduced whenever it is no longer probable that the related tax benefit will be realised.

The deferred and current tax receivables and liabilities are offset per tax jurisdiction if the Group has a legal enforceable right to offset the amounts and it intends to settle the liability on a net basis, or to realise the receivable and the liability simultaneously.

SEGMENT REPORTING

An operating segment is a clearly distinguishable component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses in relation to transactions with any of the Group's other components. The Group is organised geographically. The different countries constitute operating segments, in accordance with the internal reporting to the CEO and CFO of the Group.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that represents a separate important operation or geographic business area, is part of a single coordination plan to dispose of a separate important operation or geographic business area or concerns a subsidiary that was acquired exclusively with the intent of selling it.

Classification as discontinued operations occurs upon the disposal of or, if earlier, when the business activity fulfils the criteria for classification as held for sale. Whenever an activity is classified as a discontinued operation, the comparative income statement figures are restated as if the activity had been discontinued from the start of the comparative period.

NEW AND / OR AMENDMENTS TO STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021, issued on 31 March 2021, extends the application period of the practical expedient in IFRS 16 by one year that permits lessees not to assess whether rent concessions, that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions, are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. The original amendment was issued on 28 May 2020 to make it easier for lessees to account for Covid-19-related rent concessions, while providing information about their leases.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021, with early application permitted. The amendment is endorsed by the EU. The Group applies the amendment to IFRS 16 as of 1 January 2021. For more information we refer to note 27.

NEW AND / OR AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended per 31 December 2021, and have not been applied in preparing these consolidated 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 15 July 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 IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual improvements to IFRS 2018-2020, issued on 14 May 2020, include several narrow-scope amendments which are changes that clarify the wording or correct minor oversights or conflicts between requirements in the Standards:

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making. The amendments clarify that the costs of fulfilling a contract comprise both: the incremental costs; and an allocation of other direct costs.

- **Annual Improvements to IFRS Standards 2018–2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The amendments are effective for annual periods beginning on or after 1 January 2022 with early application permitted. These amendments have been endorsed by the EU.

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 not yet 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 not yet 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.

2. Segment reporting

Segment information is given for the Group's geographic segments. The geographic segments reflect the countries in which the Group operates. The prices for intersegment transactions are determined on a business-like, objective basis. The segment information was drawn up in accordance with IFRS.

Segment results, assets and liabilities of a particular segment include those items that can be attributed, either directly or reasonably, to that segment.

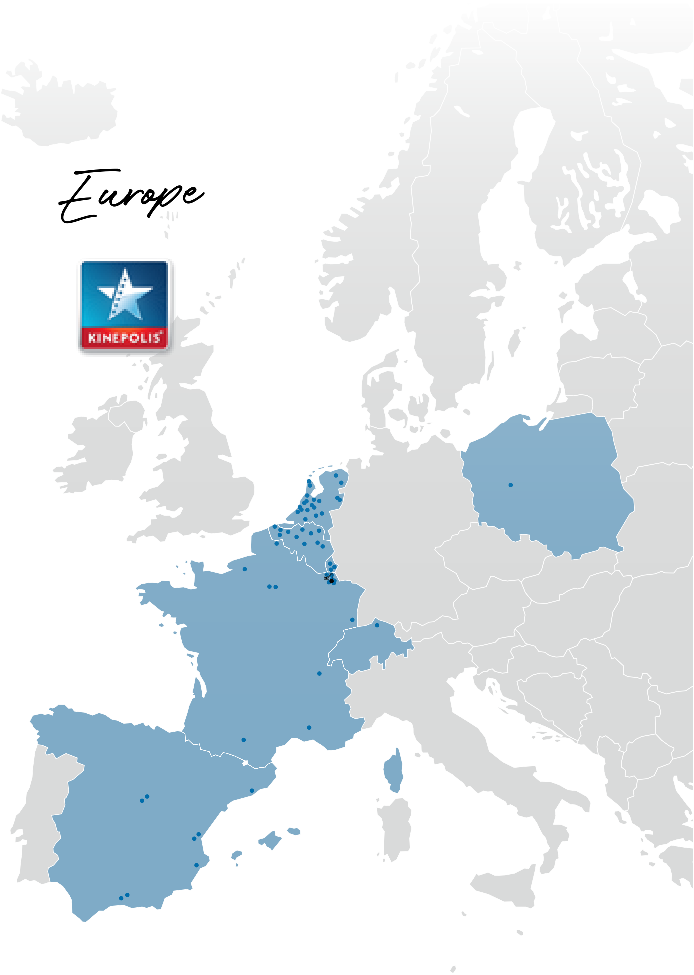
Financial income and expenses and income tax expenses and their related assets and liabilities (excluding Lease liabilities) are not monitored by segment by the Group's CEO and CFO.

The capital expenditures of a segment are all costs incurred during the reporting period to acquire assets that are expected to remain in use in the segment for longer than one reporting period.

GEOGRAPHIC SEGMENTS

The Group's activities are managed and monitored on a country basis. The main geographic markets are Belgium, France, Canada, Spain, the Netherlands, United States and Luxembourg. The Polish and Swiss activities are combined in the 'Other' geographical segment, in accordance with the internal reporting to the CEO and CFO of the Group.

In presenting information on the basis of geographic segments, revenue from the segment is based on the geographic location of the customers. The basis used for the assets of the segments is the geographic location of the assets.



Segment reporting

at 31 December 2021

INCOME STATEMENT

IN '000 €										2021
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Segment revenue	84 344	38 699	52 835	26 253	32 366	28 773	8 555	2 557		274 382
Intersegment revenue	-7 959	-31						1		-7 989
Revenue	76 385	38 668	52 835	26 253	32 366	28 773	8 555	2 558		266 393
Cost of sales	-60 885	-34 002	-67 103	-25 767	-31 870	-31 510	-6 910	-1 976		-260 023
Gross result	**15 500**	**4 666**	**-14 268**	**486**	**496**	**-2 737**	**1 645**	**582**		**6 370**
Marketing and selling expenses	-7 825	-1 467	-1 924	-1 075	-956	-244	-720	-63		-14 274
Administrative expenses	-13 422	-1 143	-3 799	-705	-1 358	-1 478	-182	-283		-22 370
Other operating income	2 406	7 842	9 206	2 144	2 126		452	309		24 485
Other operating expenses	-137	-390	-51	-160	-1		-17			-756
Segment result	**-3 478**	**9 508**	**-10 836**	**690**	**307**	**-4 459**	**1 178**	**545**		**-6 545**
Financial income									851	851
Financial expenses									-29 213	-29 213
Result before tax										**-34 907**
Income tax expenses									9 401	9 401
RESULT FOR THE PERIOD										**-25 506**

BALANCE SHEET – ASSETS

IN '000 €										2021
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Intangible assets	4 831	921	2 849	266	159	2 059	44			11 129
Goodwill	6 586	11 317	34 499	22 015	34 057	48 678	5 844	6 502		169 498
Property, plant and equipment	59 528	80 953	83 886	47 891	132 816	74 698	11 037	7 278		498 087
Right-of-use assets	6 892	25 958	212 822	38 488	17 544	46 813	4 803			353 320
Investment property			1 778	6 721				8 907		17 406
Deferred tax assets									23 812	23 812
Other receivables	9	5 130	428	794	-20		11			6 352
Other financial assets									27	27
Non-current assets	**77 846**	**124 279**	**336 262**	**116 175**	**184 556**	**172 248**	**21 739**	**22 687**	**23 839**	**1 079 631**
Inventories	1 895	434	1 018	470	621	391	116	35		4 980
Trade and other receivables	14 363	6 594	3 686	1 595	5 099	968	1 171	278		33 754
Current tax assets									1 418	1 418
Cash and cash equivalents									75 295	75 295
Current assets	**16 258**	**7 028**	**4 704**	**2 065**	**5 720**	**1 359**	**1 287**	**313**	**76 713**	**115 447**
SEGMENT ASSETS	**94 104**	**131 307**	**340 966**	**118 240**	**190 276**	**173 607**	**23 026**	**23 000**	**100 552**	**1 195 078**

BALANCE SHEET - EQUITY AND LIABILITIES

IN '000 €										2021
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Share capital and share premium									20 106	20 106
Consolidated reserves									100 676	100 676
Translation reserve									-54	-54
Equity attributable to the owners of the Company									120 728	120 728
Non-controlling interests									-79	-79
Total equity									120 649	120 649
Loans and borrowings									478 494	478 494
Lease liabilities	4 603	24 568	219 635	36 224	18 697	46 085	4 459			354 271
Provisions for employee benefits	764	727								1 491
Provisions	1 484	153	304							1 941
Deferred tax liabilities									12 158	12 158
Derivative financial instruments									28	28
Other payables	111	5 110	3	117	55					5 396
Non-current liabilities	6 962	30 558	219 942	36 341	18 752	46 085	4 459		490 680	853 779
Bank overdrafts									12	12
Loans and borrowings									71 557	71 557
Lease liabilities	2 204	2 347	19 640	3 717	4 341	3 540	507			36 296
Trade and other payables	44 156	19 856	21 592	7 694	7 616	7 185	2 897	547		111 543
Provisions					358					358
Current tax liabilities									884	884
Current liabilities	46 360	22 203	41 232	11 411	12 315	10 725	3 404	547	72 453	220 650
SEGMENT EQUITY AND LIABILITIES	**53 322**	**52 761**	**261 174**	**47 752**	**31 067**	**56 810**	**7 863**	**547**	**683 782**	**1 195 078**

CAPITAL EXPENDITURE

IN '000 €										2021
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
CAPITAL EXPENDITURE	**2 505**	**8 301**	**1 969**	**260**	**2 832**	**340**	**836**	**12**		**17 055**

NON-CASH ELEMENTS

IN '000 €										2021
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Depreciations, amortisations, impairments and provisions	12 119	9 697	27 365	7 219	11 456	9 190	1 664	502		79 212
Others	293									293
TOTAL	**12 412**	**9 697**	**27 365**	**7 219**	**11 456**	**9 190**	**1 664**	**502**		**79 505**

Segment reporting

at 31 December 2020

INCOME STATEMENT

IN '000 €										2020
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Segment revenue	33 148	24 743	33 664	16 402	28 173	12 473	6 173	2 175		156 951
Intersegment revenue	19 368	-26						-11		19 331
Revenue	52 516	24 717	33 664	16 402	28 173	12 473	6 173	2 164		176 282
Cost of sales	-50 580	-30 907	-56 928	-21 496	-28 187	-23 337	-6 157	-2 047		-219 639
Gross result	**1 936**	**-6 190**	**-23 264**	**-5 094**	**-14**	**-10 864**	**16**	**117**		**-43 357**
Marketing and selling expenses	-8 035	-1 748	-4 572	-1 086	-899	-207	-696	-71		-17 314
Administrative expenses	-13 835	-1 362	-1 374	-867	-1 148	-1 170	-222	-256		-20 234
Other operating income	1 299	4 822	5 673	1 776	1 581	74	26	285		15 536
Other operating expenses	-152	-44	-29	-5	-64					-294
Segment result	**-18 787**	**-4 522**	**-23 566**	**-5 276**	**-544**	**-12 167**	**-876**	**75**		**-65 663**
Financial income									1 552	1 552
Financial expenses									-27 604	-27 604
Result before tax										**-91 715**
Income tax expenses									22 604	22 604
RESULT FOR THE PERIOD										**-69 111**

BALANCE SHEET – ASSETS

IN '000 €										2020
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Intangible assets	5 564	881	2 624	295	173	2 107	29			11 673
Goodwill	6 586	11 317	31 985	22 015	34 057	44 842	5 844	6 502		163 148
Property, plant and equipment	66 763	81 394	88 433	52 504	138 782	74 558	11 631	7 071		521 136
Right-of-use assets	8 294	27 441	209 941	41 046	24 557	45 918	5 284			362 481
Investment property			1 648	6 721				9 188		17 557
Deferred tax assets									14 778	14 778
Other receivables	9	4 964	491	866	-20		11			6 321
Other financial assets									27	27
Non-current assets	**87 216**	**125 997**	**335 122**	**123 447**	**197 549**	**167 425**	**22 799**	**22 761**	**14 805**	**1 097 121**
Inventories	1 905	299	446	380	472	243	84	36		3 865
Trade and other receivables	11 128	6 343	2 469	1 664	3 534	663	809	146		26 756
Current tax assets									7 431	7 431
Cash and cash equivalents									33 007	33 007
Current assets	**13 033**	**6 642**	**2 915**	**2 044**	**4 006**	**906**	**893**	**182**	**40 438**	**71 059**
SEGMENT ASSETS	**100 249**	**132 639**	**338 037**	**125 491**	**201 555**	**168 331**	**23 692**	**22 943**	**55 243**	**1 168 180**

BALANCE SHEET – EQUITY AND LIABILITIES

IN '000 €										2020
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Share capital and share premium									20 106	20 106
Consolidated reserves									123 640	123 640
Translation reserve									-17 254	-17 254
Equity attributable to the owners of the Company									126 492	126 492
Non-controlling interests									4	4
Total equity									**126 496**	**126 496**
Loans and borrowings									469 882	469 882
Lease liabilities	5 760	25 635	213 622	38 428	25 592	44 597	4 683			358 317
Provisions for employee benefits	998									998
Provisions	1 602	139	280							2 021
Deferred tax liabilities									13 107	13 107
Derivative financial instruments									87	87
Other payables	141	5 946	2	193	74					6 356
Non-current liabilities	**8 501**	**31 720**	**213 904**	**38 621**	**25 666**	**44 597**	**4 683**		**483 076**	**850 768**
Bank overdrafts									112	112
Loans and borrowings									76 599	76 599
Lease liabilities	2 428	2 487	18 692	3 838	4 255	3 074	521			35 295
Trade and other payables	32 099	12 851	15 446	3 373	8 880	3 771	1 608	307		78 335
Provisions	42	198			29					269
Current tax liabilities									306	306
Current liabilities	**34 569**	**15 536**	**34 138**	**7 211**	**13 164**	**6 845**	**2 129**	**307**	**77 017**	**190 916**
SEGMENT EQUITY AND LIABILITIES	**43 070**	**47 256**	**248 042**	**45 832**	**38 830**	**51 442**	**6 812**	**307**	**686 589**	**1 168 180**

CAPITAL EXPENDITURE

IN '000 €										2020
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
CAPITAL EXPENDITURE	**4 459**	**5 216**	**11 965**	**1 521**	**20 326**	**1 214**	**491**	**28**		**45 220**

NON-CASH ELEMENTS

IN '000 €										2020
	BELGIUM	FRANCE	CANADA	SPAIN	THE NETHERLANDS	UNITED STATES	LUXEMBOURG	OTHERS (POLAND, SWITZERLAND)	NOT ALLOCATED	TOTAL
Depreciations, amortisations, impairments and provisions	14 643	11 710	24 642	8 536	10 501	9 764	2 229	826		82 851
Others	469									469
TOTAL	**15 112**	**11 710**	**24 642**	**8 536**	**10 501**	**9 764**	**2 229**	**826**		**83 320**

3. Revenue

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

IN '000 €	2020	2021
Box Office	91 347	142 882
In-theatre Sales	45 923	81 965
Business-to-Business	22 930	24 010
Brightfish	3 123	6 354
Film distribution	2 049	2 094
Technical department	14	53
TOTAL IFRS 15	165 386	257 358
Real estate	10 896	9 035
TOTAL	**176 282**	**266 393**

Revenue from ticket sales (Box Office, BO) increased by 56.4%, to € 142.9 million. BO revenue per visitor increased by 9.7%. This increase was seen in all countries, thanks in part to the product mix, 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 78.5%, to € 82.0 million. ITS revenue per visitor rose by 20.7% (excluding home delivery revenue), driven by an increase in ITS revenue per visitor in almost all countries. We had more visitors in the shops and they also bought more products. Only in Luxembourg and Switzerland ITS revenue per visitor decreased due to the ban on the sale of drinks and snacks for a number of months.

B2B revenue increased by 4.7%. Although there was an increase in income from events, growth was limited by the arrival of the fourth corona wave in the fourth quarter. Screen advertising also showed a strong increase. The increase in the number of events as well as the increase in screen advertising were negatively offset in total B2B turnover by fewer vouchers being sold as a result of the pandemic.

Real estate income decreased by 17.1% due to the loss of variable rental income, rent concessions and a decrease in parking income.

The turnover of Brightfish, the Belgian screen advertising management agency, rose by 103.5% thanks to more screen advertising and more events, and Kinepolis Film Distribution (KFD) saw its income rise by 2.2%.

Revenue from Box Office and In-theatre Sales (which together represented 84.4% of total revenue) are directly linked to the evolution of the visitors. These in turn depend on the number of films produced, their success with the customer and external factors, such as competitive activities, weather conditions and exceptional events such as the Covid-19 pandemic. Consequently, the number of visitors, and therefore the turnover, can be very volatile. For more information regarding the risks involved, we refer to 'Description of the main business risks' in the 'Corporate Governance Statement' section.

B2B consists of three products: sales of vouchers, sales of cinema advertising and sales of film and non-film related events. Film related events make up the bulk of B2B and are closely related to the line-up and the number of films produced and their potential success. The sale of vouchers and cinema advertising strongly depend on the macro-economic climate and business confidence.

The Brightfish results are highly dependent on the macro-economic climate, the advertising spending mainly in the FMCG industry and the share of cinema and marketing campaigns of the major advertisers. Depending on the pricing in other media such as online and TV, this can fluctuate widely.

The results for film distribution depend on the number and success of the Flemish productions of which Kinepolis Film Distribution (KFD) owns the rights, combined with the international releases of which Kinepolis Film Distribution owns the rights for the Belgian and Luxembourg territory, together with Dutch Filmworks (DFW).

4. Other operating income and expenses

OTHER OPERATING INCOME

IN '000 €	2020	2021
Government grants	951	1 409
Government grants and support measures due to the Covid-19 pandemic	6 677	10 337
Rent concessions due to the Covid-19 pandemic	7 540	11 750
Capital gains on disposal of property, plant and equipment	109	461
Other grants – not Covid-19 related	41	220
Others	218	308
TOTAL	**15 536**	**24 485**

GOVERNMENT GRANTS
In France, the Group receives grants from the Centre National du Cinéma et de l'image Animée (CNC) for cinema related investments. These grants come from a fund financed by a contribution from cinema operators in the form of a percentage of ticket sales. The grants are recorded as liabilities on the balance sheet, and are taken into the result over the useful life of the related assets, at € 1.4 million in 2021 (2020: € 1.0 million).

GOVERNMENT GRANTS AND SUPPORT MEASURES AS A RESULT OF THE COVID-19 PANDEMIC
As a result of the outbreak of the Covid-19 pandemic, governments in the various countries where Kinepolis operates, and the CNC in France have decided to provide support measures. The Group obtained non-directly attributable or general grants for € 10.3 million in this regard (FR: € 6.1 million, BE: € 1.7 million, ES: € 1.0 million, NL: € 0.9 million, LUX: € 0.4 million and CH: € 0.3 million). Throughout 2020 the Group obtained € 6.7 million (FR: € 3.5 million, NL: € 1.5 million, BE: € 1.1 million, ES: € 0.3 million and CH: € 0.3 million). For more information and a detailed breakdown we refer to note 30.

RENT CONCESSIONS AS A RESULT OF THE COVID-19 PANDEMIC
In addition, the Group obtained € 11.8 million rent concessions in 2021 (2020: € 7.5 million) as a direct result of the Covid-19 pandemic. Most of this relates to the lease of land and buildings in Canada (2021: € 8.7 million – 2020: € 5.7 million). The rent concessions obtained are only included in 'Other operating income' if the conditions of Covid-19-related rent concessions (amendments to IFRS 16) are met. For more information we refer to note 27.

CAPITAL GAINS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT
Kinepolis decided to close six Canadian cinemas in 2021, each with only one or two screens, as the maintenance investments required were disproportionate to the contribution of these cinemas to the turnover development of the Group. Specifically, it concerns two leased Landmark cinemas, Dawson Creek (BC) and Airdrie (Alberta), and four owned Landmark cinemas, namely Yorkton (Saskatchewan), Selkirk (Manitoba) and the two cinemas located in the Yukon province.

Property, plant and equipment related to these complexes, both land and buildings and machinery and equipment, were impaired to fair value (less costs to sell) if these were lower than the remaining carrying amount. An impairment loss amounting to € 1.2 million was recorded. For more information we refer to note 11.

With regard to the owned complexes, the assets included in land and buildings were subsequently transferred from Property, plant and equipment to Assets held for sale for an amount of € 1.1 million. The owned cinemas were all sold at the end of the summer. A capital gain of € 0.5 million was realised on the sale of these Canadian cinemas. For more information we refer to note 17.

OTHER OPERATING EXPENSES

IN '000 €	2020	2021
Losses on disposal of property, plant and equipment	-84	-3
Losses on disposal of trade receivables	-141	-662
Others	-69	-91
TOTAL	**-294**	**-756**

The movement of the losses on disposal of trade receivables is related to the settlement of outstanding receivables with regard to leased concessions due to the closure of the complexes as a result of the Covid-19 pandemic.

5. Employee benefit expenses and other social benefits

IN '000 €	2020	2021
Wages and salaries	-33 634	-42 934
Mandatory social security contributions	-7 807	-7 772
Employer contributions to employee insurances	-1 034	-1 102
Share-based payments	-469	-293
Other employee benefit expenses	-1 645	-1 639
TOTAL	**-44 589**	**-53 740**
Total full-time equivalents at the balance sheet date	1 215	1 962

The increase in employee benefit expenses is mainly attributable to the partial resumption of activities in 2021 as a consequence of the Covid-19 pandemic. One of the measures that Kinepolis has taken at the start of the pandemic to arm itself against the consequences is to scale down its temporary and permanent staff. With regard to the employees of the complexes in view of the mandatory closure and capacity restrictions, as well as the employees of the support services, by limiting those to only the strictly necessary services. The increase in employee benefit expenses compared to 2020 is explained by the fact that scaling down was more important during 2020.

The Group was also able to make use of the system of economic unemployment in Belgium and Spain, as well as 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 is first paid by the Company in the wage subsidy system, and can subsequently be reclaimed from the government in whole or in part.

The Group received € 10.6 million (2020: € 12.6 million) in wage subsidies. Grants obtained as compensation for directly attributable costs, such as employee benefit expenses, are taken directly in the income statement, deducted from the related costs. In the other countries, the system of economic unemployment was applied, with the wage costs borne, in part or otherwise, directly by the government.

The share-based payments are related to the options granted in 2017, 2018 and 2019. For more information we refer to note 20.

The employee benefit expenses also include early retirement pensions, which, in accordance with IFRS, should be treated as termination benefits, as no reasonable expectation was generated among employees during hiring or employment that they would be entitled to an early retirement pension before the legal retirement age. They are non-material amounts.

For more information regarding employee benefits we refer to note 22.

6. Additional information on operating expenses by nature

The table below shows the breakdown of cost of sales by nature:

IN '000 €	2020	2021
Purchases	-58 194	-91 709
Services and other goods	-39 943	-43 934
Employee benefit expenses and other social benefits	-32 077	-38 995
Depreciations and amortisations	-76 560	-78 212
Provisions and impairments	-2 311	1 640
Others	-10 554	-8 813
COST OF SALES	**-219 639**	**-260 023**

The table below shows the breakdown of marketing and selling expenses by nature:

IN '000 €	2020	2021
Services and other goods	-10 814	-8 806
Employee benefit expenses and other social benefits	-4 606	-4 599
Depreciations and amortisations	-1 791	-1 039
Provisions and impairments	-96	177
Others	-7	-7
MARKETING AND SELLING EXPENSES	**-17 314**	**-14 274**

The table below shows the breakdown of administrative expenses by nature:

IN '000 €	2020	2021
Services and other goods	-10 197	-10 406
Employee benefit expenses and other social benefits	-7 907	-10 146
Depreciations and amortisations	-2 107	-1 780
Provisions and impairments	15	3
Others	-38	-41
ADMINISTRATIVE EXPENSES	**-20 234**	**-22 370**

The overall increase in operating expenses is mainly the result of the increased activity in 2021 compared to 2020. In both 2021 and 2020, the Group focused on strong cost control to mitigate the impact of the Covid-19 pandemic. There was a (partial) resumption of activities in 2021, resulting in an increase of the operating expenses.

In total, the operating expenses increased with 15.4%, compared to an increase of 51.1% in revenue. The decrease in marketing and selling expenses can mainly be explained by less exchange deals, due to the Covid-19 pandemic, and a decrease in depreciations and amortisations.

7. Financial income and expenses

FINANCIAL INCOME

IN '000 €	2020	2021
Interest income	5	
Foreign exchange gains	781	347
Unwinding of non-current government grants receivable	297	209
Others	469	295
TOTAL	**1 552**	**851**

The foreign exchange gains mainly relate to the fluctuations of the American Dollar against the Euro in 2021 (2020: fluctuations of the Canadian Dollar and the Polish Złoty against the Euro).

FINANCIAL EXPENSES

IN '000 €	2020	2021
Interest expenses	-14 674	-15 452
Interest expenses on lease liabilities	-10 248	-10 323
Foreign exchange losses	-394	-227
Others	-2 288	-3 211
TOTAL	**-27 604**	**-29 213**

The increase in interest expenses is mainly due to the interests on the new loan of € 80.0 million concluded at the beginning of January 2021, partly offset by the fact that less use was made of the roll-over credit in 2021 and less credit interests.

The interest expenses attributed to lease liabilities amounted to € 10.3 million (2020: € 10.2 million). For more information we refer to note 27.

The exchange rate losses mainly relate to the fluctuations of the Swiss Franc against the Euro in 2021 (2020: fluctuations of the Canadian Dollar against the Euro).

In 2021, the capitalisation of interest costs related to construction projects amounted to € 0.2 million (2020: € 0.2 million). As the Group applies a general financing policy, a weighted average interest rate of 2.62% (2020: 2.70%) was applied to the capitalisation of the interest costs of construction projects.

The costs related to refinancing are included in the result via the effective interest method, and are part of the other financial expenses. For more information we refer to notes 21 and 26. The impact on the income statement per refinancing round can be found in the table below:

IN '000 €	TOTAL COST	RECOGNISED IN INCOME STATEMENT IN 2020	RECOGNISED IN INCOME STATEMENT IN 2021	OUTSTANDING POSITION PER 31 DECEMBER 2021
Refinancing 2012	1 096	-14	-14	41
Refinancing 2015	1 663	-186	-186	243
Refinancing 2016	45	-3	-3	8
Refinancing 2017	450	-50	-50	246
Refinancing 2019	1 708	-259	-259	1 103
Refinancing 2021	449		-108	342
TOTAL	**5 411**	**-513**	**-619**	**1 984**

The remaining other financial expenses in 2021 and 2020 mainly relate to bank charges. The bank charges are partly volume-related, with the result that this increase is partly explained by the increase in the number of visitors.

8. Income tax expenses

IN '000 €	2020	2021
Current tax expenses	2 383	-1 552
Deferred tax expenses	20 220	10 953
TOTAL	**22 604**	**9 401**

Total income taxes in 2021 and 2020 concern an income, due to the possibility to compensate the negative result before tax with profits from other periods. The effective tax rate was 26.93% in 2021 (2020: 24.64%). The increase of the effective tax rate is mainly due to an increase of the grants, obtained due to the Covid-19 pandemic, which are exempted from tax. In addition, there are fewer losses for which no deferred tax asset was recognised in 2021, as well as a reversal of provisions from prior periods. The tax rate in France decreased to 26.50% in 2021 (2020: 28.00%). Due to the Group's negative result before tax, the above movements caused the effective tax rate to increase in 2021.

Part of the tax losses in 2020 were offset by the profits of 2019 in Belgium and Canada, the so-called 'carry back' option. Through the application of this option in 2020, (part of) the loss for the period resulted in a positive current income tax in the income statement, instead of a deferred tax. On the balance sheet, the 'carry back' in 2020 resulted in a current tax asset instead of a deferred tax asset. The 'carry back' was not used in 2021. We refer to notes 13 and 25 for more information.

EFFECTIVE TAX RATE RECONCILIATION

IN '000 €	2020	2021
Result before tax	-91 715	-34 907
Belgian tax rate	**25.00%**	**25.00%**
Income taxes using the local tax rate	22 929	8 727
Effect of tax rates in foreign jurisdictions	-117	27
Disallowed expenses	-407	-327
Tax-exempt grants	609	847
Tax-exempt income	86	60
Impairment on treasury shares	-203	
Losses for which no deferred tax asset is recognised	-346	-26
Use of unrecognised losses and tax losses for which no deferred tax asset was recognised	44	8
Under / (over) provision in prior periods	20	147
Change in law and tax rate in the Netherlands	-128	-20
Change in average tax rate in Canada		-26
Other adjustments	117	-16
TOTAL INCOME TAX EXPENSES	**22 604**	**9 401**
Effective tax rate	**24.64%**	**26.93%**

The 'Change in law and tax rate in the Netherlands' was applicable for the first time in 2018 and concerned the future reduction of the income tax rate from 25.00% to 22.55% in 2020, and to 20.50% from 2021. The change in the income tax rate from 2021 was adjusted to 21.70% in 2019, instead of 20.50%. There was another change in legislation in 2020, as a result of which the previous decisions will no longer be applied and the income tax rate will remain at 25.00%, both in 2020 and in future years. In 2021 it was decided that the income tax rate will be adjusted to 25.80% as of 2022.

The 'Change in average tax rate in Canada' includes the change in the average income tax rate from 25.50% to 25.20%. The average income tax rate is determined by a weighted average of the tax rates per province. As a result, there may be a limited change in Canada's average income tax rate every year.

9. Intangible assets

IN '000 €	PATENTS AND LICENSES	OTHERS	INTERNALLY GENERATED INTANGIBLE ASSETS	TOTAL
Acquisition value	19 374	6 262	4 233	29 869
Amortisations and impairment losses	-13 123	-1 092	-2 667	-16 882
NET CARRYING AMOUNT AT 31/12/2019	**6 252**	**5 170**	**1 565**	**12 987**
Acquisitions	1 526		322	1 848
Sales and disposals	-63	-19		-82
Transfer to other categories	29			29
Amortisations	-2 146	-169	-594	-2 909
Others		185		185
Effect of exchange rate fluctuations	-70	-316		-386
Acquisition value	20 465	6 102	4 822	31 389
Amortisations and impairment losses	-14 937	-1 251	-3 528	-19 716
NET CARRYING AMOUNT AT 31/12/2020	**5 528**	**4 851**	**1 294**	**11 673**
Acquisitions	1 463		185	1 648
Transfer to other categories	53	2		55
Amortisations	-1 985	-155	-500	-2 640
Effect of exchange rate fluctuations	55	338		393
Acquisition value	22 083	6 457	5 007	33 547
Amortisations and impairment losses	-16 969	-1 421	-4 028	-22 418
NET CARRYING AMOUNT AT 31/12/2021	**5 114**	**5 036**	**979**	**11 129**

The patents and licenses mainly comprise software purchased from third parties. The internally generated intangible assets mainly concern the changes to the Group's ticketing system software and the back office software.

The 'Other' category includes the trade name 'Landmark Cinemas', which amounts to € 2.8 million (2020: € 2.6 million). The trade name has an indefinite useful life. The increase can be explained by the exchange rate fluctuation of the Canadian Dollar. The trade name was retained with the acquisition of Landmark Cinemas in 2017, as this is the second largest cinema group in Canada. Further organic growth on the Canadian market and the marketing of the existing cinemas will be carried out under the name 'Landmark Cinemas'.

In addition, this category also contains the trade name 'MJR Digital Cinemas' for € 1.4 million (2020: € 1.4 million) with a definite useful life.

The acquisitions amount to € 1.6 million in 2021 (2020: € 1.8 million) and mainly concern investments in various software used by the Group, such as modifications to the ticketing system software and the back office software, as well as investments in IT infrastructure. These consist of the internal hours worked for € 0.2 million and purchases from third parties for € 1.5 million.

10. Non-financial assets and business combinations

IMPAIRMENT TEST

As a result of the global outbreak of the Corona virus, there were alternating periods of closure and opening of cinemas in 2021 and 2020, 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, the cinemas had to close again in Belgium and the Netherlands. This has a serious impact on the Group's financial results in 2021.

In order to limit the consequences of the Covid-19 pandemic, the Group has taken the necessary measures 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 Kinepolis Group to manage this crisis optimally.

The cinema sector was also indirectly affected when the Hollywood film studios were facing a significant limitation of their distribution capacity for their blockbusters, especially in the first half of 2021, as cinemas remained closed in many countries. As a result, the (theatrical) releases of almost all blockbusters were postponed to the second half of 2021, and even to 2022. Under 'normal' circumstances, Kinepolis Group realises 80% of its ticket sales from blockbusters. This had a more significant impact on the visitor numbers of those cinemas that were open in the first half of the year.

However, the willingness of customers to go to the cinema remains high. A big difference compared to last year was the fact that, unlike in 2020, the blockbusters were launched in cinemas in the second half of the year, partly thanks to the reopening of cinemas on the North American continent in the first semester. Successful releases such as 'No Time to Die' (James Bond) and 'Spider-Man: No Way Home' showed that customers would massively come back for good, high-quality content, despite the continuous obstacles and impact of the Covid pandemic.

Kinepolis 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.

At the end of 2021, as in every year, a review was performed to identify any indications of a possible impairment of non-financial assets. As in every year, the economic situation, the expected evolution of visitor numbers, EBITDA, the free cash flow and the components that determine the Group's weighted average cost of capital, i.e. the risk-free interest rate, the market risk premium and the cost of debt, were taken into account in this regard.

An annual impairment test must always be performed for cash-generating units to which goodwill is allocated, and for intangible assets with an indefinite useful life, regardless of whether there are indications of impairment. With respect to the carrying amount of intangible assets with indefinite useful life allocated to the cash-generating unit 'Canada', we refer to note 9.

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 this year's calculation, -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 Kinepolis 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 Kinepolis concepts will also be taken into account from 2023. This deviation is explained by the fact that the impact of the implementation of the Kinepolis 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. This is only intended to compensate for inflation, with the EBITDA margin remaining constant. The 1% is a conservative approach, as it is less than the long-term inflation expectation and historical evolution.
- 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. These amounts are increased annually by 1% for all countries.

As in previous years, the impact of the implementation of IFRS 16 was taken into account for the tests at the end of 2021, which is further explained below in the various components of the impairment test.

As a result of the impairment tests that were performed, no impairment was identified. 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.

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.

The cash flows of the Group are generated per country:

- The programming of films and negotiations with distributors takes place at country level;
- The management structures are organised at country level;
- The tickets are sold through the websites, which are organised at country level;
- The pricing of tickets, drinks and snacks is set at country level;
- The film rental is negotiated at country level;
- Marketing contributions by distributors are negotiated on a country-by-country basis;
- Screen advertising is managed at country level;
- Vouchers are sold via the business-to-business sales teams. Customers use their vouchers through the central back office systems at country level;
- The business-to-business events are organised at complex and country level.

The value in use was taken into consideration when carrying out the impairment tests. The value in use was determined for all cash-generating units by discounting the future cash flows calculated over the period from 2022 to 2041, based on the 2022 budget. However, due to the impact of IFRS 16, which applies as of 2019, the definition of future cash flows has been changed, and the starting point for determining future cash flows has been EBITDA which, due to the impact of the implementation of IFRS 16, no longer includes lease payments for leased complexes, among other things. This increases the value in use of the tested assets. To compensate for this, the lease liability arising from these payments under IFRS 16 was deducted from the value in use in the impairment calculations. The future cash flows are calculated over a period of 20 years, as the Group owns a large part of its real estate and is therefore assured of long-term exploitation. The calculation of the lease liability must be based on the remaining lease term, including any extensions. In the case of the calculation of the lease liability starting from a term different to the assumed 20 years, the calculation of the lease liability was adjusted to 20 years.

The impact of IFRS 16 was also taken into account in determining the carrying amount of the non-financial fixed assets or the carrying amount of the cash-generating units, with the right-of-use assets and the lease liabilities being part of the carrying amount.

A terminal value after 20 years is not taken into account, in exchange for this, the net book value of the country is not included in the test.

The projections are performed in the functional currency of the relevant country and discounted at the proposed weighted average cost of capital of the countries. The implementation of IFRS 16 required a more diversified approach to the proposed weighted average cost of capital at country level as, from 2019, the debt will also include the lease liabilities of the country, and future cash flows will be discounted at the weighted average cost of capital, while right-of-use assets are calculated on the basis of a discount rate. In order to align this, the country-specific debt / equity ratio was taken into account when calculating the weighted average cost of capital at country level, with the debt capital also including the lease liability of the country. The proposed weighted average cost of capital is 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 (2020: 6.34% for Belgium, 6.06% for France, 3.98% for Canada, 5.37% for Spain, 6.00% for the Netherlands, 5.37% for the United States, 6.35% for Luxembourg, 6.53% for Switzerland and 6.80% for Poland) and was determined on the basis of the following theoretical parameters:

	2020						2021					
	RISK-FREE INTEREST RATE	MARKET RISK PREMIUM	BETA	PROPOSED COST OF DEBT (1)	COST OF OWN EQUITY	DEBT CAPITAL / EQUITY	RISK-FREE INTEREST RATE	MARKET RISK PREMIUM	BETA	PROPOSED COST OF DEBT (1)	COST OF OWN EQUITY	DEBT CAPITAL / EQUITY
Belgium	0.75%	6.88%	1.13	2.70%	8.50%	33.37%	0.80%	6.84%	1.19	2.62%	8.95%	26.06%
France	0.75%	6.88%	1.13	2.70%	8.50%	37.50%	0.80%	6.84%	1.19	2.62%	8.95%	30.20%
Canada	0.75%	6.88%	1.13	2.70%	8.50%	69.57%	1.35%	6.84%	1.19	2.62%	9.51%	60.46%
Spain	0.75%	6.88%	1.13	2.70%	8.50%	48.32%	0.80%	6.84%	1.19	2.62%	8.95%	36.10%
The Netherlands	0.75%	6.88%	1.13	2.70%	8.50%	38.60%	0.80%	6.84%	1.19	2.62%	8.95%	29.75%
United States	0.80%	6.88%	1.13	2.70%	8.55%	48.62%	1.42%	6.84%	1.19	2.62%	9.58%	41.89%
Luxembourg	0.75%	6.88%	1.13	2.70%	8.50%	33.27%	0.80%	6.84%	1.19	2.62%	8.95%	29.50%
Switzerland	0.75%	6.88%	1.13	2.70%	8.50%	31.82%	0.80%	6.84%	1.19	2.62%	8.95%	25.04%
Poland	1.20%	6.88%	1.13	2.70%	8.95%	31.82%	1.50%	6.84%	1.19	2.62%	9.66%	25.04%

(1) Before tax.

The debt to equity ratio is differentiated by country due to the impact of lease liabilities under IFRS 16 at country level. Equity is based on the enterprise value of the Company, and not on the consolidated equity. The parameters for the weighted average cost of the capital are tested annually on the basis of the assumptions used by the analysts who follow the Group's share, while also taking into account the specific circumstances of each country. The market risk premium and the beta were based on the average used by the analysts. The risk-free interest rate was also based on the analysts' average except when the country's risk-free interest rate was higher, as in Poland, Canada and the United States. In this way, the calculation of the weighted average cost of capital was aligned to a significant extent with the analysts' calculation and an extra margin was also added.

The weighted average cost of capital before tax is 7.30% for Belgium, 7.04% for France, 5.34% for Canada, 6.67% for Spain, 7.07% for the Netherlands, 6.66% for the United States, 7.09% for Luxembourg, 7.37% for Switzerland and 7.90% for Poland (2020: 6.56% for Belgium, 6.32% for France, 4.46% for Canada, 5.70% for Spain, 6.26% for the Netherlands, 5.70% for the United States, 6.57% for Luxembourg, 6.65% for Switzerland and 6.96% for Poland). These percentages before taxes do not deviate substantially from the iterative calculation.

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 between both.

As every year, a sensitivity analysis was performed with regard to the weighted average cost of capital. We conclude from this that with an increase of 1.5% in the weighted average cost of capital in all countries, no impairment occurs in any country except the United States. The increase in the weighted average cost of capital from 6.38% to 7.88% gives rise to a possible impairment of USD 3.5 million in the United States. If the weighted average cost of capital increased by 2% in all countries, there will be no impairment in any country other than the United States.

GOODWILL

IN '000 €	2020	2021
BALANCE AT END OF PREVIOUS PERIOD	**169 374**	**163 148**
Acquisitions through business combinations	87	
Effect of exchange rate fluctuations	-6 313	6 350
BALANCE AT END OF CURRENT PERIOD	**163 148**	**169 498**

GOODWILL PER CASH-GENERATING UNIT

IN '000 €	2020	2021
Belgium	6 586	6 586
France	11 317	11 317
Canada	31 985	34 499
Spain	22 015	22 015
The Netherlands	34 057	34 057
United States	44 842	48 678
Luxembourg	5 844	5 844
Poland	6 502	6 502
BALANCE AT END OF CURRENT PERIOD	**163 148**	**169 498**

BUSINESS COMBINATIONS

ACQUISITIONS

There were no new business combinations during 2021 and 2020. The acquisition through business combination in 2020 (€ 0.1 million) refers to a final settlement of the acquisition of Arcaplex (NL) in 2019.

11. Property, plant and equipment

IN '000 €	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
Acquisition value	730 606	394 979	6 284	1 131 868
Depreciations and impairment losses	-323 119	-266 425		-589 544
NET CARRYING AMOUNT AT 31/12/2019	**407 487**	**128 554**	**6 284**	**542 324**
Acquisitions	17 299	11 354	14 718	43 371
Sales and disposals	-996	-79	-58	-1 133
Transfer to other categories	5 507	-236	-5 384	-113
Depreciations and impairment losses	-25 201	-24 979		-50 180
Effect of exchange rate fluctuations	-10 239	-2 746	-147	-13 132
Acquisition value	738 072	400 074	15 413	1 153 558
Depreciations and impairment losses	-344 215	-288 207		-632 422
NET CARRYING AMOUNT AT 31/12/2020	**393 857**	**111 867**	**15 413**	**521 136**
Acquisitions	1 696	7 013	6 697	15 406
Sales and disposals	-6	-32	-27	-65
Transfer to assets held for sale	-1 055			-1 055
Transfer to other categories	1 710	11 557	-13 322	-55
Depreciations and impairment losses	-26 173	-24 646	-4	-50 823
Effect of exchange rate fluctuations	10 553	2 815	175	13 543
Acquisition value	754 225	424 610	8 931	1 187 766
Depreciations and impairment losses	-373 643	-316 036		-689 679
NET CARRYING AMOUNT AT 31/12/2021	**380 581**	**108 574**	**8 931**	**498 087**

ACQUISITIONS

Acquisitions in 2021 include investments in France (€ 8.3 million), the Netherlands (€ 2.8 million), Canada (€ 2.0 million), Belgium (€ 1.0 million), Luxembourg (€ 0.8 million), the United States (€ 0.3 million) and Spain (€ 0.3 million).

The investments mainly relate to the finishing and construction of new cinemas (Metz Amphithéâtre (FR), Leidschendam (NL), Metz Waves (FR), Servon (FR) and South East Edmonton Tamarack (CA)). Investments were also made in internal expansion, in particular in premium cinema experiences and the renovation of St. Catharines (CA) and Belval (LUX). In addition, the investments also include maintenance investments. A number of maintenance programmes were discontinued as a result of the Covid-19 pandemic.

TRANSFER TO ASSETS HELD FOR SALE

Kinepolis decided to close six Canadian cinemas in 2021, each with only one or two screens, as the maintenance investments required were disproportionate to the contribution of these cinemas to the turnover development of the Group. Specifically, it concerns two leased Landmark cinemas, Dawson Creek (BC) and Airdrie (Alberta), and four owned Landmark cinemas, namely Yorkton (Saskatchewan), Selkirk (Manitoba) and the two cinemas located in the Yukon province.

Property, plant and equipment related to these complexes, both land and buildings and machinery and equipment, were impaired to fair value (less costs to sell) if these were lower than the remaining carrying amount. An impairment loss amounting to € 1.2 million was recorded.

With regard to the owned complexes, the assets included in land and buildings were subsequently transferred from Property, plant and equipment to Assets held for sale for an amount of € 1.1 million. For more information we refer to note 17.

12. Investment property

IN '000 €	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	TOTAL
Acquisition value	23 363	519	23 882
Depreciations and impairment losses	-6 498	-503	-7 001
NET CARRYING AMOUNT AT 31/12/2019	**16 865**	**16**	**16 881**
Transfer from assets classified as held for sale	1 686		1 686
Depreciations	-318	-2	-320
Effect of exchange rate fluctuations	-689	-1	-690
Acquisition value	23 847	479	24 326
Depreciations and impairment losses	-6 303	-466	-6 769
NET CARRYING AMOUNT AT 31/12/2020	**17 544**	**13**	**17 557**
Depreciations	-319	-2	-321
Effect of exchange rate fluctuations	170		170
Acquisition value	24 035	480	24 516
Depreciations and impairment losses	-6 640	-469	-7 110
NET CARRYING AMOUNT AT 31/12/2021	**17 395**	**11**	**17 406**

As of 18 January 2007 the land, building, machinery and equipment in Poznań (PL) are no longer used for own operations, but leased to Cinema City, owned by the cinema group Cineworld, and to a number of smaller third parties. As required by IAS 40 (Investment property), the assets in question have been transferred to this category. The total carrying amount of the investment property in Poland is € 8.9 million (2020: € 9.2 million).

The plot in Valencia (ES) (€ 6.7 million) has been part of the investment property since 2015, as it is reserve capacity that is not necessary for the execution of the business and can be redeveloped.

During 2020 the land in Weyburn and the complex in Fort McMurray, both situated in Canada, were transferred from Assets classified as held for sale to Investment property as they are held to realise rental income and / or an increase in value. The carrying amount per 31 December 2021 amounts to € 0.1 million (2020: € 0.1 million) for the land in Weyburn and € 1.7 million (2020: € 1.6 million) for the complex in Fort McMurray. The increase is the result of exchange rate fluctuations of the Canadian Dollar.

Rental income from investment property was € 1.0 million (2020: € 1.0 million). Rental income in 2021 and 2020 are subject to the consequences of the Covid-19 pandemic. There is a legal obligation in Poland whereby concessions do not have to pay rent during the period of full closure. The direct operating charges (including repairs and maintenance) ensuing from investment property were € 0.4 million (2020: € 0.4 million).

FAIR VALUE
The fair value of the investment property is measured periodically by independent experts.

The external experts possess the required recognised professional qualifications and experience in appraising real estate at the locations and in the categories concerned.

The fair value of the investment property was € 38.4 million (2020: € 38.2 million). The increase is the result of exchange rate fluctuations of the Polish Złoty and the Canadian Dollar.

The fair value of the investment property is recognised as a level 3 fair value based on the unobservable inputs that were used for the measurement. The market approach is used for the measurement of the fair value of the land and buildings. The independent experts base the price per square meter on their knowledge of the market and information on market transactions relating to comparable assets. The size, characteristics, location and layout of the land and buildings and the destination of the area in which they are situated have also been taken into account. When determining the fair value of the buildings, their accessibility and the visibility from the street are also taken into account. The fair value of the other assets that are part of investment property is measured on the basis of the cost approach, in which the current replacement value of the assets is adjusted to account for physical, functional and economic obsolescence.

13. Deferred taxes

IN '000 €	2020	2021
Deferred tax assets	14 778	23 812
Deferred tax liabilities	13 107	12 158

The increase in deferred tax assets and decrease in deferred tax liabilities are due to an increase in the tax losses carried forward, mainly due to the negative result before tax in 2021 as a consequence of the Covid-19 pandemic.

TAX LOSSES CARRIED FORWARD AND UNUSED TAX CREDITS

For tax losses carried forward and unused tax credits amounting to € 11.7 million (2020: € 14.0 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 € 136.7 million (2020: € 103.1 million) a deferred tax asset was recognised in the balance sheet. The increase in these losses is mainly attributable to the negative result before tax as a consequence of the Covid-19 pandemic. Deferred tax assets for unused tax losses will only be recognised if sufficient future taxable profits will be available to enable the losses to be recovered.

The Group bases itself on the assumptions used for the annual impairment test. We refer to note 10 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.

Part of the tax losses in 2020 were offset by the profits of 2019 in Belgium and Canada, the so-called 'carry back' option. Through the application of this option in 2020, (part of) the loss for the period resulted in a positive current income tax in the income statement, instead of a deferred tax. On the balance sheet, the 'carry back' in 2020 resulted in a current tax asset instead of a deferred tax asset. The 'carry back' was not used in 2021. We refer to notes 8 and 25 for more information.

The tax losses carried forward are indefinite in Belgium, France, the Netherlands, Luxembourg and the United States. In Canada, tax losses carried forward can be carried forward for 20 years.

The tax losses carried forward and unused tax credits can be allocated as follows:

IN '000 €	2020			2021		
	TOTAL	LOSSES FOR WHICH A DEFERRED TAX ASSET IS RECOGNISED	LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED	TOTAL	LOSSES FOR WHICH A DEFERRED TAX ASSET IS RECOGNISED	LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED
Belgium	46 293	35 472	10 822	49 697	41 234	8 463
France	2 010	2 010		2 010	2 010	
Canada	25 757	25 757		42 076	42 076	
The Netherlands	421	421		560	560	
United States	39 450	39 450		50 843	50 843	
Luxembourg	2 868		2 868	2 836		2 836
Poland	308		308	435		435
TOTAL	**117 106**	**103 108**	**13 997**	**148 458**	**136 723**	**11 735**

DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities recognised in the statement of financial position can be attributed as follows:

IN ’000 €	2020			2021		
	ASSETS	LIABILITIES	DIFFERENCE	ASSETS	LIABILITIES	DIFFERENCE
Intangible assets and property, plant and equipment	1 078	-37 021	-35 943	717	-35 171	-34 454
Goodwill	2 479		2 479	1 557		1 557
Right-of-use assets		-89 945	-89 945		-87 345	-87 345
Receivable CNC grants	216	-11	205	172		172
Trade and other receivables	148	-145	3	5		5
Provisions	32	-166	-134		-137	-137
Deferred CNC grants	783	-268	514	669	-254	415
Provisions for employee benefits	249		249	373		373
Derivative financial instruments through equity	22		22	7		7
Lease liabilities	97 575		97 575	96 375		96 375
Trade and other payables	609	-145	464	125	-77	48
Tax losses carried forward and unused tax credits	26 183		26 183	34 636		34 636
TOTAL	**129 372**	**-127 700**	**1 671**	**134 638**	**-122 985**	**11 654**
Tax offsetting	-114 593	114 593		-110 826	110 826	
NET DEFERRED TAX ASSETS AND LIABILITIES	**14 778**	**-13 107**	**1 671**	**23 812**	**-12 158**	**11 654**

CHANGES IN DEFERRED TAX BALANCES DURING THE YEAR

IN ’000 €	2019	RECOGNISED IN INCOME STATEMENT	EFFECT OF EXCHANGE RATE FLUCTUATIONS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	2020	RECOGNISED IN INCOME STATEMENT	EFFECT OF EXCHANGE RATE FLUCTUATIONS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	2021
Intangible assets and property, plant and equipment	-37 373	-106	1 536		-35 943	3 028	-1 539		-34 454
Goodwill	4 090	-1 359	-252		2 479	-1 080	159		1 557
Right-of-use assets	-98 259	3 319	4 995		-89 945	8 006	-5 407		-87 345
Receivable CNC grants	187	18			205	-33			172
Trade and other receivables	265	-257	-5		3	2			5
Provisions	-156	22			-134	-3			-137
Deferred CNC grants	579	-65			514	-99			415
Provisions for employee benefits	257	16		-24	249	235		-110	373
Derivative financial instruments through equity	50			-28	22			-15	7
Lease liabilities	104 040	-1 111	-5 354		97 575	-7 154	5 954		96 375
Trade and other payables	391	73			464	-414	-2		48
Investments in subsidiaries		-744		744		1 614		-1 614	
Tax losses carried forward and unused tax credits	6 749	20 414	-980		26 183	6 850	1 603		34 636
TOTAL	**-19 181**	**20 220**	**-60**	**692**	**1 671**	**10 953**	**768**	**-1 738**	**11 654**

The effect of exchange rate fluctuations in 2021 relate to deferred taxes in Canada (€ 0.3 million – 2020: € 0.2 million) and the United States (€ 0.4 million – 2020: € -0.3 million).

In 2021, due to a negative result before tax, the tax effect on the exchange rate results relating to the non-current borrowings in US Dollar from Kinepolis Group NV to Kinepolis US INC, is recognised as a deferred tax in line with the deferred tax on the loss carried forward.

In 2020, the tax effect on the exchange rate results relating to the non-current borrowings in Canadian Dollar and Polish Złoty from Kinepolis Financial Services NV to Kinepolis Canada LTD and Kinepolis Poznań Sp.z o.o was recognised as a deferred tax. This is included in the ‘Investments in subsidiaries’ line in the table above.

14. Inventories

IN '000 €	2020	2021
3D glasses	431	369
Goods purchased for resale in cinemas	1 670	3 158
Components inventory, technical department	1 507	1 211
Others	257	242
TOTAL	**3 865**	**4 980**

The cost of sales of inventories recognised in the income statement was € 19.8 million (2020: € 11.0 million).

15. Trade and other receivables

OTHER NON-CURRENT RECEIVABLES

IN '000 €	2020	2021
Cash guarantees	1 074	1 003
Grants – CNC	4 933	5 057
Other receivables	314	292
TOTAL	**6 321**	**6 352**

The non-current grants mainly relate to the sector-related grants that can be obtained in France from the CNC, based on the number of visitors. We refer to note 4 for more information.

TRADE AND OTHER CURRENT RECEIVABLES

IN '000 €	2020	2021
Trade receivables	15 119	20 281
Tax receivables, other than income taxes	5 397	2 709
Deferred charges and accrued income	244	5 328
Tax shelter receivables	88	88
Tax shelter investments	304	304
Grants receivable related to the Covid-19 pandemic	4 302	4 521
Other receivables	1 302	523
TOTAL	**26 756**	**33 754**

The movements of the categories trade receivables and deferred charges and accrued income are analysed together this year. This is because the deferred charges and accrued income were included for a large part in the category trade receivables in 2020. As from 2021, these are included separately in the category deferred charges and accrued income. For both categories together there is an increase of € 10.2 million or 66.7%. This increase is mainly related to the increased activity in 2021 compared to 2020 given the (partial) resumption of activities after the closure of the cinemas.

Tax receivables, other than income taxes, have decreased by € 2.7 million, mainly due to a decrease in recoverable VAT.

The tax shelter receivables concern the loans made to third parties to finance and support film production in Belgium. The tax shelter investments concern the film rights the Group acquires as part of tax shelter transactions.

Grants receivable related to the Covid-19 pandemic amount to € 4.5 million (2020: € 4.3 million) and mainly relate to grants receivable related to employee benefit expenses, allowances for fixed costs, grants receivable from CNC and other allowances as a result of the Covid-19 pandemic. There are conditions attached to these receivables, which were met on the balance sheet date, and therefore the receivables were recognised.

The decrease in other receivables is mainly explained by a decrease in the current portion of the French sector-related grants (CNC) for € 1.1 million (outstanding position as of 31 December 2021: € 0.0 million – 31 December 2020: € 1.1 million). Throughout 2021, € 0.7 million new grants were allocated and € 1.8 million grants were received.

AGEING OF THE NON-CURRENT, TRADE AND OTHER CURRENT RECEIVABLES

IN '000 €		2020			2021	
	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	IMPAIRMENT	NET CARRYING AMOUNT
Not yet due on reporting date	27 533	-4	27 529	33 240		33 240
Less than 30 days past due	3 049	-351	2 698	2 923	-26	2 897
Between 31 and 120 days past due	2 149	-877	1 272	2 482	-491	1 991
Between 120 days and 1 year past due	2 504	-1 607	897	1 314	-978	336
Over 1 year past due	2 149	-1 468	681	3 050	-1 408	1 642
TOTAL	**37 384**	**-4 307**	**33 077**	**43 009**	**-2 903**	**40 106**

MOVEMENT OF IMPAIRMENTS ON TRADE RECEIVABLES

IN '000 €	2020	2021
BALANCE AT END OF PREVIOUS PERIOD	**-1 516**	**-4 307**
Recognised impairments	-3 671	-2 077
Used impairments	195	467
Reversed impairments	678	3 036
Effect of exchange rate fluctuations	7	-22
BALANCE AT END OF CURRENT PERIOD	**-4 307**	**-2 903**

The impairments on the trade receivables decreased by € 1.4 million. The decrease is mainly explained by a decrease of the impairment on trade receivables with regard to leased concessions. The outstanding receivables and the associated impairments related to leased concessions increased strongly throughout 2020 as a result of the Covid-19 pandemic.

In 2021, the Group was able to reverse a large part of these impairments. For the impact of the final settlement of the outstanding trade receivables, we refer to note 4.

The value for losses is determined in accordance with IFRS 9. We refer to note 26 for more information.

There is no ageing problem for the financial assets other than trade receivables.

16. Cash and cash equivalents

IN '000 €	2020	2021
Cash at bank and in hand	33 007	75 295
TOTAL	**33 007**	**75 295**
Bank overdrafts used for the statement of cash flow	-112	-12
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOW	**32 895**	**75 283**

There are no significant unavailable cash and cash equivalents.

17. Assets classified as held for sale

IN '000 €	2020	2021
BALANCE AT END OF PREVIOUS PERIOD	1 767	0
Transfer from / to assets held for sale	-1 686	1 055
Sales and disposals		-1 055
Effect of exchange rate fluctuations	-81	
BALANCE AT END OF CURRENT PERIOD	**0**	**0**

In 2020 the land in Weyburn, as well as the Fort McMurray complex, were transferred to the Investment property category. As a result of the Covid-19 pandemic both were not expected to be sold within a 12-month period.

Kinepolis decided to close six Canadian cinemas in 2021, each with only one or two screens, as the maintenance investments required were disproportionate to the contribution of these cinemas to the turnover development of the Group. Specifically, it concerns two leased Landmark cinemas, Dawson Creek (BC) and Airdrie (Alberta), and four owned Landmark cinemas, namely Yorkton (Saskatchewan), Selkirk (Manitoba) and the two cinemas located in the Yukon province.

Property, plant and equipment related to these complexes, both land and buildings and machinery and equipment, were impaired to fair value (less costs to sell) if this was lower than the remaining carrying amount. An impairment loss amounting to € 1.2 million was recorded. For more information we refer to note 11.

With regard to the owned complexes, the assets included in land and buildings were subsequently transferred from Property, plant and equipment to Assets held for sale for an amount of € 1.1 million. The owned cinemas were all sold at the end of the summer. A capital gain of € 0.5 million was realised on the sale of these Canadian cinemas. For more information we refer to note 4.

18. Equity

The various components of equity, as well as the changes between 31 December 2021 and 31 December 2020, are set out in the consolidated statement of changes in equity.

SHARE CAPITAL

The share capital of the Company at 31 December 2021 was € 19.0 million (2020: € 19.0 million), represented by 27 365 197 ordinary shares without nominal value (2020: 27 365 197 shares). All shares are paid up in full. The share premium at 31 December 2021 was € 1.2 million (2020: € 1.2 million). The ordinary shares are entitled to a dividend, and the holders of these shares are entitled to cast one vote at the shareholder meetings of the Company.

TREASURY SHARES RESERVE

The Extraordinary General Meeting of 11 May 2016 authorised the Board of Directors to buy back 410 958 treasury shares to cover the new options to be issued. Under the 2016 Share Option Plan, the Board of Directors decided on 22 December 2017 to buy back up to 360 000 treasury shares through the grant of a discretionary mandate to an agent, either on the stock exchange or outside of it, between 15 January 2018 and 30 September 2018, whereby block trades can be considered as well during open periods. The share buyback program, which started on 15 January 2018, was terminated on Tuesday, 12 June 2018. As part of the discontinued share buyback program, Kinepolis Group has bought back 360 000 shares for an amount of € 20 302 894.

In 2021, 58 299 treasury shares were sold due to exercise of options for € 2.4 million (2020: 11 495 shares – € 0.5 million). Furthermore, no shares were cancelled in 2021 (2020: 0 shares – € 0.0 million). The total number of treasury shares on 31 December 2021 amounts to 422 552 (2020: 480 851). These majority of these shares will be used for the 2016 option plan.

HEDGING RESERVE

The hedging reserve contains the effective portion of the cumulative net change in the fair value of the cash flow hedges for which the hedged future transaction has not yet occurred.

TRANSLATION RESERVE

The translation reserve includes on the one hand all exchange rate differences resulting from the translation of the annual accounts of foreign entities in foreign currencies and on the other hand exchange rate differences of the translation of intra-group non-current borrowings in foreign currencies.

The movement in 2021 is mainly due to the exchange rate fluctuation of both the American and the Canadian Dollar against the Euro.

In addition, some non-current borrowings with Switzerland, Poland, Canada and the United States are considered as a net investment hedge for the participating interest in the same subsidiaries. Consequently, the translation differences on these borrowings were included in equity under the other comprehensive income. For more information we refer to note 26.

SHARE-BASED PAYMENTS RESERVE

On 31 December 2021 a total of 361 469 options were allocated (2020: 419 768). These shares entitle their holders to one share per option. For more information we refer to note 20. The options will expire 8 years after the date of approval of the Plan by the General Meeting, which is 11 May 2024.

DIVIDENDS TO THE SHAREHOLDERS

In view of the result and the impact of the Covid-19 virus on the business operations, the Board of Directors will propose to the General Meeting not to distribute a dividend.

NON-CONTROLLING INTERESTS

The participation of Kinepolis Group in Landmark Cinemas Holding LTD and Landmark Cinemas Canada LP increased in 2021 from 99.02% to 99.30% due to the acquisition of non-controlling interests, without changes in control.

19. Result per share

BASIC RESULT PER SHARE
The calculation of the result per share is based on the result of € -25.4 million, attributable to the ordinary shareholders (2020: € -68.9 million), and on a weighted average of the number of ordinary shares, outstanding during the financial year, of 26 900 080 (2020: 26 884 346).

DILUTED RESULT PER SHARE
The calculation of the diluted result per share is based on the result of € -25.4 million attributable to the ordinary shareholders (2020: € -68.9 million), and on a weighted average of the number of diluted ordinary shares, outstanding during the financial year, of 27 186 753 (2020: 27 158 344).

IN '000 (unless indicated otherwise)	2020	2021
RESULT ATTRIBUTABLE TO OWNERS OF THE COMPANY	-68 879	-25 399
Weighted average number of ordinary shares	26 884	26 900
Effect of options	274	287
Weighted average number of diluted shares	27 158	27 187
BASIC RESULT PER SHARE (IN €)	-2.56	-0.94
DILUTED RESULT PER SHARE (IN €)	-2.54	-0.93

20. Share-based payments

SHARE OPTION PLAN

The General Meeting approved a share option plan on 11 May 2016. 543 304 options can be allocated under this share option plan.

It was decided to set the exercise price at the average closing price of the Kinepolis Group share over 30 days preceding the offer. The options will expire 8 years after the date of the approval of the Plan by the General Meeting.

This share option plan was offered to the Chairman of the Board of Directors, Executive Management and eligible management staff of the Company or its subsidiaries on 29 December 2016.

As at 28 February 2017, a total of 396 500 options were allocated. On 31 December 2017, a total of 23 500 options were offered to the executive management of Landmark Cinemas. These were granted in full on 5 January 2018. Throughout 2019, 21 000 options were granted. Throughout 2021, no options were granted (2020: 0), 58 299 options were exercised (2020: 11 495) and no options were forfeited (2020: 6 737).

The fair value of these share-based payments was estimated when these options were allocated. The Black-Scholes model is used for this.

The expected volatility is based on the historic volatility calculated on the basis of five years.

For more information we refer to note 5.

AMOUNTS IN € (unless indicated otherwise)	12/2016 (1)	12/2017	04/2019	10/2019
Fair value of allocated options	7.30 / 9.71	12.91	8.87	9.98
Share price at grant date	44.19 / 48.29	57.30	51.30	57.80
Exercise price	41.55	48.25	49.75	53.40
Expected volatility	23.43% / 23.53%	25.45%	26.41%	24.81%
Original expected term (in years)	8	7	6	5
Expected dividend growth	7.86%	7.86%	8.30%	8.30%
Risk-free interest rate	-0.14%	0.01%	-0.179%	-0.443%

(1) Due to the evolution of the share price during the period of acceptance, two fair values were calculated for the allocated options, based on above listed parameters.

The options are exercisable for the first time during the first exercise period that falls in the fourth calendar year after the year in which the options were offered to the participants. The options only become unconditional once the other party has been employed for a certain period.

The options can be permanently acquired in tranches. For the options granted in 2017, the first tranche of 16.66% is acquired at the time of their granting. The other tranches of 16.66% per year during the five years after their grant date.

For the options granted in 2018, the first tranche of 20% is acquired at the time of their granting. The other tranches of 20% per year during the four years after their grant date. Concerning the options granted in 2019, the tranches are different between the grants in April and October. The first tranche of 16.66% / 25% is acquired at the time of their granting. The other tranches of 16.66% / 25% per year during five / three years after their grant date.

AMOUNTS IN € (unless indicated otherwise)	2020		2021	
	NUMBER OF OPTIONS	AVERAGE FAIR VALUE	NUMBER OF OPTIONS	AVERAGE FAIR VALUE
OUTSTANDING OPTIONS AT END OF PREVIOUS PERIOD	**438 000**		**419 768**	
Options allocated during the year				
Options exercised during the year	-11 495		-58 299	
Options forfeited during the year	-6 737			
OUTSTANDING OPTIONS AT END OF CURRENT PERIOD	**419 768**	**9.37**	**361 469**	**9.52**

21. Loans and borrowings

This note provides information on the Group's interest-bearing loans and borrowings. For further information on the contractual terms of these loans and borrowings and the Group's exposure to interest and foreign currency risks, we refer to note 26.

NON-CURRENT LOANS AND BORROWINGS

IN '000 €	2020	2021
Public bond	15 878	15 878
Private placement of bonds	446 000	384 600
Loans and borrowings with credit institutions	10 157	80 000
Transaction costs refinancing	-2 153	-1 984
TOTAL	**469 882**	**478 494**

CURRENT LOANS AND BORROWINGS

IN '000 €	2020	2021
Private placement of bonds		61 400
Roll-over credit	66 500	
Loans and borrowings with credit institutions	10 099	10 157
TOTAL	**76 599**	**71 557**

Kinepolis Group issued a € 75.0 million bond in March 2012, with maturity in March 2019. The bond was partially extended until June 2023 in June 2015. In March 2019, € 59.1 million was repaid, as of 31 December 2021 the remaining outstanding debt is € 15.9 million.

In January 2015, the Group concluded a private placement of bonds with institutional investors for an amount of € 96.0 million. € 61.4 million was placed with a term of 7 years, € 34.6 million with a term of 10 years, both at a fixed interest rate. In January 2022, € 61.4 million was repaid.

In December 2017, the Group concluded a private placement of bonds with institutional investors for € 125.0 million. € 60.0 million was placed with a term of 8 years and € 65.0 million with a term of 10 years, both at a fixed interest rate.

In July 2019, the Group concluded a private placement of bonds with institutional investors for an amount of € 225.0 million. The full amount was placed with a term of 7.5 years and a fixed interest rate.

A credit agreement for a roll-over credit was concluded in 2012. This credit agreement was revised and extended in December 2019. In December 2021, the maturity date of the roll-over credit was extended from December 2024 to December 2026, by exercising the two available extension options. As of 31 December 2021, there is no outstanding draw on the roll-over credit (2020: € 66.5 million).

This credit facility was extended in December 2015, following the Utopolis acquisition, with a 7-year term loan with annual repayments. In 2017, the credit facility was extended once again with a 5-year term loan with annual repayments. On 31 December 2021, € 10.2 million of the term loans were outstanding (2020: € 20.3 million). For more information we refer to note 26.

Throughout 2021 and 2020 the cinema industry and Kinepolis were badly hit by the Covid-19 pandemic, resulting in cinema closures, capacity restrictions and postponements of Hollywood blockbuster releases. In order to be prepared for possible longer delays before the full resumption of its activities, Kinepolis has taken out an additional loan with its main bankers on 8 January 2021 of € 80.0 million for a period of 3 years, at a variable interest rate and supported by a government guarantee. For more information we refer to note 26.

The transaction costs are recognised in the result over the term of the financing. The amount not taken into the result is deducted from the interest-bearing loans, at the end of 2021 this amounts to € 2.0 million (2020: € 2.2 million). For more information we refer to note 7.

RECONCILIATION BETWEEN THE MOVEMENT OF THE FINANCIAL LIABILITIES AND THE CONSOLIDATED STATEMENT OF CASH FLOW

IN '000 €	NOTE	FINANCIAL LIABILITIES		EQUITY			TOTAL
		LOANS AND BORROWINGS	LEASE LIABILITIES	TREASURY SHARES RESERVE	RETAINED EARNINGS	NON-CONTROLLING INTERESTS	
BALANCE AT 31/12/2020		**546 481**	**393 612**	**-22 610**	**142 548**	**4**	**1 060 037**
Cash flow from financing activities							
Acquisition of non-controlling interests, without changes in control	*18*				-334	-6	-341
Investment contributions	*27*		1 298				1 298
Payment of lease liabilities incl. forgiveness of lessee's lease payments	*27*		-12 599				-12 599
Proceeds from loans and borrowings	*26*	80 000					80 000
Repayment of loans and borrowings	*26*	-76 599					-76 599
Payment of transaction costs with regard to refinancing obligations	*7, 26*	-449					-449
Interest paid	*7*	-15 534					-15 534
Paid interest related to lease liabilities	*27*		-10 323				-10 323
Sale of treasury shares	*18, 20*			1 113	1 309		2 422
NET CASH FLOW – USED IN / + FROM FINANCING ACTIVITIES		**-12 582**	**-21 624**	**1 113**	**975**	**-6**	**-32 124**
Other adjustments							
Interest expenses	*7*	15 016					15 016
Refinancing costs	*7, 26*	619					619
Capitalised interest expenses	*7*	180					180
Movement accrued interests	*26*	337					337
Movement lease liabilities	*27*		18 579				18 579
Total other adjustments		16 152	18 579				34 730
Total other equity adjustments					-24 919	-77	-24 997
BALANCE AT 31/12/2021		**550 051**	**390 567**	**-21 497**	**118 604**	**-79**	**1 037 646**

22. Employee benefits

The amounts on the balance sheet are determined as follows:

IN '000 €	2020	2021
Defined benefit plans	998	764
Other employee benefits [1]		727
TOTAL	**998**	**1 491**

(1) The balance sheet position with regard to the obligation in France to pay a departure benefit to employees following their retirement (2021: K€ 727 – 2020: K€ 787) was transferred from the category Other payables (current) to the category Provisions for employee benefits in 2021.

DEFINED BENEFIT PLANS

The pension plans held by the Group in Belgium are included under 'defined benefit plans'.

The Group has two pension plans in Belgium that are deemed to be pension plans with defined contributions by law. As Belgian law applies to all second pillar pension plans (so-called 'Vandenbroucke Law'), all Belgian plans with defined contributions are qualified under IFRS as a defined benefit plan. The 'Vandenbroucke Law' states that, in the context of the defined contribution plans, the employer must guarantee a minimum return of a percentage that is adjusted based on market returns, with a minimum of 1.75% and a maximum of 3.75%, which reduces the risk for the employer.

These minimum return requirements for the defined contribution plans in Belgium expose the employer to a financial risk (because there is a legal obligation to pay future contributions if the fund has insufficient assets to pay all the employee benefits related to the work performed by the employees in the current and past periods). As a consequence, these plans must be classified and recognised in the accounts as a defined benefit plan as under IAS 19.

The amounts for the pension plans held in Belgium are determined as follows as at 31 December:

The amounts for the pension plans held in Belgium are determined as follows as at 31 December:

IN '000 €	2020	2021
Liability from defined benefit plans	6 688	6 855
Fair value of fund investments	-5 690	-6 090
Net liability (asset) from defined benefit plans	998	764

Assets concern qualifying insurance policies and are not part of the Group's own financial instruments. The minimum return guarantee is currently 1.75%.

ACTUARIAL ASSUMPTIONS

The main actuarial assumptions are:

IN %	2020	2021
Weighted average discount rate	0.70%	0.90%
Expected inflation	1.75%	1.75%
Expected general pay rise	2.75%	2.75%

Life expectancy is based on the Belgian mortality table MR / FR, adjusted by -5 years.

TOTAL COMPREHENSIVE INCOME

For these pension plans, the following amounts are included in total comprehensive income:

IN '000 €	2020	2021
Included in the income statement		
Pension costs allocated to the year of service	-324	-321
Interest expenses	-5	-6
	-329	-327
Included in other comprehensive income		
Change to estimate of defined benefit rights	96	329
	96	329
TOTAL COMPREHENSIVE INCOME	**-233**	**2**

The expected pension costs from defined benefit plans for 2022 amount to € 0.2 million, and primarily relate to allocated pension costs.

SENSITIVITY ANALYSIS

IN '000 €	31 DECEMBER 2021	
	INCREASE	DECREASE
Discount rate (1% movement)	-454	590
Future pay fluctuation (1% movement)	42	-37
Life expectancy (1% movement)	-2	2

Its defined benefit plans expose the Group to a number of risks, the most important of which are explained below:

- *Changes to discount rate*: a reduction in the discount rate leads to an increase in the liabilities;
- *Salary risk*: the gross liabilities of most schemes are calculated on the basis of the future payments to the participants. As a consequence, a higher than expected salary rise will lead to higher liabilities;
- *Longevity risk*: pension plans provide participants benefits as long as they live, so an increase in life expectancy will result in an increase in plan liabilities.

OTHER EMPLOYEE BENEFITS

The Group has an obligation in France to pay a departure benefit to employees following their retirement. This compensation is also accounted for as a defined benefit plan.

ACTUARIAL ASSUMPTIONS

The main actuarial assumptions are:

IN %	2020	2021
Discount rate	0.85%	0.90%
Expected salary inflation	1.50%	1.50%

TOTAL COMPREHENSIVE INCOME
For this obligation, the following amounts are included in total comprehensive income:

IN '000 €	2021
Included in the income statement	
Costs allocated to the year of service	-47
Interest expenses	-5
	-52
Included in other comprehensive income	
Change in experience adjustments, financial and demographic assumptions	112
	112
TOTAL COMPREHENSIVE INCOME	**60**

The expected costs for this obligation for 2022 amount to € 0.1 million.

23. Provisions

The provisions mainly relate to site restoration and a number of disputes.

SITE RESTORATION
The lease of the Brussels (BE) cinema complex on the land owned by the City of Brussels has a definite term. The Company has a contractual obligation to restore the site to its original state.

At 31 December 2021, the provision for the demolition of the building and the restoration of the site to its original state was € 1.4 million (2020: € 1.4 million).

DISPUTES
At 31 December 2021, the provision for disputes was € 0.9 million (2020: € 0.9 million). These relate to disputes regarding employee matters and disputes from third parties for the purpose of obtaining compensations. When these provisions will be used or reversed depends on the outcome of the related legal disputes, and is therefore uncertain. The estimates and judgements that primarily impact the amount of the provisions are the estimated costs, the expected likelihood and the timing of the cash outflows. They are based on the most recent available information at the balance sheet date.

IN '000 €	2020	2021
BALANCE AT END OF PREVIOUS PERIOD	2 833	2 290
Additions of provisions	54	419
Unwinding of provisions	38	38
Use of provisions	-284	-122
Reversal of provisions	-334	-349
Effect of exchange rate fluctuations	-17	23
BALANCE AT END OF CURRENT PERIOD	2 290	2 299
Balance at end of current period (non-current)	2 021	1 941
Balance at end of current period (current)	269	358
TOTAL	**2 290**	**2 299**

24. Trade and other payables

OTHER NON-CURRENT PAYABLES

IN '000 €	2020	2021
Deferred grants - CNC	5 396	4 663
Other payables	960	733
TOTAL	**6 356**	**5 396**

The other non-current payables primarily comprise the grants that can be claimed from the CNC in France based on the number of visitors. These grants, for an amount of € 4.7 million (2020: € 5.4 million), are recognised as 'Other operating income' in line with the depreciation rate of the assets for which these grants were obtained. We refer to note 4 for more information. The category other payables mainly includes guarantees received for € 0.7 million (2020: € 1.0 million).

TRADE AND OTHER CURRENT PAYABLES

IN '000 €	2020	2021
Trade payables	35 832	56 633
Gift vouchers	20 775	27 855
Payables related to remuneration and social security	14 726	14 625
Accrued charges and deferred income	3 564	6 692
Tax payables, other than income taxes	3 212	5 301
Other payables	226	437
TOTAL	**78 335**	**111 543**

The movements of the categories trade payables and accrued charges and deferred income are analysed together this year. This is because the accrued charges and deferred income were included for a large part in the category trade payables in 2020. As from 2021, these are included separately in the category accrued charges and deferred income. For both categories together there is an increase of € 23.9 million or 60.7%. This increase is mainly related to the increased activity in 2021 compared to 2020 given the (partial) resumption of activities after the closure of the cinemas.

On 31 December 2021, the accrued interest expenses with respect to the public and private bonds issued, the roll-over credit and loans and borrowings with credit institutions amounted to € 3.8 million (2020: € 3.5 million for the public and private bonds issued and the roll-over credit). The deferred income amounts to € 2.8 million on 31 December 2021.

The increase in tax payables, other than income taxes, is also explained by the increased activity in 2021 compared to 2020 as a result of the Covid-19 pandemic, mainly due to an increase of payables related to VAT.

There is a decrease in payables related to remuneration and social security of € 0.1 million. The provision with regard to the obligation in France to pay a departure benefit to employees following their retirement, which was previously included in the category payables related to remuneration and social security (2020: € 0.8 million), is included in the category 'Provisions for employee benefits' in the consolidated statement of financial position since 2021. We refer to note 22 for more information. The remaining increase of € 0.7 million is explained by the increased activity in 2021 and a decrease of the support measures received with regard to remuneration, as a result of the Covid-19 pandemic.

The current contractual obligation with regard to gift vouchers amounts to € 27.9 million at 31 December 2021 (2020: € 20.8 million). The evolution of the balance of the current obligation with regard to the gift vouchers depends on the evolution of the number of visitors and the period in which they can be used. The gift vouchers have an average duration to maturity of less than 12 months in Europe. In the United States, gift vouchers have a duration of five years, and gift vouchers have an unlimited duration in Canada. The expiry dates of gift vouchers have been extended in some countries due to the Covid-19 pandemic.

CURRENT CONTRACTUAL OBLIGATION WITH REGARD TO THE GIFT VOUCHERS

IN '000 €	2020	2021
BALANCE AT END OF PREVIOUS PERIOD	27 475	20 775
Newly issued gift vouchers	12 859	25 370
Gift vouchers exercised or expired	-19 599	-18 747
Effect of exchange rate fluctuations	40	457
BALANCE AT END OF CURRENT PERIOD	**20 775**	**27 855**

25. Current taxes

IN '000 €	2020	2021
Current tax assets	7 431	1 418
Current tax liabilities	306	884

Current tax assets amount to € 1.4 million (2020: € 7.4 million). At the end of 2021 there are current tax assets in Spain (€ 0.6 million), the Netherlands (€ 0.5 million), Luxembourg (€ 0.3 million) and France (€ 0.1 million), partly due to prepayments and tax credits which are higher than the taxes due.

In 2020 the current tax assets mainly consisted of a receivable as a result of the so-called 'carry back' option in Belgium for € 5.9 million. The losses of 2020 could be deducted early and be offset against the profits of 2019 as a consequence of the Covid-19 pandemic. There is also a 'carry back' option in Canada, which was already in place before the Covid-19 pandemic, which resulted in a receivable of € 0.5 million in 2020. Due to the 'carry back' option in 2020, a current income tax instead of a deferred income tax was included in the income statement, and a current tax asset instead of a deferred tax asset on the balance sheet. We refer to notes 8 and 13 for more information. The current tax assets with regard to the 'carry back' in Belgium and Canada were received throughout 2021, resulting in a decrease of the current tax assets in 2021. The 'carry back' was not used in 2021.

Current tax liabilities increased from € 0.3 million to € 0.9 million in 2021. Current tax liabilities mainly consist of taxes payable in Belgium (€ 0.8 million), due to lower prepayments compared to the taxes due.

26. Risk management and financial instruments

RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT
The Group's principal financial instruments are bank loans, private and public bonds, lease liabilities and cash.

The Group has various other financial instruments, such as trade and other receivables and payables, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate forward contracts, interest rate swaps and forward exchange contracts. The purpose is to manage the interest rate and foreign currency risks arising from the Group's activities and its sources of financing.

The main risks arising from the Group's financial instruments are the interest rate risk, the liquidity risk, the foreign currency risk and the credit risk. It is Group's policy to negotiate the terms of the derivative financial instruments to match the terms of the hedged item, so as to maximise hedge effectiveness.

It is Group's policy not to allow the use of derivative financial instruments for speculative purposes.

The Board of Directors investigates and approves policies for managing each of these risks. These policies are summarised in this document. The accounting treatment of the derivative financial instruments is included in the accounting policies.

INTEREST RATE RISK
The Group's exposure to market risk arising from changes in interest rates primarily relates to the Group's current and non-current loans and borrowings.

Group policy is to manage interest rate expenses with a mixture of fixed and variable interest rate liabilities. To manage this mix in a cost-efficient manner, the Group can enter into certain transactions:

- Interest rate swaps and interest rate forward contracts in which the Group agrees to exchange, at specified intervals, the difference between the fixed and variable interest amounts, calculated by reference to a pre-agreed principal amount;
- Interest rate derivatives with fixed ceilings, hence limiting the impact of interest rate fluctuations.

The Group pursues a conservative financial policy and, since 2008, only uses derivative financial instruments to hedge the interest rate risk. At the balance sheet date, the Group had only interest rate swap agreements outstanding, on which the Group receives a variable interest rate equal to EURIBOR and pays a fixed interest rate. These swaps are used to cover the variability in the cash flows of the underlying loans. These interest rate swaps are classified as cash flow hedges in accordance with IFRS 9 hedge accounting. Consequently, the portion of the profit or loss on the interest rate swap, which can be considered to be an effective hedge, is recognised directly in equity. The total of the changes in the fair value of the interest rate swaps before deferred tax and recognised in equity gives rise to a € 0.1 million increase in equity on 31 December 2021 (2020: € 0.1 million).

On 31 December 2021, taking into account the effect of interest rate swaps, 84.74% of the Group's loans and borrowings had been contracted at a fixed interest rate (2020: 86.35%).

INTEREST RATE RISK SENSITIVITY ANALYSIS
The interest-bearing loans and borrowings at the balance sheet date were € 552.0 million (2020: € 548.6 million). € 90.2 million or 16.3% of the interest-bearing loans and borrowings have a variable interest rate, without taking into account the effect of the interest rate swaps (2020: € 86.8 million or 15.8%).

Total interest expenses, excluding interest expenses attributed to the lease liabilities, charged to the income statement in 2021, amount to € 15.5 million (2020: € 14.7 million).

The loan of € 41.6 million with variable interest was fixed with an interest rate swap at the beginning of 2016. The outstanding balance on 31 December 2021 was € 5.9 million (2020: € 11.9 million).

FOREIGN CURRENCY RISK
The Group has a foreign currency risk on positions that derive from purchases or sales and from outstanding loans and borrowings with group companies in currencies other than the functional currency (Euro) (transactional risk). Group policy is focused to limit the cash impact of exchange rate fluctuations on the result as much as possible. Derivative instruments can be used at any time to hedge this risk.

30.6% (2020: 26.2%) of the sales of the group companies are denominated in currencies other than the functional currency, in particular the sales of Landmark Cinemas (Canada) in Canadian Dollar and the sales of MJR Digital Cinemas (United States) in US Dollar. Given the fact that the cash flows from these countries are reinvested in the countries concerned, there are no forward contracts to hedge the foreign currency risk of the operational cash flows from these countries. The purchases of the subsidiaries of the Group mainly concern the purchases of materials by the Group in US and Canadian Dollar. On 31 December 2021, the Group has no outstanding forward exchange contracts (2020: $ 0.0 million) with the intention of hedging this risk.

Loans between Kinepolis Financial Services NV or Kinepolis Group NV and other group companies are expressed in the currency of the latter. Exchange rate results regarding the non-current loans in Canadian Dollar, US Dollar, Swiss Franc and Polish Złoty from Kinepolis Financial Services NV to Kinepolis Canada LTD, Kinepolis Schweiz AG and Kinepolis Poznań Sp.z o.o, as well as from Kinepolis Group NV to Kinepolis US INC are recognised in other comprehensive income, as these loans are considered to be part of the Group's net investment in these foreign entities.

The following exchange rate results were recorded directly in equity, before tax:

IN '000 €	2020	2021
Canadian Dollar	-3 281	6 363
US Dollar	-7 063	6 454
Polish Złoty	-600	24
Swiss Franc	54	518
TOTAL	**-10 890**	**13 359**

The Group is also exposed to a foreign currency risk due to the inclusion in the consolidation of foreign companies that do not have the Euro as their functional currency (Canada, United States, Switzerland and Poland). This translation risk is not hedged. Only the US and Canadian Dollar have a material effect.

The tables below state the possible exchange rate changes for the Canadian Dollar, US Dollar, Polish Złoty and Swiss Franc against the Euro, estimated on the basis of theoretical and actual volatility. The actual volatility has been determined based on the evolution of the rate over the past 5 years.

SENSITIVITY ANALYSIS FOR FOREIGN CURRENCY RISK

1 EURO CORRESPONDS TO:	CLOSING RATE 31/12/2021	AVERAGE RATE 2021	THEORETICAL VOLATILITY	POSSIBLE CLOSING RATE 31/12/2021	POSSIBLE AVERAGE RATE 2021
Canadian Dollar	1.4393	1.4826	10%	1.30 – 1.58	1.33 – 1.63
US Dollar	1.1326	1.1827	10%	1.02 – 1.25	1.06 – 1.30
Polish Złoty	4.5994	4.5652	10%	4.14 – 5.06	4.11 – 5.02
Swiss Franc	1.0331	1.0811	10%	0.93 – 1.14	0.97 – 1.19

If, at the balance sheet date, the Canadian Dollar, the US Dollar, the Polish Złoty and the Swiss Franc had strengthened / weakened as indicated above, and all other variables being constant, the result of 2021 would have been € 2.6 million lower or € 2.1 million higher, and equity would be € 17.9 million higher or € 14.7 million lower at the end of 2021. Only the Canadian Dollar and the US Dollar have a material impact in the above sensitivity analysis.

1 EURO CORRESPONDS TO:	CLOSING RATE 31/12/2021	AVERAGE RATE 2021	ACTUAL VOLATILITY	POSSIBLE CLOSING RATE 31/12/2021	POSSIBLE AVERAGE RATE 2021
Canadian Dollar	1.4393	1.4826	7.66%	1.33 – 1.55	1.37 – 1.60
US Dollar	1.1326	1.1827	9.16%	1.03 – 1.24	1.07 – 1.29
Polish Złoty	4.5994	4.5652	6.50%	4.30 – 4.90	4.27 – 4.86
Swiss Franc	1.0331	1.0811	7.51%	0.96 – 1.11	1.00 – 1.16

If, at the balance sheet date, the Canadian Dollar, the US Dollar, the Polish Złoty and the Swiss Franc had strengthened / weakened as indicated above, and all other variables being constant, the result of 2021 would have been € 1.9 million lower or € 1.6 million higher, and equity would be € 14.7 million higher or € 12.4 million lower at the end of 2021. Only the Canadian Dollar and the US Dollar have a material impact in the above sensitivity analysis.

CREDIT RISK

The credit risk with respect to trade receivables is the risk of financial loss to which the Group is exposed if a customer fails to meet the contractual obligations. Credit losses are recognised on the basis of a model based on 'expected credit losses' in line with IFRS 9 – Financial Instruments. The application of this model requires judgement by the Group, taking into account the impact of changes in economic factors on expected credit losses.

In accordance with IFRS 9, the loss allowances will be determined on the following basis:

- *The 12-month expected credit losses:* these are expected credit losses that result from possible default events that take place within 12 months after the end of the reporting date.
- *Expected credit losses over the full life cycle:* these are expected credit losses that result from possible default events over the expected life of a financial instrument.

Both historical and forward-looking information are taken into account.

The determination on the basis of expected credit losses over the full life cycle always applies to trade receivables and contractual assets without a significant financing component.

In normal circumstances, the majority of the activities of the Group are cash-based transactions. It is Group policy that all customers who wish to trade on credit terms are subject to a credit verification procedure. In addition, the receivable balance is permanently monitored.

As a result of the global outbreak of the Corona virus, there were alternating periods of closure and opening of cinemas in 2021 and 2020, 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, and there were closures again in Belgium and the Netherlands in the fourth quarter. These imposed closures and restrictions also have consequences for the Group's concession holders.

In order to take these current circumstances into account, the Group has placed more weight on forward-looking information, rather than historical information, in determining expected credit losses, and has taken an increased risk of non-payment into account. The Group has only applied this to the trade receivables from concession holders, and not to the cinema related turnover, as this is a cash-based business.

As a result, there was an increase in the provision for expected credit losses amounting to € 2.8 million in 2020. The outstanding receivables and the associated impairments related to leased concessions increased strongly throughout 2020 as a result of the Covid-19 pandemic. In 2021, the Group was able to reverse a large part of these impairments and the provision for expected credit losses decreased with € 1.4 million. We refer to note 15 for more information.

With regard to credit risk from the other financial assets of the Group, including cash and cash equivalents, financial assets measured at fair value through other comprehensive income and certain derivative financial instruments, the Group's exposure to credit risk consists of the counterparty default risk, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group. The Group has no customers that account for more than 10% of revenue.

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, Kinepolis Financial Services NV.

In order to limit the consequences of the Covid-19 pandemic, the Group has taken the necessary measures 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 Kinepolis Group to manage this crisis optimally.

Kinepolis has made every effort to adjust its costs as much as possible and in the very short term to the impact of the Covid-19 virus on its activities. The measures taken include drastically scaling back the number of active employees, thereby drawing on the support measures in each country, both in cinemas and at the support services level in the national and international headquarters. In addition, various measures were taken to limit the 'cash out', such as the decision not to distribute a dividend for 2019, negotiations with suppliers and the owners of leased cinemas with a view to obtaining financial compensations as a result of the reduction or closure of the activities, as well as the maximum postponement of all investments, except for the new-build projects already in progress.

At the start of the crisis in 2020, Kinepolis had a strong balance sheet, sufficient financial reserves and credit lines that allowed the Company to be closed for more than a year. In order to be prepared for possible longer delays before the full resumption of its activities, Kinepolis has taken out an additional loan of € 80.0 million with its main bankers for a period of 3 years, with a variable interest rate. On account of its strong balance sheet, the rigorous cost control measures applied, the solid real estate position and the back-up of an 80% state guarantee provided in Belgium by Gigarant, Kinepolis has succeeded in concluding the additional credit at attractive commercial terms.

In this context, the financial institutions also extended the suspension of the credit covenants (‘covenant holiday’) until 30 June 2022. A suspension until 30 June 2021 had already been obtained in 2020. Based on the current results and assumptions, the Group should be able to comply with its covenants as of 30 June 2022. However given the uncertainty associated with the pandemic, it has been decided to request an extension of the suspension from the banks until 31 December 2022, as a precautionary measure. This extension of the suspension until 31 December 2022 was obtained in March 2022. This is further explained in ‘Financial instruments’.

As soon as the cinemas were able to reopen in most markets and the film releases returned to a normal pace, the Group was able to present a strong free cash flow generation, thanks in part to the recovery of the lost working capital. As per 31 December 2021, free cash flow was € 48.9 million, with net financial debt, excluding lease liabilities, amounting to € 474.5 million. Net financial debt decreased by € 38.8 million compared to 31 December 2020.

Kinepolis Group had € 171.0 million in liquidity at the start of 2021, consisting of cash and cash equivalents and available credit lines, including the new € 80.0 million credit concluded at the beginning of January 2021. The liquidity position at the end of June amounted to € 141.9 million. Thanks to strong cost management, one-off support measures and the good operating result, Kinepolis was able to limit its free cash flow in the first half of the year to an average of € -3.6 million per month, even under the circumstances of the majority of the cinemas remaining closed until June. In the second half of the year, the reopening of the cinemas and the return of the blockbusters, together with the measures taken to improve the Company’s performance, ensured a further increase of the liquidity position to € 199.8 million.

Kinepolis therefore has, thanks to the measures taken, sufficient available financial resources to deal with this crisis. Kinepolis has pursued a prudent financial policy in recent years. This has resulted in an average maturity of more than 3.5 years for the outstanding financial liabilities as per 31 December 2021. The next significant repayment of its bonds took place at the end of January 2022 (€ 61.4 million), and this from the available financial resources.

The remaining average maturity as per 31 January 2022 is equal to 4.08 years. After the repayment in January 2022, there are no more significant financial maturities in 2022 and 2023. In December 2021, the maturity date of the roll-over credit was also extended from December 2024 to December 2026 by exercising the two foreseen extension options.

CAPITAL MANAGEMENT

Board of Directors’ policy is aimed at maintaining a strong capital position in order to retain the confidence of investors, creditors and markets and to safeguard the future development of the business activities. The Board of Directors monitors the return on equity, which is defined by the Group as the operating result divided by equity, excluding non-controlling interests. The Board of Directors also monitors the level of the dividend payable to the shareholders, if circumstances permit.

The Board of Directors seeks a balance between the higher return that is potentially available with a higher level of debt on the one hand, and the benefits and security of a solid equity position on the other. In seeking this balance, the Board of Directors’ objective is to achieve the pre-defined level of ratios of net financial debt to EBITDAL and net financial debt to equity.

The Board of Directors believed that the ratios of net financial debt to equity and net financial debt to EBITDA were at risk of becoming too low as from mid 2010, and therefore proposed to the General Meeting to reduce the share capital and to buy back and destroy treasury shares with the aim of improving the ratios, and thereby create shareholder value. After approval by the Extraordinary General Meeting of 20 May 2011, the capital was therefore reduced by € 30.0 million and shares were bought back between 2011 and 2015, for the hedging of options on the one hand, and for cancellation on the other, which has taken place in the meantime. The expansion strategy of Kinepolis Group was started in 2014 and, due to the success of this expansion program, the capital optimisation program was stopped in 2015. The Group continues to strive for a combination of a higher-than-average market return with a lower-than-average risk through the combination of its strategic pillars with an expansion strategy based on improvement potential, and a cautious financial policy with regard to the debt ratio, taking the real estate position of the Group into account.

Kinepolis Group bought 360 000 shares for a total amount of € 20 302 894 in 2018. The total number of treasury shares on 31 December 2021 amounts to 422 552 (2020: 480 851). The majority of these shares are intended to cover the Group’s current stock option plan. In 2021, 58 299 treasury shares were sold (2020: 11 495) and no treasury shares were bought back (2020: 0).

FINANCIAL INSTRUMENTS

DEBT PORTFOLIO

On 15 February 2012, within the framework of the refinancing of its existing syndicated credit and the financing of the further general development of the Group, Kinepolis Group NV signed a € 90.0 million credit agreement with ING Belgium, KBC Bank and BNP Paribas Fortis until 31 March 2017 (roll-over credit). At the end of June 2015, this existing credit facility was renewed with the bank consortium for the full term until the end of June 2020. In May 2016, the term of the existing credit agreement for € 90.0 million was extended by one year, to June 2021. In December 2019, the existing credit agreement for the roll-over credit was revised and extended. Belfius was added to the existing bank consortium, and the roll-over credit was expanded from € 90.0 million to € 120.0 million. Of this, € 30.0 million can be drawn in a currency other than Euro. In December 2021, the maturity date of the roll-over credit was extended from December 2024 to December 2026, by exercising the two foreseen extension options. On 31 December 2021, there is no outstanding draw on this credit facility (2020: € 66.5 million).

In addition, this credit facility was extended in December 2015, following the Utopolis acquisition, with a 7-year term loan with annual repayments. In 2017, the credit facility was extended once again, with a 5-year term loan with annual repayments. On 31 December 2021, € 10.2 million of the term loans were outstanding (2020: € 20.3 million).

On 6 March 2012, the Group issued an unsubordinated bond in Belgium for € 75.0 million. The bonds mature in 7 years, and have a fixed annual gross interest of 4.75%. On 12 May 2015, Kinepolis Group NV announced the launch of an unconditional public exchange offer on all outstanding € 75.0 million fixed interest bonds with a gross interest of 4.75% and a maturity date on 6 March 2019. Holders of the existing bonds had the opportunity to exchange their existing bonds for new bonds to be issued by Kinepolis Group NV with a nominal value of € 1 000, a gross nominal interest of 4.0% per year and a term of 8 years, with maturity date on 9 June 2023 (the 'New Bonds'). Bonds with a total value of € 15.9 million were exchanged. € 59.1 million was repaid on 6 March 2019.

In January 2015, the Group also concluded a private placement of bonds with institutional investors for € 96.0 million: € 61.4 million was placed with a term of 7 years, € 34.6 million with a term of 10 years. A fixed annual gross interest is paid on both bonds. This private placement complies with the Group's financial strategy and serves to support expansion by increasing the diversification of the sources of financing and by refinancing the existing credits. In January 2022, € 61.4 million was repaid from available financial funds.

In December 2017, the Group concluded a private placement of bonds with institutional investors for an amount of € 125.0 million: € 60.0 million was placed with a term of 8 years, and € 65.0 million with a term of 10 years. A fixed annual gross interest is paid on both bonds. This private placement was primarily used to finance the acquisition of Landmark Cinemas in Canada.

In July 2019, the Group concluded a private placement of bonds with institutional investors for € 225.0 million, with a term of 7.5 years. A fixed annual gross interest is paid on the bond. The private placement was mainly used to finance the various acquisitions in 2019, investments in the renovation of existing complexes and the construction of new complexes.

Throughout 2021 and 2020 the cinema industry and Kinepolis in particular were badly hit by the Covid-19 pandemic, resulting in cinema closures, capacity restrictions and postponements of Hollywood blockbuster releases. In order to be prepared for possible longer delays before the full resumption of its activities and to finance the ongoing investment programs in, among other things, new-build cinemas, Kinepolis has taken out an additional loan with its main bankers on 8 January 2021 of € 80.0 million for a period of 3 years, at a variable interest rate. Because of the strong balance sheet, the strong cost control measures, the solid real estate position and the back-up of an 80% state guarantee provided by Gigarant in Belgium, Kinepolis succeeded in concluding the additional credit at attractive commercial terms.

No securities were provided. Only a number of conditions apply with regard to the sale or the guarantee of certain of the Group's assets to a third party. Kinepolis is 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 31 December 2021) and a term loan of € 10.2 million per 31 December 2021. The new credit taken out at the beginning of January 2021 for an amount of € 80.0 million is also covered by these covenants. 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.

The calculation of the covenants as well as the maximum or minimum values were adjusted during the revision of the credit agreement in 2019. The financial covenants consist of a maximum leverage ratio of 3.75, which temporarily increases to 4.25 in the case of a material acquisition, and a minimum interest coverage ratio of 4.5. In addition, there are a number of potentially restrictive commitments that restrict or prohibit certain trading transactions.

The definitions of the covenants have been adapted to the standard IFRS 16: Leases. As such, for the determination of the leverage ratio, among other things, the net financial debt is corrected for the lease liabilities on the one hand, and the EBITDA is corrected for the impact of IFRS 16 on the other.

As a result of the Covid-19 pandemic, Kinepolis has reached an agreement with its financial institutions to allow a suspension of the credit covenants ('covenant holiday') until 30 June 2022. In 2020 a suspension was already obtained until 30 June 2021. This suspension means that, among other things, the conditions relating to the maximum debt ratio in relation to the EBITDAL, being EBITDA adjusted for lease, will be temporarily suspended until the half-year figures of 30 June 2022. Based on the current results and assumptions, the Group should be able to comply with its covenants as of 30 June 2022. However given the uncertainty associated with the pandemic, it has been decided to request an extension of the suspension from the banks until 31 December 2022, as a precautionary measure. This extension of the suspension until 31 December 2022 was obtained in March 2022.

These conditions, which only apply to bank debt, will be 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 this 'covenant holiday'. In line with the existing bank credit facilities, the additional credit of € 80.0 million provides for a number of conditions that limit the disposal of assets, acquisitions and the payment of dividends, above a financial debt level of 3.75.

The interest payable on term loans is calculated on the basis of the EURIBOR applicable for the selected borrowing period, plus the negotiated margin. The average interest rate of the debt portfolio on 31 December 2021 was 2.62% (2020: 2.62%). As the vast majority of the loans are at a fixed interest rate, no sensitivity analysis was performed for the remaining variable part.

FINANCIAL LIABILITIES – FUTURE CASH FLOWS

The following table gives an overview of the contractual maturities for the non-discounted financial liabilities at 31 December, including the estimated interest payments:

IN '000 €	2020				**2021**			
	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
Private placement of bonds	12 256	201 176	299 958	513 390	74 781	363 967	66 885	505 633
Public bond	635	17 148		17 783	635	16 513		17 148
Trade payables	56 607			56 607	56 633			56 633
Loans and borrowings with credit institutions [(1)]	77 454	10 360		87 814	11 690	81 848		93 537
Bank overdrafts	112			112	12			12
Non-derivative financial liabilities	147 064	228 684	299 958	675 706	143 751	462 328	66 885	672 964
Interest rate swaps		87		87	28			28
Derivative financial instruments		87		87	28			28
TOTAL	**147 064**	**228 771**	**299 958**	**675 793**	**143 779**	**462 328**	**66 885**	**672 992**

(1) The roll-over credit, with an outstanding draw of € 66.5 million per 31 December 2020 is presented as current. This does not concern an actual payment obligation as the credit can be redrawn again.

In respect of interest-bearing financial liabilities with a variable interest rate, the following table gives an overview of the expected maturities:

IN '000 €	2020		2021	
	TOTAL	< 1 YEAR	TOTAL	< 1 YEAR
Loans and borrowings with credit institutions	86 756	76 599	90 157	10 157
Bank overdrafts	112	112	12	12
TOTAL	**86 868**	**76 711**	**90 169**	**10 169**

HEDGING ACTIVITIES

The Group uses derivative financial instruments to hedge the interest rate risk and the foreign currency risk. All derivative financial instruments are measured at fair value.

The following table gives the remaining term of the outstanding derivative financial instruments at balance sheet date. The amounts given in this table are the nominal values.

IN '000 €	2020				2021			
	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
Interest rate swaps	5 949	5 907		11 856	5 907			5 907
TOTAL	**5 949**	**5 907**		**11 856**	**5 907**			**5 907**

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.

For 2021 and 2020 the fair value is in line with the carrying amount given the illiquidity of the market. This was also reflected in the attractive commercial terms of the new loan of € 80.0 million at the beginning of January 2021. For other non-derivative financial assets (loans and borrowings and receivables) and liabilities (measured at amortised cost) the fair value is equal to the carrying value.

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 €	2020		2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Private placement of bonds – fixed interest rate	446 000	446 000	446 000	446 000
Public bond – fixed interest rate	15 878	15 878	15 878	15 878
Interest-bearing loans – variable interest rate	86 756	86 756	90 157	90 157
Bank overdrafts	112	112	12	12
Transaction costs refinancing	-2 153	-2 153	-1 984	-1 984
TOTAL	**546 593**	**546 593**	**550 064**	**550 064**

The following table gives the nominal or contractual amounts and the actual fair value of all outstanding derivative financial instruments (cash flow hedging instruments). The nominal or contractual amounts reflect the volume of the derivative financial instruments outstanding at the balance sheet date. As such, they represent the Group's risk on these transactions.

IN '000 €	2020		2021	
	NOMINAL VALUE	FAIR VALUE	NOMINAL VALUE	FAIR VALUE
Interest rate swap	11 856	-87	5 907	-28
TOTAL	**11 856**	**-87**	**5 907**	**-28**

The fair value of financial products related to the interest rates is determined by discounting the expected future cash flows, taking into account the current market interest rates and the interest rate curve for the remaining life of the instrument. There were no outstanding forward exchange contracts at 31 December 2021.

The fair value of the derivative instruments is included in the balance sheet of the Group as follows (value before tax):

IN '000 €	2020			2021		
	ASSETS	LIABILITIES	NET VALUE	ASSETS	LIABILITIES	NET VALUE
Non-current		-87	-87		-28	-28
TOTAL		**-87**	**-87**		**-28**	**-28**

The change in the fair value of the derivative financial instruments on the balance sheet is as follows:

IN '000 €	NOMINAL VALUE	CARRYING AMOUNT		INCLUDED IN THE FOLLOWING LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION	CHANGES IN THE FAIR VALUE OF THE HEDGING INSTRUMENT INCLUDED IN OTHER COMPREHENSIVE INCOME
		ASSETS	LIABILITIES		
Interest rate swap	5 907		-28	Derivative financial instruments	59

FAIR VALUE – HIERARCHY

The following table provides an overview of financial instruments recognised at fair value by the valuation method. The different levels are defined as follows:

- *Level 1:* quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* input that does not refer to any quoted market price included in level 1, and that is observable for the asset or the liability, either directly (i.e. as price) or indirectly (i.e. derived from price).
- *Level 3:* input for the asset that is, or the liability that is not based on observable market data (unobservable input).

IN '000 €	2020			2021		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Cash flow hedging – Currency						
Interest rate swaps		-87			-28	
TOTAL		**-87**			**-28**	

LEVEL 3 FAIR VALUES

Per 31 December 2021 there are no contingent considerations (2020: € 0.0 million).

27. Leases

LEASES AS LESSEE

The Group leases several sites, buildings, cars, equipment for in-theatre sales and projection equipment. If the contracts are classified as leases, they are recognised on the date on which the leased asset is available for use by the Group. On the one hand a right-of-use asset is recognised, which is depreciated on a straight-line basis over the lease term. On the other hand, a lease liability is recognised, that consists of future lease payments that are discounted at the Group's average interest rate for external financing.

The discount rate applied throughout 2021 is 2.62% (2020: 2.70%). The discount rate is updated on a yearly basis and will be applied to new leases or for changes to existing lease agreements which are to be measured at a revised discount rate.

When determining the term of a lease, extension options which will be executed with reasonable certainty at the start of the contract, are included in the lease liabilities. For the key category, land and buildings (cinema complexes), the Group applies as a general principle a term between 15 and 20 years. This term reflects the entity's reasonable expectation of the period during which the underlying asset will be used.

The Group will only reassess the term of a lease when there has been a significant event or a significant change in circumstances, within the control of the Group. Significant events or changes in circumstances within the control of the Group include but are not limited to significant changes to the contract terms, exercise a renewal option or termination option and significant leasehold improvements.

In the context of the acquisition of the Wolff Bioscopen group in 2014, the lease of the complex in Groningen (NL) was renegotiated for a period of 17 years. The lease obligation at the start of the new contract was determined by discounting the future lease payments of the Group on the basis of the marginal interest rate of the Group, as the implicit interest rate of the lease was not available. This debt amounted to € 5.8 million at 31 December 2021 (2020: € 6.3 million). Since the application of the standard IFRS 16: Leases, the finance lease is also included in Lease liabilities.

RIGHT-OF-USE ASSETS

IN '000 €	LAND AND BUILDINGS	CARS	IN-THEATRE SALES	PROJECTION EQUIPMENT	TOTAL
Acquisition value	415 351	4 674	1 026	3 549	424 599
Depreciations and impairment losses	-25 556	-1 276	-235	-319	-27 387
NET CARRYING AMOUNT AT 31/12/2019	**389 795**	**3 397**	**790**	**3 229**	**397 212**
New leases	24 674	910		40	25 624
Expired leases and disposals	-1 203	-77			-1 280
Transfer from other categories				85	85
Adjustments	-12 477	14			-12 463
Depreciations	-24 711	-1 575	-251	-512	-27 050
Effect of exchange rate fluctuations	-19 502		-47	-98	-19 647
Acquisition value	404 582	5 120	958	3 554	414 214
Depreciations and impairment losses	-48 006	-2 451	-466	-810	-51 733
NET CARRYING AMOUNT AT 31/12/2020	**356 576**	**2 669**	**492**	**2 744**	**362 481**
New leases		152	29	254	435
Expired leases and disposals	1				1
Adjustments	-4 051	352			-3 699
Depreciations	-25 108	-1 323	-274	-543	-27 248
Effect of exchange rate fluctuations	21 208		35	107	21 350
Acquisition value	424 744	5 062	1 070	3 954	434 830
Depreciations and impairment losses	-76 118	-3 212	-788	-1 392	-81 510
NET CARRYING AMOUNT AT 31/12/2021	**348 626**	**1 850**	**282**	**2 562**	**353 320**

LEASE LIABILITIES

IN '000 €	TOTAL
NET CARRYING AMOUNT AT 31/12/2019	**416 143**
New leases	27 324
Early terminated leases	-1 290
Interest	10 248
Repayment	-19 492
Forgiveness of lessee's lease payments	-7 540
Adjustments	-10 868
Effect of exchange rate fluctuations	-20 913
NET CARRYING AMOUNT AT 31/12/2020	**393 612**
New leases	181
Interest	10 323
Repayment	-22 922
Forgiveness of lessee's lease payments	-11 750
Adjustments	-2 401
Effect of exchange rate fluctuations	23 524
NET CARRYING AMOUNT AT 31/12/2021	**390 567**

At 31 December 2021, the Group has a lease liability of € 390.6 million (2020: € 393.6 million) and a right-of-use asset of € 353.3 million (2020: € 362.5 million). During 2021 the lease liabilities decreased with € 3.0 million and the right-of-use assets with € 9.2 million.

NEW LEASES

The new leases mainly consist of new leases concluded for RealD 3D equipment (€ 0.3 million), cars (€ 0.2 million) and in-theatre sales equipment (€ 0.0 million). This resulted in a total additional lease liability of € 0.2 million and an increase in right-of-use assets of € 0.4 million.

The RealD 3D equipment used by the Group is included under the right-of-use assets (€ 2.6 million). As these assets are fully prepaid, there is no outstanding lease liability for these assets.

(EARLY) TERMINATED LEASES

During 2021 some lease agreements have contractually ended. This concerns among others the lease for the Dawson Creek complex in Canada. The Group decided not to extend the lease and to close the complex as the maintenance investments required were disproportionate to the contribution to the turnover development of the Group. In addition, some leases related to cars have been terminated early throughout 2021.

ADJUSTMENTS

During 2021 a number of leases were adjusted, mainly due to changes to the contractual term or other adjustment such as indexations or new negotiations for future lease payments. In addition, the Group received investment contributions for contracts already started, which are deducted from the right-of-use assets for € 1.3 million. All this led to an adjustment of the lease liabilities of € -2.4 million and an adjustment of the right-of-use assets of € -3.7 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. For the conditions imposed, we refer to note 1. The rent concessions are then processed in the same way as a negative variable lease payment, and are therefore included in the income statement within 'Other operating income', as part of 'Operating result'. In 2021 the Group obtained € 11.8 million (2020: € 7.5 million) rent concessions. We refer to note 4.

IMPACT ON THE CONSOLIDATED RESULT AND THE STATEMENT OF CASH FLOW
Per 31 December 2021 the Group has € 27.2 million (2020: € 27.1 million) depreciations on right-of-use assets and € 10.3 million (2020: 10.2 million) interest on lease liabilities. The Group repaid € 22.9 million lease liabilities in 2021 (2020: € 19.5 million), of which € 10.3 million (2020: € 10.2 million) was interest. Without the rent concessions as a result of Covid-19, the repayment of lease liabilities as of 31 December 2021 would have been € 34.7 million (2020: € 27.0 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 31 December:

IN '000 €	2020				2021			
	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
NON-DISCOUNTED LEASE LIABILITIES	35 948	122 521	326 591	485 059	36 958	125 312	314 641	476 911

NOT INCLUDED UNDER IFRS 16
Exemption from recognition
The Group has decided to make use of the option of exemption of recognition under IFRS 16 for short-term leases and leases in which the underlying asset has a low value. The operational lease cost related to the exempt short-term leases amounts to € 0.0 million in 2021 (2020: € 0.0 million). Leases for which the underlying asset has a low value include cash recyclers. The operational lease cost related to these exempted leases amounts to € 0.1 million in 2021 (2020: € 0.1 million). This is classified in the consolidated statement of cash flow under 'Cash flow from operating activities'.

Variable lease liabilities
In addition, variable lease liabilities are also not recognised under IFRS 16. The total operational lease cost of this amounts to € 0.1 million in 2021 (2020: € 0.1 million). Variable lease liabilities in 2021 and 2020 have decreased significantly compared to 2019 (€ 0.9 million) as a result of the Covid-19 pandemic, as variable rent is mainly dependent on realised revenue and the number of visitors. This has led to the same outgoing cash flow that is classified in the consolidated statement of cash flow under 'Cash flow from operating activities'.

The main parameters of variable lease liabilities are the realised revenue and the number of visitors. The Group has performed a sensitivity analysis with possible changes in the variable lease liabilities, estimated on the basis of a theoretical volatility of both revenue and number of visitors to be able to estimate the future impact.

Since the number of visitors and revenue were impacted in 2021 and 2020 as a result of the Covid-19 pandemic, these are not considered as a comparable basis and 2019 is used as the basis for the sensitivity analysis. If the revenue and the number of visitors were to increase by 10% compared to 2019, the total operational lease cost of the variable lease liability would increase to € 1.5 million. If the revenue and the number of visitors were decreased by 10% compared to 2019, the total operational lease cost of the variable lease liability would decrease to € 0.5 million.

Lease commitments already entered into
As of 31 December 2021 the Group has not entered into any other lease commitments that impact the future outgoing cash flow.

Extension options
If the Group were to exercise all possible extensions options that it has available in the contracts as of 31 December 2021, there would be an additional cash outflow of non-discounted lease liabilities of € 268.8 million over the entire term of the included contracts. As of 31 December 2021, the Group is of the opinion that these additional extension options will not yet be exercised with reasonable certainty, as a result of which they are not included in the ending balance of the lease liabilities and the non-discounted lease liability. If the Group were to include only the contractually agreed extension options, the future cash outflow of the non-discounted lease liabilities would decrease from € 476.9 million to € 315.2 million.

LEASES AS LESSOR

The Group has leased out parts of its property under operational leases.
The non-discounted lease payments under non-cancellable operational leases are recoverable as follows:

IN '000 €	2020	2021
Less than one year	8 063	7 416
Between one and two years	4 688	3 998
Between two and three years	2 843	2 834
Between three and four years	2 060	1 753
Between four and five years	1 365	1 049
More than five years	2 379	2 949
TOTAL	**21 398**	**19 999**
Minimum lease payments in the income statement with regard to operational leases	8 035	6 821
Variable lease payments in the income statement with regard to operational leases	224	286

The leases as lessor primarily concern the cinema complex in Poznań (PL), leased to Cinema City since January 2007 for a period of 10 years, extended by 5 years. The rent consists of a fixed and variable portion, of which the variable rent is expressed as a percentage of Box Office revenue. As a consequence of the Covid-19 pandemic, no variable rent is applicable in 2021 and 2020.

The Group also leases out part of its complexes to third parties for the exploitation of shops or cafés. These concessions have a term of 1 to 20 years (renewable), unless they are agreed for an undefined term.

In addition, the car parks of a number of complexes are leased out for a term of 1 to 15 years (renewable) or for an indefinite term in Belgium, for a period of 9 years or for an indefinite term in Luxembourg or for an indefinite term in Poland and France. A fixed rent is charged for part of these car parks. The revenue from the other car parks is variable, based on the number of parking tickets sold, adjusted for management expenses. The variable rent of the car parks is impacted by the Covid-19 pandemic in 2021 and 2020.

28. Capital commitments

At 31 December 2021, the Group has material capital commitments for € 0.8 million. This mainly concerns commitments for the installation of recliner seats in St. Catharines (CA) for € 0.5 million and commitments with regard to the construction and finishing of the new cinema Kinepolis Metz Amphithéâtre (FR) for € 0.3 million.

At the end of 2020, the Group had material capital commitments for € 12.1 million. This mainly concerned commitments with regard to the construction or finishing of new cinemas for € 10.6 million in Leidschendam (NL), South East Edmonton Tamarack (CA), and two complexes in the region of Metz (FR). Furthermore, this also related to the commitments for the installation of recliner seats in St. Catharines (CA) for € 1.3 million and 3D equipment in the cinemas for € 0.2 million.

29. Contingencies

KFD

At the end of 2021 the Group had unrecognised contractual obligations for € 1.9 million (2020: € 2.0 million). These are primarily minimum guarantee commitments of Kinepolis Film Distribution NV towards Dutch Filmworks BV and local producers for films that have not yet been released, but for which contractual obligations already exist.

30. Government grants and support measures

Government grants and support measures received as compensation for directly attributable costs are recognised as deductions from the related costs. General grants and support measures received from local governments are included under 'Other operating income'.

GOVERNMENT GRANTS

In France, the Group receives grants from the Centre National du Cinéma et de l'image Animée (CNC) for cinema related investments. These grants come from a fund financed by a contribution from cinema operators in the form of a percentage of ticket sales.

The grants are recorded in the balance sheet as liabilities, and are recognised in the result over the useful life of the related assets. We hereby refer to notes 4 and 23. The grant can be claimed from the CNC in proportion to the number of visitors. We refer to note 15 for the outstanding receivables.

GOVERNMENT GRANTS AND SUPPORT MEASURES AS A RESULT OF THE COVID-19 PANDEMIC

As a result of the outbreak of the Covid-19 virus, governments, in the various countries where Kinepolis is active, and the CNC in France have taken support measures.

DIRECTLY ATTRIBUTABLE GRANTS AND SUPPORT MEASURES

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 in whole or in part. We refer to note 5 for more information. In Luxembourg, the Group received an additional allowance towards wage costs when employees remained employed during the Covid-19 pandemic. In Belgium, the Group obtained a compensation from the National Office for Social Security (NSSO) for the holiday pay of white-collar workers who were economically unemployed throughout 2020 as a result of the Covid-19 pandemic.

In Canada, as a result of the mandatory closure in the province of Ontario, the Group received a compensation for energy costs and a grant for property taxes. In addition, a rent subsidy was obtained in Canada, with part of the rent paid subsidised by the government. For Canada, this concerns a total amount of € 3.9 million. In France, the Group received an allowance in the form of a reduction of the property taxes and other local taxes (€ 0.7 million). In addition, due to various support measures, the Group obtained a deferral of payment, for example for local taxes, although more limited than in 2020.

GENERAL GRANTS AND SUPPORT MEASURES

The general support measures include grants as a result of the mandatory closure, reimbursements for fixed costs, grants for significant revenue loss, grants received from CNC and grants for the cultural sector. In 2021, the Group included € 10.3 million (2020: € 6.7 million) in 'Other operating income'. We refer to note 4 for this.

The general support measures consist of:

IN '000 €		2020	2021
Belgium	Globalisation premium	795	1 205
Belgium	Protection mechanism and nuisance premium	294	514
France	Grant received from CNC	491	2 967
France	Aid for fixed costs ('*Aide coûts fixes*')		2 236
France	Solidarity fund ('*Fonds de solidarité*')		758
France	Safeguard fund ('*Fonds de sauvegarde*')		477
France	Remission '*taxe spéciale additionelle*' (TSA)	1 276	23
France	Grant for significant revenue loss	1 734	-348
France	Others		9
Spain	Grants from multiple regional governments	333	963
The Netherlands	Reimbursement fixed costs (TVL) and reimbursement entrepreneurs affected sectors (TOGS)	1 478	866
Luxembourg	Aid for costs not covered and others		367
Switzerland	Others	276	298
TOTAL		**6 677**	**10 337**

31. Related parties

The transactions between the Group and its subsidiaries were eliminated in the consolidation, and are accordingly not included in this note. The transactions with other related parties are explained below.

REMUNERATION OF THE DIRECTORS AND EXECUTIVE OFFICERS

IN '000 €	2020	2021
Directors		
Remuneration	736	933
Executive officers (CEO)		
Short-term employee benefits	718	734
TOTAL	**1 454**	**1 668**

Under the Group's 2016 Stock Option Plan (Incentive Plan), no new options were granted to the Group's CEO, the Chairman and Vice-Chairman of the Board of Directors in 2021. They did participate in this in 2017 (180 000). We refer to the remuneration report in the Corporate Governance Statement and note 20 for more information.

TRANSACTIONS WITH OTHER RELATED PARTIES
Pentascoop NV provides a number of maintenance and transport services to the Group, for which it charged € 0.1 million in 2021 (2020: € 0.1 million).

32. Subsequent events

KINEPOLIS CONCLUDES NEW CP/MTN PROGRAMME AND EXTENDS THE COVENANT HOLIDAY
As a result of the impact of the Covid-19 pandemic, Kinepolis 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.

Kinepolis closed the year 2021 with a strong liquidity position, a recovery in profitability and solvency in the second half of the year and a decrease in the net financial debt, but applies the prudency principle and reached an agreement with its financial institutions to extend the covenant holiday until 31 December 2022.

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.

Kinepolis Group NV has been a regular issuer in the debt capital markets. As part of its funding strategy, Kinepolis has put in place a new CP/MTN treasury notes programme of € 150.0 million. This programme provides the company with another tool to finance its business with maturities of minimum 7 days and maximum 10 years.

DISPOSAL OF TREASURY SHARES
By exercising stock options within the framework of the Share Option Plan 2016, 23 656 treasury shares were exercised during 2022 at an exercise price of € 41.55. Per 23 March 2022, the total number of treasury shares amounts to 398 896.

33. Mandates and remuneration of the statutory auditor

The statutory auditor for the Company is KPMG Bedrijfsrevisoren, represented by Mr. F. Poesen.
The mandates and remunerations for the entire Group can be summarised as follows:

IN '000 €	2020	2021
Remuneration of the statutory auditor	292	387
Other audit-related services	38	2
Other assignments outside the audit assignments	10	3
Remuneration for exceptional services or special assignments performed within the Company and its subsidiaries by the statutory auditor	48	5
Remuneration for persons associated with the statutory auditor for the performance of a mandate as statutory auditor	522	418
Tax advisory services	23	13
Other assignments outside the audit assignments	256 (1)	277 (2)
Remuneration for exceptional services and special assignments performed within the Company and its subsidiaries by persons associated with the statutory auditor	279	290
TOTAL	**1 141**	**1 099**

(1) Including a provision of K€ 230 for work not yet completed related to the NOW-audit.
(2) Including a provision of K€ 265 for work not yet completed related to the NOW-audit and TVL-attestation.

34. Group entities

LIST OF THE FULLY CONSOLIDATED COMPANIES

COUNTRY	NAME	MUNICIPALITY	VAT OR COMPANY REGISTRATION NUMBER	% 2020	% 2021
Belgium	Brightfish NV	Brussels	BE 0450 523 725	100	100
	Kinepolis Braine SA	Braine-L'Alleud	BE 0462 688 911	100	100
	Kinepolis Film Distribution (KFD) NV	Brussels	BE 0445 372 530	100	100
	Kinepolis Financial Services NV	Brussels	BE 0886 547 831	100	100
	Kinepolis Group NV	Brussels	BE 0415 928 179	100	100
	Kinepolis Immo Hasselt NV	Hasselt	BE 0455 729 358	100	100
	Kinepolis Immo Multi NV	Brussels	BE 0877 736 370	100	100
	Kinepolis Liège NV	Hasselt	BE 0459 469 796	100	100
	Kinepolis Mega NV	Brussels	BE 0430 277 746	100	100
	Kinepolis Multi NV	Kortrijk	BE 0434 861 589	100	100
Canada	Kinepolis Canada LTD	Calgary	CA 2020 757 353	100	100
	Landmark Cinemas Holding LTD	Calgary	CA 2020 757 536	99,02	99,30
	Landmark Cinemas Canada LP	Calgary	CA 2017 564 317	99,02	99,30
	Landmark Cinemas Canada GP	Calgary	CA 2017 564 317	100	100
France	Eden Panorama SA	Lomme	FR 02340483221	100	100
	Forvm Kinepolis SA	Nîmes	FR 86421038548	100	100
	Kinepolis Bourgoin SA	Bourgoin-Jallieu	FR 65779487297	100	100
	Kinepolis France SAS	Lomme	FR 20399716083	100	100
	Kinepolis Film Distribution France SAS	Lomme	FR 43789848280	100	100
	Kinepolis Immo St. Julien-lès-Metz SAS	Metz	FR 51398364463	100	100
	Kinepolis Immo Thionville SA	Thionville	FR 10419162672	100	100
	Kinepolis Le Château du Cinéma SAS	Lomme	FR 60387674484	100	100
	Kinepolis Mulhouse SA	Mulhouse	FR 18404141384	100	100
	Kinepolis Nancy SAS	Nancy	FR 00428192819	100	100
	Kinepolis Prospection SAS	Lomme	FR 45428192058	100	100
	Kinepolis St. Julien-lès-Metz SAS	Metz	FR 43398364331	100	100
	Kinepolis Thionville SAS	Thionville	FR 09419251459	100	100
	Utopolis Longwy SAS	Longwy	FR 21432763563	100	100
Luxembourg	Utopolis Belval SA	Luxembourg	LU 220 75 333	100	100
	Majestiek International SA	Luxembourg	LU 19942206638	100	100
	Utopia SA	Luxembourg	LU 160 90 380	100	100

COUNTRY	NAME	MUNICIPALITY	VAT OR COMPANY REGISTRATION NUMBER	% 2020	% 2021
The Netherlands	Kinepolis Immo BV	Utrecht	NL 003182794B01	100	100
	Kinepolis Rotterdam BV	Utrecht	NL 808810261B01	100	100
	Kinepolis Bioscopen Holding BV	Utrecht	NL 822624382B01	100	100
	Kinepolis Enschede BV	Utrecht	NL 808883574B01	100	100
	Kinepolis Groningen BV	Utrecht	NL 816165774B01	100	100
	Kinepolis Huizen BV	Utrecht	NL 820697230B01	100	100
	Kinepolis Exploitatie BV	Utrecht	NL 819683036B01	100	100
	Kinepolis UBOS BV	Utrecht	NL 856681866B01	100	100
	Kinepolis Immo Schagen BV	Utrecht	NL 815246353B01	100	100
	Kinepolis Cinemagnus Schagen BV	Utrecht	NL 815293446B01	100	100
	Kinepolis Immo Hoofddorp BV	Utrecht	NL 821608563B01	100	100
	Kinepolis Cinemeerse Hoofddorp BV	Utrecht	NL 821608666B01	100	100
	City Monumenten Utrecht BV	Utrecht	NL 002611375B01	100	100
	NH Haarlem BV	Utrecht	NL 855813593B01	100	100
	Cineschalkstad BV	Utrecht	NL 855814275B01	100	100
	Utopia Nederland BV	Almere	NL 804687237B03	100	100
	Utrechtse Film Onderneming 'Ufio' BV	Utrecht	NL 003182812B01	100	100
	Kinepolis Immo Spijkenisse BV	Utrecht	NL 810523358B01	100	100
	Kinepolis Spijkenisse BV	Utrecht	NL 800351575B01	100	100
Poland	Kinepolis Poznań Sp.z o.o.	Poznań	NIP 5252129575	100	100
Spain	Kine Invest SA	Pozuelo de Alarcon	ESA 824 896 59	100	100
	Kinepolis España SA	Pozuelo de Alarcon	ESA 814 870 27	100	100
	Kinepolis Granada SA	Pozuelo de Alarcon	ESA 828 149 55	100	100
	Kinepolis Jerez SA	Pozuelo de Alarcon	ESA 828 149 22	100	100
	Kinepolis Madrid SA	Pozuelo de Alarcon	ESA 828 149 06	100	100
	Kinepolis Paterna SA	Pozuelo de Alarcon	ESA 828 149 14	100	100
	Cines Llobregat SL	Madrid	NIF B651 443 70	100	100
	Cines El Punt SA	Madrid	NIF A621 222 21	100	100
United States	Kinepolis US INC	Michigan	EIN 61-1936179	100	100
	MJR Group LLC	Michigan	EIN 38-3367945	100	100
	MJR Sterling Heights LLC	Michigan	EIN 46-3910496	100	100
Switzerland	Kinepolis Schweiz AG	Schaffhausen	CH 2903013216-5	100	100

CHANGES IN THE CONSOLIDATION SCOPE

The participation of Kinepolis Group in Landmark Cinemas Holding LTD and Landmark Cinemas Canada LP increased from 99.02% to 99.30% in 2021 due to the acquisition of non-controlling interests, without changes in control.

Statutory auditor's report

to the General Meeting of Kinepolis Group NV on the consolidated financial statements as of and for the year ended 31 December 2021

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Kinepolis Group NV ('the Company') and its subsidiaries (jointly 'the Group'), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the General Meeting of 8 May 2019, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the General Meeting deliberating on the annual accounts for the year ended 31 December 2021. We have performed the statutory audit of the consolidated financial statements of the Group for 27 consecutive financial years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flow and the consolidated statement of changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 1 195 078 (000) and the consolidated statement of profit or loss shows a loss for the year of EUR 25 506 (000).

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

BASIS FOR OUR UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing ('ISAs') as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet.

Our responsibilities under those standards are further described in the 'Statutory auditors' responsibility for the audit of the consolidated financial statements' section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of intangible assets, property, plant and equipment, right-of-use assets and goodwill

We refer to note 10 section 'Non-financial assets and business combinations' of the consolidated financial statements.

Description

As set out in note 10, 'Non-financial assets and business combinations', the Group performed an impairment assessment over intangible assets, property, plant and equipment ('PPE'), right-of-use assets and goodwill. This assessment was performed for each of the smallest groups of assets that generate largely independent cash flows (the cash-generating unit or 'CGU'). The Group has defined a CGU as the country. The Group determined the recoverable value of a CGU as the higher of its value in use ('VIU') which is based on discounted estimated future cash flows and its fair value less costs to sell as determined by an external valuation expert.

Intangible assets, property, plant and equipment ('PPE'), right-of-use assets and goodwill represent 86% of the Group's total assets as of 31 December 2021. Determining the amount of impairment losses to be recorded, if any, requires the Group to exercise significant judgment and make important assumptions, particularly in relation to:

- the determination of the Group's CGUs;
- the estimation of a CGU's value-in-use, including the estimation of future cash flows and the applicable discount rates.

Our audit procedures
With the assistance of our valuation specialists, we performed the following audit procedures:

- we evaluated the appropriateness of the accounting treatment used by management based on the relevant accounting standard (IAS 36 Impairment of Assets);
- we challenged management's assessment of potential indicators of impairment of intangible assets, property, plant and equipment ('PPE'), right-of-use assets and goodwill based on our own expectations developed from our knowledge of the Group and our understanding of internal and external factors relevant to the Group, the Group's business and the industry in which the Group operates;
- we challenged management's identification of CGUs with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards;
- where a CGU required testing, we challenged key inputs and data used in the valuation model such as forecasted revenues, operating costs, maintenance capital expenditure, and respective weighted average cost of capital based on our knowledge of the business and the cinema industry. We assessed the Group's historical ability to forecast cash flows, and challenged the reasonableness of current forecasts given the future strategy of the Group and our understanding of the Group's past performance;
- we verified the mathematical accuracy of the discounted cash flow model;
- we performed sensitivity analyses on the respective weighted average cost of capital and the forecasted cash flows used by the Group to assess what change thereto would result in a different conclusion being reached, and assessing whether there were any indications of management bias in the selection of these assumptions; and
- we assessed the appropriateness of the Group's disclosures in respect of impairment of intangible assets, property, plant and equipment ('PPE'), right-of-use assets and goodwill as included in note 10 to the consolidated financial statements.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group.
Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also perform the following procedures:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

STATUTORY AUDITOR'S RESPONSIBILITIES

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

ASPECTS CONCERNING THE BOARD OF DIRECTORS' ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Based on specific work performed on the board of directors' annual report on the consolidated financial statements, as included in section 12 'Corporate Governance', we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:

- Section 1: Word from the Chairman and the CEO
- Section 3: Key figures and ratios
- Section 5: Kinepolis worldwide
- Section 8: Core activities
- Section 13: Share information

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in section 11 'Impactful and responsible business' of the annual report. The Company has prepared this non-financial information based on ISO26000. In accordance with art 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the mentioned ISO260000.

INFORMATION ABOUT THE INDEPENDENCE

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter 'ESEF'), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter 'Delegated Regulation').

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereafter 'digital consolidated financial statements') included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

In our opinion, based on our work performed, the format of and the tagging of information in the official Dutch version of the digital consolidated financial statements as per 31 December 2021, included in the annual financial report of Kinepolis Group NV, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

OTHER ASPECT

This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Antwerp, 1 April 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Frederic Poesen
Bedrijfsrevisor / Réviseur d'Entreprises

Condensed financial statements of Kinepolis Group NV

The following information is an extract from the statutory financial statements of Kinepolis Group NV, drawn up in accordance with the Belgian accounting principles. These statutory financial statements will be filed, together with the report of the Board of Directors to the General Shareholders Meeting and the auditor's report, with the National Bank of Belgium within the legal deadline.

It should be noted that only the consolidated financial statements as presented above give a true and fair view of the financial position and performance of Kinepolis Group NV.

As Kinepolis Group NV is essentially a holding company that accounts for its investments at cost in its statutory financial statements, these separate financial statements only give a limited view of the financial position of Kinepolis Group NV. The Board of Directors has therefore deemed it appropriate to present only a condensed unconsolidated balance sheet and income statement, prepared according to the Belgian accounting principles for the year ended 31 December 2021.

The statutory auditor's report is 'unqualified', and confirms that the statutory financial statements of Kinepolis Group NV, prepared in accordance with Belgian accounting principles for the year ending 31 December 2021, give a true and fair view of the financial position of Kinepolis Group NV in accordance with all legal and regulatory provisions.

The statutory financial statements of Kinepolis Group NV can be obtained free of charge from the website of the National Bank of Belgium (www.nbb.be), in the section 'Central Balance Sheet Office', subsection 'Consult' or can be requested free of charge from Investor Relations.

CONDENSED UNCONSOLIDATED BALANCE SHEET OF KINEPOLIS GROUP NV

IN '000 €	2020	**2021**
Non-current assets	**547 653**	**609 567**
Intangible assets	5 460	4 696
Property, plant and equipment	1 124	665
Financial fixed assets	541 069	604 206
Current assets	**34 818**	**48 912**
TOTAL ASSETS	**582 470**	**658 479**
Equity	**83 510**	**80 969**
Issued capital	18 952	18 952
Share premiums	1 154	1 154
Legal reserve	1 895	1 895
Unavailable reserves	14 817	20 825
Available reserves	7 050	7 050
Profit carried forward	39 641	31 092
Provisions and deferred taxes	**33**	**33**
Non-current loans and borrowings	**473 022**	**491 622**
Current loans and borrowings	**16 655**	**71 362**
Accrued charges and deferred income	**9 250**	**14 493**
TOTAL EQUITY AND LIABILITIES	**582 470**	**658 479**

CONDENSED UNCONSOLIDATED INCOME STATEMENT OF KINEPOLIS GROUP NV

IN '000 €	2020	2021
Operating income	17 369	30 837
Operating expenses	-53 696	-30 808
OPERATING RESULT	**-36 327**	**29**
Financial result	-23 609	-2 819
Current tax expenses	5 542	248
PROFIT / (LOSS) FROM THE FINANCIAL YEAR FOR APPROPRIATION	**-54 394**	**-2 542**

APPROPRIATION OF THE RESULTS OF KINEPOLIS GROUP NV

IN '000 €	2020	2021
Profit / (loss) from the fiscal year for appropriation	-54 394	-2 542
Profit carried forward from previous financial year	86 049	39 641
Transfer to / (from) equity:		
- to the unavailable reserves	-7 985	6 008
Profit to be carried forward	39 641	31 092

MANDATES AND REMUNERATION OF THE STATUTORY AUDITOR OF KINEPOLIS GROUP NV

IN '000 €	2020	2021
Remuneration of the statutory auditor(s) for the performance of a mandate as statutory auditor	172	265
Other audit-related services	38	2
Other assignments outside the audit assignments	6	3
Remuneration for exceptional services or special assignments performed within the Company by the statutory auditor(s)	45	5
Tax advisory services	24	13
Other assignments outside the audit assignments		3
Remuneration for exceptional services or special assignments performed within the Company by persons associated with the statutory auditor(s)	24	16
TOTAL	**240**	**286**

Reconciliations

ADJUSTMENTS

IN '000 €	2020	2021
EBITDA	-304	405
Depreciations, amortisations and impairment losses	-249	-1 181
Provisions	128	
Financial result	24	
Income tax expenses	-32	196
NET IMPACT OF ADJUSTMENTS	**-433**	**-580**

RECONCILIATION OF ADJUSTED RESULT

IN '000 €	2020	2021
Operating result	-65 663	-6 545
Financial result	-26 052	-28 362
Result before tax	**-91 715**	**-34 907**
Income tax expenses	22 604	9 401
Result for the period	**-69 111**	**-25 506**
Net impact of adjustments	433	580
ADJUSTED RESULT FOR THE PERIOD	**-68 678**	**-24 926**

RECONCILIATION OF EBITDAL

IN '000 €	2020	2021
EBITDA	17 188	72 667
Costs related to lease contracts (excl. rent abatements and common charges)	-31 169	-34 157
EBITDAL	**-13 981**	**38 510**

RECONCILIATION OF ADJUSTED EBITDAL

IN '000 €	2020	2021
EBITDAL	-13 981	38 510
Impact of adjustments on EBITDA	304	-405
ADJUSTED EBITDAL	**-13 677**	**38 105**

RECONCILIATION ADJUSTED EBITDA VS EBITDA

IN '000 €	2020	2021
Operating result	-65 663	-6 545
Depreciations and amortisations	80 442	81 031
Provisions and impairments	2 409	-1 819
EBITDA	17 188	72 667
Impact of adjustments on EBITDA	304	-405
ADJUSTED EBITDA	**17 492**	**72 262**

RECONCILIATION OF NET FINANCIAL DEBT

IN '000 €	2020	2021
Financial debt	940 204	940 631
Cash and cash equivalents	-33 007	-75 295
Tax shelter investments	-304	-304
NET FINANCIAL DEBT	**906 892**	**865 032**

RECONCILIATION OF NET FINANCIAL DEBT EXCL. LEASE LIABILITIES

IN '000 €	2020	2021
Financial debt excl. lease liabilities	546 593	550 064
Cash and cash equivalents	-33 007	-75 295
Tax shelter investments	-304	-304
NET FINANCIAL DEBT EXCL. LEASE LIABILITIES	**513 281**	**474 465**
Impact lease liabilities	393 611	390 567
NET FINANCIAL DEBT	**906 892**	**865 032**

RECONCILIATION FREE CASH FLOW

IN '000 €	2020	2021
Cash flow from operating activities	-16 166	84 409
Income taxes paid / received	-4 074	4 465
Maintenance capital expenditures for intangible assets, property, plant and equipment and investment property	-5 565	-2 819
Interest paid / received	-14 496	-15 534
Payment of lease liabilities	-16 152	-21 624
FREE CASH FLOW	**-56 453**	**48 897**

RECONCILIATION ROCE

IN '000 €	2020	2021
Operating result	-65 663	-6 545
Impact of adjustments on EBIT	425	776
Adjusted EBIT	**-65 238**	**-5 769**
Average non-current assets	1 123 082	1 088 376
Average deferred tax assets	-8 002	-19 295
Average assets classified as held for sale	884	
Average inventories	4 858	4 423
Average trade receivables	28 804	17 700
Average trade payables	-82 760	-56 620
Capital employed	**1 066 866**	**1 034 583**
RETURN ON CAPITAL EMPLOYED (ROCE)	**-6.1%**	**-0.6%**

RECONCILIATION ROCE EXCL. IFRS 16

IN '000 €	2020	2021
Operating result + IFRS 16 depreciations – costs related to lease contracts (excl. rent abatements and common charges)	-69 784	-13 454
Impact of adjustments on EBIT	425	776
Adjusted EBIT excl. IFRS 16	**-69 359**	**-12 678**
Average non-current assets excl. right-of-use assets	743 236	730 475
Average deferred tax assets excl. impact IFRS 16	-7 337	-15 220
Average assets classified as held for sale	884	
Average inventories	4 858	4 423
Average trade receivables	28 804	17 700
Average trade payables	-82 760	-56 620
Capital employed excl. IFRS 16	**687 684**	**680 757**
RETURN ON CAPITAL EMPLOYED (ROCE) EXCL. IFRS 16	**-10.1%**	**-1.9%**

RECONCILIATION CURRENT RATIO

IN '000 €	2020	2021
Current assets	71 059	115 447
Current liabilities	190 916	220 650
CURRENT RATIO	**0.37**	**0.52**

RECONCILIATION CURRENT RATIO EXCL. CURRENT LEASE LIABILITIES

IN '000 €	2020	2021
Current assets	71 059	115 447
Current liabilities excl. current lease liabilities	155 621	184 354
CURRENT RATIO EXCL. CURRENT LEASE LIABILITIES	**0.46**	**0.63**

RECONCILIATION CAPITAL EXPENDITURE ACCORDING TO THE STATEMENT OF CASH FLOW

IN '000 €	2020	2021
Acquisition of intangible assets	1 848	1 648
Acquisition of property, plant and equipment and investment property	43 372	15 406
Advance lease payments	40	254
Acquisition of subsidiaries, net of cash acquired	87	
Proceeds from sale of investment property, intangible assets and property, plant and equipment	-995	-1 579
TOTAL CAPITAL EXPENDITURE ACCORDING TO THE STATEMENT OF CASH FLOW	**44 352**	**15 730**

RECONCILIATION GEARING RATIO

IN '000 €	2020	2021
Net financial debt	906 892	865 032
Equity	126 496	120 649
GEARING RATIO	**7.17**	**7.17**

RECONCILIATION GEARING RATIO EXCL. LEASE LIABILITIES

IN '000 €	2020	2021
Net financial debt excl. lease liabilities	513 281	474 465
Equity	126 496	120 649
GEARING RATIO EXCL. LEASE LIABILITIES	**4.06**	**3.93**

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 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 result of a company to its shareholders

Pay-out ratio
The pay-out ratio indicates which part of the net result is being paid to the shareholders

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

Financial calendar 2022-2023

THURSDAY
28
Apr 2022
PUBLICATION
BUSINESS UPDATE
Q1 2022

WEDNESDAY
11
May 2022
GENERAL MEETING
KINEPOLIS GROUP NV

THURSDAY
18
Aug 2022
PUBLICATION HALF-YEAR
RESULTS 2022

PRESENTATION TO PRESS
AND ANALYSTS

THURSDAY
27
Oct 2022
PUBLICATION
BUSINESS UPDATE
Q3 2022

THURSDAY
16
Feb 2023
PUBLICATION
ANNUAL RESULTS 2022

PRESENTATION TO PRESS
AND ANALYSTS

These dates are subject to change.

For adjustments to the financial calendar, please refer to the website:
WWW.KINEPOLIS.COM/CORPORATE

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