

BonBon-Land A/S

**Gartnervej 2
Holme-Olstrup
4684 Holmegaard**

CVR no. 18 93 61 35

**Annual report for the period
1 October 2017 to 30 September 2018**

Adopted at the annual general meeting
on 27 February 2019

Isidoro Díez Caveda
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Financial highlights	6
Management's review	7
Financial statements	
Accounting policies	8
Income statement 1 October - 30 September	12
Balance sheet 30 September	13
Statement of changes in equity	15
Notes to the annual report	16

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of BonBon-Land A/S for the financial year 1 October 2017 - 30 September 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the result for the year and the Company's financial position.

Management recommends that the annual report should be approved by the company in general meeting.

Madrid, 27 February 2019

Executive board

Mattis Willms

Jesús Pablo Fernández Morán

Supervisory board

Juan José López Taracena
chairman

Jesús Pablo Fernández Morán

Isidoro Díez Caveda

Independent auditor's report

To the shareholder of BonBon-Land A/S

Opinion

We have audited the financial statements of BonBon-Land A/S for the financial year 1 October 2017 - 30 September 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2018 and of the results of the company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 27 February 2019

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Joakim Juul Larsen
State Authorised Public Accountant
MNE no. mne32803

Company details

The company

BonBon-Land A/S
Gartnervej 2
Holme-Olstrup
4684 Holmegaard

CVR no.: 18 93 61 35

Reporting period: 1 October 2017 - 30 September 2018

Incorporated: 1 November 1995

Domicile: Næstved

Supervisory board

Juan José López Taracena, chairman
Jesús Pablo Fernández Morán
Isidoro Díez Caveda

Executive board

Mattis Willms
Jesús Pablo Fernández Morán

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Gross profit/loss	28,738	27,111	31,732	32,913	33,796
Profit/loss before net financials	-3,853	-6,627	-3,414	-7,381	-6,839
Net financials	-302	-187	-356	-546	-4,536
Profit/loss for the year	-4,155	-6,814	-3,770	-7,927	-11,408
Balance sheet					
Balance sheet total	127,297	136,909	144,202	152,062	162,644
Investment in property, plant and equipment	9,453	3,993	6,974	4,255	6,787
Equity	114,869	120,499	127,313	131,083	139,010
Financial ratios					
Solvency ratio	90.2%	88.0%	88.3%	86.2%	85.5%

Management's review

Business activities

The Company's principal activity is operation of the amusement park BonBon-Land.

Business review

The Company's income statement for the year ended 30 September 2018 shows an important improvement of the result. The result shows a loss of DKK 4,155 thousand, and the balance sheet at 30 September 2018 shows equity of DKK 114,869 thousand.

The loss has been reduced by 39%, which is in line with the long-term plan. Management keeps working on implementing the operational improvements – including new investments in activities designed to ensure the improvement of the future development.

Management expects a positive result within 2 years.

Special risks apart from generally occurring risks in industry

Operating risks

There are no extraordinary risks apart from the common risks in the business area in general.

Impact on external environment and measures of preventing, reducing or mitigating damage

The Company is continuously working on reducing the consumption of energy as well as on recycling and environmentally friendly disposal.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of BonBon-Land A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

In compliance with section 86(4) of the Danish Financial Statement Act, the Company has omitted to prepare a cash flow statement.

The accounting policies applied are consistent with those of last year.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less costs for raw materials and consumables and other external expenses.

Revenue

Income consist of entrance fees to BonBon-Land, including sale of season tickets for one year, income from partners, catering and goods for resale. Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place before year end and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange rate gains and losses on foreign currency transactions etc.

Tax on loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the group entities in Denmark. The Company is jointly taxed with Centaur Holding Denmark A/S, which is the administrative company for the joint taxation, and consequently settles all corporation tax payments with the tax authorities concurrently with the Company's payment of joint taxation contribution.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Trademarks

Acquired trademarks are measured at cost less accumulated amortisation and impairment losses. Trademarks are amortised over 20 years. Amortisation period is longer for long-term acquired intangible assets with a strong market position and long-term revenue generation.

Intangible assets are written down to the lower of recoverable amount and carrying amount. The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Tangible assets

Buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Buildings	30-40 years	0 %
Other fixtures and fittings tools and equipment	3-10 years	0 %

Tangible assets are written down to the lower of the recoverables amount and carrying amount.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost, which usually is nominal value. Write-down is made for bad debt loss based on an individual assessment of the receivable.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years.

Joint taxation contributions payable and receivable are recognised in the balance sheet as receivables from or payable to affiliated companies respectively.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Short-term debt' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
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Income statement 1 October - 30 September

	<u>Note</u>	<u>2017/18</u> DKK'000	<u>2016/17</u> DKK'000
Gross profit		28,738	27,111
Staff costs	1	-20,625	-19,476
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-11,966	-13,973
Other operating costs		<u>0</u>	<u>-289</u>
Loss before financial income and expenses		-3,853	-6,627
Financial income	3	18	34
Financial costs	4	<u>-320</u>	<u>-221</u>
Loss before tax		-4,155	-6,814
Tax on loss for the year	5	<u>0</u>	<u>0</u>
Net loss for the year		<u>-4,155</u>	<u>-6,814</u>
Distribution of loss	6		

Balance sheet 30 September

	<u>Note</u>	<u>2017/18</u> DKK'000	<u>2016/17</u> DKK'000
Assets			
Trademarks		4,407	4,907
Intangible assets	7	<u>4,407</u>	<u>4,907</u>
Land and buildings		75,783	77,705
Other fixtures and fittings, tools and equipment		28,968	29,059
Tangible assets	8	<u>104,751</u>	<u>106,764</u>
Total non-current assets		<u>109,158</u>	<u>111,671</u>
Goods for resale		4,669	5,371
Stocks		<u>4,669</u>	<u>5,371</u>
Trade receivables		1,802	1,270
Receivables from group enterprises		972	1,618
Other receivables		0	73
Prepayments	9	1,062	974
Receivables		<u>3,836</u>	<u>3,935</u>
Cash at bank and in hand		<u>9,634</u>	<u>15,932</u>
Total current assets		<u>18,139</u>	<u>25,238</u>
Total assets		<u><u>127,297</u></u>	<u><u>136,909</u></u>

Balance sheet 30 September

	<u>Note</u>	<u>2017/18</u> DKK'000	<u>2016/17</u> DKK'000
Equity and liabilities			
Share capital		6,655	6,655
Retained earnings		108,214	112,369
Proposed dividend for the year		<u>0</u>	<u>1,475</u>
Equity	10	<u>114,869</u>	<u>120,499</u>
Payables to group enterprises		<u>0</u>	<u>6,402</u>
Total non-current liabilities	11	<u>0</u>	<u>6,402</u>
Trade payables		2,379	2,483
Payables to group enterprises		4,427	2,848
Other payables		4,115	3,545
Deferred income	12	<u>1,507</u>	<u>1,132</u>
Total current liabilities		<u>12,428</u>	<u>10,008</u>
Total liabilities		<u>12,428</u>	<u>16,410</u>
Total equity and liabilities		<u><u>127,297</u></u>	<u><u>136,909</u></u>
Contingent liabilities and other financial obligations	13		
Mortgages and collateral	14		
Related parties and ownership structure	15		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 October 2017	6,655	112,369	1,475	120,499
Ordinary dividend paid	0	0	-1,475	-1,475
Loss for the year	0	-4,155	0	-4,155
Equity at 30 September 2018	6,655	108,214	0	114,869

Notes

	2017/18 <u>DKK'000</u>	2016/17 <u>DKK'000</u>
1 Staff costs		
Wages and salaries	19,507	18,403
Pensions	714	691
Other social security costs	<u>404</u>	<u>382</u>
	<u>20,625</u>	<u>19,476</u>
Average number of employees	<u>54</u>	<u>54</u>
<p>No remuneration was paid to the Supervisory Board in 2017/18. One member of the Executive Board is not employed or remunerated by the company, but a company within the Parques Reunidos Group. The Company pays a management fee for services performed by the Group. For the other member of the Executive Board remuneration has not been disclosed According to section 98 B(3) of the Danish Financial Statements Act.</p>		
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	500	500
Depreciation tangible assets	<u>11,466</u>	<u>13,473</u>
	<u>11,966</u>	<u>13,973</u>
which breaks down as follows:		
Trademarks	500	500
Buildings	2,881	2,904
Other fixtures and fittings, tools and equipment	<u>8,585</u>	<u>10,569</u>
	<u>11,966</u>	<u>13,973</u>
3 Financial income		
Interest received from group enterprises	7	17
Exchange gains	<u>11</u>	<u>17</u>
	<u>18</u>	<u>34</u>

Notes

	<u>2017/18</u> DKK'000	<u>2016/17</u> DKK'000
4 Financial costs		
Interest paid to group enterprises	169	158
Other financial costs	59	46
Exchange loss	<u>92</u>	<u>17</u>
	<u>320</u>	<u>221</u>

5 Tax on loss for the year

The Company has a deferred tax asset which amounts to DKK 23,348 thousand. The deferred tax asset has not been recognised, as Management does not expect positive taxable income in the coming years.

	<u>2017/18</u> DKK'000	<u>2016/17</u> DKK'000
6 Distribution of loss		
Proposed dividend for the year	0	1,475
Retained earnings	<u>-4,155</u>	<u>-8,289</u>
	<u>-4,155</u>	<u>-6,814</u>

7 Intangible assets

	<u>Trademarks</u>
Cost at 1 October 2017	<u>10,000</u>
Cost at 30 September 2018	<u>10,000</u>
Impairment losses and amortisation at 1 October 2017	5,093
Amortisation for the year	<u>500</u>
Impairment losses and amortisation at 30 September 2018	<u>5,593</u>
Carrying amount at 30 September 2018	<u>4,407</u>

Notes

8 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 October 2017	123,327	281,289	404,616
Additions for the year	959	8,494	9,453
Cost at 30 September 2018	124,286	289,783	414,069
Impairment losses and depreciation at 1 October 2017	45,622	252,230	297,852
Depreciation for the year	2,881	8,585	11,466
Impairment losses and depreciation at 30 September 2018	48,503	260,815	309,318
Carrying amount at 30 September 2018	75,783	28,968	104,751

9 Prepayments

Prepayments comprise prepaid expenses regarding insurance premiums and subscriptions.

10 Equity

The share capital consists of 6,655 shares of a nominal value of DKK'000 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

11 Long term debt

	Debt at 1 October 2017	Debt at 30 September 2018	Instalment next year	Debt outstanding after 5 years
Payables to group enterprises	6,402	0	0	0
	6,402	0	0	0

Notes

12 Deferred income

Deferred income consists of payments received in respect of income in subsequent years regarding gift cards and vouchers etc.

13 Contingent liabilities and other financial obligations

The Company has provided a guarantee for the affiliated company BonBon Rejser A/S in favour of Rejsegarantifonden, and funds totalling DKK 354 thousand have been deposited.

The Company has provided BonBon Rejser Danmark A/S with a letter of support for the financial period 1 October 2017 - 30 September 2018.

The company is jointly taxed with other companies in the Centaur Holding Denmark Group. As a fully owned subsidiary, the Company is jointly and severally liable with other jointly taxed companies for danish income taxes and withholding taxes on dividends, interest and royalties within the joint taxation group.

As at 30 September 2018, the Company has lease obligations amounting to DKK 398 thousand (2016/17: DKK 99 thousand) equivalent to 20-30 months' lease.

14 Mortgages and collateral

The Company's buildings have been provided as collateral to the Company's bank. The collateral amounts to DKK 14,533 thousand.

15 Related parties and ownership structure

Transactions

Management fee, DKK 3,785 thousand
Merchandise costs, DKK 127 thousand
Administration fees and sales, DKK 265 thousand

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Centaur Holding Denmark A/S
Gartnervej 2
Holme-Olstrup
DK-4684 Holmegaard

Consolidated financial statements

The Company is also included in the group annual report of Parques Reunidos Servicios Centrales S.A., Paseo de la Castellana, 216, Planta 16, 28046, Madrid, Spain.