



# Kinopolis Group

## Business Update Q1 2022

### Regulatory release – 28 April 2022

#### Business update first quarter 2022

In the first quarter of 2022, Kinopolis welcomed 67.3% of the visitors welcomed in the same period in 2019. The first few months of the year saw a promising recovery in terms of visitor numbers, despite Covid measures still in place in most countries and with Dutch and some Canadian cinemas remaining closed until the end of January. Almost all measures (including capacity restrictions, face mask requirement, Covid Pass and, in some countries, an early closing time of cinemas as well as the closure of shops) were phased out or lifted in the course of the first quarter. Today, there are no longer any restrictive measures in force in the cinemas operated by Kinopolis.

Kinopolis recorded further recovery month on month. The second quarter started with a good Easter period in most countries, which led to a further increase in visitor numbers to around 76% of pre-Covid 2019 attendance.

Average revenue per visitor remained high, ensuring that turnover recovered faster than visitor numbers, despite a lower contribution of revenue from the more slowly recovering business-to-business activities and screen advertising, as anticipated. New cinemas that opened during the pandemic contributed positively to turnover development.

The Entrepreneurship Plan had the envisaged impact and strengthened the profitability of the Group as well as the recovery of free cash flow. The available financial resources amounted to € 138.9 million at the end of the first quarter, following repayment of a private placement of € 61.4 million at the end of January.

#### Key figures<sup>1</sup> for the first quarter 2022<sup>2</sup>

- ★ Kinopolis welcomed **5.9 million visitors** in the first quarter, or 67.3% of the visitors in the same period in 2019.
- ★ **Revenue per visitor** remained high and increased compared to 2021, as a result of which total revenue rose proportionately more than the number of visitors.
- ★ The **EBITDA**, **EBITDA adjusted for leases (EBITDAL)** and the **free cash flow** were all positive in the first quarter.
- ★ The **net financial debt**, excluding lease liabilities, decreased slightly to € 474.1 million, compared to € 474.5 million on 31 December 2021.
- ★ At the end of the first quarter, the **available financial resources** amounted to € 138.9 million, taking into account the repayment of a private placement of € 61.4 million at the end of January.

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

<sup>2</sup> Figures from 1 January up to and including 31 March 2022.



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#### Important achievements

- ★ Covenant holiday extended until 31 December 2022 in the context of cautious financial policy.
- ★ Renovation of Landmark St. Catharines (Ontario, CA) completed (introduction of recliners, Premiere Seats, Laser ULTRA).

#### Eddy Duquenne, CEO Kinopolis Group, on the first quarter:

"I am excited about the way our activities are resuming and this has been helped by the release of new blockbusters in recent weeks. The Entrepreneurship Plan demonstrates the strength of our business strategy when it comes to dealing with the situation of these past few years and seizing opportunities. Like everyone else, of course, we are closely following the current macro-economic and geopolitical situation."

#### Notes

During the first quarter, Kinopolis welcomed 67.3% of the visitors welcomed in the same period in 2019, although with more cinemas due to new openings during the pandemic. The visitor trend developed positively month on month. At the beginning of the second quarter, this rising trend continued steadily, thanks to successful film releases at the start of the Easter holidays.

The measures to prevent the spread of the Covid-19 virus differed from country to country and were phased out and/or lifted during the course of the first quarter. Dutch cinemas were closed until the end of January 2022, as were the Canadian cinemas in Ontario, while proof of vaccination or recovery was required in Luxembourg and France until the beginning of March and the shops in the French cinemas were closed until mid-February. In some Canadian provinces (British Columbia, Ontario), a 50% capacity constraint still applied during (a large part of) the first quarter. At the time of publication of this update, restrictive measures are no longer in place in the regions where Kinopolis operates.

The top five films in the first quarter of 2022 were 'Spider-Man: No Way Home', 'The Batman', 'Uncharted', 'Sing 2' and 'Scream (2022)'. The most successful local films were 'Nachtwacht 3' and 'Hopper' in Flanders, 'Super-héros malgré lui' and 'Maison de retraite' in France and Wallonia, 'Ik wist het' in the Netherlands and 'La Abuela' in Spain.

| Visitors<br>(in millions) | Belgium | France | Canada          | Spain         | The<br>Netherlands | United<br>States | Luxembourg    | Switzerland | Total           |
|---------------------------|---------|--------|-----------------|---------------|--------------------|------------------|---------------|-------------|-----------------|
| Number of cinemas*        | 11      | 14     | 40              | 8             | 20                 | 10               | 3             | 1           | 107             |
| Q1 2022                   | 1,29    | 1,18   | 1,37            | 0,70          | 0,60               | 0,65             | 0,13          | 0,02        | 5,94            |
| Q1 2021                   | 0,00    | 0,00   | 0,04            | 0,13          | 0,00               | 0,18             | 0,05          | 0,00        | 0,40            |
| <b>Q1 2022 vs Q1 2021</b> |         |        | <b>3 088,4%</b> | <b>430,3%</b> |                    | <b>261,1%</b>    | <b>195,6%</b> |             | <b>1 380,3%</b> |

\* Operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.  
Number of cinemas at 31/03/2022



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**Visitor-related revenue** remained high and increased compared to 2021. Revenue from ticket sales (Box Office) as well as from the sale of drinks and snacks (In-theatre Sales) was higher per visitor compared to 2021 in all countries, except for France.

Income from all other business lines increased strongly, except revenue from concessions.

Both **EBITDA** and **EBITDAL** (EBITDA adjusted for leases) were positive in the first quarter, thanks to the operating result and the impact of the Entrepreneurship Plan.

**Free cash flow** was positive, despite a negative working capital of € -5.6 million and € 3.3 million in interest paid. The first quarter is traditionally characterised by a more negative working capital.

An amount of € 1.5 million was invested in internal and external expansion in the first quarter.

The **net financial debt**, excluding lease liabilities, decreased slightly from € 474.5 million to € 474.1 million at the end of March 2022 compared to 31 December 2021.

### Important events since 1 January 2022

#### **Covenant holiday extended until 31 December 2022**

As a result of the impact of the Covid-19 pandemic, Kinopolis reached an agreement with its financial institutions at the beginning of 2021 to exempt its bank debt from covenants (a so-called covenant holiday) until 30 June 2022. Kinopolis 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 prudence principle and reached an agreement with its financial institutions in March 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.

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

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

#### **Successful 'Manga K' events in France**

In the first quarter of 2022, Kinopolis France organised the third and fourth editions of its successful 'Manga K' concept. France has the world's second-largest anime fan community and Kinopolis' Manga K events spoil anime fans with various animations and goodies, followed by a preview of the latest Japanese animated film. The release of 'My Hero Academia World Heroes' Mission' on 21 January resulted in full houses in all French Kinopolis cinemas, as was also the case on 13 March for the 'Manga K' event related to the release of 'Jujutsu Kaisen'.



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### Nicolas De Clercq leaving as CFO of Kinopolis Group

On 30 March 2022, Kinopolis Group announced that CFO Nicolas De Clercq has decided to leave the company for a new professional challenge. Mr. De Clercq will remain in office until the end of May to ensure a smooth transition for the company. More details about his replacement will be announced at a later date, once the selection process to recruit a new CFO has been completed.

### Line-up for 2022

The most popular films are currently 'Fantastic Beasts: The Secrets of Dumbledore', 'Sonic The Hedgehog 2' and 'The Lost City'. The following blockbusters are due to hit cinemas in the coming weeks and months: 'Downton Abbey: A New Era', 'Doctor Strange in the Multiverse of Madness', 'Top Gun: Maverick', 'Jurassic World Dominion', 'Elvis', 'Lightyear', 'Minions: The Rise of Gru' and 'Thor: Love and Thunder'. The local film programme includes 'Ritueel' and 'Zillion' in Flanders, 'Bon Bini Holland' and 'Soof 3' in the Netherlands, 'Irréductible', 'Menteur' and 'Simone' in France and 'El Test' and 'Padro no hay más que uno 3' in Spain. Live opera and ballet will be complemented by art, sports and concerts.

### Financial calendar

Wednesday, 11 May 2022  
Thursday, 18 August 2022  
Thursday, 27 October 2022

General Meeting  
Half-year results 2022  
Business update third quarter 2022

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### About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family-run cinema groups and was listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. In addition to its cinema business, the Group is also active in film distribution, event organization, screen publicity and property management.

In Europe, Kinopolis Group NV has 58 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. Since the acquisition of Canadian movie theatre group Landmark Cinemas and American movie theatre group MJR Digital Cinemas, Kinopolis also operates 40 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 108 cinemas worldwide, with a total of 1,097 screens and almost 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on [www.kinopolis.com/corporate](http://www.kinopolis.com/corporate).