

BonBon-Land A/S

**Gartnervej 2
Holme-Olstrup
4684 Holmegaard**

CVR no. 18 93 61 35

**Annual report for the period
1 January to 31 December 2020**

Adopted at the annual general meeting
on 13 July 2021

Juan José López Taracena
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of BonBonLand A/S for the financial year 1 January - 31 December 2020.

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 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 13 July 2021

Executive board

Lars Fahlmann

Jesús Pablo Fernández Morán

Supervisory board

Juan José López Taracena
Chairman

Jesús Pablo Fernández Morán

Enrique Weickert Molina

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 January - 31 December 2020, 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 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 judgement and maintain professional scepticism 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, 13 July 2021

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 January - 31 December 2020

Incorporated: 1 November 1995

Domicile: Næstved

Supervisory board

Juan José López Taracena, chairman
Jesús Pablo Fernández Morán
Enrique Weickert Molina

Executive board

Lars Fahlmann
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:

	2020	2019	2018	2017/18	2016/17
	DKK'000	DKK'000	(3 months) DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Gross profit/loss	19,159	28,270	885	28,738	27,111
Profit/loss before net financials	-12,721	-39,576	-5,573	-3,853	-6,627
Net financials	-436	-248	-13	-302	-187
Profit/loss for the year	-13,157	-39,824	-5,586	-4,155	-6,814
Balance sheet					
Balance sheet total	82,463	79,340	120,174	127,297	136,909
Investment in property, plant and equipment	6,890	7,289	925	9,453	3,993
Equity	56,102	69,459	109,283	114,869	120,499
Financial ratios					
Solvency ratio	68.0%	87.5%	90.9%	90.2%	88.0%

In 2018 the Company did change the financial year to December 31. The changed period is 1 October - 31 December 2018 (Three-month period).

Management's review

Business review

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

Financial review

The company's income statement for the year ended 31. december 2020 shows a loss of DKK'000 13,157, and the balance sheet at 31 December 2020 shows equity of DKK'000 56,102.

We had a year that was affected by Covid-19. We lost some days due to restrictions 25 % and the total revenue was decreased by 28,7 %. The higher decrease on revenue was also due to low sales in season pass as the season was shortened.

The net loss was also affected by Covid-19. Less revenue and higher expenses due to restrictions in the park. (More staff, more security, hand sanitizing etc.) But it's better than 2019, because of a higher impairment loss that year.

Expectation for 2021 is that we would be able to increase from 2020 as we have normal opening calendar. We also expect more visitors because of a lot of the Danes stay at home for the summer. In the first part of the new season we have seen good sales in season pass and almost in line with 2019.

The company's management has performed an impairment test of the company's intangible and tangible fixed assets and compared this with the carrying amounts per 31 December 2020. The impairment test is management's best estimate of the fair value of the assets less cost of disposal which is based on expected cash flows for a potential investor over the useful lives of the assets in the park. The impairment test is based on expectation of increased revenues and positive earnings from 2022 subsequent to the covid-19 pandemic, estimated maintenance costs for the park over its useful live and a discount rate (WACC) of 7.8%. The fair value is compared to similar transactions within the Group in recent years. The impairment test shows, under the assumptions described above, a total impairment of DKK 5,660 thousand. As the impairment test is based on management's best estimate of future cash flows, the impairment test is subject to uncertainty.

Significant events occurring after the end of the financial year

Apart from the impact of COVID-19, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date. We refer to note 11 of the Annual Report for comments on COVID-19.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

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

Accounting policies

The annual report of BonBon-Land A/S for 2020 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.

The annual report for 2020 is presented in DKK'000.

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 items of 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.

Accounting policies

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.

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

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.

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 %

Accounting policies

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

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount. The recoverable amount is the higher of an asset's net selling price and its value in use.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

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 and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Accounting policies

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. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries 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.

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 as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

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.

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 January - 31 December

	Note	2020 DKK'000	2019 DKK'000
Gross profit		19,159	28,270
Staff costs	1	-18,853	-21,095
Profit/loss before amortisation/depreciation and impairment losses		306	7,175
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-11,938	-46,387
Other operating costs		-1,089	-364
Profit/loss before net financials		-12,721	-39,576
Financial income	3	32	26
Financial costs	4	-468	-274
Profit/loss before tax		-13,157	-39,824
Tax on loss for the year	5	0	0
Net loss for the year		-13,157	-39,824
Distribution of profit	6		

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK'000	<u>2019</u> DKK'000
Assets			
Land and buildings		44,275	50,277
Other fixtures and fittings, tools and equipment		<u>17,725</u>	<u>17,862</u>
Tangible assets	7	<u>62,000</u>	<u>68,139</u>
Total non-current assets		<u>62,000</u>	<u>68,139</u>
Goods for resale		<u>4,572</u>	<u>4,051</u>
Stocks		<u>4,572</u>	<u>4,051</u>
Trade receivables		27	51
Receivables from group enterprises		580	682
Other receivables		222	814
Prepayments	8	<u>752</u>	<u>1,422</u>
Receivables		<u>1,581</u>	<u>2,969</u>
Cash at bank and in hand		<u>14,310</u>	<u>4,181</u>
Total current assets		<u>20,463</u>	<u>11,201</u>
Total assets		<u><u>82,463</u></u>	<u><u>79,340</u></u>

Balance sheet 31 December

	Note	2020 DKK'000	2019 DKK'000
Equity and liabilities			
Share capital		6,655	6,655
Retained earnings		49,447	62,604
Proposed dividend for the year		0	200
Equity	9	56,102	69,459
Prepayments received from customers		75	0
Payables to group enterprises		14,483	0
Total non-current liabilities		14,558	0
Trade payables		1,457	2,326
Payables to group enterprises		3,830	3,715
Other payables		4,732	2,418
Deferred income	10	1,784	1,422
Total current liabilities		11,803	9,881
Total liabilities		26,361	9,881
Total equity and liabilities		82,463	79,340
Subsequent events	11		
Contingent liabilities and other financial obligations	12		
Mortgages and collateral	13		
Related parties and ownership structure	14		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained ear-</u> <u>nings</u>	<u>Total</u>
	DKK'000	DKK'000	DKK'000
Equity at 1 January 2020	6,655	62,604	69,259
Net profit/loss for the year	0	-13,157	-13,157
Equity at 31 December 2020	<u>6,655</u>	<u>49,447</u>	<u>56,102</u>

Notes

	<u>2020</u>	<u>2019</u>
	DKK'000	DKK'000
1 Staff costs		
Wages and salaries	17,712	19,942
Pensions	739	768
Other social security costs	<u>402</u>	<u>385</u>
	<u>18,853</u>	<u>21,095</u>
Including remuneration to the executive board:		
Executive Board	<u>1,013</u>	<u>0</u>
	<u>1,013</u>	<u>0</u>
Average number of employees	<u>31</u>	<u>51</u>

No remuneration was paid to the Supervisory Board in 2020 and 2019. 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 for 2019 remuneration has not been disclosed According to section 98 B(3) of the Danish Financial Statements Act.

The park opened later than usual in 2020 (on June 19th) - this resulted in lower staff costs.

Notes

	2020 <u>DKK'000</u>	2019 <u>DKK'000</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	0	500
Depreciation tangible assets	6,278	10,283
Impairment intangible assets	0	3,782
Impairment tangible assets	5,660	31,822
	<u>11,938</u>	<u>46,387</u>
 which breaks down as follows:		
Trademarks	0	500
Buildings	1,976	2,898
Other fixtures and fittings, tools and equipment	4,302	7,385
Impairment, trademarks	0	3,782
Impairment, buildings	3,857	23,480
Impairment, other fixtures and fittings, tools and equipment	1,803	8,342
	<u>11,938</u>	<u>46,387</u>
 3 Financial income		
Exchange gains	<u>32</u>	<u>26</u>
	<u>32</u>	<u>26</u>
 4 Financial costs		
Interest paid to group enterprises	349	65
Other financial costs	56	36
Exchange losses	63	173
	<u>468</u>	<u>274</u>

Notes

	<u>2020</u>	<u>2019</u>
	DKK'000	DKK'000
5 Tax on loss for the year		
<p>The Company has a deferred tax asset which amounts to DKK'000 36,232. The deferred tax asset has not been recognised, as it is uncertain if and when the amount can be utilized.</p>		
6 Distribution of loss for the year		
Proposed dividend for the year	0	200
Retained earnings	<u>-13,157</u>	<u>-40,024</u>
	<u><u>-13,157</u></u>	<u><u>-39,824</u></u>

Notes

7 Tangible assets

	Land and bu- ildings	Other fixtures and fittings, tools and equipment	Total
	DKK'000	DKK'000	DKK'000
Cost at 1 January 2020	125,877	266,823	392,700
Additions for the year	917	5,973	6,890
Disposals for the year	-2,186	-205	-2,391
Cost at 31 December 2020	<u>124,608</u>	<u>272,591</u>	<u>397,199</u>
Impairment losses and depreciation at 1 January 2020	75,601	248,961	324,562
Impairment losses for the year	3,857	1,803	5,660
Depreciation for the year	1,976	4,302	6,278
Impairment and depreciation of sold assets for the year	-1,101	-200	-1,301
Impairment losses and depreciation at 31 December 2020	<u>80,333</u>	<u>254,866</u>	<u>335,199</u>
Carrying amount at 31 December 2020	<u>44,275</u>	<u>17,725</u>	<u>62,000</u>

The company's management has performed an impairment test of the company's intangible and tangible fixed assets and compared this with the carrying amounts per 31 December 2020. The impairment test is management's best estimate of the fair value of the assets less cost of disposal which is based on expected cash flows for a potential investor over the useful lives of the assets in the park. The impairment test is based on expectation of increased revenues and positive earnings from 2022 subsequent to the covid-19 pandemic, estimated maintenance costs for the park over its useful live and a discount rate (WACC) of 7.8%. The fair value is compared to similar transactions within the Group in recent years. The impairment test shows, under the assumptions described above, a total impairment of DKK DKK 5,660 thousand. As the impairment test is based on management's best estimate of future cash flows, the impairment test is subject to uncertainty.

8 Prepayments

Prepayments comprise prepaid expenses regarding insurance premiums and subscriptions.

Notes

9 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.

10 Deferred income

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

11 Subsequent events

The implications of COVID-19 with many governments across the world deciding to close down their countries will have significant impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date, which is therefore a non-adjusting event to the Company. COVID-19 occurred in Europe in February 2020 and has had a significant influence in society - including BonBon-Land during the 2021 season.

We have had restrictions on the guests experience in rides, entrance etc. At this time, the management does not know to what extent the Covid-19 restrictions will impact the operation of the park and the result in 2021. Furthermore, some planned investments for 2022 have been postponed to 2023 due to the 3rd wave of Covid-19 striking several PQR parks.

12 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'000 354 have been deposited.

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 31 December 2020, the Company has lease obligations amounting to DKK'000 31 (2019: DKK'000 181) equivalent to 28 months' lease.

13 Mortgages and collateral

The Company's land and buildings have been provided as collateral to the Company's bank. The collateral amounts to DKK'000 14,533.

The company has issued a guaranty of payment for Centaur Holding Denmark A/S' engagement with Nordea Bank A/S.

Notes

14 Related parties and ownership structure

Transactions

Management fee, DKK'000 3,678 (2019: DKK'000 4,369).

Administration fees and sales, DKK'000 0 (2019: DKK'000 315).

Interests paid to group companies, DKK'000 349 (2019: DKK'000 65).

Balances with group companies are disclosed separately in the balance sheet.

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 Piolin Bidco S.A.U., Federico Mompou 5, 28050, Madrid, Spain.