



Kinepolis Group NV

(Incorporated as a limited liability company (naamloze vennootschap/société anonyme) in Belgium)

€225,000,000 2.75 per cent. fixed rate bonds due 18 December 2026
Gross actuarial yield: 2.602 per cent. (on an annual basis)
Issue Price: 101 per cent. - ISIN Code: BE0002660414 - Common Code: 202145167
(the “Bonds”)

Issue Date: 5 July 2019

Before making any investment decision, potential investors are invited to read the Information Memorandum in its entirety and in particular Part I (*Risk Factors*) on pages 7 to 17 of the Information Memorandum. Copies of the Information Memorandum can be obtained at the registered seat of the Issuer and on the registered seat of each of the Joint Bookrunners. These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the nominal amount on the Maturity Date. In case of bankruptcy of, or default by, the Issuer, investors may not recover the amounts they are entitled to and risk losing their investment partially or entirely.

Coordinator



Joint Bookrunners



Information Memorandum dated 27 June 2019.

Kinopolis Group NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, having its registered office at Eeuwfeestlaan 20, 1020 Brussels, Belgium and registered with the Crossroads Bank for Enterprises under number 0415.928.179, enterprise court of Brussels (the “**Issuer**” or “**Kinopolis**”) intends to issue the Bonds for an aggregate principal amount of €225,000,000. The Bonds will bear interest at the rate of 2.75 per cent. *per annum* (the “**Interest**”). Interest on the Bonds shall be payable annually in arrear on 18 December in each year (each an “**Interest Payment Date**”). The first Interest Payment Date for the Bonds is 18 December 2019 (the “**Bonds First Interest Payment Date**”). The Bonds will mature on 18 December 2026 (the “**Maturity Date**”). All references in this Information Memorandum (as defined below) to “**Kinopolis Group**” refer to the Issuer together with its subsidiaries (within the meaning of the Belgian Companies Code).

KBC Bank NV (having its registered office at Havenlaan 2 1080 Brussels, Belgium) is acting as coordinator (the “**Coordinator**”) and Belfius Bank SA/NV (having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium), BNP Paribas Fortis SA/NV (having its registered office at Warandepark 3, 1000 Brussels, Belgium), ING Bank N.V., Belgian Branch (having its registered office at Marnixlaan 24, 1000 Brussels, Belgium) and KBC Bank NV are acting as joint bookrunners (together the “**Joint Bookrunners**” and each a “**Joint Bookrunner**”) for the purpose of the offer of the Bonds (the “**Offer**”).

Application has been made to Euronext Brussels for the Bonds to be admitted to trading on the multilateral trading facility organised by Euronext Brussels (“**Euronext Growth Brussels**”). References in this Information Memorandum to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to trading on Euronext Growth Brussels.

The denomination of the Bonds shall be €100,000 and integral multiples thereof (the “**Denomination**”). The Issuer and the Bonds do not have a credit rating.

This information memorandum dated 27 June 2019 (the “**Information Memorandum**”) intends to provide the information with regard to the Issuer and the Bonds, which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Information Memorandum does not comprise a prospectus for the purpose of Article 20 of the Belgian law of 16 June 2006 on public offers of investment instruments and admission of investment instruments to trading on regulated markets (as amended or superseded), nor for the purpose of Article 3 of Directive 2003/71/EC (as amended or superseded) or an information note for the purpose of Article 11 of the Belgian law of 11 July 2018 on the offer of investment instruments to the public and the admission of investment instruments to trading on a regulated market.

The Bonds will be issued in dematerialised form (*gedematerialiseerd/dématérialisé*) in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen/Code des Sociétés*), as amended or superseded (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be represented by book-entries in the records of the Securities Settlement System itself or any authorised financial intermediary institution entitled to hold NBB accounts on behalf of their customers with the Securities Settlement System (a “**Participant**”) or sub-Participants of the Securities Settlement System. Access to the Securities Settlement System is available through those of its Participants whose membership extends to securities such as the Bonds. Participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking A.G. (“**Clearstream**”), SIX SIS, INTERBOLSA and Monte Titoli. Accordingly, the Bonds will be eligible for clearance through and will therefore be accepted by Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli. Investors who are not Participants, can hold their Bonds within securities accounts in Euroclear, Clearstream, SIX SIS, INTERBOLSA, Monte Titoli or any other Participant.

Unless otherwise stated, capitalised terms used in this Information Memorandum have the meanings set forth in this Information Memorandum. Where reference is made to the “**Terms and Conditions of the Bonds**” or to the “**Conditions**”, reference is made to the Terms and Conditions of the Bonds as set out in Part III (*Terms and Conditions of the Bonds*).

An investment in the Bonds involves risks. Potential investors should take note of Part I (*Risk Factors*) on page 7 to 17 of the Information Memorandum to understand which factors may affect the Issuer’s ability to fulfil its obligations under the Bonds.

RESPONSIBLE PERSON

The Issuer, having its registered office at Eeuwfeestlaan 20, 1020 Brussels, Belgium and correspondence address at Moutstraat 132-146, 9000 Ghent, Belgium (the “**Responsible Person**”) accepts responsibility for the Information Memorandum and any supplements of the Information Memorandum.

To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and contains no omissions likely to affect its import.

OFFER OF THE BONDS

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Bookrunners do not represent that this Information Memorandum may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Bookrunners which is intended to permit a public offering of the Bonds or the distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Bonds.

This Information Memorandum is to be read in conjunction with all the documents which are incorporated herein by reference (see Part II (*Documents Incorporated by Reference*) of the Information Memorandum) and each supplement. This Information Memorandum shall be read and construed on the basis that such documents are incorporated in and form part of the Information Memorandum.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum and any information or representation not so contained or inconsistent with this Information Memorandum or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that:

- the information contained in this Information Memorandum is true subsequent to the date of the Information Memorandum or otherwise that there has been no change in the affairs of the Issuer or its

subsidiaries since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented;

- there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or its subsidiaries since the date hereof or, if later, the date upon which this Information Memorandum has been most recently amended or supplemented; or
- the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Market data and other statistical information used in the Information Memorandum have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, it is able to ascertain from information published by the relevant independent source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Joint Bookrunners and the Issuer expressly do not undertake to review the condition (financial or otherwise) of the Issuer and its subsidiaries during the life of the Bonds.

Neither this Information Memorandum nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Information Memorandum or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial conditions and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this Information Memorandum nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Joint Bookrunners to any person to subscribe for or purchase any Bonds.

Neither the Joint Bookrunners nor any of their affiliates have authorised the whole or any part of the Information Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in the Information Memorandum. To the fullest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the contents of this Information Memorandum or for any other statement made or purported to be made by the Joint Bookrunners or on their behalf in connection with the Issuer or the issue and private placement of the Bonds. The Joint Bookrunners accordingly disclaim all liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Information Memorandum or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on *Regulation S* under the Securities Act (“**Regulation S**”). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S).

For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, please refer to Part XI (*Subscription and Sale*) of the Information Memorandum.

The Bonds may not be a suitable investment for all investors. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

MiFID II product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients each as defined in the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**"), (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Bonds to retail clients are appropriate: investment advice, portfolio management and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

All references in this document to "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

This Information Memorandum contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, they may not total.

WARNING

This Information Memorandum has been prepared in connection with the listing of the Bonds on Euronext Growth Brussels. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the terms and conditions of the Bonds set out in Part III (*Terms and Conditions of the Bonds*) of the Information Memorandum, including, but not limited to, the associated benefits and risks. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Information Memorandum may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

FURTHER INFORMATION

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PART I – RISK FACTORS

The Issuer believes that the risks described below may affect the Issuer's ability to fulfil its respective obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for purposes of assessing the market risks associated with the Bonds are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum or incorporated by reference in this Information Memorandum and reach their own views prior to making any investment decision and consult with their own professional advisors if they consider it necessary.

Terms defined in the Conditions shall have the same meaning where used below.

RISK FACTORS IN RELATION TO THE ISSUER

Availability and quality of supplied content

Taking into account that the Kinopolis Group does not produce any content itself (such as movies), it is dependent on the availability, diversity and quality of movies, as well as the possibility of being able to rent this content from distributors. The Kinopolis Group endeavours to protect itself wherever possible by maintaining good long-term relations with the major distributors or producers, by pursuing a content diversification policy to some extent and by playing a role as distributor in Belgium. The investments in tax shelter projects in Belgium, i.e., a tax regime encouraging the production of and investments in audio-visual and cinematographic works should also be viewed in the light of this.

Seasonal effects

The operating revenues of the Kinopolis Group can vary from period to period as the producers and distributors decide when their movies are released completely independently of the cinema operators 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. The Kinopolis Group 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 Kinopolis Group's position as a cinema operator is subject to competition, just like every other product or service for which substitutions exist. The Kinopolis Group's position is impacted by increasing competition from the other leisure activities, such as concerts and sporting events, that can influence the behaviour of Kinopolis Group's customers. This competition also comes from the cinemas of other operators – both existing and prospective – in the markets where the Kinopolis Group is active and from the increasing distribution and availability of films and series through online content media, video-on-demand, pay-per-view and other services. This development can also be influenced by the shortening of the period between the first screening of a movie in the cinema and its availability through other channels, that is ordinarily observed by the distributors, as well as the constant technical improvement in the quality of these alternative ways of watching

movies. In addition to these legal alternatives, the cinema industry also has to deal with illegal downloads. The Kinopolis Group is working actively together with distributors to agree measures to counter any increasing illegal sharing of material online.

The Kinopolis 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 and film experience.

Economic situation

Changes to the general, global or regional economic situation or the economic situation in areas where the Kinopolis 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 the Kinopolis Group. The Kinopolis Group endeavours to arm itself against this threat by being rigorously efficient and closely monitoring and controlling costs and margins. Changing economic conditions can also increase competitive risks.

Risks arising from acquisitions and growth opportunities

In the event of further growth, competition authorities can impose additional conditions and restrictions with regard to the growth of the Kinopolis 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, that can have a negative impact on the targets of Kinopolis Group. The Kinopolis Group will thoroughly examine growth opportunities in advance to ensure these risks are properly assessed and, where necessary, controlled. The proceeds of the Bonds may also be used by the Issuer, amongst others, to finance acquisitions (see also Part IX (*Use of Proceeds*) of the Information Memorandum).

Political, regulatory and competition risks

The Kinopolis Group strives to operate within the legal framework at all times. However, additional or amended legislation, including tax laws, could restrict the Kinopolis Group's growth and/or operations or result in additional investments or costs. Where possible, the Kinopolis Group actively manages these risks by notifying the relevant political, administrative or legal bodies of its positions and defending them in an appropriate way.

The Belgian Competition Authority has imposed a number of conditions and restrictions on the Kinopolis Group, such as the requirement of the prior approval of the Belgian Competition Council for openings of new cinema complexes with more than seven screens or with more than 1,125 seats. An additional condition stipulates that new cinema complexes may not be located within a 10 km radius of another Kinopolis complex, whether existing or to be build (see also '*Further developments with regard to easing the behavioural conditions imposed on the Kinopolis Group*' in Part V (*Description of the Issuer*) of the Information Memorandum).

Technological risks

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

Employee risks

As a service company, the Kinopolis Group largely depends on its employees to provide high-quality service. Hiring and retaining the right managers and employees with the requisite knowledge and experience in all parts of the Kinopolis Group is therefore a constant challenge. The Kinopolis Group accepts this challenge by offering attractive terms of employment, good knowledge management and a pleasant working atmosphere. The

Kinepolis Group measures employee satisfaction on the basis of employee surveys and improves its policies where necessary. Furthermore, the Kinepolis Group also attaches great importance to the health of its employees and endeavours to create a risk-free work environment that does no harm to anyone. To this end, and in addition to compliance with the legal obligations regarding safety and prevention, the Kinepolis Group 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.

Customer risks

Health and safety risks for its customers may have an adverse impact on the Kinepolis Group. If any of such risks materialises, this can lead to complaints or disputes. Poor management of the aforementioned risks may lead to a decline in customer satisfaction, damage to its reputation and, ultimately, to a fall in visitor numbers. Furthermore, the likelihood of sanctions and/or administrative fines would also increase considerably.

Risks arising from exceptional events

Events of an exceptional nature, including but not limited to extreme weather, political unrest and terrorist attacks in a country where the Kinepolis Group is active and that result in material damage to one of its multiplexes, a fall in the number of customers or a disruption in the delivery of products can have a negative impact on the activities of the Kinepolis Group. The Kinepolis Group strives to minimise the potential impact of such risks through a combination of preventive (such as construction decisions, evacuation planning) and detection measures (such as fire detection systems), and by taking out proper insurance.

Environmental liability and property risks

The property that the Kinepolis Group owns and leases is subject to regulations with regard to environmental liability and potential property risks. In addition to the above-mentioned measures to control political and regulatory risks, the Kinepolis Group will take appropriate measures to prevent environmental damage and limit property risks where necessary.

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 the policy of the Kinepolis Group not to undertake any trading positions in derivative financial instruments.

The Kinepolis Group manages its debts by combining short-, medium- and long term borrowings. The mix of debts with fixed and floating interest rates is established at the Kinepolis Group level. At the end of December 2018, the Kinepolis Group's net financial debt was €276,818,000. Interest rate swaps were entered into for €41,600,000 in order to hedge the interest risk on a fixed-term loan that was originally for the same amount. These interest rate swaps have the same amortisation profile that is applicable to the related fixed-term loan.

The notes to the consolidated financial statements provide a detailed description of how the Kinepolis Group manages the aforementioned risks.

As the Issuer develops its activities mainly through Subsidiaries, the repayment towards the Bondholders is structurally subordinated to any other debt at the level of the Subsidiaries of the Issuer

The most important assets of the Issuer are direct and indirect interests in Subsidiaries. The Issuer is mainly dependent on the revenues, cash flows, dividends and other contributions of its Subsidiaries to meet its obligations in respect of its outstanding debts. The ability of the Subsidiaries to make dividends and other

payments to the Issuer may depend on their profitability and may be subject to certain legal (including fiscal barriers) or contractual restrictions, which may limit such transfer or may make such payments expensive. Moreover, these Subsidiaries are under no obligation to pay dividends to the Issuer. The extent to which the Issuer is able to receive or raise such funds will, in turn, affect its ability to make payments on the Bonds and any other debt of the Issuer. The Bonds do not benefit from any guarantee from any of the Subsidiaries.

Consequently, the Bondholders will be structurally subordinated to other creditors who hold debt at the level of one or more of the operating subsidiaries of the Issuer. At the date of this Information Memorandum, none of the Subsidiaries of the Issuer (other than Kinopolis Financial Services NV which is a borrower under the Facilities Agreement) has any external debt obligations outstanding other than leasing arrangements and intercompany debt (see also Part V “*Description of the Issuer – Recent developments, investments and trends*”).

The Bonds do not restrict the Issuer in its ability to incur further debt

In the future, the Issuer could decide to incur additional indebtedness or further increase its indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured debt that the Issuer may incur. Furthermore, the Conditions do not restrict the ability of the Issuer to grant security in respect of debt other than the Relevant Debt.

The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed and will effectively be subordinated to any secured and guaranteed indebtedness of the Issuer which the Issuer is allowed to incur. In the event of liquidation, dissolution, reorganisation, bankruptcy or a similar procedure affecting the Issuer, the holders of such secured and guaranteed indebtedness will be repaid first with the proceeds of the enforcement of such security.

Without prejudice to Condition 3 (*Negative Pledge*), certain Subsidiaries have provided and may in the future provide guarantees or security interests for the benefit of holders of other indebtedness than the Relevant Debt incurred by the Issuer and certain Subsidiaries. In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Kinopolis Group, the holders of any indebtedness which benefit from guarantees from the members of the Kinopolis Group may recover their claims through payments by such group members under the guarantees provided by them, whereas such right will not be available to the Bondholders.

The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer and the Kinopolis Group and a number of additional factors, such as market interest and exchange rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such investor.

RISK FACTORS IN RELATION TO THE BONDS

The Issuer may not be able to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer’s ability to repay the Bonds will depend on his respective financial condition at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that the Issuer may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer’s failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness. The Issuer may

also be required to repay all or part of the Bonds upon the occurrence of an Event of Default (as defined in Condition 10 (*Events of Default*)). If the Bondholders were to request repayment of their Bonds upon the occurrence of an Event of Default (as defined in Condition 10 (*Events of Default*)), the Issuer cannot assure that it will be able to pay the required amount in full.

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

Furthermore, each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

The Bonds may be early redeemed

Upon the occurrence of an Event of Default (as defined in Condition 10 (*Events of Default*)) or upon the occurrence of a Change of Control as set out in Condition 6(b) (*Redemption at the option of the Bondholders following a Change of Control*), the Bonds may be redeemed prior to maturity at their nominal amount together with interest accrued until the date fixed for redemption. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

The Conditions may be modified, and defaults may be waived by the defined majorities of the meetings of Bondholders

Condition 12 (*Meeting of Bondholders and Modifications*) contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Issuer and the Bonds do not have a credit rating

The Issuer and the Bonds do not have a credit rating at the time of the Offer. The Issuer currently does not intend to request a credit rating for itself or the Bonds at a later date. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds and the other Conditions at the time of the Offer, or at a later date, will cover the credit risk related to the Bonds and the Issuer.

The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the Securities Settlement System

The Bonds will be issued in dematerialised form under the Belgian Companies Code and cannot be physically delivered. The Bonds will be represented exclusively by book-entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through its Participants whose membership extends to securities such as the Bonds. Participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*) and Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli. Transfers of the Bonds will be effected between the Participants in accordance with the rules and operating procedures of the Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Participants through which they hold their Bonds. Neither the Issuer, the Joint Bookrunners nor the Agent will have any responsibility for the proper performance by the Securities Settlement System or the Participants of their obligations under their respective rules and operating procedures. The payment of any amounts due by the Issuer in respect of the Bonds through the Agent to the NBB discharges the payment obligations of the Issuer.

A Bondholder must rely on the procedures of the Securities Settlement System and the relevant Participant to receive payment under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Securities Settlement System.

Relationship with the Issuer.

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, but it may not have a direct claim against the Issuer with respect to such prejudice.

The Agent is not required to segregate amounts due in respect of the Bonds cleared through the Securities Settlement System

The Conditions and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer to pay the Bondholders. The Agent will, simultaneously upon receipt of the relevant amounts into its account, pay any amounts due and payable in respect of the Bonds to the Bondholders directly or through the Securities Settlement System. The Agent is not required to segregate any such amounts received in respect of the Bonds from its other assets. In the event that the Agent would be subject to insolvency proceedings at any time when it held any such amounts, Bondholders would no longer have a claim against the Issuer because the Conditions provide that the payment obligations of the Issuer will be discharged by payment of the amount due and payable to the Agent. The Bondholders would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws. The Agent furthermore does not assume any fiduciary or other obligations to the Bondholders.

Potential conflicts of interest - The Issuer, the Agent and the Joint Bookrunners may engage in transactions adversely affecting the interests of the Bondholders

The Issuer may from time to time be engaged in transactions which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

The Agent and the Joint Bookrunners may have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is or may, in the future, be involved in a general business relationship or/and in specific transactions with the Agent, or/and any of the Joint Bookrunners and that they might have conflicts of interests with the interests of the Bondholders. At the date of this Information Memorandum, the Joint Bookrunners provide, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer and its subsidiaries for which certain fees and commissions are being paid. These fees represent recurring costs which are being paid to the Joint Bookrunners as well as to other banks which offer similar services. For an overview of the current financing agreements of the Issuer, please see “*Financing Agreements*” in Part V (*Description of the Issuer – Recent developments, investments and trends*). Potential investors should also be aware that the Agent and each of the Joint Bookrunners may hold from time to time debt securities or/and other financial instruments of the Issuer. Furthermore, the Joint Bookrunners and the Agent receive customary commissions in relation to the private placement. Please also refer to the risk factor ‘*Impact of fees, commissions and/or inducements on the issue price and/or the offer price*’.

Certain parties involved in the issuance of the Bonds may act in different capacities and may also be engaged in other commercial relationships, in particular, be part of the same group, be lenders, provide banking, investment banking or other services (whether or not financial) to other parties involved in the issuance of Bonds. In such relationships the relevant parties may not be obliged to take into consideration the interests of the Bondholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

Within the framework of a normal business relationship with its banks, the Issuer or/and any of its subsidiaries could enter into or has entered into loan agreements and other facilities with any of the Joint Bookrunners (via bilateral transactions or/and syndicated loans together with other banks), including, for example, the Facilities Agreement (as defined below). The terms and conditions of these debt financings may differ from the Conditions and certain terms and conditions of such debt financings could be or are more restrictive than the Conditions. The terms and conditions of such debt financings may contain financial covenants different from or not included in the Conditions. In addition, as part of these debt financings, the lenders may have or have the benefit of certain guarantees or security, whereas the Bondholders will not have the benefit from any guarantees. This may result in the Bondholders being subordinated to the lenders under such debt financings.

The Bondholders should be aware of the fact that the Agent and the Joint Bookrunners, when they act as lenders to the Kinopolis Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders.

The Joint Bookrunners and their affiliates have engaged in, or may engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

These diverging interests may manifest themselves amongst other things in case of an event of default for any of the credit facilities (including the Facilities Agreement) granted by the Joint Bookrunners before the maturity of the Bonds or in case of a mandatory early repayment and may have a negative impact on the repayment

capacity of the Issuer under the Bonds. It cannot be excluded that these credit facilities will be repaid before the maturity of the Bonds. The Joint Bookrunners do not have any obligation to take into account the interests of the Bondholders when exercising their rights as lender under the aforementioned credit facilities. Any full or partial repayment of credit facilities granted by the Joint Bookrunners will, at that time, have a favourable impact on the exposure of the Joint Bookrunners vis-à-vis the Issuer.

Impact of fees, commissions and/or inducements on the issue price and/or the offer price

Potential investors should note that the issue price and/or the offer price of the Bonds will include certain additional fees and costs.

Investors who are not Qualified Investors (as defined further) (the “**Retail Investors**”) and investors who are qualified investors as defined in the Prospectus Directive (the “**Qualified Investors**”) who are acting as financial intermediaries for a further placement of the Bonds and who cannot accept a retrocession (pursuant to MiFID II and any delegated, implementing or equivalent legislation and related guidelines) will pay a selling and distribution commission of 1.00 per cent. in relation to the Bonds (each, a “**Retail Commission**”). The relevant Retail Commission will be included in the relevant Issue Price of the Bonds.

Qualified Investors (including Qualified Investors who are acting as financial intermediaries for a further placement of the Bonds and who can accept a retrocession (pursuant to MiFID II and any delegated, implementing or equivalent legislation and related guidelines)) will not be required to pay the Retail Commission nor any other commission and will therefore subscribe at 100% of the nominal amount of the Bonds (representing a discount of 1.0 per cent. on the Issue Price).

Any such fees may not be taken into account for the purposes of determining the price of the Bonds on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of such Bonds and/or the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of Bonds, particularly immediately following the issue date of the Bonds, where any such fees and/or costs may be deducted from the price at which such Bonds can be sold by the initial investor in the secondary market.

The Bonds may be redeemed prior to maturity in the event of a Change of Control

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder’s Bonds at their nominal amount together with, if applicable, interest accrued to (but excluding) the Put Settlement Date upon the occurrence of a Change of Control in accordance with the Conditions (the “**Change of Control Put**”).

Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of a Change of Control as defined in the Conditions, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer. Bondholders deciding to exercise the Change of Control Put shall have to do this through the bank or other financial intermediary through which the Bondholder holds the Bonds (the “**Financial Intermediary**”) and are advised to check when such Financial Intermediary requires to receive instructions and Put Option Notices from Bondholders in order to meet the deadlines and for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders.

The Bondholders’ put option upon a Change of Control under the Bonds is subject to shareholders’ approval

The exercise by any of the Bondholders of the option to demand an early redemption in the event of a Change of Control as set out in Condition 6(b) (*Redemption at the option of the Bondholders following a Change of Control*) may only be effective against the Issuer under Belgian law if and when (i) Condition 6(b) (*Redemption*

at the option of the Bondholders following a Change of Control) has been approved by the shareholders of the Issuer and (ii) such resolution has been filed with the clerk of the competent Enterprise Court.

Furthermore, Bondholders should note that if (i) a Change of Control occurs prior to the approval of the annual meeting of shareholders of the Issuer of Condition 6(b) (*Redemption at the option of the Bondholders following a Change of Control*) and the filing of the Change of Control Resolutions (as defined in the Conditions) with the clerk of the competent Enterprise Court; and (b) the Change of Control Resolutions are approved by the general meeting of shareholders of the Issuer and filed with the clerk of the competent Enterprise Court prior to the Long Stop Date, the Bondholders may not be able to exercise the put option pursuant to Condition 6(b) (*Redemption at the option of the Bondholders following a Change of Control*) nor shall they be entitled to the interest step up set out in Condition 5(b) (*Interest Step-up*).

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

There is currently no active trading market for the Bonds and one may never develop

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. Although application has been made for the Bonds to be listed on the multilateral trading facility Euronext Growth Brussels, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed the bonds are to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than their nominal amount.

The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest, exchange rates and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantially lower than the issue price or the purchase price paid by such investor.

The Bonds may be exposed to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than euro. Exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and authorities with jurisdiction over the

Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected or no interest or principal at all.

The Bonds are exposed to inflation risk

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds will be reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal rate of the Bonds, then the actual output is equal to zero or the actual yield could even be negative.

Changes in governing law and practices could modify certain Conditions

The Conditions are based on the laws of Belgium and interpretations thereof and the practices in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the laws, the official application, interpretation or the administrative practice after the date of this Information Memorandum.

The payments made under the Bonds may be subject to withholding tax

Eligible Investors are, in principle, exempt from Belgian withholding tax. Please refer to Part X (*Taxation*) of the Information Memorandum for more information.

If the Issuer or any other person is however required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Potential investors should be aware that neither the Issuer, the NBB nor any other person will be liable for or otherwise obliged to pay, and the relevant Bondholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Bonds, except as provided for in Condition 8 (*Taxation*).

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In addition, payments of interest on the Bonds, or profits realised by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in the home jurisdiction of the potential investor or in other jurisdictions in which it is required to pay taxes.

Potential investors are advised not to rely upon the tax overview contained in this Information Memorandum but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Information Memorandum.

Belgian insolvency laws may adversely affect a recovery by the holders of amounts payable under the Bonds

The Issuer is a company incorporated under Belgian law and has its registered office in Belgium. The Issuer is therefore, in principle, subject to Belgian insolvency laws. The application of these insolvency laws may adversely affect the Bondholders' claim to obtain repayment (partial or in full) of the Bonds, e.g., as a result of a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds.

PART II – DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum shall be read and construed in conjunction with the following documents:

- (a) the annual report and audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2017 (consolidated in accordance with IFRS), together with the auditors' reports thereon; and
- (b) the press release of the Issuer dated 8 May 2019 "*Business Update Q1 2019*".

Such documents shall be incorporated in, and form part of, this Information Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum may be obtained (without charge) from the registered offices of the Issuer and on the website of the Issuer (investors.kinopolis.com). The Issuer confirms that it has obtained the approval from its auditors to incorporate the consolidated financial statements and the auditors' reports thereon for the financial years ended 31 December 2018 and 31 December 2017 in this Information Memorandum.

The tables below include references to the relevant pages of the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2017, as set out in the annual reports of the Issuer.

Audited IFRS consolidated financial statements of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2017.*

Consolidated balance sheet	p. 84
Consolidated income statement	p. 82
Consolidated statement of comprehensive income	p. 83
Consolidated statement of changes in equity	p. 86-87
Consolidated statement of cash flows	p. 85
Notes	p. 88-141
Statutory auditor's report	p. 142-146

Audited IFRS consolidated financial statements of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2018.*

Consolidated balance sheet	p. 100
Consolidated income statement	p. 98
Consolidated statement of comprehensive income	p. 99
Consolidated statement of changes in equity	p. 102-103
Consolidated statement of cash flows	p. 101
Notes	p. 104-159
Statutory auditor's report	p. 160-164

*Page references are to the English language PDF version of the relevant incorporated documents.

Information contained in the documents incorporated by reference other than information listed in the table above is for informational purposes only.

PART III – TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions (the “Conditions”) applying to the Bonds, save for the paragraphs in italics that shall be read as complementary information.

The issue of the 2.75 per cent. fixed rate bonds due 18 December 2026 for an amount of €225,000,000 (the “**Bonds**” which expression shall, in these Conditions unless otherwise indicated, include any further Bonds issued in accordance with Condition 13 and consolidated and forming a single series with the then outstanding Bonds (the “**Further Bonds**”)) was (save in respect of any Further Bonds) authorised by the resolutions of the board of directors of Kinopolis Group NV (the “**Issuer**”) passed on 20 June 2019. The Bonds are issued subject to and with the benefit of an agency agreement dated on or about the date of this Information Memorandum entered into between the Issuer and KBC Bank NV acting as domiciliary agent, paying agent, calculation agent and listing agent (the “**Agent**”), which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and a service contract for the issuance of fixed income securities entered into on or about the Issue Date (as defined below) between the Issuer, the National Bank of Belgium (the “**NBB**”) and the Agent (such agreement as amended and/or supplemented and/or restated from time to time from time to time, the “**Clearing Services Agreement**”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement and the Clearing Services Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 2, 1080 Brussels, Belgium. The holders of the Bonds are bound by and deemed to have notice of all the provisions of the Agency Agreement and the Clearing Services Agreement applicable to them.

In these Conditions, any reference to any law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.

1 Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with the Belgian Companies Code (*Wetboek van vennootschappen/Code des sociétés*) dated 7 May 1999, as amended or superseded (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds are accepted for settlement through the securities settlement system operated by the NBB or any successor thereto (the “**Securities Settlement System**”), and are accordingly subject to the applicable settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the clearing and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “**Securities Settlement System Regulations**”). The Bondholders will not be entitled to exchange the Bonds into bonds in bearer form (*titres au porteur/effecten aan toonder*). No definitive bearer certificates will be delivered. The Bonds will be represented by book entries in the records of the Securities Settlement System itself or participants or sub-participants of the Securities Settlement System.

The Securities Settlement System maintains securities accounts in the name of authorised participants only (the “**Participants**”). Such Participants include Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking A.G. (“**Clearstream**”). Bondholders, unless they are Participants, will not hold Bonds directly with the operator of the Securities Settlement System but will hold them in a securities account through a financial institution which is a Participant in the Securities Settlement System or which holds them through another financial institution which is such a Participant.

The Bonds are in nominal amounts of €100,000 and integral multiples thereof (the “**Specified Denomination**”).

Title to the Bonds is evidenced by book entries in the Bondholder's securities account with the NBB or with an approved Participant or sub-Participant of the Securities Settlement System. The person who is for the time being shown in the records of the Securities Settlement System or of an approved Participant or sub-Participant of the Securities Settlement System as the holder of a particular nominal amount of Bonds shall for all purposes be treated by the Issuer and the Agent as the holder of such nominal amount of Bonds, and the expressions "**Bondholders**" and "**holders of Bonds**" and related expressions shall be construed accordingly.

If at any time, the Bonds are transferred to another securities settlement system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor securities settlement system and successor securities settlement system operator or any additional securities settlement system and additional securities settlement system operator (any such securities settlement system, an "**Alternative Securities Settlement System**").

2 Status

The Bonds constitute direct, unconditional, unsubordinated and (without prejudice to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will at all times rank *pari passu*, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

3 Negative Pledge

- (a) So long as any Bond remains outstanding and up to the effective and full (re)payment of principal and interest of the Bonds, the Issuer:
- (i) will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction ("**Security**") upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Debt of the Issuer or a Subsidiary or to secure any guarantee of or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary;
 - (ii) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Debt of the Issuer or any Relevant Debt of a Subsidiary or to secure any guarantee of or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary; and
 - (iii) will procure that no Subsidiary grants any guarantee or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary;

unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are secured equally and rateably therewith or benefit from a guarantee or indemnity on substantially the same terms (including, for the avoidance of doubt, any terms providing for the automatic addition and release of any such security, guarantees or indemnities), as the case may be, or have the benefit of such other Security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders. The Issuer shall be deemed to have satisfied any such obligation to provide Security, a guarantee or indemnity on substantially the same terms if the benefit of any such Security, guarantee or indemnity is equally and rateably granted to an agent or trustee on behalf of the Bondholders or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed or otherwise).

- (b) The prohibition contained in this Condition 3 (*Negative Pledge*) does not apply to any Security, guarantee or indemnity in respect of any Relevant Debt of the Issuer or a Subsidiary which:
- (i) exists in respect of any Relevant Debt which is acquired or assumed by the Issuer or a Subsidiary at the time of such acquisition;
 - (ii) exists over undertakings, assets or revenues which are acquired by the Issuer or a Subsidiary at the time of such acquisition;
 - (iii) exists prior to an entity becoming a Subsidiary;
 - (iv) comes into existence by operation of law or pursuant to any mandatory provision of any applicable law; or
 - (v) constitutes Permitted Project Finance Security.

4 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Adjusted EBITDA**” means, for each Relevant Period, EBITDA for that Relevant Period:

- (a) after taking into account any interest costs and depreciation in respect of leased assets under IFRS during that Relevant Period;
- (b) adjusted by including the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA and after taking into account any interest costs and depreciation in respect of leased assets under IFRS) of a member of the Group for the Relevant Period (or attributable to a business or assets acquired during the Relevant Period) prior to its becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets; and
- (c) adjusted by including the *pro forma* annualised operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA and after taking into account any interest costs and depreciation in respect of leased assets under IFRS) of Greenfields during that Relevant Period.

“**Adjusted Financial Debt**” means, in respect of the Group on a consolidated basis and in relation to any period, the sum of current interest bearing loans and borrowings, non-current interest bearing loans and borrowings and bank overdrafts of the IFRS layout of the liabilities side of the consolidated balance sheet, measured for the Relevant Period by reference to the consolidated financial statements of the Issuer in respect of such period, excluding:

- (a) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of that derivative, only the market to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative, that amount) shall be taken into account);
- (b) the amount of any liability in respect of any lease which in accordance with IFRS16 is treated as a balance sheet liability.

“**Adjusted Net Financial Debt**” means Total Financial Debt minus Available Cash Resources.

“**Alternative Securities Settlement System**” has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

“**Available Cash Resources**” means, at any time, the aggregate of:

- (a) *Cash and Cash equivalents* of the IFRS lay-out of the asset side of the consolidated balance sheet, measured for the Relevant Period by reference to the consolidated financial statements of the Issuer in respect of such period, excluding (without prejudice to paragraphs (d) and (e)), shares;
- (b) to the extent not already included *Cash and Cash equivalents* of said IFRS lay-out, all deposits with banks or other financial institutions (being deposits which are payable on demand or which mature within one year or less of such time) of the Group;
- (c) to the extent not already included in *Cash and Cash equivalents* of said IFRS lay-out, all certificates of deposit, commercial paper, bonds, money market instruments or other debt instruments (which mature within one year after such time) held by the Group and, in each case:
 - (i) rated A1+ (Standard & Poor's, a division of McGraw–Hill Company, Inc.), Prime-1 (Moody's Investors Service, Inc.) and F1+ (Fitch, Inc.) or higher;
 - (ii) and not issued or guaranteed by any member of the Group;
- (d) up to a maximum of 1,500,000 shares in the Issuer (possibly adjusted for stock splits and similar operations), valued at market value provided that:
 - (i) the shares of the Issuer remain listed on a stock exchange; and
 - (ii) the amount of shares taken into account for the purpose of this paragraph (d) shall not represent more than 5 per cent. of the outstanding shares of the Issuer; and
- (e) up to a maximum not exceeding €1,000,000, shares in listed companies other than any member of the Group and held or intended to be held for less than 365 days, valued at market value.

“**Belgian Companies Code**” has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

“**Business Day**” has the meaning given to it in Condition 7 (*Payments*).

a “**Change of Control**” shall be deemed to have occurred:

- (a) for so long as the Reference Shareholder has the right to appoint the majority of the directors according to the articles of association of the Issuer, if any person or group of persons acting in concert (other than the Reference Shareholder) acquires or obtains
 - (i) the ownership of more than 50% of the Ordinary Shares or other voting rights of the Issuer; *and*
 - (ii) the power to appoint the majority of the directors of the Issuer;
- (b) upon and following an amendment to the articles of association of the Issuer pursuant to which the Reference Shareholder no longer has the right to appoint the majority of the directors of the Issuer, if any person or group of persons acting in concert (other than the Reference Shareholder) acquires or obtains
 - (i) the ownership of more than 50% of the Ordinary Shares or other voting rights of the Issuer; *or*
 - (ii) the power to appoint the majority of the directors of the Issuer,

it being understood that, in each of the circumstances described in paragraphs (a) and (b) above, the Change of Control will be deemed to have occurred, on (i) the date of the publication by the bidder of the final results of any voluntary or mandatory offer (and, for the avoidance of doubt, before the reopening of any offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on public takeover bids) (if such publication is required), (ii) the date on which any other disclosure is required by law (in relation to such matters) or (iii) if no publication is required, the date on which any such control is effectively acquired.

"Change of Control Resolutions" means one or more resolutions validly taken by the general meeting of shareholders of the Issuer approving Condition 6 (b) (*Redemption at the option of the Bondholders following a Change of Control*).

"Consolidated Leverage Ratio" means, in respect of any Relevant Period, the ratio of Adjusted Net Financial Debt on the last day of that Relevant Period to Adjusted EBITDA in respect of that Relevant Period.

"Day Count Fraction" has the meaning given to it in Condition 5 (*Interest*).

"EBITDA" means, in respect of the Group on a consolidated basis and in relation to any Relevant Period in respect of IFRS the sum of:

- (a) operating profit for that period of the consolidated income statement in respect of IFRS;
- (b) non-cash operating expenses for that period (Depreciations, amortisations & provisions);
- (c) (without duplication), financial discounts received by any member of the Group from third parties for cash payments; and
- (d) CNC refunds received from the Soutien du Centre National du Cinéma (France), to the extent not included in EBITDA,

in each case measured for the Relevant Period by reference to the consolidated IFRS financial statements of the Issuer.

"Euronext Growth Brussels" means a multilateral trading facility operated by Euronext Brussels.

"Event of Default" has the meaning given to it in Condition 10 (*Events of Default*).

"Extraordinary Resolution" has the meaning given to it in Schedule 2 (*Provisions on meetings of Bondholders*).

"Final Redemption Amount" has the meaning given to it in Condition 6 (*Redemption and Purchase*).

"Financial Condition Step-Down Change" means the circumstance where it appears from a notice delivered by the Issuer pursuant to Condition 5 (c) (*Financial Condition Step-Up Change and Financial Condition Step-Down Change*) that following the occurrence of a Financial Condition Step-Up Change, the Consolidated Leverage Ratio for the Relevant Period does not exceed 4.00:1.

"Financial Condition Step-Up Change" means the circumstance where it appears from a notice delivered by the Issuer pursuant to Condition 5 (c) (*Financial Condition Step-Up Change and Financial Condition Step-Down Change*) that the Consolidated Leverage Ratio for the Relevant Period exceeds 4.00:1.

"Greenfield" means a newly built cinema complex (including amenities (if any)) which is opened to the public for business.

"Group" means the Issuer and each of its Subsidiaries from time to time.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Interest Rate" has the meaning given to it in Condition 5 (*Interest*).

"Interest Payment Date" has the meaning given to it in Condition 5 (*Interest*).

"Interest Period" has the meaning given to it in Condition 5 (*Interest*).

"Issue Date" has the meaning given to it in Condition 5 (*Interest*).

“**Long Stop Date**” means 30 June 2020.

“**Material Subsidiary**” means at any time, a Subsidiary of which the total assets (as determined on a non-consolidated basis and determined on a basis consistent with the preparation of the consolidated financial statements of the Issuer) represent not less than 10 per cent. of the consolidated total assets of the Group, all as calculated by reference to the then latest audited financial statements.

“**Maturity Date**” has the meaning given to it in Condition 6 (*Redemption and Purchase*).

“**NBB**” means the National Bank of Belgium, Boulevard de Berlaimont 14, 1000 Brussels, Belgium.

“**Ordinary Shares**” means all fully paid ordinary shares in the capital of the Issuer, which currently have no par value.

A reference to a “**person**” shall include any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“**Permitted Project Finance Security**” means any Security granted by a Project Finance Entity or Entities and any Security granted in respect of the shares in such Project Finance Entity or Entities to secure, and any guarantee granted by the Issuer to guarantee, any Relevant Debt issued by the relevant Project Finance Entity or Entities for the purpose of financing all or part of a project, provided that the aggregate amount of guarantees granted by the Issuer in respect of any Relevant Debt issued by Project Finance Entities shall not exceed €75,000,000 (or its equivalent in any other currency).

“**Project Finance Entities**” means one or more members of the Group (other than the Issuer) which has or have been formed or incorporated for the purpose of, and whose activities are, the acquisition, construction or development of any project in respect of which the person or persons providing the financing of such project have agreed to limit their recourse to (i) the project financed and the revenues derived from such project as the sole source of repayment and (ii) if applicable, a guarantee from the Issuer.

“**Put Event Notice**” means a notice in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control and the procedure for exercising the option contained in Condition 6 (b).

“**Put Option Notice**” means a duly completed put option notice substantially in the form as set out in Schedule 1.

“**Put Option Period**” means the period commencing on the date of the Put Event Notice and ending, not less than 30 days but not more than 60 days after the date of and as shall be specified in the Put Event Notice.

“**Put Redemption Amount**” means, in respect of each Bond, 101 per cent. of the nominal amount of such Bond together with, if applicable, interest accrued to (but excluding) the Put Settlement Date.

“**Put Settlement Date**” means the 14th Business Day after the last day of the Put Option Period.

“**Reference Shareholder**” means Mr. Joost Bert and/or Kinhold Bis SA (including any successor thereto as long as the relevant shares remain within the same family structure).

“**Relevant Date**” has the meaning given to it in Condition 9 (*Prescription*).

“**Relevant Debt**” means any present or future indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock, treasury notes, commercial paper or other transferable debt securities (*titres de créance négociables sur le marché des capitaux/schuldinstrumenten die op de kapitaalmarkt verhandelbaar zijn* in the sense of Article 2, 31°, b) of the Belgian law of 2 August 2002 on the supervision of the financial sector and on the financial services), whether

issued for cash or in whole or in part for a consideration other than cash, or any *Schuldscheindarlehen* and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

“**Relevant Period**” means each period of 12 months ending on the last day of a financial year of the Issuer.

“**Securities Settlement System**” has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

“**Securities Settlement System Regulations**” has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

“**Security**” has the meaning given to it in Condition 3 (*Negative Pledge*).

“**Specified Denomination**” has the meaning given to it in Condition 1 (*Form, Denomination and Title*).

“**Subsidiary**” means, at any particular time, a subsidiary within the meaning of the Belgian Companies Code.

“**TARGET System**” has the meaning given to it in Condition 7 (*Payments*).

“**Taxes**” has the meaning given to it in Condition 8 (*Taxation*).

“**Total Financial Debt**” means at any time the aggregate outstanding principal or capital amount of all Adjusted Financial Debt of the Group calculated on a consolidated basis.

5 Interest

- (a) **Interest and Interest Payment Date:** Each Bond shall bear interest on its outstanding nominal amount from (and including) the date on which the Bonds are issued (the “**Issue Date**”). The Bonds shall bear interest at the rate of 2.75 per cent. per annum (the “**Standard Interest Rate**”) plus any applicable change in the interest rate in accordance with Condition 5 (b) (*Interest Step-up*) and/or Condition 5 (c) (*Financial Condition Step-Up Change and Financial Condition Step-Down Change*) (the Standard Interest Rate together with any such changes, the “**Applicable Interest Rate**”).

Interest on the Bonds shall be payable annually in arrear on 18 December in each year (each an “**Interest Payment Date**”). The first Interest Payment Date for the Bonds is 18 December 2019 (the “**Bonds First Interest Payment Date**”).

Interest shall be calculated for the first period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and for each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date (each an “**Interest Period**”). The first Interest Period in respect of the Bonds shall be a short first Interest Period for the period from (and including) the Issue Date to (but excluding) the Bonds First Interest Payment Date and the amount of interest payable on the Bonds First Interest Payment Date shall be € 1,250,68 per Specified Denomination.

The interest payable for each Bond for any Interest Period shall be equal to the product of (A) the Applicable Interest Rate, (B) the outstanding nominal amount of the Bond and (C) the actual number of days in the Interest Period divided by 365 (or if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365) (the “**Day Count Fraction**”).

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, the Day Count Fraction shall be equal to (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by

(ii) by 365 (or if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).

(b) **Interest Step-up:** In the event that on or before the Long Stop Date:

- (i) the Change-of-Control Resolutions have not been approved or accepted by a general meeting of shareholders of the Issuer; or
- (ii) the Change-of-Control Resolutions have not been filed with the clerk of the competent enterprise court,

then the Standard Interest Rate in relation to the Bonds will be increased by 0.5% per annum as from the Interest Period commencing on the first Interest Payment Date following the Long Stop Date until the last day of the Interest Period during which the Change-of-Control Resolutions were approved by a general meeting of shareholders of the Issuer and were filed with the clerk of the competent enterprise court.

(c) **Financial Condition Step-Up Change and Financial Condition Step-Down Change:** The Standard Interest Rate will be adjusted from time to time in the event of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change, as follows:

- (i) if a Financial Condition Step-Up Change occurs, the Applicable Interest Rate shall be increased by 0.50% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Up Change occurred; and
- (ii) if a Financial Condition Step-Down Change occurs, the Applicable Interest Rate shall be decreased by 0.50% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Down Change occurred.

The Standard Interest Rate can never be increased by more than 0.50% per annum as a result of the occurrence of a Financial Condition Step-Up Change.

Upon the occurrence of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change, the Issuer shall, promptly and in any event no later than 10 Business Days before the beginning of the next Interest Period, notify the Agent and the Bondholders in accordance with Condition 14 (*Notices*).

6 Redemption and Purchase

- (a) **Final Redemption:** Unless previously purchased, cancelled or redeemed as provided below, each Bond shall be finally redeemed at its nominal amount on 18 December 2026 (the “**Maturity Date**”) in each case together with interest accrued to the Maturity Date (the “**Final Redemption Amount**”). The Bonds may only be redeemed prior to the Maturity Date in accordance with Condition 6 (b) (*Redemption at the option of the Bondholders following a Change of Control*).
- (b) **Redemption at the option of the Bondholders following a Change of Control:** if a Change of Control occurs, the holder of each Bond will have the option to require the Issuer to redeem all or any part of his/her Bonds on the Put Settlement Date at the Put Redemption Amount.

Upon the occurrence of a Change of Control, the Issuer shall, promptly and in any event within 10 Business Days of the date on which such Change of Control occurs, give a Put Event Notice to the Bondholders.

In order to exercise the option contained in this Condition 6 (b), the holder of a Bond must deliver to the Agent (with a copy to the Issuer) a Put Option Notice during the Put Option Period. A duly completed Put Option Notice will be irrevocable and may not be withdrawn.

The Issuer shall redeem any Bond in respect of which a Put Option Notice was received on the Put Settlement Date at the Put Redemption Amount, unless previously redeemed or purchased. Payment in respect of any relevant Bond will be made to the euro bank account mentioned in the Put Option Notice as the account to which payment is to be made, on the Put Settlement Date.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

The Bondholders should be aware that exercising the option stipulated in this Condition 6 (b) may only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royale Decree of 27 April 2007 on takeover bids or (b) the occurrence of a Change of Control, (i) the shareholders of the Issuer have approved this Condition 6 (b) in a general meeting of shareholders and (ii) such resolutions have been filed with the clerk of the competent enterprise court. The Issuer has undertaken, pursuant to Condition 11 (b) to use all reasonable efforts to ensure that the Change of Control Resolutions are approved on the annual general meeting of shareholders of the Issuer held in May 2020 and to file a copy of such resolutions with the Clerk of the Enterprise Court of Brussels within 10 Business Days after such approval. There can be no assurance that such approval will be granted by the shareholders of the Issuer. If a Change of Control occurs prior to the approval of the shareholders and filing of the resolutions, Bondholders may not be entitled to exercise the option set out in this Condition 6 (b).

- (c) **Purchases:** The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price.
- (d) **Cancellation:** All Bonds redeemed will be cancelled and may not be reissued or resold. Bonds purchased by or on behalf of the Issuer or its Subsidiaries may be cancelled, held or resold at the option of the Issuer or the relevant subsidiary.
- (e) **Multiple Notices:** If more than one notice of redemption is given pursuant to this Condition 6 (*Redemption and Purchase*), the first of such notices to be given shall prevail.

7 Payments

- (a) **Principal and interest:** Without prejudice to the provisions of the Belgian Companies Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the Securities Settlement System in accordance with the Securities Settlement System Regulations and the Clearing Services Agreement. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB in respect of each amount so paid.
- (b) **Payments:** Each payment in respect of the Bonds pursuant to Condition 7 (a) (*Principal and Interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city where banks

have access to the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) System, or any successor thereto (the “**TARGET System**”).

- (c) **Payment subject to fiscal laws:** All payments in respect of the Bonds will be subject in all cases to (i) any applicable fiscal or other laws and regulations, without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (d) **No charges:** No commissions or expenses shall be charged by the Agent to the Bondholders in respect of any payments in respect of the Bonds.
- (e) **Appointment of Agents:** The Agent shall act solely as agent of the Issuer and will not assume any obligations towards or relationship of agency with any of the Bondholders. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or other Agents, provided, however, that the Issuer shall at all times maintain (i) a paying agent and (ii) a domiciliary agent which will at all times be a Participant in the Securities Settlement System. Notice of any such change or any change of any specified office shall promptly be given to the Bondholders.
- (f) **Fractions:** When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded up to the nearest unit if equal to or above 0.5 and rounded down to the nearest unit if below 0.5.
- (g) **Non-Business Days:** If any date for payment in respect of any Bond is not a day (other than a Saturday or a Sunday) on which (i) the Securities Settlement System is operating, (ii) banks and foreign exchange markets settle payments and are open for business in Brussels and (iii) the TARGET System is open for the settlement of payments in euro (a “**Business Day**”), the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. For the purpose of calculating the interest payable under the Bonds, the Interest Payment Date shall not be adjusted.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium (including any political subdivision or any authority therein or thereof having power to tax (the “**Taxes**”), unless such withholding or deduction of Taxes is required by law in respect of the Bonds. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to the Bonds:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such Taxes, in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of that Bond; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third

party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Bonds is presented for payment; or

- (c) **Payment to non-Eligible Investors:** to, or to a third party on behalf of, a holder who on the date of acquisition of a Bond, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such Bonds but, for reasons within the Bondholder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the date of acquisition of such Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees; or
- (d) **Conversion into registered securities:** to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the Securities Settlement System.

As used in this Condition, "**Eligible Investor**" means those entities which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax and which hold the Bonds in an exempt account in the Securities Settlement System.

References in these Conditions to (i) "**principal**" shall be deemed to include any principal payable in respect of the Bonds, all Final Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 (*Payments*) and Condition 10 (*Events of Default*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all interest amounts and all other amounts payable pursuant to Condition 5 (*Interest*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of principal (or any other amount (other than interest) payable in respect of the Bonds)) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

For purposes of this Condition, "**Relevant Date**" means, in respect of any Bond, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that such payment will be made, provided that payment is in fact made.

10 Events of Default

If any of the following events (each, an “**Event of Default**”) occurs and is continuing, then any Bond may, by notice in writing given by the Bondholder to the Issuer at its registered office and to the Agent at its specified office, be declared immediately due and repayable at its nominal amount together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (a) **Non-payment:** the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of 5 Business Days (in the case of principal) or 10 Business Days (in the case of interest); or
- (b) **Breach of other covenants, agreements or undertakings:** the Issuer does not perform or comply with any one or more of its other covenants, obligations, agreements or undertakings under the Bonds (other than any payment obligation set out in (a) above), which default is incapable of remedy or, if capable of remedy, is not remedied within 15 Business Days after notice of such default shall have been given by any Bondholder to the Issuer at its registered office; or
- (c) **Cross-acceleration:** any other present or future indebtedness of the Issuer or any Subsidiary (other than any indebtedness vis-à-vis suppliers) for or in respect of moneys borrowed equal to or exceeding €35,000,000 or its equivalent in aggregate, (i) becomes due and payable prior to its stated maturity following the acceleration of an event of default (howsoever described) by the relevant creditors or (ii) is not paid when due, or as the case may be, within any originally applicable grace period; or
- (d) **Security Enforced:** any Security created or assumed by the Issuer or any of its Subsidiaries in respect of any property or assets of the Issuer or any Subsidiary is enforced for an amount of at least €40,000,000 (or its equivalent in any other currency at the time of enforcement) and the enforcement proceedings in relation to such Security are not suspended or dismissed within 90 calendar days; or
- (e) **Insolvency or judicial reorganisation:** (i) the Issuer or any Material Subsidiary initiates bankruptcy proceedings or any other insolvency proceedings (or such proceedings are initiated against the Issuer or any Material Subsidiary), under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including Book XX of the Belgian Code of Economic Law), or if the Issuer or any Material Subsidiary are declared bankrupt by a competent court or if a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Material Subsidiary, or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) takes possession of all or a substantial part of the assets of the Issuer or any Material Subsidiary, or the Issuer or any Material Subsidiary is not capable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any Material Subsidiary or (ii) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any Material Subsidiary (other than a solvent winding-up, liquidation or dissolution of the Issuer or any Material Subsidiary); or
- (f) **Reorganisation, change of or transfer of business or transfer of assets:** (x) a material change of the nature of the activities of the Group as a whole, as compared to the activities as these are carried out on the Issue Date, occurs or (y) a reorganisation or transfer of the assets of the Group occurs resulting in (i) a material change of the nature of the activities of the Group as a whole or (ii) a substantial decrease of

the assets of the Group provided that, in the case of sub-paragraph (i) and (ii) above, such event materially prejudices the interests of the Bondholders;

- (g) **Illegality:** it becomes illegal or unlawful for the Issuer to perform its obligations under the Bonds; or
- (h) **Suspension of trading or delisting:** the Bonds are delisted or suspended from trading on Euronext Growth Brussels for a period of 30 consecutive Business Days for a reason attributable to the Issuer, unless the Issuer obtains an effective listing and admission to trading of the Bonds on another multilateral trading facility or a regulated market in the European Economic Area by the end of that period.

11 Undertakings

- (a) The Issuer undertakes that it shall not transfer its registered seat, its principal place of business (*établissement principal/voornaamste vestiging*) or its place of management to any jurisdiction outside the European Union.
- (b) The Issuer will use its reasonable efforts to ensure that (i) the Change of Control Resolutions are approved by the annual general meeting of the shareholders of the Issuer scheduled in May 2020 and (ii) an extract of the Change of Control Resolutions is filed with the clerk of the competent enterprise court in accordance with the Belgian Companies Code within a period of 10 Business Days following their approval.
- (c) The Issuer undertakes to furnish to Euronext Growth Brussels all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain the listing of the Bonds on Euronext Growth Brussels, and to use all reasonable endeavours to cause such listing to be continued so long as any of the Bonds remains outstanding. If the Bonds are not or cease to be admitted to trading on Euronext Growth Brussels, the Issuer shall use its best endeavours to promptly list the Bonds on another multilateral trading facility market or regulated market in the European Economic Area.

12 Meeting of Bondholders and Modifications

- (a) **Meetings of Bondholders:**
 - (i) Subject to paragraph (ii), all meetings of holders of Bonds will be held in accordance with the provisions on meetings of Bondholders set out in Schedule 2 (*Provisions on meetings of Bondholders*) to these Conditions (the “**Meeting Provisions**”). Meetings of Bondholders may be convened to consider matters affecting their interests, including a modification or waiver of any of the Conditions. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer.

A meeting of Bondholders may be convened by the board of directors of the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate nominal amount of the outstanding Bonds. A meeting of Bondholders will be entitled to exercise the powers set out in the Meeting Provisions and generally (subject to the consent of the Issuer) to modify or waive any provision of the Conditions in accordance with the quorum and majority requirements set out in the Meeting Provisions, provided however that any proposal (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the nominal amount of, or interest on, the Bonds or (iii) to change the currency of payment of the Bonds or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or

representing not less than 75 per cent. or, at an adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Bonds form a quorum.

Resolutions duly passed by a meeting of Bondholders in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Meeting Provisions furthermore provide that, for so long as the Bonds are in dematerialised form and settled through the Securities Settlement System, in respect of any matters proposed by the Issuer, the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing systems as provided in the Meeting Provisions, to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the outstanding Bonds. To the extent such electronic consent is not being sought, the Meeting Provisions provide that, if authorised by the Issuer and to the extent permitted by Belgian law, a resolution in writing signed by or on behalf of holders of Bonds of not less than 75 per cent. of the aggregate nominal amount of the outstanding Bonds shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Bonds duly convened and held, provided that the terms of the proposed resolution shall have been notified in advance to those Bondholders through the relevant settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more holders of Bonds.

(ii) For so long as the relevant provisions relating to meetings of bondholders of the Belgian Companies Code of 7 May 1999 (the “**Existing Code**”) cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

(b) **Modifications and waiver:** The Agent shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement and/or the Clearing Services Agreement and/or the Conditions, without the consent of the relevant Bondholders, either (i) if to do so could not reasonably be expected to be materially prejudicial to the interests of the relevant Bondholders or (ii) which in the Agent’s opinion is of a formal, minor or technical nature or (iii) is made to correct a manifest error or (iv) to comply with mandatory provisions of law.

13 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds (or the same in all respects save for the amount and date of the first payment of interest thereon) (so that, for the avoidance of doubt, references in the conditions of such bonds to “Issue Date” shall be to the first issue date of the Bonds) and so that the same shall be consolidated and form a single series with the Bonds, and references in these Conditions to “Bonds” shall be construed accordingly.

14 Notices

- (a) **Notices to Bondholders:** Notices to be given to any Bondholder shall be valid if
 - (i) published on the website of the Issuer, and
 - (ii) delivered by or on behalf of the Issuer to the NBB (in its capacity as operator of the Securities Settlement System) for onward communication by it to the Bondholders via Participants in the Securities Settlement System.

Any notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of delivery to the NBB or direct notification through the applicable clearing system, any such notice shall be deemed to have been given on the date immediately following the date of delivery/notification.

In addition to the above communications and publications, the Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of Euronext Growth Brussels and any other stock exchange on which the Bonds are listed and all applicable laws.

If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Agent may approve.

- (b) **Notices by Bondholders:** Notices to be given by any holder of the Bonds shall be given by registered mail with acknowledgement of receipt to the Issuer and the Agent. A notice will be deemed to be given on the date of receipt of the notice by the addressee.

15 Governing Law and Jurisdiction

- (a) **Governing Law:** The Bonds and any non-contractual obligations arising out of or in connection with the Bonds shall be governed by, and shall be construed in accordance with, Belgian law.
- (b) **Jurisdiction:** The courts of Brussels (Belgium) will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and, accordingly, any legal action or proceedings arising out of or in connection with the Bonds (“**Proceedings**”) may be brought in such courts.

Schedule 1
FORM OF CHANGE OF CONTROL PUT OPTION NOTICE

Important: the present notice shall not be sent directly to the Issuer or to the Agent but shall be deposited with the bank or Financial Intermediary through which the Bondholder holds Bonds, as provided under Condition 6 (b).

<u>Addressee</u>	<u>Copy to the Agent</u>
Kinepolis Group NV Moutstraat 132-146 9000 Ghent Belgium Attn: CFO	KBC Bank NV Havenlaan 2 1080 Brussels Belgium Attn: Workflow (GBF)

Reference is made to the Information Memorandum dated 27 June 2019 (the “**Information Memorandum**”), in respect of the private placement of €225,000,000 2.75 per cent. fixed rate Bonds due 18 December 2026 with, ISIN Code BE0002660414 (the “**Bonds**”).

Terms not otherwise defined herein shall have the meaning assigned to them in the Information Memorandum.

By sending this duly completed Put Option Notice to the Issuer with a copy to the Agent for the above mentioned Bonds, the undersigned Bondholder irrevocably exercises its option to have the Bonds early redeemed in accordance with Condition 6 (b) (*Redemption at the option of Bondholders following a Change of Control*) on the Put Settlement Date for an aggregate nominal amount of EUR []¹ for which the undersigned Bondholder hereby confirms that (i) he/she holds this amount of Bonds and (ii) he/she hereby commits not to sell or transfer this amount of Bonds until the Put Settlement Date.

Contact details of the Bondholder requesting the early redemption²:

Name and first name:

Address:

Payment Instructions³:

Please make payment in respect of the above-mentioned Bonds by transfer to the following bank account:

Name of the bank:

Branch Address:

Account Number:

I hereby confirm that the payment will be done against debit of my securities account N° [] with the bank [] for the above mentioned nominal amount of the Bonds in dematerialised form.

Signature of the holder:

Signature Date:

¹ Complete as appropriate

² Complete as appropriate

³ Complete as appropriate

NOTE: The Agent will not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of such Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of such Agent.

This Put Option Notice is not valid unless (i) all of the paragraphs requiring completion are duly completed and (ii) it is duly signed and sent. Once validly given this Put Option Notice is irrevocable.

Schedule 2

PROVISIONS ON MEETINGS OF BONDHOLDERS

Interpretation

1 In this Schedule:

- 1.1 references to a “**meeting**” are to a meeting of Bondholders and include, unless the context otherwise requires, any adjournment;
- 1.2 references to “**Bonds**” and “**Bondholders**” are only to the Bonds issued by the Issuer and in respect of which a meeting has been, or is to be, called and to the holders of the Bonds, respectively;
- 1.3 “**agent**” means a holder of a Voting Certificate or a proxy for, or representative of, a Bondholder;
- 1.4 “**Block Voting Instruction**” means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 9;
- 1.5 “**Electronic Consent**” has the meaning set out in paragraph 31.1;
- 1.6 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting of Bondholders duly convened and held in accordance with this Schedule by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
- 1.7 “**Ordinary Resolution**” means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;
- 1.8 “**Recognised Accountholder**” means an entity recognised as account holder in accordance with the Belgian Companies Code, with whom a Bondholder holds Bonds on a securities account;
- 1.9 “**Securities Settlement System**” means the securities settlement system operated by the NBB or any successor thereto;
- 1.10 “**Voting Certificate**” means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 8;
- 1.11 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Bonds outstanding; and
- 1.12 references to persons representing a proportion of the Bonds are to Bondholders, proxies or representatives of such Bondholders holding or representing in the aggregate at least that proportion in nominal amount of the Bonds for the time being outstanding.

General

2 All meetings of Bondholders will be held in accordance with the provisions set out in this Schedule.

- 2.1 For so long as the relevant provisions relating to meetings of bondholders of the Belgian companies code of 7 May 1999 (the “**Existing Code**”) cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.
- 2.2 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

Powers of meetings

3 A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.6) only with the consent of the Issuer, and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

- 3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
- 3.2 to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other entity;
- 3.3 to assent to any modification of this Schedule or the Bonds proposed by the Issuer or the Agent;
- 3.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 3.6 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers (or discretions which the Bondholders could themselves exercise by Extraordinary Resolution);
- 3.7 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds in circumstances not provided for in the Conditions; and
- 3.8 to accept any security interests established in favour of the Bondholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.2 or 3.7 or for the purpose of making a modification to the Conditions, this Schedule or the Bonds (other than in accordance with the Conditions or pursuant to applicable law) which would have the effect of:

- (i) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;
- (ii) to assent to an extension of the Maturity Date, a suspension of the Issuer's obligation to redeem the Bonds on the Maturity Date, a reduction of the nominal amount of the Bonds or a modification of the conditions under which such redemption is required to be made;
- (iii) changing the currency of payment of the Bonds;
- (iv) modifying the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
- (v) amending this proviso.

Ordinary Resolution

4 Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Bondholders shall, upon a proposal of or with the assent of the Issuer, have power by Ordinary Resolution:

- 4.1 to assent to any decision to take any conservatory measures in the general interest of the Bondholders;
or

4.2 to assent to the appointment of any representative to implement any Ordinary Resolution.

- 5 No amendment to the Conditions, this Schedule or the Bonds which in the opinion of the Issuer relates to any of the matters listed in paragraph 4 above shall be effective unless approved at a meeting of Bondholders complying in all respect with the requirements of Belgian law, the provisions set out in this Schedule and the articles of association of the Issuer.

Convening a meeting

- 6 The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Bondholders holding at least 20 per cent. in principal amount of the Bonds for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.
- 7 Convening notices for meetings of Bondholders shall be given to the Bondholders in accordance with Condition 14 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Arrangements for voting

- 8 A Voting Certificate shall:
- 8.1 be issued by a Recognised Accountholder or the Securities Settlement System;
 - 8.2 state that on the date thereof (i) Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and (ii) that no such Bonds will cease to be so held and blocked until the first to occur of:
 - 8.2.1 the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
 - 8.2.2 the surrender of the Voting Certificate to the Recognised Accountholder or the Securities Settlement System who issued the same; and
 - 8.3 further state that until the release of the Bonds represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate.
- 9 A Block Voting Instruction shall:
- 9.1 be issued by a Recognised Accountholder or the Securities Settlement System;
 - 9.2 certify that (i) Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:
 - 9.2.1 the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

- 9.2.2 the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer, stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
- 9.3 certify that each holder of such Bonds has instructed such Recognised Accountholder or the Securities Settlement System that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
- 9.4 state the principal amount of the Bonds so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
- 9.5 naming one or more persons (each hereinafter called a “**proxy**”) as being authorised and instructed to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in 9.4 above as set out in such document.
- 10** If a holder of a Bond wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Bond for that purpose at least three (3) Business Days before the time fixed for the meeting to the order of the Agent with a bank or other depository nominated by the Agent for the purpose. The Agent or such bank or other depository shall then issue a Block Voting Instruction in respect of the votes attributable to all Bonds so blocked.
- 11** No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
- 12** The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Bondholder.
- 13** Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Bonds held to the order or under the control and blocked by a Recognised Accountholder or the Securities Settlement System and which have been deposited at the registered office at the Issuer not less than three (3) and not more than six (6) Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the Bonds continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates.
- 14** In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.
- 15** A corporation which holds a Bond may by delivering at least three (3) Business Days before the time fixed for a meeting to a bank or other depository appointed by the Agent for the purpose a certified copy of a resolution of its directors or other governing body (with, if it is not in English, a certified translation into English) authorising any person to act as its representative (a “**representative**”) in connection with that meeting.

Chairman

- 16 The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 17 The following may attend and speak at a meeting of Bondholders:
- 17.1 Bondholders and agents;
 - 17.2 the chairman and the secretary of the meeting;
 - 17.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

Quorum and Adjournment

- 18 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

- 19 One or more Bondholders or agents present in person shall be a quorum:

- 19.1 in the cases marked “**No minimum proportion**” in the table below, whatever the proportion of the Bonds which they represent
- 19.2 in any other case, only if they represent the proportion of the Bonds shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any Extraordinary Resolution	A clear majority	No minimum proportion
To pass an Ordinary Resolution	A clear majority	No minimum proportion

- 20 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 18.
- 21 At least 10 days’ notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

- 22 Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Bonds.
- 23 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- 24 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 25 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 26 On a show of hands or a poll every person has one vote in respect of each nominal amount equal to the minimum Specified Denomination of the Bonds so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 27 In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary Resolution and an Ordinary Resolution

- 28 An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Bondholders within 14 days but failure to do so shall not invalidate the resolution.

Minutes

- 29 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 30 The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

Written Resolutions and Electronic Consent

- 31 For so long as the Bonds are in dematerialised form and settled through the Securities Settlement System, then in respect of any matters proposed by the Issuer:
 - 31.1 Where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (the “**Required Proportion**”) by close of business on the Relevant Date (“**Electronic Consent**”). Any resolution passed in such manner

shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 15 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

- 31.2 To the extent Electronic Consent is not being sought in accordance with paragraph 31.1, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Bondholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Bonds or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB Clearing System, Euroclear, Clearstream or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

32 A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution or an Ordinary Resolutions. A Written Resolution and/or Electronic Consent will be binding on all Bondholders whether or not they participated in such Written Resolution and/or Electronic Consent.

PART IV – CLEARING

The Bonds will be settled through the Securities Settlement System. The Bonds will have ISIN number BE0002660414 and Common Code 202145167. The Bonds will accordingly be subject to the Securities Settlement System regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels).

Access to the Securities Settlement System is available through the Participants whose membership extends to securities such as the Bonds.

Participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli. Accordingly, the Bonds will be eligible for clearance through Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli. and investors can hold their Bonds within securities accounts in Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli.

Transfers of interests in the Bonds will be effected between Participants in accordance with the rules and operating procedures of the Securities Settlement System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Participants through which they hold their Bonds.

KBC Bank NV will perform the obligations of domiciliary, paying, calculation and listing agent included in the Agency Agreement and the service contract for the issuance of fixed income securities that will be entered into on or about the Issue Date by the NBB, the Issuer and the Agent (the “**Clearing Services Agreement**”). The Issuer and the Agent will not have any responsibility for the proper performance of the Securities Settlement System or the Participants of their obligations under their respective rules and operating procedures.

PART V – DESCRIPTION OF THE ISSUER

1 General

The legal name of the Issuer is “Kinopolis Group NV”. The Issuer is a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law on 26 February 1976 for an indefinite term under the name “MAJESTIEK”, by deed of incorporation prepared by notary Eric Malfait, published in the Annexes to the Belgian Official Gazette on 25 March 1976 under number 830-3. The articles of association of the Issuer have been amended on several occasions, and most recently by a notarial deed dated 11 May 2016. The articles of association can be consulted on the Issuer’s website (investors.kinopolis.com). The articles of association are supplemented by a corporate governance charter which was most recently updated on 8 May 2018 (the “**Corporate Governance Charter**”) and which sets out the governance of the Issuer. The Corporate Governance Charter can also be consulted on the Issuer’s website.

The Issuer’s registered office is located at Eeuwfeestlaan 20, 1020 Brussels (Belgium) and its correspondence address is located at Moutstraat 132-146, 9000 Ghent. The telephone number of the Issuer is +32 9 241 00 00.

The Issuer is registered with the Crossroads Bank for Enterprises under number 0415.928.179, Enterprise Court of Brussels (Dutch-speaking). The Issuer’s LEI Code is 5493002BJQRO0S06F161.

2 Corporate Purpose

The Issuer has as its purpose:

- the exhibition and installation of theatres for film projection and conferences, restaurants and bars, the exploitation and decoration of spaces for cultural events;
- the renting and hiring of projection material, movies and utilities which are in connection with the corporate purpose;
- the buying and selling of decoration of spaces which are in connection with the corporate purpose and of projection material;
- the distribution and production of movies, video tapes and all subsequent activities and all elements which are directly or indirectly in connection with it;
- the organisation of special projections and events;
- the renting and hiring of fixed assets;
- maintenance of all abovementioned goods;
- project development;
- development of computer software;
- buying and selling of software packages;
- buying and selling of computer installations, including networks;
- import and export of software;
- import and export of computers and peripherals;

- electronic merchandising, sale and advice on informatics, internet services and advice, general corporate economic advice and consulting in financial, merchandising, fiscal, technical matters, fixed and intangible assets; renting and trading;
- the participation, under whatever form, in all corporations, Belgian or foreign, commercial or financial, industrial or any other, the acquiring of any share or right by means of participation, input, underwriting, buy on permanent loan or buy-option, handling, or in any other way; and
- the providing of all assistance to companies, whatever financial, including pledging or providing guarantees, technical, industrial, commercial or administrative.

The Issuer may exercise all activities of industrial, commercial, financial, fixed or intangible matter, which can contribute to the realisation of its corporate purpose.

The Issuer may participate in capital and/or management or surveillance in and of other companies, Belgian as well as foreign.

3 History and Development

The Issuer emanates from the merger of the Bert and Claeys Groups in 1997. The Bert Group started its activities in the late sixties, under the management of the late Albert Bert by transforming the Cinema Majestic in Harelbeke, Belgium into a cinema with two separate movie theatres. This was the first cinema complex in Belgium with more than one movie theatre. In 1975, the Pentascoop was opened in Kortrijk, Belgium and in 1981 the Decascoop was opened in Ghent, Belgium (currently Kinopolis Ghent) with a total of ten movie theatres. The Claeys Group, under the management of Marie-Rose Claeys-Vereecke, sister-in-law of Albert Bert, developed her first multiplex Trioscoop in Hasselt in 1972. Both groups bundled their forces in 1988 to build the first megaplex in the world (25 movie theatres) at the Heyzel in Brussels.

Since the sale in 2006 by the Claeys Group of its participation in the Issuer, the Bert Group remains to play a leading role within the Issuer, on the one hand as a reference shareholder and on the other hand through the role of Mr Joost Bert as chairman of the Board of Directors.

The Kinopolis Group has always been a leading and innovative cinema operator. This is not only reflected from a technological perspective by its trend-setting role in relation to digitalisation of projecting equipment and the implementation of 3D technology, but also by its innovative approach regarding customer experience with the introduction of seat reservation in its movie theatres, automated box offices, sale through the Internet, the introduction of self-service for beverages and snacks sold at its confectionary stands and by having an eye for programming alternative films next to the traditional offer and, in addition, by offering for sportive, cultural and social events.

With its public listing in 1998 and the international expansion to France, Spain, Switzerland and Poland as from the second half of the nineties and to The Netherlands and Luxembourg following its acquisition of Wolff cinemas and Utopolis in respectively 2014 and 2015, the Kinopolis Group has become a leading European cinema operator. Furthermore, with the acquisition of the Canadian movie theatre group Landmark Cinemas in December 2017, the Kinopolis Group expanded for the first time outside Europe and now has 45 cinemas in Canada, operating under the 'Landmark Cinemas' brand.

Following the acquisition of Wolff Bioscopen and the Dutch Utopolis cinemas in 2014 and 2015 respectively, the Kinopolis Group acquired the Dutch NH Bioscopen cinemas in Hoofddorp and Schagen in 2018. The Kinopolis Group also acquired the shares of Wolff Monumenten Utrecht B.V. This means that the Kinopolis Group became the owner of the cinema building city previously leased and operated by the Kinopolis Group. Other acquisitions in 2018 include, among other things, the current investments in France (€10.9 million) in

relation to the redesign of the 'Palace' cinema room in Metz and the new construction in Bretigny, Fenouillet and Servon.

See also Part V (*Description of the Issuer – Recent developments, investments and trends*) for further information.

More information about the history of the Kinopolis Group can be found on the Investor Relations website: <https://corporate.kinopolis.com/en/about-kinopolis>.

4 Share Capital

Issued share capital

As at the date of this Information Memorandum, the registered share capital of the Issuer amounts to €18,952,288.41 and is represented by 27,365,197 shares which are paid up in full and without nominal value and belonging to the same share class.

All shares representing the share capital have the same corporate rights attached to them.

In accordance with article 33 of the articles of association, each share entitles its holder to one voting right. The Issuer has not issued any other share classes, such as shares without voting rights or preference shares.

Optimisation of the Capital Structure and the 2016 share option plan

The policy of the Kinopolis Group is aimed at maintaining a strong capital position in order to retain the confidence of investors, lenders 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 Kinopolis Group as the operating profit divided by equity, excluding non-controlling interests. The Board of Directors also monitors the level of the dividend payable to the shareholders.

The Board of Directors seeks a balance between, on the one hand, the higher return that is potentially available with a higher level of borrowing and, on the other hand, the benefits and security of a solid equity position. In seeking this balance, the Board of Directors' objective is to achieve the pre-defined level of the net financial debt to EBITDA and net financial debt to equity ratios.

As part of the 2016 share option plan of the Kinopolis Group, the Board of Directors was authorised by the Extraordinary General Meeting held on 11 May 2016 to buy back its own shares to back-up newly issued call options under the 2016 share option plan for a maximum of 410,958 shares at a price not lower its nominal value but not exceeding 115% of the closing price of the shares on Euronext Brussels as established at the date preceding the date of the buy-back of the shares. This authorisation is valid for a period of five years.

Under this authorisation, the Board of Directors decided on 20 December 2017 to buy back up to 360,000 own shares through the grant of discretionary mandates to an intermediary on or outside the stock market between 15 January 2018 and 30 September 2018, whereby block transactions could take place during the open periods. The aforementioned 360,000 shares were purchased in the period from 15 January 2018 up to and including 12 June 2018, for a total amount of €20,302,894.16.

As at the date of this Information Memorandum, the Issuer holds 492,346 shares of its own shares, which can also be used to back-up newly issued call options.

5 Organisational Structure

The Issuer is the parent company of the subsidiaries listed below, which are responsible for the operational activities.

List of fully consolidated subsidiaries at 31 December 2018

Name	Country of incorporation	VAT or Enterprise number (or equivalent)	%
Brightfish NV	Belgium	BE 0450 523 725	100
Kinopolis Braine SA	Belgium	BE 0462 688 911	100
Kinopolis Film Distribution (KFD) NV	Belgium	BE 0445 372 530	100
Kinopolis Financial Services (KFS) NV	Belgium	BE 0886 547 831	100
Kinopolis Immo Hasselt NV	Belgium	BE 0455 729 358	100
Kinopolis Immo Multi NV	Belgium	BE 0877 736 370	100
Kinopolis Liège NV	Belgium	BE 0459 469 796	100
Kinopolis Mega NV	Belgium	BE 0430 277 746	100
Kinopolis Multi NV	Belgium	BE 0434 861 589	100
KP Immo Brussel NV	Belgium	BE 0816 884 015	100
Utopia Belgium NV	Belgium	BE 0466 339 772	100
Kinopolis Canada Ltd	Canada	CA 2020 757 353	100
Landmark Cinemas Holding LTD	Canada	CA 2020 757 536	99.02
Landmark Cinemas Canada LP	Canada	CA 2017 564 317	99.02
Landmark Cinemas Canada GP	Canada	CA 2017 564 317	100
Eden Panorama SA	France	FR 02340483221	100
Forum Kinopolis SA	France	FR 86421038548	100
Kinopolis Bourgoin SA	France	FR 65779487297	100
Kinopolis France SAS	France	FR 20399716083	100
Kinopolis Film Distribution France SAS	France	FR 43789848280	100
Kinopolis Immo St. Julien-les-Metz SAS	France	FR 51398364463	100
Kinopolis Immo Thionville SA	France	FR 10419162672	100
Kinopolis Le Château du Cinéma SAS	France	FR 60387674484	100
Kinopolis Mulhouse SA	France	FR 18404141384	100
Kinopolis Nancy SAS	France	FR 00428192819	100
Kinopolis Prospection SAS	France	FR 45428192058	100
Kinopolis St. Julien-les-Metz SAS	France	FR 43398364331	100
Kinopolis Thionville SA	France	FR 09419251459	100
Utopolis Longwy SAS	France	FR 21432763563	100
Utopolis Belval SA	Luxembourg	LU 220 75 333	100
Majestiek International SA	Luxembourg	LU 19942206638	100
Utopia SA	Luxembourg	LU 160 90 380	100
Kinopolis Immo BV	The Netherlands	NL 003182794B01	100
Kinopolis Rotterdam BV	The Netherlands	NL 808810261B01	100
Kinopolis Bioscopen Holding BV	The Netherlands	NL 822624382B01	100
Kinopolis Enschede BV	The Netherlands	NL 808883574B01	100
Kinopolis Groningen BV	The Netherlands	NL 816165774B01	100
Kinopolis Huizen BV	The Netherlands	NL 820697230B01	100
Kinopolis Exploitatie BV	The Netherlands	NL 819683036B01	100
Kinopolis UBOS BV	The Netherlands	NL 856681866 B01	100
Kinopolis Immo Schagen BV	The Netherlands	NL 815246353B01	100

Kinepolis Cinemagnus Schagen BV	The Netherlands	NL 815293446B01	100
Kinepolis Immo Hoofddorp BV	The Netherlands	NL 821608563B01	100
Kinepolis Cinemeerse Hoofddorp BV	The Netherlands	NL821608666B01	100
City Monumenten Utrecht BV	The Netherlands	NL 002611375B01	100
NH Haarlem BV	The Netherlands	NL 855813593B01	100
Cineschalkstad BV	The Netherlands	NL 855814275B01	100
Utopia Nederland BV	The Netherlands	NL 804687237B03	100
Utrechtse Film Onderneming 'Ufio' BV	The Netherlands	NL 003182812B01	100
Kinepolis Poznan´ Sp.z o.o.	Poland	NIP 5252129575	100
Kine Invest SA	Spain	ESA 824 896 59	100
Kinepolis España SA	Spain	ESA 814 870 27	100
Kinepolis Granada SA	Spain	ESA 828 149 55	100
Kinepolis Jerez SA	Spain	ESA 828 149 22	100
Kinepolis Madrid SA	Spain	ESA 828 149 06	100
Kinepolis Paterna SA	Spain	ESA 828 149 14	100
Kinepolis Schweiz AG	Switzerland	CH 2903013216-5	100

6 Core activities

The structure of the Kinepolis Group is tailored to its geographic markets and is characterised by a flat organisation in which decisions can be taken quickly. The organisation consists of seven core businesses: Box Office, In-Theatre Sales, Business-to-Business, screen advertising (Brightfish), film distribution (KFD), Real Estate and Digital Cinema Services.

The Issuer strives at realising permanent growth through this variety of activities.

Box Office

Box office comprises the sale of cinema tickets. Performance here is highly dependent on a number of external factors, including film content, weather and holiday periods. Kinepolis Group reaches a wide range of movie lovers and culture vultures by constantly optimising cinema capacity and seat occupancy with a varied film and cultural offering. With its active programming approach, the Kinepolis Group's goal is to offer something to various target groups at all times during the year. The regular film offering is permanently supplemented with events (such as 'Ladies at the Movies', 'Horror Nights' or 'Obscure Nights') and alternative content such as art, opera and ballet.

In-Theatre Sales (ITS)

In-theatre sales (ITS) comprise all activities relating to the sale of beverages and snacks in the cinemas. This business has become more important in recent years due to innovations in infrastructure and offering. Virtually all of the Kinepolis Group's complexes now have a self-service shop, which is a decisive factor in the increasing success of ITS. Such shop's offering is complemented with specific local initiatives per country or region. In addition to the self-service shops, the Kinepolis Group also offers other ITS concepts such as the coffee corners and the 'Leonidas Chocolates Café' in Antwerp. In 2018, mobile ITS furniture was also developed to enable visitors in certain complexes to be served more smoothly at peak times.

In line with the large selection of movies, a varied range of refreshments is offered to meet the tastes of various target groups. The Kinepolis Group targets a unique experience, which also covers the time before and after the movie.

Business-to-Business

The business-to-business (B2B) activity is built upon a privileged relationship with the business community and an innovative offering. Since the digitisation, the Kinepolis Group's cinemas, with their advanced, flexible

infrastructure, are also ideal B2B venues for conferences, premieres and corporate events. The Kinopolis Group's B2B teams launch and run campaigns in association with companies and stimulate the sale of events and cinema vouchers. The cinema is also the ideal venue for companies that wish to raise their profile through targeted advertising campaigns. Screen advertising, sampling, product placement, advertising panels and digital screens in the foyers also play their part in that.

Film Distribution in Belgium and Luxembourg

Kinopolis Film Distribution (KFD) focuses on distributing international and domestic movies in Belgium and Luxembourg. As a specialist in Flemish movies KFD has earned a strong position in Belgium. Through KFD Kinopolis Group stimulates the production and promotion of Flemish film in its role as a media company.

KFD also works closely with other partners, including Dutch FilmWorks (DFW). DFW is the largest independent film distributor in The Netherlands. In this partnership KFD distributes DFW catalogue films in Belgium and Luxembourg.

Screen Advertising

With the acquisition of advertising agency Brightfish at the end of 2011, the Kinopolis Group launched a new core business in Belgium. Through this acquisition, the Kinopolis Group ensured that the (Belgian) cinema industry once again had a stable partner for screen advertising. Brightfish offers a wide array of media channels in and around the cinema for everyone who wishes to communicate with cinema visitors in a targeted way.

Real Estate

Real Estate is a separate business unit within the Kinopolis Group tasked with coordinating the management, utilisation and development of the Kinopolis Group's real estate portfolio. As at the date of this Information Memorandum, the Kinopolis Group has a portfolio of 98 cinemas, comprising 886 screens and 178,911 seats. The Kinopolis Group owns 45 of the cinemas, a situation that differentiates the Kinopolis Group from many other cinema operators.

More than 90,000m² is let to third parties. The flow of customers from these businesses (mainly shops, cafés and restaurants) is mostly generated by the presence of the cinema complex of the Kinopolis Group.

Digital Cinema Services

Digital Cinema Services (DCS) comprises all technical expertise at the Kinopolis Group in digital projection and sound. This expertise is primarily used in-house, but the Kinopolis Group DCS also provides technological services to third parties.

7 Core Markets (figures per 03/05/2019)

The Kinopolis Group is organised on a geographical basis and is active in eight countries. The main geographic markets are Belgium, Canada, France, Spain, The Netherlands and Luxembourg. Further, the Issuer owns one complex in Switzerland and one complex in Poland. The cinema complex in Poland is currently leased to and exploited by a third party.

The below table provides an overview of the number of complexes, screens and seats in each of the countries in which the Kinopolis Group operates (as per 3 May 2019):

Country	Complexes	Screens	Seats
Belgium	11	138	36,262
Canada	44	317	45,355

France	12	141	33,635
Luxembourg	3	22	4,927
Spain	8	137	33,899
Switzerland	1	8	1,555
The Netherlands	17	121	22,486
Poland - Only Real Estate	1 (Poznan*)		
Total	97	884	178,119

(*) the movie theatre of Kinopolis Poznan is currently exploited by a third party, namely the Cinema City Poland group. Therefore the totals do not include the screens and seats in Poland.

8 Strategy

Kinopolis Group wants to offer film and culture lovers a unique experience and pursues a personalised programme to various target groups. Kinopolis Group wants to create sustainable value for its customers, employees, shareholders, partners and the community. To do so, the three pillars of its strategic model go hand-in-hand with sustainable enterprise.

Kinopolis Group wants to be the best Cinema Operator

Kinopolis Group is committed to ensuring its visitors enjoy a relaxing movie experience or business event in the best possible conditions. In doing so, Kinopolis Group pursues top technical and logistical quality to create a unique cinema experience.

Kinopolis Group sets trends and continually invests in innovation and an optimal customer experience. In recent years, this drive to innovate has led to the transformation of the cinema into a versatile multimedia centre, the latest projection and sound technologies, mobile ticketing, trend-setting events and refreshing marketing approaches.

In addition to innovations to enhance the film experience, Kinopolis Group also works hard to improve the pre- and post-movie experience and continually designs new shop and interior concepts (such as Leonidas Chocolates Café, the Great Escape and the Magic Forest).

Due to their innovative infrastructure, the Kinopolis Group cinemas are also ideal B2B venues for conferences, premieres and corporate events.

As regards content, the regular movie programme is permanently supplemented by eye-catching events and alternative content such as concerts, art, opera and ballet.

Kinopolis Group wants to be the best Marketer

Kinopolis Group is committed to meeting the needs and wants of the audience as much as possible through intensive interaction with its visitors and tailored content. Kinopolis Group is committed to positioning itself as the best marketer by responding to the expectations of various target groups.

Important steps in the realisation of this goal are:

- Relationship marketing:

As a film expert, Kinopolis Group is committed to providing the best possible response to the preferences of its visitors. Kinopolis Group wants to offer the ultimate movie experience based on a thorough understanding of its customers – thereby making use of an innovative digital relationship marketing system – and a tailored offering. Millions of customers receive film and event recommendations by e-mail, on the app of the Kinopolis Group and on its website based on their personal preferences.

Kinopolis Group is committed to further future investment in the relationship with its customers through mobile and online services;

- Active programming:

The Kinopolis Group offering is not limited to current international blockbusters. In recent years, Kinopolis Group has made the switch from passive to active programming. In doing so, Kinopolis Group selects films based on the preferences of its customers, which means they can differ according to the cinema involved. Kinopolis Group's goal is to offer something to each of its target groups at all times during the year;

- Opera and art in the cinema:

In recent years, the Kinopolis Group has developed an impressive alternative programme, including opera, ballet, theatre and art exhibitions. There are regular presentations in Belgium, France, Spain, Switzerland, The Netherlands and Luxembourg in association with partners such as the MET, the Royal Opera House and the Bolshoi; and

- Marketing as a service:

The Kinopolis Group can reach approximately 6.3 million customers via e-mail marketing. In total, more than 139 million e-mails were sent in 2018 (including ticket e-mails). The e-mailings with recommendations for films and events only go to a limited target group based on the knowledge that the Kinopolis Group has built up about its customers. The average e-mailing in Belgium, for example, is sent to only 7% of the addresses in the database. The other 93% are not contacted, because the Kinopolis Group does not feel that the message is relevant enough for these customers.

Kinopolis Group wants to be the best Real Estate Manager

Kinopolis Group is committed to the optimal management, use and development of its unique real estate portfolio.

Kinopolis Group puts this pillar into practice by, on the one hand, managing the real estate aspects of the entire Kinopolis Group in a centralised manner and, on the other, developing projects which allows for the monetisation of terrains or assets which are not necessary for the exploitation of multiplexes.

9 Competitive advantages

The Kinopolis Group believes that it is well-placed to operate in the European cinema market and distinguishes itself from its competitors by the following key assets:

- *Market leadership and strong brand awareness.* In its home market Belgium, the Kinopolis Group is market leader and in the cinema industry the Kinopolis Group is recognised as an important player and inventor of the 'multiplex'-concept (i.e., a cinema with 10 to 20 theatres) and as a technical innovator.

Due to its size, the Kinopolis Group can realise certain economies of scale with advertising companies, technology suppliers and suppliers of beverages and snacks.

- *High margins and cost control.* Since the implementation of the current strategy the margins realised by the Kinopolis Group are among the highest in the cinema market. Efficiency-increasing measures combined with a further decrease of the fixed costs through an increase of variable costs, investments in digitalisation, installations of Megacandys and investments in premium experience, together with inflation neutralising increases in price have resulted in an evolution of the REBTIDA margin to approximately 30%. In 2018, the REBITDA margin fell from 29.3% to 25% because of the addition of Canadian activities with, as foreseen, a below-average contribution per visitor, considering that more than 95% of visitors are received in rented complexes in Canada. Without expansion, REBITDA per visitor showed a slight increase.
- *Strong cash flow with appropriate leverage ratio.* The Kinopolis Group is characterised since many years by a strong free cash flow generation and, as a result thereof, has been able to reduce its leverage ratio. This is made possible by high returns, a focus on cash flow management and the optimal management of capital expenditure.
- *Experienced management team.* The Executive Management has outstanding business experience and knowledge of the cinema industry which is considered a key driver for the performance of the Kinopolis Group.
- *Diversification.* In addition to traditional cinema activities, the Kinopolis Group has also developed B2B activities consisting of organising various events, product placement and the sale of premium vouchers. This business activity is complementary to the cinema activity, but is using the same assets, therefore resulting in an increased return on these assets. Furthermore, the Kinopolis Group appeals to new clients through alternative content such as opera in the cinema, theatre, music performances, sports events and the like. These are also new activities that use the infrastructure and digital projection systems. Through Kinopolis Film Distribution, Flemish and other movies are distributed. This has a positive effect on the production of excellent locally made movies.
- *Our multiplexes on appealing locations.* The Kinopolis Group operates 97 multiplexes and rents out one cinema in Poland (as per 3 May 2019). The main part of the owned multiplexes is constructed by the Kinopolis Group itself and is situated in suburban areas. Consequently, these all have a similar architecture, quality and ambience, through which a uniform operational model can be operated.

In the last few years, the Kinopolis Group has invested substantially in renovations of practically all of its complexes through, among other things, the instalment of Megacandies with a view of improving the customer's experience.

The presence of the Kinopolis Group in a number of markets, of which the principal ones are Belgium, France, Canada, Spain, The Netherlands and Luxembourg, implies that the fluctuations in the number of customers due to discrepancies in the local movie programming can neutralise each other.

As indicated in the section above in connection with the strategy, the ownership of the above-mentioned real estate offers more flexibility regarding management and monetisation. In addition, these costs are not subject to inflation (in comparison with competitors that lease their locations).

- *Successful website & applications.* The Kinopolis Group has a highly frequented website (24.9 million visitors *per annum*), the online sales amount to approximately 39% of the total ticket sales. The Kinopolis Group also disposes, for the purposes of its direct marketing activities, of approximately 6.3 million e-mail addresses of customers. In addition, the mobile applications are also successful.

- *Operating as a group.* The Kinopolis Group is present in eight countries, with five of them having their own respective management organisation. In Poland, the Kinopolis Group only has a real estate responsible. The management of France is responsible for Switzerland and the management of Belgium is responsible for Luxembourg. In addition, the Kinopolis Group has its international headquarters with various shares services centres or coordinating departments which take care of programming, direct marketing, renovation, property management, ICT, accounting & controlling, treasury, legal, human resources, sales & marketing and projection & sound.

10 Recent Developments, Investments and Trends

Integration of Landmark Cinemas and further expansion in Canada

For Kinopolis Group, 2018 was dominated by the integration of Landmark Cinemas Canada acquired in December 2017. The first non-European expansion for the Kinopolis Group was also the largest in terms of the number of acquired complexes.

With headquarters in Calgary (Alberta, Canada), Landmark Cinemas has 45 movie theatres of various sizes, all situated in central and western Canada. The company is the second largest cinema operator in Canada with a market share of more than 10%. Three out of four cinemas are leased and together generate 96% of all visitors. Five cinemas have an IMAX screen, another five have Premium Large Format (PLF) screens and 14 complexes offer the recliner seating concept.

The acquisition enables the Kinopolis Group to enter a new market, characterised by healthy macro-economic prospects, a growing population and a favourable business climate. The entry into a new continent ensures a better geographical spread of Kinopolis Group's activities, on the one hand, while also creating new growth opportunities through acquisitions and new-build projects on the other. Three new Landmark cinemas were opened in 2018, in St. Albert (Alberta), Saskatoon (Saskatchewan) and Fort McMurray (Alberta). The latter is a replacement of an existing complex. All the newly opened cinemas are integrally fitted with recliner seating.

In April 2019, the Kinopolis Group commenced the construction of Landmark Cinemas' new, premium movie theatre at CF Market Mall in Calgary (Alberta). The grand opening of this new cinema complex is scheduled for December 2019. In Regina (Saskatchewan) the opening of a new Landmark cinema is planned for the third quarter of 2019. This cinema complex, which will have eight screens and a total of 887 recliner seats, will be part of the 'Aurora' retail park, a new commercial centre offering a wide variety of entertainment, catering and shopping facilities.

Landmark Cinemas Canada and Forster Harvard Development Corp. have recently announced that Landmark Cinemas will bring its premium recliner seating movie-going experience to the 'Grove on 17', in the south east Edmonton neighbourhood of Tamarack. The construction is scheduled to begin in August 2019 with completion in early summer 2020.

In the course of 2018, the building in Kamloops, Canada, (with 2 screens and 792 seats) was put up for sale. The sale was finalised on 18 April 2019 at a price of \$1.0 million (CAD).

Kinopolis Group runs the Canadian group, which employs approximately 1,370 people, through a local executive management board formed by the management of Landmark Cinemas and Kinopolis Group, assisted by an integration team to facilitate the integration and to adapt the Kinopolis strategy to suit the Canadian market. Kinopolis Group will remain active in Canada under the 'Landmark Cinemas' brand.

Evolution of Visitor Numbers

Kinopolis received approximately 35.6 million visitors in 2018 (+40.7% compared to 2017), thanks to the expansion in Canada, the opening of several new complexes and the acquisition of the NH Cinemas in

Hoofddorp and Schagen (The Netherlands). Leaving expansion aside, the number of visitors in most European countries declined due to a very hot summer, the World Cup, less successful content and the absence of strong blockbusters in the fourth quarter of 2018.

Kinepolis Nederland received more than a quarter more visitors in 2018 (+28.2% compared to 2017), thanks to the further growth of the newly opened complexes since 2016, the acquisition of NH Bioscopen and the opening of Kinepolis 's-Hertogenbosch in June 2018.

Revenue

Total revenue in 2018 was €475,880,000, an increase of 33.9% compared to 2017. Visitor-related revenue experienced a stronger increase than the visitor numbers (+40.7% compared to 2017), thanks to an increase in sales per visitor in all countries. Revenue from Box Office (BO) increased by 35.5% compared to 2017 and revenue from sales of drinks and snacks (In-theatre sales, ITS) increased by 53.6% compared to 2017. Revenue of almost all other business lines also increased. For example, revenue from B2B activities increased by 14.3% compared to 2017, from real estate by 2.9% compared to 2017 and from the Belgian film distribution business (Kinepolis Film Distribution, KFD) by 20.7% compared to 2017. Only Brightfish, the Belgian screen advertising agency saw its revenue fall by 11.8% compared to 2017.

Investments

In 2018, a total of €89.0 million was invested in the acquisition of NH Bioscopen in early January 2018, remodelling and further roll-out of recliner seats in Canada, the construction and establishment of new cinema complexes in Europe and Canada, further investments in premium products (for example 4DX, Cosy Seats and the roll-out of laser projection) and maintenance investments in Europe and Canada.

Following approval by the Spanish competition authority, Kinepolis Group completed the acquisition of the 'Full' cinema in Barcelona and 'El Punt Ribera' in Valencia on 28 February 2019. The 'Full' megaplex in Barcelona has 28 screens with in total 2,689 seats and welcomes more than 1.3 million visitors every year. The complex is rented and situated in the commercial centre 'Splau' in Cornellá de Llobregat, close to the airport and 14 km south of Barcelona. The 'El punt Ribera' cinema complex is located in a commercial district in Alzira, 44 km south of Valencia. The complex, of which the property is in ownership, has 10 screens and 2,528 seats, and attracts more than 300,000 visitors annually. The integration of 'El Punt Ribera' was completed on 26 April 2019 and the cinema complex was renamed 'Kinépolis Alzira'.

The opening of a new Landmark cinema in Regina, in the province of Saskatchewan (Canada), is planned for the third quarter of 2019. The cinema, which is expected to have eight screens and a total of 887 recliner seats will be part of the 'Aurora' retail park, a new commercial centre offering a wide variety of entertainment, catering and shopping facilities. The construction of another Landmark cinema at CF Market Mall in Calgary (Alberta) has commenced in April 2019. The grand opening of this new cinema complex is scheduled for December 2019.

Introduction of 4DX: mobilising all senses for the ultimate movie experience

At the end of 2017 and in the first half of 2018, the Kinepolis Group opened its first 4DX theatres in Brussels, Antwerp (BE), Madrid, Valencia (ES) and Lomme (FR). The Kinepolis Group announced various new 4DX locations at the end of 2018. Since then, additional 4DX locations have been opened in Hasselt, Rocourt, Ghent (BE), Madrid (ES) and Kirchberg (LUX). In the second quarter of 2019, another 4DX theatre will be opened at Kinepolis Nîmes (FR). The innovative 4DX cinema technology raises the image of action-rich blockbusters to a higher level, far beyond the traditional cinema experience thanks to special effects such as moving seats that are perfectly synchronised with the on-screen action, wind, fog, rain, lightning, snow, bubbles, vibrations and scents. This results in an unprecedented and immersive film experience that stimulates all the senses.

Laser strategy progress

As part of an agreement with Barco's cinema joint venture Cinionic concluded in June 2018, Kinopolis Group will install an estimated number of 300 Barco laser projectors by 2021. This number includes both installations in new cinemas to be built and replacements of older models at existing sites. Laser projectors deliver crystal-clear image quality and consume less energy than Xenon lamp projectors. To date, approximately 150 Kinopolis screens have been equipped with Barco laser projection, including 21 Laser ULTRA theatres.

In the first quarter of 2019, Laser ULTRA theatres were opened in Almere (Netherlands), Braine-l'Alleud and Kortrijk (Belgium), and Shawnessy (Canada). Today, Kinopolis Braine-l'Alleud is the first Belgian cinema complex where all the theatres are equipped with laser projectors. Kinopolis Antwerp will also be fully equipped with laser projection by the end of May 2019.

RealD 3D equipment and 3D glasses

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

Kinopolis and CJ 4DPLEX close international ScreenX deal

In early April 2019, Kinopolis Group closed a deal with CJ 4DPLEX, a leading global player in cinema technology, to open six ScreenX theatres, starting in 2019. ScreenX is the world's first multi-projection cinema technology, designed to take the cinema experience to the next level. Using its own, exclusive system, ScreenX allows the audience to go beyond the frame of the traditional movie screen. ScreenX fits in with the continued diversification of the Kinopolis range in order to optimally meet the expectations of different target groups.

Expansion in existing markets

The Netherlands

Following the acquisition of Wolff Bioscopen and the Dutch Utopolis complexes in 2014 and 2015 respectively, the Kinopolis Group acquired the Dutch NH Bioscopen cinemas in Hoofddorp and Schagen on 1 January 2018. The acquisition agreement also includes plans for a newbuild cinema in Haarlem. The construction of this new cinema, which is expected to have six screens and around 850 seats, will start in 2019.

In addition, a new Kinopolis cinema was opened in 's-Hertogenbosch at the end of June 2018. The cinema is located in the 'Paleiskwartier' district and has seven screens with 1,027 seats in total. The Paleiskwartier district is a part of the inner city that is in full development, close to the Central Station of 's-Hertogenbosch. The cinema is surrounded by offices, apartments, a supermarket and a restaurant.

The Kinopolis Group entered the Dutch market in 2014 and now has 17 cinema complexes totalling 121 screens and more than 22,000 seats. Various former Wolff and former Utopolis cinemas have been converted to the Kinopolis Group concept in the meantime. In 2018, this was the case for the former Utopolis cinemas in Emmen, Oss and Den Helder.

France

The Kinopolis Group began 2016 by taking over the operation of the cinema situated in the Saint-Sever shopping center in the heart of Rouen (Normandy). Formerly run by UCG, the cinema has 14 screens and 2,500 seats. It is the first Kinopolis cinema in Normandy.

The 'Mégaroyal' cinema in Bourgoïn-Jallieu, which was acquired in 2015, was then converted to the Kinopolis concept. Kinopolis Bourgoïn-Jallieu reopened its doors on 24 March 2016. As was the case in The Netherlands, Kinopolis Group ended the year 2016 by opening a new-build complex in the north of Toulouse.

In 2018, a new cinema in Brétigny-sur-Orge, 35 kilometres south of Paris, has been opened. It is part of the 'Les Promenades de Brétigny' retail park and it is the first Kinopolis cinema in the Île-de-France region. The cinema, which opened its doors in the summer of 2018, has 10 screens and 1,507 seats.

In addition, the Kinopolis Group took over the running of the city centre 'Palace' cinema in Metz at the beginning of 2018. After a thorough renovation, the Kinopolis Group opened the doors of a brand new art-house cinema called 'KLUB' with seven screens and 931 seats. With KLUB, the Kinopolis Group has developed its own art-house brand concept for the first time. The Kinopolis Group is committed to working closely together with the city of Metz to support various cultural projects (including exhibitions). The Kinopolis Group plans to build a new cinema with a more commercial movie programme in the same 'Quartier de l'Amphithéâtre' neighbourhood. The formalities for this cinema are still being worked out.

The cinema in Rouen, which was acquired in early 2016, has been thoroughly renovated including the installation of a self-service shop.

On 10 March 2019, the Forvm cinema (with 4 theatres and 464 seats) in the centre of Nîmes closed its doors. Kinopolis chooses to concentrate its activities at its multiplex Kinopolis Nîmes, where visitors can enjoy maximum comfort, optimal projection quality, broad programming and numerous events, all distinctive features of Kinopolis.

By the end of the summer of 2019, Kinopolis Group expects to open a new cinema in the 'Eden' commercial zone in Servon. The cinema complex will be leased and will have 9 screens with 1,208 seats. The building has already been completed and will be outfitted and finished by the Kinopolis Group in the coming months. The new complex is part of a leisure centre with facilities for bowling, karting, fitness and numerous food establishments. Kinopolis expects to receive 400,000 visitors per year in Servon.

Spain

At the end of 2018, the Kinopolis Group has reached an agreement for the acquisition of two Spanish cinemas, namely cinema 'Full' in Barcelona and 'El Punt Ribera' in Valencia. Both cinemas are part of the El Punt cinema group, which is owned by the Sallent family.

The 'Full' megaplex in Barcelona has 28 screens with a total of 2,689 seats and welcomes more than 1.3 million visitors every year. It is the second-largest cinema in Spain after Kinopolis Ciudad de la Imagen in Madrid. The complex is leased and situated in the 'Splau' commercial centre in Cornellá de Llobregat, close to the airport and 14 kilometres south of Barcelona. The Full cinema complex is the flagship of the El Punt group: all screens boast high-quality 4K projectors and 19 screens have Dolby Atmos sound.

Cinema 'El Punt Ribera' is located in a commercial district in Alzira, 44 km south of Valencia. The complex has 10 screens, each featuring Dolby 7.1 sound, and 2,528 seats and attracts around 300,000 visitors annually.

After approval by the Spanish competition authority, the acquisition took effect on 1 March 2019.

Luxembourg

The transition from Utopolis Kirchberg and Utopolis Belval to Kinopolis Group gradually became visible for visitors in the first half of 2017. The two cinemas switched to the Kinopolis Group software system for all customer transactions on 5 April 2017. The Kinopolis Group subscription formulas were also introduced. The commercial names of Utopolis Kirchberg and Utopolis Belval were changed to Kinopolis Kirchberg and Kinopolis Belval. However, the name of Ciné Utopia remains unchanged.

Automatic ticketing machines were installed in both Kirchberg and Belval in the first half of 2017. The seats and carpet at Kinopolis Kirchberg have also been renewed, while the Kinopolis Cosy Seating concept was introduced.

In 2018, the Utopolis complex in Kirchberg has been renovated in various phases over the past two years. A new B2B space was taken into use, screens were renovated and equipped with laser projection and, in September 2018, Luxembourg visitors could enjoy the Laser ULTRA experience for the first time. The renovation into a real flagship Kinopolis Group cinema will be completed in 2019 and will include a new 4DX room and a renovated exterior façade.

Belgium

The Kinopolis Group acquired the Belgian Utopolis cinemas in Aarschot, Mechelen, Turnhout and Lommel in April 2016 after the conditional approval of the Belgian Competition Authority. All complexes were subsequently sold to the French cinema group UGC on 30 September 2016.

No new cinemas were opened in Belgium, although a new screen was added. On 14 December 2016, the Kinopolis Group opened an IMAX theatre with 4K laser projection and 400 seats at Kinopolis Brussels. IMAX with laser offers film-lovers in Brussels the sharpest, clearest, most vivid digital images on a 532m² screen, combined with an unparalleled immersive audio experience.

On 18 July 2017, Kinopolis Group, owner of the cinema building in Galerie Toison d'Or in Brussels (Belgium), and UGC, the tenant, also completed the sale of the building to UGC.

The Kinopolis Group continues to invest in expansion, evaluating several projects in various countries – both potential acquisitions and new build. The Kinopolis Group policy is not to make any announcements on expansion projects until they are finalised and all formalities have been completed.

Green star, Kinopolis Group's sustainability project

Within a broad social context, the Kinopolis Group prioritises the potential ecological, cultural or social consequences of its operations. The Kinopolis Group is conscious of its social role and possible impact on all interest groups. The Kinopolis Group sustainability project is known as 'Green Star'.

Green Star, in all its facets, carries increasing weight in the daily decision processes and operational management.

Ecological Footprint

As well as the comfort of visitors and employees, the green parameters are also central concerns for the design of new complexes and the renovation of existing ones. The Kinopolis Group endeavours to minimise its ecological footprint in its choice of energy sources and building materials and by using spaces flexibly.

A milestone in the sustainability policy was the digitisation of the projection systems, which made the chemical production of film and the transport of voluminous rolls of film superfluous. Virtually all new build Kinopolis Group complexes in 2016 were exclusively equipped with laser projectors. Laser projectors ensure sublime image quality while also using 40% less energy than xenon lamp projectors. The absence of lamps also reduces the need for cooling and, of course, lamp replacement belongs to the past.

The increasing importance of online and mobile ticket sales also reduces the ecological impact of operations. Further, various energy-saving measures have been taken, including the installation of LED lighting in cinemas and foyers, photo-luminescent row numbering and efficient heating systems. In addition, the conversion from open to closed popcorn warmers has a positive ecological impact of operation. Closed popcorn warmers consume between 30% and 60% less power than open ones. In the course of 2017 and 2018, Kinopolis Group replaced dozens of popcorn warmers. A further roll-out is planned in 2019.

Water consumption has been reduced, among other things by the use of taps with optical sensor, and visitors are constantly asked to pre-sort their rubbish.

Kinepolis Group works towards GPR certification for all new-build projects in The Netherlands. GPR provides insight into the sustainability of real estate based on five criteria: Energy, Environment, Health, Quality of Use and Future Value. Kinepolis Dordrecht (opened in 2016) and Kinepolis's-Hertogenbosch (opened in 2018) presented an excellent report in all areas and received the GPR certification. The Kinepolis Group will continue to pursue the GPR certification for future new projects in The Netherlands.

Kinepolis 's-Hertogenbosch is the first Kinepolis Group cinema to have a photovoltaic system (solar panels). The installation was put into use in early 2019 and is expected to lead to an estimated energy saving of 20 to 25% for the cinema complex.

Finally, the Kinepolis Group has been deploying Optivolt energy-saving systems in Belgium and The Netherlands from the beginning of 2017. The installation of similar systems was also started in Spain in 2018, working together with another supplier.

Employee Satisfaction

Green Star is also about employee satisfaction. The Kinepolis Group works to develop personal talents and teams and measures employee satisfaction every year (People Satisfaction Index, PSI). The Kinepolis Group stimulates learning networks as well as a work environment that revolves around feedback and entrepreneurship.

The five statements that were given the highest PSI scores in 2018 were: (i) 'I am able to work in a customer-friendly way', (ii) 'My manager is available for me'; (iii) 'There is a good working atmosphere, it is fun at work'; (iv) 'I am able to work in an efficient manner' and (v) 'There is good cooperation within my department'.

Sociocultural Responsibility

The Kinepolis Group is also conscious of its sociocultural responsibilities, with regard to both programming reflecting the diversity of today's society and facilities in its complexes. Facilitating wheelchair access, programming content that meets the wishes of cultural minorities and special screenings for senior citizens are examples of how the Kinepolis Group is working on integrating minorities even more. The Kinepolis Group also supports various charities by sponsoring, patronage and benefit campaigns, or by stimulating social employment.

In 2018, the Kinepolis Group supported various projects, such as the 'Tournée Minérale' (foundation against cancer), the '1,000 km Kom op tegen Kanker', 'Rode Neuzen' and 'Viva for Life' in Belgium, the Red Cross in Spain, 'Stichting Zonnebloem' in The Netherlands and 'Espoir en Tête' in Luxembourg.

Financing Agreements

The Issuer entered into a facilities agreement originally dated 15 February 2012 with, amongst others, BNP Paribas Fortis SA/NV, ING Belgium SA/NV and KBC Bank NV, as amended and/or restated from time to time, including by way of an amendment and restatement agreement dated 22 June 2015 and an amendment and restatement agreement dated 17 December 2015 (the "**Facilities Agreement**"). In May 2016, the term of the Facilities Agreement was extended by one year, to June 2021. Pursuant to its terms and conditions, a revolving credit facility in an amount of €90,000,000 (with the option to increase such amount with an amount of €50,000,000 with prior approval of the banks) and €66,600,000 term loan facilities are made available to the Issuer and Kinepolis Financial Services NV. The Facilities Agreement contains the standard provisions on representations, warranties and events of default. The Facilities Agreement also contains the market standard limitations in relation to mergers, provision of security and disposal of assets and the usual financial covenants. Certain Subsidiaries have also provided a guarantee to the finance parties under the Facilities Agreement.

On 6 March 2012, the Issuer issued a €75,000,000 4.75 per cent. retail bond due 6 March 2019 (the “**Retail Bonds**”).

In the framework of a private placement the Issuer issued €96,000,000 fixed rate bonds to institutional investors in January 2015 (the “**2015 Private Placement Bonds**”). On 12 May 2015 the Issuer announced an unconditional public offer to the holders of the Retail Bonds to exchange their Retail Bonds for new 4.00 per cent. fixed rate bonds due 9 June 2023 (the “**New Bonds**”) to be issued by the Issuer (the “**Exchange Offer**”). Pursuant to the Exchange Offer, the Issuer issued €15,878,000 New Bonds on 9 June 2015. In the framework of a private placement, the Issuer issued €125,000,000 fixed rate bonds to institutional investors in December 2017 (the “**2017 Private Placement Bonds**”, together with the 2015 Private Placement Bonds, the “**Private Placement Bonds**”). The proceeds resulting from the placement of the 2017 Private Placement Bonds were primarily used to finance the acquisition of Landmark Cinemas in Canada. The New Bonds and the Private Placement Bonds contain standard non-financial covenants (including a negative pledge) and events of default similar to those included in the Conditions and subject to the limitations and exceptions set out therein. The Retail Bonds have been redeemed and repaid in full by the Issuer on their stated maturity date (6 March 2019).

11 Legal Disputes

Kinepolis Group is from time to time involved in various claims or disputes and litigation incidental to the ordinary course of its business, including tax and competition proceedings.

Following the request by the Issuer for cancellation of the behavioural measures which were imposed on it in 1997 by the Belgian Competition Council, the Belgian Competition Authority decided to relax these conditions and to no longer subject the opening of new cinemas in Belgium to its prior permission as from 31 May 2019. The other behavioural measures, such as the need to obtain prior approval for the acquisition of existing Belgian cinemas and the prohibition to request exclusivity or priority from film distributors, have been maintained for a renewable period of three years. Two Belgian cinema groups appealed against the Decision of 31 May 2017 of the Belgian Competition Authority.

On 28 February 2018, the Court of Appeal in Brussels partially annulled the decision of the Belgian Competition Authority of 31 May 2017 easing the behavioural conditions imposed on Kinepolis Group. The Court of Appeal issued a new, well-founded decision on 26 April 2018 in which it confirmed the earlier relaxation of the conditions, whereby the opening of new cinema complexes in Belgium is no longer subject to the prior permission of the Belgian Competition Authority, but allows this to take effect from 26 April 2020. An appeal was again lodged against this decision of 26 April 2018.

On 21 November 2018, the Brussels Court of Appeal annulled the decision of the Belgian Competition Authority on the grounds of procedural reasons, judging that the Belgian Competition Authority that took the aforementioned decision of 26 April 2018 had to be composed differently from the Board that took the previously annulled decision of 31 May 2017. Kinepolis Group submitted an updated petition for cancellation of the conditions in 2019. On 25 March 2019, the Belgian Competition Authority decided to tighten its previous decision as only the opening of new cinema complexes with seven or fewer screens and with a maximum of 1,125 seats will no longer be subject to its prior approval. An additional condition stipulates that new cinema complexes may not be located within a 10 km radius of another Kinepolis complex, whether existing or to be build. The revised conditions will take effect from 25 March 2019. Kinepolis Group has lodged an appeal against the ruling of the Brussels Court of Appeal.

Furthermore, proceedings continue in relation to a tax ruling applied to the Kinepolis Group in 2012. On 11 January 2016, the European Commission published its decision that the Belgian tax rulings with regard to excess profit ruling are considered to be unlawful state aid. The decision of the European Commission obliges the Belgian government to make an additional claim for tax that would have been owed if such tax rulings had

not been applied. As a consequence of the decision of the European Commission, and in accordance with IAS 12, the Kinopolis Group has set up a provision of €9,400,000 for a potential additional claim for tax on the excess profit that was not included in the taxable base due to the ruling. The amount fully covers the potential liability, including interest charges. On 1 July 2016, the Kinopolis Group, together with the other companies involved, appealed against the decision of the European Commission at the European Court of Justice. In 2017, pursuant to the above-mentioned decision, the Belgian state demanded payment of the claimed tax owed, which the Kinopolis Group paid without making any harmful admission. If the appeal of the Kinopolis Group is successful, all paid amounts will be refunded to the Kinopolis Group. On 14 February 2019, the Court of the European Court of Justice annulled the aforementioned decision of the European Commission. The European Commission has decided to lodge an appeal against this decision.

The Kinopolis Group does not believe that the outcome of any single pending claim or proceeding is likely to have a material adverse effect on its financial position or results of operations. However, the outcome of any claim or proceeding is inherently uncertain, and the Kinopolis Group cannot provide any assurances that it will be successful or that any negative outcome would not have a material adverse effect on Kinopolis Group's business, financial condition, results of operations or cash flows.

At 31 December 2018, the provision for disputes was €1.0 million (2017: €1.8 million). These relate to disputes regarding personnel matters and disputes from third parties for the purpose of obtaining compensation. When these provisions will be used or taken back depends on the outcome of the related legal disputes, and is therefore uncertain.

PART VI – MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

As at the date of this Information Memorandum the Board of Directors of the Issuer consists of eight members, three of which are independent from the reference shareholders and the management. These directors fulfil the criteria for independent directors as laid down in article 526ter of the Belgian Companies Code and were appointed at the initiative of the Board of Directors, advised thereto by the Nomination and Remuneration Committee.

Directors as at the date of this Information Memorandum

Name	Position	Expiry date mandate
Pentascop NV represented by Mr Joost Bert ⁽¹⁻²⁾	Chairman	2020
Mr Philip Ghekiere ⁽¹⁻²⁾	Vice-chairman	2020
Mr Eddy Duquenne	Executive Director (CEO)	2020
Pallanza Invest BVBA represented by Mr Geert Vanderstappen ⁽¹⁾	Director	2022
Marion Debruyne BVBA represented by Mrs Marion Debruyne ⁽¹⁾	Director	2021
4F EBVBA represented by Mr Ignace Van Doorselaere ⁽¹⁾	Independent Director	2021
SDL Advice BVBA represented by Ms Sonja Rottiers ⁽¹⁾	Independent Director	2020
Mavac BVBA represented by Ms Marleen Vaesen ⁽¹⁾	Independent Director	2020

(1) Non-executive director

(2) Represents the reference shareholders

The competences of the Board of Directors are described in the Belgian Companies Code, article 20 of the Articles of Association of the Issuer and Chapter 5.1 of the revised version of the Corporate Governance Charter of the Issuer which can be consulted at the Issuer's website (<http://investors.kinepolis.com>).

Executive management

Following the withdrawal of Mr Joost Bert as managing director, Mr Eddy Duquenne, as CEO, is the only member of the Executive Management. The Board of Directors is authorised to appoint additional members of the Executive Management.

Committees of the Board of Directors

In accordance with the Belgian Corporate Governance Code, published on 12 March 2009 (the “**Belgian Corporate Governance Code**”) and, to the extent applicable, the Belgian Companies Code, the Board of Directors has installed two advisory committees within its ranks, namely the Nomination and Remuneration Committee and the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is one joint committee installed by the Board of Directors of the Issuer for the purpose of providing advice to the Board of Directors regarding any decisions on the

appointment and the proposal to appoint board members and members of the Executive Management and the remuneration policy, the remuneration of the board members and the members of the Executive Management and a general remuneration policy of the Issuer.

As at the date of this Information Memorandum, the committee consists of the non-executive board members listed below, of which a majority are independent board members that all dispose of the required expertise and professional experience in relation of human resources, considering their previous and/or current professional activities:

- Pentascoop NV, with Mr Joost Bert (Chairman of Kinapolis Group) as its permanent representative;
- 4F EBVBA, with Mr Ignace Van Doorselaere, the CEO of Neuhaus, as its permanent representative; and
- SDL Advice BVBA, with Mrs Sonja Rottiers, the current CEO of Lloyd's Brussels and director of Leasinvest Real Estate, as its permanent representative.

The Executive Director may attend the meetings of the Nomination and Remuneration Committee upon invitation.

The specific responsibilities of the Nomination and Remuneration Committee are set out in Chapter 6 of the Corporate Governance Charter of the Issuer.

Audit Committee

The Audit Committee is a committee installed by the Board of Directors of the Issuer and assists the Board of Directors in the exercise of its duties in relation to the supervision of the Issuer in view of the monitoring in the broadest meaning of the term. The Audit Committee is organised in accordance with the Belgian Corporate Governance Code and article 526*bis* of the Belgian Companies code.

In accordance with article 526*bis* of the Belgian Companies Code, as at the date of this Information Memorandum the Audit Committee is composed exclusively of non-executive board members (of which the majority are independent). The Audit Committee as a whole has the appropriate expertise with regard to bookkeeping and audits, and is composed as follows:

- Pallanza Invest BVBA, with its permanent representative Mr Geert Vanderstappen, who combines a 5-year experience as a Corporate Officer at Corporate & Investment Banking at Generale Bank with 7 years of operational experience as a financial director at Smartphoto Group NV, and who is currently Managing Partner at Pentahold;
- Mavac BVBA, with its permanent representative Mrs Marleen Vaesen who, among other things, has held the position of CEO at Greenyard and is currently CEO of the Van de Velde group; and
- SDL Advice BVBA, with its permanent representative Mrs Sonja Rottiers, who, after having held the position of CFO and CEO at Dexia Insurance and Axa Belgium, is currently the CEO of Lloyd's Brussels and director of Leasinvest Real Estate.

The Chief Financial Officer, the Chief Executive Officer, the chairman of the Board of Directors and the internal auditor attend the meetings of the Audit Committee. The representatives of the reference shareholders may attend these meetings if they are invited thereto.

The specific responsibilities of the Audit Committee are set out in Chapter 7 of the Corporate Governance Charter of the Issuer.

Corporate governance

The Issuer feels very strongly about sound governance and takes all care to ensure that the balance of powers and interests within the Issuer and, more specifically, to organise as efficiently as possible the structures and channels through which management and the supervision thereof as well as the protection of the stakeholders are exercised and to ensure that these structures are operated as closely as possible in accordance with the Belgian Corporate Governance Code.

In execution of the Belgian Corporate Governance Code, the Board of Directors has approved a version of the Corporate Governance Charter of the Issuer on 17 December 2009 and has further updated the Corporate Governance Charter from time to time and most recently on 8 May 2018. The Corporate Governance Charter can be consulted on the Issuer's website.

The Issuer complies with the principles of the Belgian Corporate Governance Code, but may deviate from those provisions which are not otherwise contained in the Belgian Companies Code or other applicable law, provided that it discloses the justification for any such deviation in the corporate governance statement included in its annual report.

In line with the 'comply or explain' principle, and in addition to the circumstances already described above, the Issuer decided that it is in the interest of the Issuer and its shareholders to deviate from Provision 4.6. of the Belgian Corporate Governance Code, and the professional qualifications and functions of the directors to be reappointed were not included in the invitation to the General Meeting of 9 May 2018, as the corresponding qualifications were sufficiently known via press releases and annual reports.

Statutory auditor

The general annual meeting of shareholders of the Issuer held on 11 May 2016 has appointed KPMG *Réviseurs d'Entreprises/Bedrijfsrevisoren*, Luchthaven Brussel Nationaal 1K 1930 Zaventem, as statutory auditor of the Issuer. This mandate was renewed on the general annual meeting of shareholders of the Issuer held on 8 May 2019 for a period of three years. The statutory auditor is represented by Serge Cosijns. Within the framework of his function, the statutory auditor has free access to the Board of Directors and the Audit Committee.

The statutory auditor has performed an audit and delivered reports approving the consolidated financial statements of the Issuer of the financial year ending on 31 December 2017 and 31 December 2018 without any reservation.

Conflict of interest policy

In accordance with article 523 of the Belgian Companies Code, a member of the Board of Directors is required to give prior notice to the other board members regarding any items on the agenda in relation whereof he or she has a direct or indirect conflict of interest of a financial nature with the Issuer and must abstain from discussing or voting on these items.

The Corporate Governance Charter of the Issuer also contains directives on the possible direct or indirect conflicts of interest that may arise in relation to relatives of any Board Members and relatives of the Executive Management and their respective relatives which fall outside of the scope of article 523 of the Belgian Companies Code.

PART VII – REFERENCE SHAREHOLDERS

Shareholder Structure

As at the date of this Information Memorandum, the shareholder structure of the Issuer set out in the table below is based on the most recent notifications made under the transparency rules:

Shareholder	number of shares at the time of disclosure	% of the outstanding number of shares
Kinohold Bis SA	12,700,050	46.41
Kinepolis Group NV (the Issuer)	492,346	1.80
Mr Joost Bert	492,218	1.80
Free Float, of which:	13,680,583	49.99
- AXA SA	1,376,397	5.03
- BNP Paribas Asset Management SA	1,368,974	5.00
- BlackRock Inc.	1,115,517	4.08
Total	27,365,197	100

- Kinohold Bis SA held 12,700,050 shares or 46.41% of the shares of the Issuer; Kinohold Bis SA is controlled by Stichting Administratiekantoor Kinohold, a stichting administratiekantoor under Dutch law, which in turn is jointly controlled by the following natural persons (in their capacity as directors of Stichting Administratiekantoor Kinohold): Mr Joost Bert, Mr Koenraad Bert, Mr Geert Bert and Mr Peter Bert; Kinohold Bis SA otherwise acts in concert with Mr Joost Bert;
- The Issuer, controlled by Kinohold Bis SA, held 492,346 shares or 1.80% of its own shares;
- Mr Joost Bert, who acts in close consultation with Kinohold Bis SA and together with Pentascoop NV (a company which is 100% controlled by him), held 492,218 shares or 1.80% of the shares of the Issuer.

Change of control

The Facilities Agreement is subject to mandatory prepayment in the event that any natural persons or legal entities other than Kinohold Bis SA (or its legal successors) and Mr Joost Bert gains direct or indirect control (as defined in the Facilities Agreement) of the Issuer. Upon the occurrence of such a change of control, a lender may decide to cancel its commitment and declare its participation in all outstanding loans immediately due and payable.

Furthermore, the terms and conditions of the (i) €15,878,000 4.00 per cent. fixed rate New Bonds due 9 June 2023, (ii) €96,000,000 fixed rate 2015 Private Placement Bonds and (iii) €125,000,000 fixed rate 2017 Private Placement Bonds provide that, upon a change of control, each bondholder will have the right to oblige the Issuer to repay all or a part of the bonds, subject to the conditions set forth therein.

Shareholders' agreement

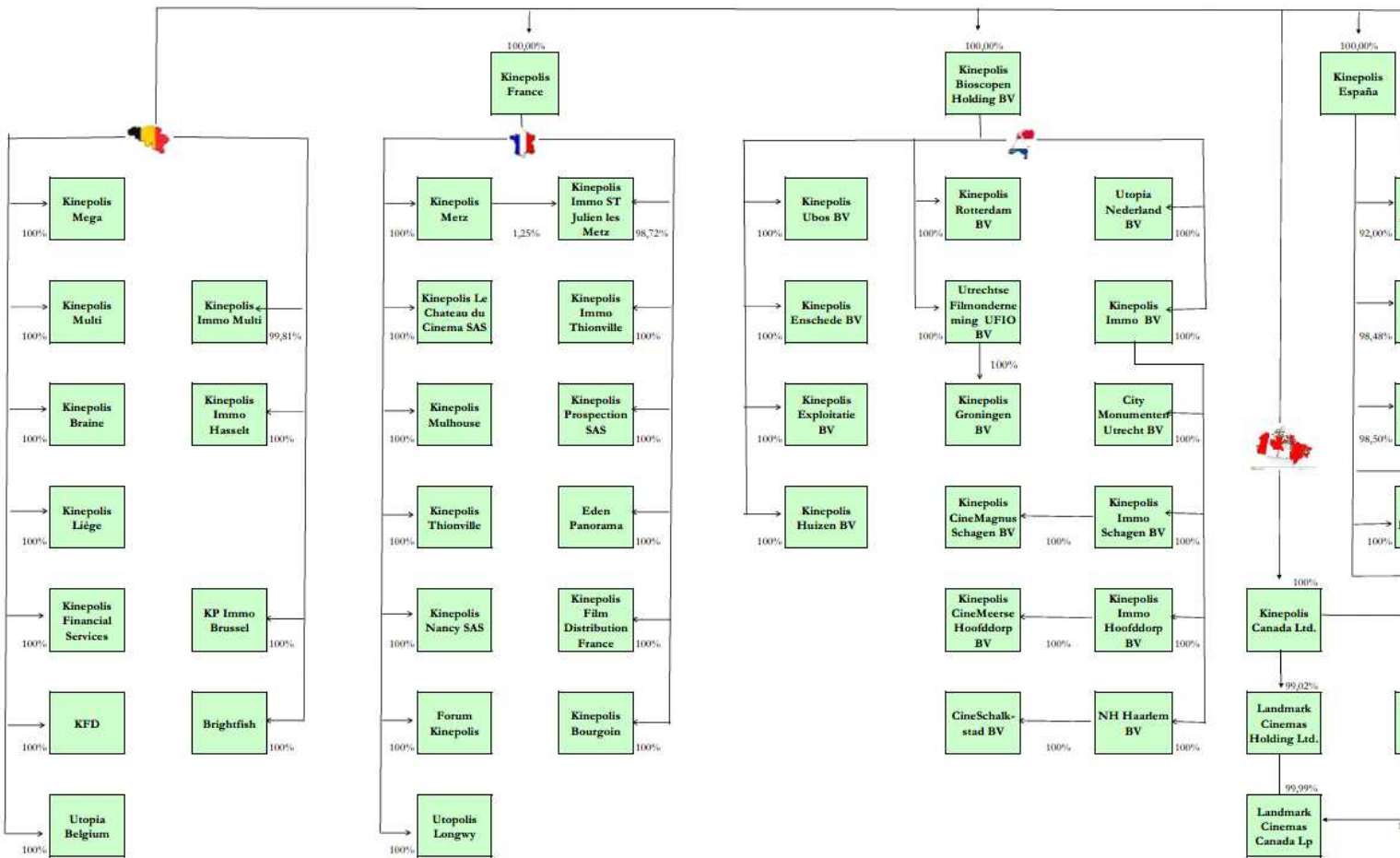
The Issuer is not aware of any shareholder agreements that could restrict the transfer of securities of the Issuer and/or the exercise of voting rights in the context of a public acquisition bid.

Organogram of Kinopolis Group

As at the date of this Information Memorandum



KINEPOLIS GROUP NV



PART VIII – SELECTED FINANCIAL INFORMATION

The consolidated balance sheet, income statement and cash flow statement for the financial years ended 31 December 2018 and 31 December 2017 (consolidated in accordance with IFRS) set out below have been extracted from the consolidated financial statements of the Issuer which are incorporated herein by reference.

Consolidated Balance Sheet

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / ASSETS	31/12/2017	31/12/2018
in '000 €		
Intangible assets	9,049	9,663
Goodwill	86,393	94,863
Property, plant and equipment	389,999	424,339
Investment property	17,748	17,045
Deferred tax assets	1,182	1,427
Other receivables	10,120	10,786
Other financial assets	27	27
Non-current assets	514,518	558,150
Inventories	4,750	4,918
Trade and other receivables	40,778	42,998
Current tax assets	841	2,416
Cash and cash equivalents	157,398	65,381
Assets classified as held for sale	2,670	6,991
Current assets	206,437	122,704
TOTAL ASSETS	720,955	680,854

CONSOLIDATED STATEMENT OF FINANCIAL POSITION / EQUITY AND LIABILITIES	31/12/2017	31/12/2018
in '000 €		
Share capital	18,952	18,952
Share premium	1,154	1,154
Consolidated reserves	157,569	161,461
Translation reserve	-1,281	-4,164
Total equity attributable to owners of the Company	176,394	177,403
Non-controlling interests		214
Equity	176,394	177,617
Loans and borrowings	342,106	272,677
Provision for employee benefits	572	557
Provisions	17,118	14,565
Deferred tax liabilities	18,159	20,518
Derivative financial instruments	214	211
Other payables	7,954	10,977
Non-current liabilities	368,123	319,505
Bank overdrafts	33	36
Loans and borrowings	39,873	69,790
Trade and other payables	108,298	106,328

Provisions	2,509	2,241
Current tax liabilities	7,725	5,337
Current liabilities	158,438	183,732
TOTAL EQUITY AND LIABILITIES	720,955	680,854

Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	31/12/2017	31/12/2018
IN '000 €		
Revenue	355,427	475,880
Cost of sales	-242,032	-345,651
Gross profit	113,395	130,229
Marketing and selling expenses	-20,418	-25,246
Administrative expenses	-22,794	-26,900
Other operating income	3,045	1,904
Other operating expenses	-313	-857
Operating profit	72,915	79,130
Finance income	1,891	1,362
Finance expenses	-10,104	-13,733
Profit before tax	64,702	66,759
Income tax expenses	-15,635	-19,350
Profit for the period	49,067	47,409
Attributable to:		
Owners of the Company	49,067	47,356
Non-controlling interests		53
Profit for the period	49,067	47,409
Basic earnings per share (€)	1.80	1.76
Diluted earnings per share (€)	1.80	1.75

Consolidated Cash Flow Statement

CONSOLIDATED STATEMENT OF CASH FLOWS	31/12/2017	31/12/2018
IN '000 €		
Profit before tax	64,702	66,759
Adjustments for:		
Depreciations and amortization	31,039	39,039
Provisions and impairments	-1,265	-2,865
Government grants	-949	-1,121
(Gains) Losses on sale of fixed assets	-1,810	261

Change in fair value of derivative financial instruments and unrealised foreign exchange results	-56	-51
Changes in fair value of contingent considerations	-642	-428
Unwinding of non-current receivables	391	-364
Share-based payments	1,290	1,075
Amortization of transaction costs refinancing	315	364
Interest expense and income	7,449	10,359
Change in inventory	1,332	-54
Change in trade receivables and other assets	1,681	-817
Change in trade and other payables	-2,042	1,203
Cash from operating activities	101,435	113,360
Income taxes paid	-24,149	-22,382
Net cash from operating activities	77,286	90,978
Acquisition of intangible assets	-1,908	-2,872
Acquisition of property, plant and equipment, investment property	-30,861	-58,332
Acquisition of subsidiaries, net of cash acquired	-83,506	-27,493
Proceeds from sale of intangible and tangible assets and investment property	15,787	501
Net cash used in investing activities	-100,488	-88196
Acquisition / sale of non-controlling interests		453
New loans and borrowings	174,850	
Repayment of loans and borrowings	-7,011	-39,876
Payment of transaction costs with regard to refinancing obligations	-450	
Interest paid	-7,327	-10,302
Interest received	7	15
Repurchase and sale of own shares		-20,303
Dividends paid	-23,691	-24,533
Net cash - used in / + from financing activities	136,378	-94,546
+ increase / - decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	44,210	157,365
Cash and cash equivalents at end of the period	157,365	65,345
Effect of movements in exchange rates on cash and cash equivalents	-21	-256
+ increase / - decrease in cash and cash equivalents	113,176	-91,764

PART IX – USE OF PROCEEDS

The Issuer intends to use the net proceeds from the issue of Bonds for, amongst others, acquisitions, the construction of new theatres, remodelling, investments in new experience concepts, other capital expenditure and general corporate purposes.

The Issuer looks actively at further expanding the Kinopolis Group through acquisitions, while maintaining the overall risk profile of the group. This may lead to further acquisitions in existing and new countries. Kinopolis Group's acquisition model is based upon value creation by implementing the Kinopolis operating model on the acquired companies. In the past years, this led to a significant increase of the EBITDA of the acquired companies and value creation for all its stakeholders. An acquisition can lead to a temporarily increase of the Consolidated Leverage Ratio of the Kinopolis Group, which as at 31 December 2018 stood at 2.33:1. Taking into account Kinopolis Group's historical strong free cash flow generation, the Issuer was in the past able to deleverage within a reasonably short timeframe.

PART X – TAXATION

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Bonds and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the Bonds whether in Belgium or elsewhere.

This general description is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date (or with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisors on the possible tax consequences of subscribing for, purchasing, holding or selling the Bonds under the laws of their countries of citizenship, residence, ordinary residence or domicile. This description is for general information only and does not purport to be comprehensive.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium), an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

BELGIAN WITHHOLDING TAX

General

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to the 30 per cent. Belgian withholding tax on the gross amount of the interest, subject to such relief as may be available under Belgian domestic law or applicable double tax treaties.

In this regard, “**interest**” means (i) the periodic interest income, (ii) any amount paid by or on behalf of the Issuer in excess of the Issue Price in respect of the Bonds (whether or not on the Maturity Date) and, (iii) in case of a disposal of the Bonds between two interest payment dates, the pro rata part of accrued interest corresponding to the holding period.

Securities Settlement System of the National Bank of Belgium

Payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the “**Eligible Investors**”, see hereinafter) in an exempt securities account (an “**X-Account**”) that has been opened with a financial institution that is a direct or indirect participant in the settlement system operated by the National Bank of Belgium. Euroclear, Clearstream, SIX SIS, INTERBOLSA and Monte Titoli are directly or indirectly Participants for this purpose.

Holding the Bonds through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Participants to the Securities Settlement System must enter the Bonds which they hold on behalf of Eligible Investors in an X-Account. Payments of interest made through X-Accounts are free of withholding tax; payments of interest made through N-Accounts are subject to a withholding tax of 30 per cent., which the NBB deducts from the payment and pays over to the tax authorities.

Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) (as amended from time to time) which include, *inter alia*:

- (i) Belgian corporations subject to Belgian corporate income tax;
- (ii) institutions, associations or companies specified in Article 2, §3 of the Law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of Article 262, 1° and 5° of the Belgian Income Tax Code 1992 (*wetboek van de inkomstenbelastingen 1992/ code des impôts sur les revenus 1992*);
- (iii) state regulated institutions (*parastatalen/institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992 (*koninklijk besluit tot uitvoering van het wetboek van de inkomstenbelastingen 1992/arrêté royal d'exécution du code des impôts sur les revenus 1992*);
- (iv) non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in Article 105, 5° of the same decree;
- (v) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the same decree;
- (vi) investors provided for in Article 227, 2° of the Belgian Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 of the same code;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Belgian Income Tax Code 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alios*, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Transfers of Bonds between an X-Account and an N-Account may give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- Transfers of Bonds between two X-Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X-Account for the holding of Bonds, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance and send it to the participant to the Securities Settlement System where this account is kept. There is no ongoing declaration requirement to the Securities Settlement System as to the eligible status (although Eligible Investors must update their certification should their eligible status change). Participants to the Securities Settlement System are however required to annually make declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Bonds that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Bonds through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Bonds held in central securities depositories as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the Securities Settlement System, provided that (i) they only hold X-accounts, (ii) they are able to identify the holders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositories acting as Participants include the contractual undertaking that their clients and account owners are all Eligible Investors.

Hence, these identification requirements do not apply to Bonds held in Euroclear, Clearstream, SIX SIS, INTERBOLSA, Monte Titoli or any other central securities depository as Participants to the Securities Settlement System, provided that (i) Euroclear, Clearstream, SIX SIS, INTERBOLSA or Monte Titoli only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositories include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

In accordance with the Securities Settlement System, a Bondholder who is withdrawing Bonds from an X-Account will, following the payment of interest on those Bonds, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Bonds from the last preceding Interest Payment Date until the date of withdrawal of the Bonds from the Securities Settlement System.

Belgian resident individuals

For individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) and who hold the Bonds as a private investment, payment of the 30 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at a flat rate of 30 per cent. (or at the progressive personal tax rate taking into account the taxpayer’s other declared

income, whichever is more beneficial). If the interest payment is declared, the withholding tax retained may be credited against the taxpayer's personal income tax liability.

Capital gains realised on the disposal of the Bonds are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate (in which case they are taxed at a rate of 33 per cent. plus local municipal surcharges) or except to the extent they qualify as interest (as defined above). Capital losses realised upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Interest attributed or paid to corporate Bondholders who are Belgian residents for tax purposes, i.e. which are subject to the Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*), as well as capital gains realised upon the sale of the Bonds are taxable at the ordinary corporate income tax rate of in principle 29.58 per cent (including the 2% crisis surcharge) and 25 per cent as of 2020 (i.e., for financial years starting on or after 1 January 2020). Subject to certain conditions, a reduced corporate income tax rate of 20.4% (including the 2% crisis surcharge) and 20% as of 2020 (i.e., for financial years starting on or after 1 January 2020) applies for small enterprises (as defined by Article 15, §1 to §8 of the Belgian Companies Code) on the first EUR 100,000 of taxable profits. The withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185*bis* of the Belgian Income Tax Code 1992.

Belgian resident legal entities

For legal entities subject to Belgian legal entities tax (*Rechtspersonenbelasting/Impôts des personnes morales*) which have been subject to the 30% Belgian withholding tax on interest payments, such withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on Bonds without deduction for or on account of Belgian withholding tax are required to declare and pay the 30% withholding tax to the Belgian tax authorities themselves.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Non-residents

Non-residents who use the Bonds to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

Bondholders who are non-residents of Belgium for Belgian tax purposes and who are not holding the Bonds through a Belgian permanent establishment and do not invest the Bonds in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on interest income or capital

gains by reason only of the acquisition or disposal of the Bonds provided that they qualify as Eligible Investors and that they hold their Bonds in an X Account.

TAX ON STOCK EXCHANGE TRANSACTIONS

A tax on stock exchange transactions (*taks op de beursverrichtingen/ taxe sur les opérations de bourse*) will be levied on the purchase and sale (and any other transaction for consideration) with respect to the Bonds on the secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The current applicable rate is 0.12 per cent, with a maximum amount of €1,300 per transaction and per party. The tax is due separately by each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. No tax will be due on the issuance of the Bonds (primary market).

Following the Law of 25 December 2016, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such a scenario, the tax on stock exchange transactions is according to the Belgian Tax Administration due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*borderel/bordereau*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statement (*borderel/bordereau*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

A request for annulment has been introduced with the Constitutional Court in order to annul the application of the tax on stock exchange transactions to transactions carried out with professional intermediaries established outside of Belgium (as described above). The Constitutional Court has asked a preliminary question in that regard to the Court of Justice of the European Union. If the Constitutional Court were to annul said application of the tax on stock exchange transactions without upholding its effects, restitution could be claimed of the tax already paid.

A tax on repurchase transactions (*taks op de reportverrichtingen/ taxe sur les reports*) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of €1,300 per transaction and per party).

However neither of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Article 126¹, 2° of the code of miscellaneous duties and taxes (*wetboek diverse rechten en taksen /Code des droits et taxes divers*) for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated below, the EU Commission adopted on 14 February 2013 the Draft Directive on a FTT. The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not

maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

TAX ON SECURITIES ACCOUNTS

Pursuant to the law of 7 February 2018 introducing a tax on securities accounts, a tax of 0.15% is levied on Belgian resident and non-resident individuals on their share in the average value of the qualifying financial instruments (including but not limited to shares, bonds and units of undertakings for collective investment) held on one or more securities accounts during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (the “**Tax on Securities Accounts**”).

No Tax on Securities Accounts is due provided the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts will be due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder’s share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder’s share in the total average value of these accounts amounts to at least EUR 500,000). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities (“**Tax on Securities Accounts Representative**”). Such a Tax on Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on Securities Accounts due and for complying with certain reporting obligations in that respect.

Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Several requests for annulment have been introduced with the Constitutional Court in order to annul the Tax on Securities Accounts. If the Constitutional Court were to annul the Tax on Securities Accounts without upholding its effects, all taxpayers will be authorised to claim restitution of the tax already paid.

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

COMMON REPORTING STANDARD

Following recent international developments, the exchange of information is governed by the Common Reporting Standard (“**CRS**”). On 25 April 2019, the total of jurisdictions that have signed the multilateral competent authority agreement (MCAA) amounts to 105. The MCAA is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government has implemented said Directive 2014/107/EU, respectively the Common Reporting Standard, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

The Bonds are subject to DAC2 and to the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state shall report financial information regarding the Bonds (e.g. in relation to income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date as determined by the Royal Decree of 14 June 2017. The Royal Decree provides that (i) for a first list of 18 countries, the mandatory automatic exchange of information applies as of income year 2016 (first information exchange in 2016), (ii) for a second list of 44 countries, the mandatory automatic exchange of information applies as of income year 2017 (first information exchange in 2018) and (iii) for one country, the mandatory automatic exchange of information applies as of income year 2018 (first information exchange in 2019).

Investors who are in any doubt as to their position should consult their professional advisers.

FINANCIAL TRANSACTION TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the Commission's Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT.

The Commission's Proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

However, the FTT proposal remains subject to negotiation between the Participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

PART XI – SUBSCRIPTION AND SALE

Belfius Bank SA/NV (having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium), BNP Paribas Fortis SA/NV (having its registered office at Warandepark 3, 1000 Brussels, Belgium), ING Bank N.V., Belgian Branch (having its registered office at Marnixlaan 24, 1000 Brussels, Belgium) and KBC Bank NV (having its registered office at Havenlaan 2 1080 Brussels, Belgium) are acting as joint bookrunners (together the “**Joint Bookrunners**” and each a “**Joint Bookrunner**”) will, pursuant to a placement agreement dated on or about 27 June 2019 (the “**Placement Agreement**”), agree with the Issuer, subject to certain terms and conditions, to subscribe, or procure subscribers, and pay for the Bonds at the relevant issue price and the other conditions as set out in the Placement Agreement on a best-efforts basis. The aggregate amount payable for the Bonds calculated at the Issue Price, less any due fees, will be paid by the Joint Bookrunners to the Issuer in the manner as set out in the Placement Agreement. Fees and costs in connection with the issue of the Bonds to be paid and/or reimbursed by the Issuer to the Joint Bookrunner have been agreed in the Placement Agreement. The Placement Agreement will entitle the parties to terminate their obligations in certain circumstances prior to payment being made to the Issuer.

Issue Price and Fees

The issue price for the Bonds will be 101 per cent. (the “**Issue Price**”), this percentage expressed by reference to the nominal amount of the Bonds. This price includes the relevant Retail Commission (as defined below) which will be borne and paid by Retail Investors and Relevant Qualified Investors (each as defined below).

Investors who are not Qualified Investors (as defined further) (the “**Retail Investors**”) and investors who are qualified investors as defined in the Prospectus Directive (the “**Qualified Investors**”) who are acting as financial intermediaries for a further placement of the Bonds and who cannot accept a retrocession (pursuant to MiFID II and any delegated, implementing or equivalent legislation and related guidelines) (the “**Relevant Qualified Investors**”) will pay a selling and distribution commission of 1.00 per cent. in relation to the Bonds (each, a “**Retail Commission**”).

Qualified Investors (including Qualified Investors who are acting as financial intermediaries for a further placement of the Bonds and who can accept a retrocession (pursuant to MiFID II and any delegated, implementing or equivalent legislation and related guidelines)) will not be required to pay the Retail Commission nor any other commission and will therefore subscribe at 100% of the nominal amount of the Bonds (representing a discount of 1.0 per cent. on the Issue Price).

In addition, the Issuer has agreed to pay to the Joint Bookrunners on the Issue Date a combined management, underwriting and selling concession fee (the “**Placement Fee**”) of an amount equal to 0.50 per cent. of the aggregate principal amount of the Bonds. The Placement Fee will be equally split between the Joint Bookrunners, except on orders received from the Joint Bookrunners’ own retail and private banking networks.

A coordination fee for the performance of the coordination services and an agency fee for the performance of the agency services in relation to the Bonds will be charged by respectively the Coordinator and the Agent to the Issuer.

General

The Bonds have been offered within the framework of a private placement. Neither the Issuer nor the Joint Bookrunners have made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Information Memorandum or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for that purpose is required. Each of the Joint Bookrunners has agreed that it will comply to the best of its knowledge and belief in all

material respects with all applicable laws and regulations in force in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Information Memorandum or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Joint Bookrunners shall have any responsibility therefore.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (d) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**Financial Services and Markets Act**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
- (e) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States, subject to certain exemptions.

The Bonds are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

In addition, until forty days after the commencement of the Offer, an offer or sale of Bonds within the United States by any Joint Bookrunner (whether or not participating in the Offer) may violate the registration requirements of the Securities Act.

Issuer

Kinepolis Group NV

Eeuwfeestlaan 20

1020 Brussels

Belgium

Coordinator and Agent

KBC Bank NV

Havenlaan 2

1080 Brussels

Belgium

Joint Bookrunners

Belfius Bank SA/NV

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