Parques Reunidos Servicios Centrales, S.A. and subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2019

Consolidated Interim Director's report

30 June 2019

(With Independent Auditor's Limited Review Report thereon)

(Free translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Limited Review on the Condensed Consolidated Interim Financial Statements

(Translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)

To the Shareholders of
Parques Reunidos Servicios Centrales, S.A., at the request of the board of directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Parques Reunidos Servicios Centrales, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the statement of financial position at 30 June 2019, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). Pursuant to article 12 of Royal Decree 1362/2007 the Directors of the Company are responsible for the preparation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying condensed consolidated interim financial statements.

Scope of Review

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2019 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these condensed consolidated interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the three-month exercise ended 31 December 2018. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2019 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the condensed consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the condensed consolidated interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the condensed consolidated interim financial statements for the six-month period ended 30 June 2019. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Parques Reunidos Servicios Centrales, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the board of directors in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Gustavo Rodríguez Pereira

26 September 2019

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2019
Consolidated Interim Management Report for the six-month period ended 30 June 2019

(Independent Limited Revision Report attached)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019
(Thousands of euros)

ASSETS	Notes	30.06.2019 (*)	31.12.2018
Tangible fixed assets	5	1,244,129	1,211,385
Goodwill	6	648,068	558,041
Intangible fixed assets	5	406,968	423,465
Non-current financial assets	8 a)	4,132	1,296
Total non-current assets		**2,303,297**	**2,194,187**
Inventory		29,592	20,559
Trade debtors and other accounts receivable	8 b)	39,999	24,378
Current income tax assets	13	3,607	2,680
Other current financial assets	10	-	823
Other current assets		13,921	8,520
Cash and cash equivalents		75,458	52,324
Total current assets		**162,577**	**109,284**
Total assets		**2,465,874**	**2,303,471**

LIABILITIES AND NET EQUITY	Notes	30.06.2019 (*)	31.12.2018
Share Capital		40,371	40,371
Issue premium		1,327,528	1,327,528
Other reserves		(356,111)	(289,345)
Other global P&L		24,198	22,402
Treasury stock		(182)	-
Accumulated income attributable to Parent Company shareholders		(177,738)	(45,768)
Net equity attributable to Parent Company shareholders		**858,066**	**1,055,188**
Non-controlling interests		514	534
Total net equity	9	**858,580**	**1,055,722**
Financial liabilities with credit institutions	10 a)	803,028	527,837
Financial lease creditors	7	194,290	270,619
Deferred tax liabilities	13	149,507	183,377
Provisions	12	13,248	10,136
Other non-current liabilities	10 d)	14,173	14,772
Total non-current liabilities		**1,174,246**	**1,006,741**
Financial liabilities with credit institutions	10 a)	177,906	107,490
Other financial liabilities	10 d)	20,000	-
Financial lease creditors	7	22,713	20,514
Trade creditors and other accounts payable		168,851	88,046
Other current liabilities	11	43,578	24,958
Total current liabilities		**433,048**	**241,008**
Total liabilities and net equity		**2.465.874**	**2,303,471**

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2019.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
AT 30 JUNE 2019 AND 30 JUNE 2018
(Thousands of euros)

PROFIT AND LOSS	Notes	30.06.2019 (*)	30.06.2018 (*)
Ordinary income	15 a)	242,517	184,488
Employee remuneration expenses		(27,776)	(21,294)
Amortisation expenses	15 d)	(100,012)	(77,476)
Net losses from impairment and disposal of non-current assets	5	(55,649)	(43,097)
Valuation of traffic provisions	6	(92,702)	507
Other operating expenses		10	(1,441)
Other results	15 b)	(146,046)	(73,295)
Operating Profit / (Loss)		**(179,658)**	**(31,608)**
Financial income		425	55
Financial expenses	15 c)	(31,229)	(20,958)
Exchange differences		721	557
Pre-tax Profit / (Loss)		**(209,741)**	**(51,954)**
Corporate Income Tax	13	31,983	23,576
Profit / (Loss) for the year		**(177,758)**	**(28,378)**
Profit/(loss) for the year attributable to:			
Parent Company shareholders		(177,738)	(28,359)
Non-controlling interests		(20)	(19)
		(177,758)	**(28,378)**
Basic Profit / (Loss) per share (expressed in euros)		*(2.20)*	(0.35)
Diluted profit / (loss) per share (expressed in euros)		*(2.20)*	(0.35)

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2019.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF GLOBAL P&L
FOR THE SIX-MONTH PERIOD ENDING
30 JUNE 2019 AND 2018
(Thousands of euros)

	Notes	30.06.2019 (*)	30.06.2018 (*)
Profit / (Loss) for the year		**(177,758)**	**(28,378)**
Other Global P&L			
Conversion differences in financial statements of businesses abroad	9 f)	1,796	4,109
Cash flow hedges		-	224
Other global P&L for the year, net of tax		**1,796**	**4,333**
Total Global P&L for the year		**(175,962)**	**(24,045)**
Total Global P&L attributable to:			
Parent Company shareholder		(175,942)	(24,026)
Non-controlling interests		(20)	(19)
		(175,962)	**(24,045)**

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 30 June 2019.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
Y SOCIEDADES DEPENDIENTES

STATEMENT OF CHANGES IN EQUITY CONDENSED INTERIM CONSOLIDADTED
AT 30 JUNE 2019
(Thousand of euros)

					Other reserves				Other global P&L						
					Of the Parent Company			Reserves in consolidated companies by global integration							
	Share Capital	Issue premium	Other shareholder contributions	Other equity instruments	Reserves (legal and voluntary)	Prior Years´ Income	Prior Years Losses		Exchange differences	Valuation adjustments	Treasury Stock	Cumulative profit attributable to Parent Company shareholders	Total	Non-controlling interests	Total net equity
Balance at 31 December 2017 (*)	**40,371**	**1,327,528**	**10,148**	**1,103**	**88,510**	**11,330**	**(22,076)**	**(373,676)**	**13,306**	**-**	**-**	**(30,642)**	**1,065,902**	**491**	**1,066,393**
Consolidated global result for the six-month period ended 30 June 2018	-	-	-	-	-	-	-	-	4,109	224	-	(28,359)	(24,026)	(19)	(24,045)
Operations with owners and shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of results for the period ended 30 September 2017	-	-	-	-	53,577	(11,330)	-	(42,247)	-	-	-	-	-	-	-
Distribution of results for the period ended 31 December 2017	-	-	-	-	-	-	30,642	-	-	-	-	(30,642)	-	-	-
Dividends (note 10 d))	-	-	-	-	(20,000)	-	-	-	-	-	-	-	(20,000)	-	(20,000)
Issue of share-based remuneration to employees (note 9 e))	-	-	-	(290)	-	-	-	-	-	-	-	-	(290)	-	(290)
Balance at 30 June 2018 (*)	**40,371**	**1,327,528**	**10,148**	**813**	**122,087**	**-**	**8,566**	**(415,923)**	**17,415**	**224**	**-**	**(89,643)**	**1,021,586**	**472**	**1,022,058**
Balance at 31 December 2018	**40,371**	**1,327,528**	**10,148**	**1,000**	**142,087**	**12,108**	**(22,076)**	**(432,612)**	**22,402**	**-**	**-**	**(45,768)**	**1,055,188**	**534**	**1,055,722**
Consolidated global result for the six-month period ended 30 June 2019	-	-	-	-	-	-	-	-	1,796	-	-	(177,738)	(175,942)	(20)	(175,962)
Operations with owners and shareholders															
Distribution of results for the period ended 30 September 2018	-	-	-	-	58,474	(12,108)	-	(46,366)	-	-	-	-	-	-	-
Distribution of results for the period ended 31 December 2018	-	-	-	-	14,656	-	-	(60,422)	-	-	-	45,768	2	-	2
Dividends (note 10 d))	-	-	-	-	(20,000)	-	-	-	-	-	-	-	(20,000)	-	(20,000)
Issue of share-based remuneration to employees (note 9 e))	-	-	-	(1,000)	-	-	-	-	-	-	-	-	(1,000)	-	(1,000)
Acquisition of treasury stocks (note 9 g))	-	-	-	-	-	-	-	-	-	-	(182)	-	(182)	-	(182)
Other movements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019 (*)	**40,371**	**1,327,528**	**10,148**	**-**	**195,217**	**-**	**(22,076)**	**(539,400)**	**24,198**	**-**	**(182)**	**(177,738)**	**858,066**	**514**	**858,580**

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 30 June 2019.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX-MONTH PERIOD ENDING AT 30 JUNE 2019 AND 2018
(Thousands of euros)

	Notes	30.06.2019 (*)	30.06.2018 (*)
Operating cash flow			
Profit / (Loss) for the year		(177,758)	(28,378)
Adjustments to P&L			
Amortisation	5	55,649	43,097
Variation of provisions		(10)	1,441
Variation of other provisions		(1,051)	(75)
Financial income		(425)	(55)
Financial expenses	15 c)	31,229	20,958
Income to be distributed in several years		(243)	-
Net losses due to impairment and disposal of non-current assets	6	92,702	(507)
Income tax	13	(31,983)	(23,576)
Adjusted Profit / (Loss) for the year		(31,890)	12,905
Working capital variations			
Inventory		(7,758)	(7,245)
Trade debtors and other accounts receivable		(12,958)	(9,051)
Other current assets		(5,372)	(4,895)
Trade creditors and other accounts payable		91,931	46,874
Cash generated from operations		**33,953**	**38,588**
Payments of income tax		(2,171)	(1,350)
Net cash generated from operating activities		**31,782**	**37,238**
Investment activity cash flows			
Interest received		425	55
Collections / (Payments) for financial assets		823	507
Acquisition of subsidiaries, net cash and equivalents	4	(234,223)	(24,676)
Payments for subsidiaries liquidation		(6,580)	-
Payments for tangible assets acquisition	5	(81,073)	(71,140)
Net cash from investment activities		**(320,628)**	**(95,254)**
Cash flow from financial activities			
Payments related to tresaury stocks	9	(182)	-
Collections from bank debts		365,299	59,473
Payments from bank debts		(24,029)	(23,425)
Payments from financial leases		(12,500)	(5,379)
Interest payments		(16,738)	(17,389)
			-
Net cash from financial activities		**311,850**	**13,280**
Net Increase (Reduction) in cash and equivalents		**23,004**	**(44,736)**
Cash and equivalents at the begining of the period		**52,324**	**98,035**
Effect of exchange differences on cash		**130**	**652**
Cash and equivalents at the end of the period		**75,458**	**53,951**

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 30 June 2019.

(1) General Information

Parques Reunidos Servicios Centrales, S.A. (hereinafter the Company or the Parent) was incorporated on 23 November 2006 under the name of Desarrollos Empresariales Candanchú, S.L. On 1 March 2007, it changed its name to Centaur Spain Two, S.L.U. On 27 January 2010 and 30 March 2010, the agreements of modification of the company name to the current one and transformation into a limited company.

On 23 March 2007, its Sole Shareholder approved the Amendment of the Corporate Bylaws, establishing the closing date of its financial year as 30 September of each year. However, in the Ordinary General Shareholders' Meeting of 21 March 2018, the decision was made to modify the Corporate Bylaws, specifically, relating to its financial year, setting the closing date at 31 December of every year. For the correct implementation, it was agreed that the fiscal year that started on 1 October 2018 will be irregular in length and will end on 31 December 2018.

In March 2007, the Company acquired the leisure group Parques Reunidos, having begun its activity following such acquisition. Its business address is Paseo de la Castellana 216, planta 16 in Madrid.

Parques Reunidos Servicios Centrales, S.A. is the Parent Company of a Group (hereinafter, the Group) formed by subsidiaries whose main activity is the exploitation of amusement parks, animal parks, water parks and, in general, leisure facilities, including the new Indoor Entertainment Centres (IECs), indoor leisure venues located in shopping areas with a large number of visitors. Some of the parks are operated by the Group under lease (in most cases only land lease) or administrative concessions. The breakdown of the companies in the Group included in the consolidation and the information related can be found in Annex I of the Consolidated Annual Accounts for the three-month period ended 31 December 2018. To this Annex, it is necessary to add to the perimeter, the company Tropical Island Holding GmbH described in Note 2 e) of these Condensed Consolidated Interim Financial Statements.

Since 29 April 2016, the shares of Parques Reunidos Servicios Centrales, S.A., have been admitted to official trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, with no restrictions on the free transfer thereof. As a result of the IPO process described below, the Company ceased having a status of sole proprietorship that it maintained until then.

<u>Flotation on the Stock Market</u>

Since 29 April 2016, the shares of Parques Reunidos Servicios Centrales, S.A., have been admitted to official trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, with no restrictions on the free transfer thereof. As a result of the IPO process described below, the Company ceased having a status of sole proprietorship that it maintained until then. The flotation on the stock market was carried out as follows:

a) A capital increase with share premium of 525,000 thousand euros through the issue of 33,870,960 ordinary shares of 0.50 euros par value each and a share premium of 15 euros each. The new shares were sold via a subscription offer (see note 13 a)) for a price of 15.5 euros per share.

b) Offer for Sale of 4,850,000 shares accounting for 21% of the capital, sold at 15.5 euros per share, amounting to a total of 75,175 thousand euros.

The information prospectus on the Initial Public Offer, the Offer for Sale and the Admission to Trading of the abovementioned shares was approved by the Spanish National Securities Market Commission on 20 April 2016. In addition, the capital increase was approved by the then single shareholder on 27 April 2016 and entered in the Registry of Madrid on 28 April 2016.

On 27 April 2016, the Parent Company closed the share subscription period, formalising it on 28 April 2016 in a public deed of execution, closing of capital increase and award of shares, at the price established in the offer of 15.5 euros per share, with admission and trading of the new shares having commenced on 29 April 2016.

Within the framework of the aforementioned process, Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch were appointed global coordinators. The total expense for these issues amounted to 21,244 thousand euros, of which 18,425 thousand euros (without considering the tax impact) was allocated to the public subscription offer and, therefore, recognised directly in consolidated equity and the remaining 2,819 thousand euros was allocated to the public offering and, therefore, recognised in the consolidated income statement.

Lastly, using the proceeds of the initial public offering, the Group has restructured its financial debt, settling the bonds issued in the United States and the existing contracted syndicated loan and arranging a further syndicated loan.

On 26 April 2019, the company Piolin BidCo, S.A.U announced its intention to formulate a takeover bid for all the totality shares of Parques Reunidos Servicios Centrales, S.A. with voluntary nature. On 11 June 2019, the Spanish National Securities Market Commission admited for processing of the application for authorisation submitted by Piolin BidCo, S.A.U. to launch a takeover bid for the shares of Parques Reunidos Servicios Centrales, S.A.

(2) Basis for presentation

The Condensed Consolidated Interim Financial Statements pertaining to the six-month period ending on 30 June 2019 were authorized on 26 September 2019 by the Directors of the Parent Company, from the accounting records of Parques Reunidos Servicios Centrales, S.A. and the consolidated entities. The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and do not include all the information required for the financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU); therefore, these Condensed Consolidated Interim Financial Statements must be read and interpreted in conjunction with the consolidated financial statements of the Group pertaining to the financial year ended 31 December 2018, approved by the Annual General Meeting on the 28 of March 2019. However, explanatory notes have been included to explain significant events and transactions in order to understand the changes in the Group's financial situation since the last consolidated financial statements for the three-month period ended 31 December 2018.

a) Accounting Principles and basis for presentation applied in the consolidation

The accounting principles and valuation criteria applied in the preparation of these Condensed Consolidated Interim Financial Statements do not differ from those applied in the financial year ending 31 December 2018, described in the Group's consolidated financial statements pertaining to the financial year ending on that date.

The local currency of all the Group's companies is its working currency, the Euro, except for the subsidiaries located in the United States of America, United Kingdom, Norway and Denmark. The interim financial statements of Group companies expressed in currencies other than the Euro have been converted into Euros as is stated in the consolidated financial statements for the financial year ending on 31 December 2018.

The closing date for the interim financial statements of the Group companies used to prepare these Condensed Consolidated Interim Financial Statements is 30 June 2019.

b) Comparison of information

As required by the IFRS-EU, the information included in the Condensed Consolidated Interim Financial Statements for the six-month period ending 30 June 2019, is presented for comparative purposes along with the information pertaining to the six-month period ending 30 June 2018, except for the consolidated statement of financial position which includes, as comparative figures, those pertaining to 31 December 2018, the closing date of the Group's financial year, after amendment during the year 2018.

The consolidated income statement at 30 June 2018 has been affected by the retrospectively adoption of IFRS 16 on 1 October 2017.

The impact of the application of IFRS 16 on the balance is presented below:

	Thousands of Euro		
CONSOLIDATED INCOME STATEMENT	**30.06.2018 (*)**	**Impact IFRS 16**	**30.06.2018 with IFRS *16* (*)**
Amortization expenses	(40,778)	(2,319)	(43,097)
Other operating expenses	(76,348)	3,053	(73,295)
Financial expenses	(17,243)	(3,715)	(20,958)
Corporate income tax	23,370	206	23,576

(*) Unaudited

c) Accounting estimates and relevant assumptions and opinions in the application of accounting policies

The accounting estimates and relevant opinions applied in the preparation of these Condensed Consolidated Interim Financial statements have been the same as those applied by the Group in its consolidated financial statements for the financial year ending to 31 December 2018.

At least once a year, the Group carries out an impairment test on goodwill and, in the event of detecting evidence of impairment, of the tangible and intangible assets for calculation of the recoverable value thereof.

During the period of six months ending 30 June 2019, the Group has carried out an analysis of new facts that indicated that the recoverable value determined in the impairment test carried out at the three-month period ended at 31 December 2018 should be updated. As a result of this analysis, the impairments described in notes 5 and 6 of these Condensed Consolidated Interim Financial Statements have been recorded.

d) Standards and interpretations applicable to this period

For the six-month period ended 30 June 2019, the standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union, with mandatory application for fiscal years beginning on 1 January 2019, with a significant impact for the Grupo:

- IFRS 16 – Leases. This standard will require the recognition of all contracts identified in the lessee's balance sheet, with limited exceptions, replacing IAS 17 currently in force. The advance application is allowed for entities applying IFRS 15 before or on the date of initial application of IFRS 16.

- Amendment of IFRS 9. Prepayment features with negative compensation. This amendment will enable the measurement at amortised cost of certain financial assets eligible for early cancellation for an amount that is lower than the outstanding principal and interest thereon.

- IFRIC 23 – Uncertainty over income tax treatments. This interpretation clarifies how to apply the recognition and measurement of IAS 12 when there is uncertainty as to the acceptability by a taxation authority of a certain taxation treatment used by the entity. In conclusion of the analysis carried out by the Group, this standard has no impact on the financial statements.

At 31 December 2018, the Group Management carried out an analysis on the effects of IFRS 9 and 16. As a conclusion of that analysis, it was revealed that the only standard with a relevant effect was IFRS 16. The most relevant conclusions of the analysis on the effects of IFRS 9 and 16 are included in the Consolidated Annual Accounts for the three-month period ended 31 December 2018.

As included in the Consolidated Annual Accounts for the three-month period ended 31 December 2018, the Board of Directors of the Company decided to apply IFRS 16 in advance for the three-month period starting on 1 October 2018.

The final impact can be seen in section b) of Note 2 of the Consolidated Annual Accounts for the three-month period ended 31 December 2018.

At 30 June 2019, there are recognized net right of use, by application of IFRS 16, in the tangible fixed assets of the consolidated statement of financial position amounting to 174,672 thousand euros (248,692 thousand euros at 31 December of 2018).

The detail of the right of use at 30 June 2019 and 31 December 2018:

	Thousands of Euro	
	30.06.2019	**31.12.2018**
Land	15,744	15,744
Buildings and fixtures	187,826	251,906
Transport elements	1,796	1,334
Other property	21,664	23,150
Total gross Property, Plant and equipment	**227,030**	**292,134**
Accumulated depreciation	(52,358)	(43,442)
Total Net Property, Plant and equipment	**174,672**	**248,692**

As a result of the review process of the IECs development strategy and the consequent resolution of the Times Square and Lisbon contracts described in note 7, the amount capitalized under IFRS 16 corresponding to this contract has been withdrawn to 69,980 thousand euros in the heading buildings and fixtures.

On the other hand, in relation to the business combination carried out for the six-month period ended 30 June 2019 described in note 4, there are 6,278 thousand euros included in buildings and fixtures, transport elements and other tangible fixed assets and 5,203 thousand euros corresponding to the accumulated depreciation.

The amortizations corresponding to the right of use of the assets recognized by application of IFRS 16 for the six-month period ended 30 June 2019 amount to 3,145 thousand euros (2,320 thousand euros in the six-month period ended on 30 June 2018) and recognition of interest on the lease obligation for an amount of 4,049 thousand euros for the six-month period ended on June 30, 2019 (3,715 thousand euros in the six-month period ended 30 June 2018) included in the consolidated income statement.

Likewise, there are leased assets with short-term or low-value leases, as well as contracts subject to variable consideration, to which IFRS 16 does not apply. In the six-month period ended 30 June 2019, they have been collected as an expense, under other operating expenses of the consolidated statement of income, the fees accrued by these contracts for an amount of 3,753 thousand euros (note 15 b)).

e) Changes in the composition of the Group

In the preparation of these Condensed Consolidated Interim Financial Statements, the Company has consolidated its investments in all Group companies. The breakdown of the companies in the Group included in the consolidation and the information related thereto is included in Annex I of the consolidated financial statements of the three-month period ended 31 December 2018.

During the six-month period ended 30 June 2019, a new subsidiary has been added to the scope of consolidation, Tropical Island Holding GmbH, as result of the business combination described in note 4.

f) Seasonal nature of the transactions during the period

Given the nature of the activities carried out by the Group, its operations are highly seasonal, which affects the interpretation of these Condensed Consolidated Interim Financial Statements pertaining to the six-month period ending 30 June 2019, compared to the annual financial statements for the three-month period ended on 31 December. The seasonal nature of the activities is due to the significant drop in the number of visitors to the Group’s parks during the winter as a result of the weather conditions, which leads to significantly lower sales and results in the interim six-month period compared to those for the full year ending 31 December. For this reason, it is important that these Condensed Consolidated Interim Financial Statements are read and interpreted in conjunction with the consolidated financial statements pertaining to the 12-month period ended 30 June 2018 and the three-month period ended 31 December 2018.

As a result of the aforementioned seasonality, at 30 June 2019 the Group’s working balance is negative by 270,471 thousand euros (131,724 thousand euros at 31 December 2018). In this regard, the Group Directors consider that there is no doubt as to compliance with the going concern principle, given that this fact is due to the seasonal nature of the business and is not indicative, in and of itself, of any alteration whatsoever in the normal future performance of the Group. In addition, in accordance with the cash flow generation estimates for the financial year ending 31 December 2019, the Directors expect these to be higher than those for the financial year ended 31 December 2018.

g) Relative importance

In accordance with IAS 34, for the determination of the information to be disclosed in the Explanatory Notes, the relative importance thereof in regard to these Condensed Consolidated Interim Financial Statements has been taken into consideration.

(3) Earnings per share

The basic earnings per share are calculated by dividing the profit / (loss) of the year attributable to the holders of equity instruments of the Parent Company by the weighted average of the ordinary shares in circulation during the year, excluding own shares.

The breakdown of the basic earnings / (losses) per share is as follows:

	30.06.2019	30.06.2018
Profit / (loss) for the year attributable to Parent Company shareholders (in thousands of euros)	(177,738)	(28,359)
Weighted average of ordinary shares in circulation	80,728,980	80,742,044
Basic earnings / (loss) per share (in euros)	**(2.20)**	**(0.35)**

The group does not have issued financial instruments that give access to capital or convertible debt, so the diluted benefit per share coincides with the basic one.

As mentioned in note 9 e), in April 2016, the previous Single Shareholder approved a long-term Incentive Plan based on share-based payments. Furthermore, in February 2019, a new Incentive Plan has been approved. The impact of this Plan on basic and diluted earnings per share is not significant at 30 June 2019.

(4) Business Combinations:

During the six-month period ended at 30 June 2019 the following business combinations have been carried out:

Acquisition of Tropical Islands (Germany)

At 16 January 2019 the Group obtained, through the acquisition of 100% of the share capital by the German subsidiary Centaur Holding Germany GmbH, the control of Tropical Island Holding GmbH. This company is based in Germany and its main activity is the operation of a water park called "Tropical Islands" located in Krausnick, Germany, whose business is focused in family entertainment. This German company was incorporated for accounting purposes on 1 January 2019 since the effect of not considering the exact date of acquisition is not significant.

As permitted by IFRS3, the initial accounting of the aforementioned business combination is incomplete at the date of these Condensed Consolidated Interim Financial Statements. However, a detail of the consideration given of the book value of the assets acquired and liabilities recognized at the acquisition date and the goodwill is as follows:

	Book Value
Tangible assets	73,966
Intangible assets	810
Other currrent assets	7,414
Cash and cash equivalents	10,527
Non current liabilities	(9,329)
Current liabilities	(4,771)
Total net assets acquired	78,617
Reimbursement given	236,750
Goodwill (note 6)	**158,133**

The result and incomes obtained by the business incorporated included in the consolidated income statement for the six-month period ended 30 June 2019 amount to profits of 3,301 and income of 34,485 thousand euros, respectively.

Acquisition of assets of Volgelpark Walsrode (Germany)

At 30 January 2019, following the fulfillment of the conditions established in the purchase agreement of assets dated at 24 July 2018, the Group, through the German subsidiary Nature Park GmbH, acquired all the assets of the Vogelpark Walsrode GmbH company related to the largest bird park in the world, Vogelpark Walsrode, located in Germany, for an amount to 8,000 thousand euros.

During the three-month period ended 31 December 2018, the following business combination was carried out:

Acquisition Raging Waters Sydney (formerly Wet'n'Wild Sydney) (Australia)

At 2 October 2018, the Group obtained, through the acquisition of 100% of the share capital by the US subsidiary Festival Fun Parks, LLC, the control of the company Raging Waters Sydney Pty Ltd. (formerly Wet n'Wild Sydney Pty Ltd). This company is based in Australia and its main activity is the operation of a water park called "Raging Waters Sydney" (formerly "Wet’n’Wild Sydney") located in Sydney, Australia, whose business is focused on family entertainment. This Australian company was incorporated for accounting purposes at 1 October 2018 since the effect of not considering the exact date of acquisition is not significant.

At 27 February 2019, the Group has concluded the accounting of the business combination. The detail of the consideration given and the fair value of the assets acquired and liabilities recognized as of the acquisition date is as follows:

	Book Value	Fair Value
Tangible assets	37,653	30,085
Other current assets	1,285	919
Cash and other equivalent liquid	153	153
Current Liabilities	(24,637)	(1,176)
Total net assets acquired	**14,454**	**29,981**
Reimbursement given		25,003
Contingent consideration		4,978
Goodwill		-

The negative result and income obtained from the business incorporated in the three-month period ended 31 December 2018 and included in the consolidated income statement in that financial year amounted to 2,314 and 2,096 thousand euros, respectively.

Event Park-Belantis (Germany)

At 14 February 2018, the Group obtained, through the acquisition of 100% of the share capital, the control of Event Park GmbH. This company is based in Germany and its main activity is the operation of an amusement park called "Belantis" located in Leipzig, Germany, whose business is focused at family entertainment. This German company was incorporated for accounting purposes on 1 March 2018 since the effect of not considering the exact date of acquisition is not significant.

At 14 February 2019, the Group has completed the accounting of the business combination for the acquisition of Event Park GmbH, which does not differ from the detail presented in note 5 of the Consolidated Annual Accounts for the three-month period ended at 31 December 2018.

(5) Intangible and tangible assets

During the six-month period ended 30 June 2019, the Group has acquired assets for a total amount of 77,739 thousand euros. Part of this fixed asset acquisitions, 56,355 thousand euros are new attractions and equipment in parks in Europe, mainly in Mirabilandia, Bobbejaanland, Warner Park, Movie Park and Slagharen and in USA, principally in Dutch Wonderland, Kennywood and Storyland. Meanwhile, the Group has acquired assets for a total amount of 6,999 thousand euros for the line of Indoor Entertainment Centres, 5,325 thousand euros in animal parks, principally in Marineland (Europe) and Sea Life (USA), and 7,053 thousand euros in water parks, principally Tropical Islands, in Europe, and Noah’s Ark and Splish Splash in USA.

In addition, as a result of the business combination described in note 4, assets have been incorporated in the amount of 74,776 thousand euros, from the German company Tropical Island Holding GmbH and 8,053 thousand euros related to assets of Volgelpark Valsrode bird park.

The amortisation expense for the six-month period ended 30 June 2019 has been of 15,172 thousand euros in intangible assets (14,402 thousand euros at 30 June 2019) and of 40,477 thousand euros in tangible assets (28,695 thousand euros at 30 June 2019). Furthermore, the exchange differences in the six-month period ended 30 June 2019 an increase in assets by 2,327 thousand euros.

In relation to indoor leisure centres (IECs), the results obtained to date in the centres in operation are below the expected return targets. As a result, there have been impairments of 566 thousand euros in Mall Entertainment Centre Murcia, S.L and 9,721 thousand euros in Mall Entertainment Centre Temático Arroyomolinos, S.L.U.

On the other hand, in the aftermath of bad results of US parks due to adverse weather the Group recognised impairments in assets associated with Miami Seaquarium, San José and Sacramento amounting 4,728 thousand euro.

Additionally, there have been assets retirements under construction for a total amount of 7,126 thousand euros derived from the termination of the contracts associated with the opening of the Indoor Entertainment Centres (IECs) of Lisbon in Portugal, Principe Pío in Madrid, Times Square in New York and other projects under development. In addition, as indicated in note 2 d) the right for use capitalized under IFRS 16 for the amount of 69,980 thousand euros corresponding to the Times Square and Lisbon contracts has been withdrawn. Finally, there have been withdrawals of assets amounting to 431 thousand euros.

In addition, at 30 June 2019 the Group has tangible assets purchase commitments amounting to 66,059 thousand euros.

(6) Goodwill

The movements in goodwill are as follows:

	Thousands of Euro
	30.06.2019
Balance at 31 December 2018	558,041
Business combination (note 4)	158,133
Value impairment (see note 2c)	(70,047)
Exchange differences	1,941
Balance at 30 June 2019	**648,068**

The registrations for business combinations in the six-month period ended 30 June 2019, include the amount of goodwill arising from the acquisition of Tropical Island Holding GmbH (see note 4).

Since visitor forecasts for this exercise were not being, the Group Management has reviewed the estimates of the cash flow projections considered for the Marineland park located in France. As a result of the foregoing, the Group has deteriorated at 30 June 2019 almost all of the goodwill associated with the aforementioned park for 64,291 thousand euros. Likewise, for the reasons described in note 5 in relation to certain parks in the United States, at 30 June 2019 there have been impairments in the goodwill associated with the parks of San José and Sacramento for an amount of 5,756 thousand euros.

As of the date of preparation of these consolidated annual accounts, the Directors of the dominant Company consider that there are no additional facts that would make it necessary to modify the estimates made at the end of the six-month period ended at 30 June 2019 to calculate the evidence of deterioration performed.

The exchange differences include the fluctuation effect of the exchange rate used to convert the goodwill in countries with a functional currency other than Euro, mainly, the USA.

(7) Leases and concession agreements

The Group has exploited during the six-month period and exercise finished at 30 June 2019 and 31 December 2018, respectively, a series of parks and other centres through concession agreements, surface rights or operating leases with the public administration.

A detail of the terms and conditions of the principal concessions and leases of parks and other centres at 30 June 2019 and 31 December 2018 is included in the Annex III of the Consolidated Financial Statements of the three-month period ended at 31 December 2018.

a) Concession agreements (under IFRIC 12) and surface rights (Out of the scope of IFRS 16)

A detail of the parks and other entertainment centres that the Group has exploited at 30 of June 2019 and 31 of December 2018 and the parks and centres that maintain concession agreements (registered according to IFRIC 12) or surface rights with the Group (Out of the scope of IFRS 16), is as follows:

Country	Location	Type of Park	Description	Maturity	Operation regime
Spain	Madrid	Animal park	Zoológico de Madrid	2034 (1)	Administrative concession (CINIIF 12)
Spain	Madrid	Amusement park	Parque de atracciones de Madrid	2026 (1)	Administrative concession (CINIIF 12)
France	Le Touquet	Aquatic park	Aqualud	2034 (2)	Surface right
Italy	Ravena	Amusement park	Mirabilandia (2 parks)	2072 (2)(3)	Surface right

(1) The investments made on these parks are subject to reversion at the end of the contract. The net asset value of the material and intangible assets of these parks at 30 June 2019 and 31 December 2018, is 109,189 thousand euros and 115,799 thousand euros, respectively. These Parks are registered according to the IFRIC 12, and because of that, are not subject to the IFRS 16.

(2) These parks are regulated by surface rights which do not suppose periodical payments and, because of that, are not subject to the IFRS 16.

(3) Several contracts over parcels with maturities in 2062 (renewable automatically for another 25 years), 2072 and 2070 (renewable automatically).

The concession agreements for the construction, conservation and exploitation of the beforementioned parks, on transferred lands by the city councils were subscribed for an initial period of 30-35 years, period that has been extended to the disclosed date after a series of negotiations with those administrations.

At the final date of the concessional periods or the surface rights beforementioned, the installations will revert to the conceding administration as provided by the agreements signed. However, the Group´s experience in the sector in which operates indicates that before reaching the due date is possible to get an extension on the term of the contract through the figure of the economic equilibrium of the contract. In most cases, a year before the termination of the concessions, the concessionaire should take, on his account, all the works and reconstructions to deliver the installations and buildings in perfect conditions for the service delivery they are intended to.

During the agreement period, the concessionaire has the obligation of preserving and maintaining the installations. In this sense, the Group considers that the ordinary maintenance carried out in the concessioned parks has been so exhaustive, that additional accounting provisions are not necessary to fulfil the contractual obligations. Additionally, the Group actualizations over the fees of the majority of the concessions are made in reference with market indexes. In addition to that, in the case of Parque de Atracciones de Madrid and Zoo de Madrid, the access tariffs are controlled by the competent authority, because they have to be authorised annually after the revision request presented by the Group. Given they meet all the conditions necessary, these centres are accounted under the norm IFRIC 12.

b) Other Operating leases, concessions and surface rights

The Group has exploited during the six-month period ended at 30 June 2019 several parks and other centres subscribed to lease agreements, concessions or surface rights on proprietary assets. A detail of these parks and entertainment centres is as follows:

Country	Location	Park type	Description	Maturity
Spain	Alicante	Aquatic park	Parque acuático de Torrevieja	2032 (1)
Spain	Madrid	Aquatic park	Parque acuático de Villanueva de la Cañada	2026 (1)(5)
Spain	Valencia	Aquatic park	Parque acuático de Cullera	2033 (1)
Spain	Madrid	Aquatic park	Parque acuático de S. F. de Henares	2019 (1)
Spain	Sevilla	Aquatic park	Parque acuático de Sevilla	2020 (1)
Spain	Tarragona	Aquatic park	Parque acuático de Salou	2021 (1)
Spain	Huelva	Aquatic park	Parque acuático de Cartaya	2024 (1)
Spain	Madrid	Animal park	Faunia (Parque Biológico Madrid)	2048 (1)
Spain	Málaga	Other entertainment centres	Teleférico de Benalmádena	2075 (1)
Spain	Málaga	Animal park	Parque de la naturaleza Selwo	2072 (1)
Spain	Málaga	Animal park	Parque Selwo Marina	2075 (1)
United Kingdom	Blackpool	Animal park	Zoológico de Blackpool	2033
United Kingdom	Windermere	Animal park	Acuario de Lake Windermere	2047
United Kingdom	Bournemouth	Animal park	Acuario de Bournemouth	2097 (3)
Germany	Dusseldorf	Amusement park	Movie Park	2062 (2)
USA	California	Family entertainment centres	Palm Springs	2027
USA	Georgia	Family entertainment centres	Marietta Mountasia	2026
USA	Georgia	Family entertainment centres	Norcross Malibu	2026
USA	California	Family entertainment centres	Vista	2033
USA	New York	Family entertainment centres	Medford	2034
USA	California	Aquatic park	Sacramento	2025
USA	California	Aquatic park	San Jose Raging Waters	2025
USA	New York	Aquatic park	Splish Splash	2034
USA	California	Aquatic park	San Dimas Raging Waters	2034
USA	New Hampshire	Aquatic park	Water County	2034
USA	Carolina del Norte	Aquatic park	Emerald Pointe Wet n Wild	2037
USA	Hawaii	Animal park	Sea Life Hawaii	2027
USA	Florida	Animal park	Miami Seaquarium	2031
USA	California	Amusement park	Castle park	2037
Norway	Telemark	Aquatic park	Bo Sommarland	2026 (3)
Norway	Oslo	Amusement park	Tusenfryd	2025
Spain	Murcia	Family entertainment centre	Nickelodeon Adventure Murcia	2027 (4)
Spain	Madrid	Aquatic family entertainment centre	Atlantis Aquarium Madrid	2028 (6)
Spain	Madrid	Family entertainment centre	Nickelodeon Adventure Madrid	2028 (6)
Australia	Sydney	Aquatic park	Raging Waters Sydney	2063

(1) The investments made on these parks are subject to reversion at the end of the contract. The net asset value of the material and intangible assets of these parks at 30 June 2019 and 31 December 2018, is 40,133 thousand euros and 41,040 thousand euros, respectively.

(2) Several contracts on different parcels with maturities in 2062, 2090 and 2092.

(3) This contract allows half-monthly renovations indefinitely.

(4) Possibility of exercise two (2) renewals of five (5) years each.

(5) On the 14 February 2019, the municipal plenary accorded the extension of the surface right until the 23 July 2041. The modification of the contract will be redacted and published in the upcoming months.

(6) Possibility of exercise three (3) renewals of five (5) years each.

All the parks and entertainment centres detailed in the previous table were also exploited in the three-month exercise ended 31 December 2018.

In the case of Teleférico de Benalmádena and Aquopolis Costa Dorada, although the access tariffs are controlled by the competent authority, because they have to be authorised annually after the revision request presented by the Group, they do not meet all the conditions necessary to be accounted under IFRIC 12.

At 30 June 2019, there are several parks (IECs) that are under development, not opened to the public, subject to agreements signed with different arrendators in several locations, which are detailed below:

Country	Location	Operative segment	Description	Maturity
United Kingdom	Lakeside	Familiar entertainment centre	Nickelodeon Adventure Lakeside	25 years after park´s availability

At 31 December 2018, the parks under development were the following:

Country	Location	Operative segment	Description	Maturity
USA	New York	Familiar entertainment centre	Lionsgate Times Square	15 years after opening date
Portugal	Lisbon	Familiar entertainment centre	Nickelodeon Adventure Lisboa	10 years counting from the first of: a) Opening date b) 11 months after park´s availability
United Kingdom	Lakeside	Familiar entertainment centre	Nickelodeon Adventure Lakeside	25 years after the park's availability date

At 30 June 2019, as a consequence of the revision process of the Group´s IECs development strategy, the Group has decided not to continue with the projects in the United States of America and Portugal, and consequently, resolve the associated agreements. This resolution has implied an expense of 40,895 thousand euros (see note 15 b)).

The contracts detailed in the tables of this section (except the ones which compensation is entirely variable based on the parks performance) are capitalised (see note 2 d)) based on the scope of IFRS 16 (as with the leases of other assets, like vehicles or other fixed assets).

There are neither sublease contract with external third parties nor sale & leaseback contracts.

The average discount rate applied has been approximately 6%. As mentioned on the note 3 d) of the Consolidated Financial Statements of the three-month period ended at 31 December 2018, given that it has not been possible to apply the implicit discount rate because of the difficulty of its determination (paragraph 26 of the IFRS 16), the Group has calculated the incremental interest rate based on the interest rate of the Treasury notes of the applicable country, plus the corresponding adjustments to adapt the rate to the duration of the lease, the underlying asset and the spreads for credit risk applicable to the Group companies.

The Group activity as lessee is centred primary on the lands in which the parks are settled in, and other assets less significant, like vehicles or small machinery. Due to the extensive duration of the lands leasing agreements and the easy substitution of the rest of the assets subject to lease contracts, the liabilities for leasing are not subject to significant variations as consequence of extension or determination options which were not included in the lease period in accordance with IFRS 16 but which exercise could be qualified as probable.

By contrast, the Group is exposed to potential payments due to variable fee rates subject to the lease agreements of lands which fee rate is referenced to the revenue or income volume of the park or centre covered by the agreement, primarily in the USA, United Kingdom and the last contracts signed in Spain. The lease expense due to variable fee rates is included in the paragraph "Leases and rental" of the note 15 b).

The Group is not exposed to warranties of residual value and the financing agreements do not include the lease liabilities in the calculations of the covenants therein contained (as the agreements until now accounted as financial lease).

(8) Financial Assets

a) Non-current financial assets

At 30 June 2019 this heading basically includes long term deposits and securities, as well as the participation in the acquired company in the period Tropical Islands Holding GmbH of Energieversorgung BRAND GmbH totalling 1,913 thousand euros.

Also, a loan of 750 thousand euros to the beforementioned company is included in this paragraph.

b) Clients from sales and provision of service

The detail of this epigraph at 30 June 2019 and 31 December 2018 is as follows:

	Thousands of euros	
	30.06.2019	**31.12.2018**
Clients from sales and provision of service	30,980	21,445
Sundry debtors	6,000	2,523
Public administration	2,861	269
Personnel	158	141
	39,999	**24,378**

In the epigraph of Clients from sales and provision of service of the Consolidated financial statements at 30 of June 2019 and 31 December 2018 attached, are included, primarily, the receivables of sales made to third parties by the Group in the development of their activities. In general, these accounts do not accrue any interest rate and have a maturity date under 180 days.

There is not a significative concentration of credit risk with respect to the trade receivables, given that the Group has a large number of customers distributed in all the countries in which it operates.

(9) Net Equity

The composition and movement in net equity are shown in the consolidated statement of changes in net equity which forms part of these Condensed Consolidated Interim Financial Statements.

a) Capital subscribed

At 30 June 2019 the share capital of Parques Reunidos Servicios Centrales, S.A. is represented by 80,742,044 common stock each of a nominal value of 0.5 euros, belonging to the single class and series. All shares have been fully subscribed and paid up and grant the same political and economic rights to their holders.

Shareholdings above 10 % of the share capital of the Company reflected in the registered public information at the Spanish National Securities Market Commission at the closing date of these Condensed Consolidated Interim Financial Statements are as follows:

	%
Corporación Financiera Alba, S.A.	21.190%
Groupe Bruxelles Lambert (GBL)	23.020%
Joint shareholders (Alantra AM and Alantra EQMC)	10.413%

Capital management

For the purposes of capital management measuring, the indicator used by the Group is the financial leverage ratio calculated as follows:

	Thousands of euros	
	30.06.2019	**31.12.2018**
Gross debt		
Debt with credit institutions (note 9 a))	980,934	635,327
	980,934	635,327
Treasury assets		
Current-to-maturity financial assets	-	(823)
Cash and cash equivalents	(75,458)	(52,324)
	(75,458)	(53,147)
Total net debt	**905,476**	**582,180**
Total net equity	**858,580**	**1,055,722**
Financial leverage	**1.05**	**0.55**

The Group's financing structure, designed and in application, seeks to optimise own resources and take advantage of the external financing capacities, without compromising the investment plans established in the business plan or short-term cash needs. The Group manages the efficiency of this structure via the financial leverage ratio (Debt with credit institutions and obligations, net of cash assets /Net equity). The Directors consider that this ratio is suitable for achieving the abovementioned objective.

In addition, most of the financial debt used by the Group matures in May 2022 and provides sufficient time, in the opinion of the Directors of the Parent Company, to carry out the corporate transactions which, along with the generation of cash from the Group's operations, will enable the level of debt to be balanced prior to maturity thereof.

As a result of the seasonal nature of the business, the Group makes treasury forecasts systematically for each business unit and geographical region in order to assess their needs. This liquidity policy followed by the Group ensures fulfilment of the payment obligations acquired without having to resort to obtaining funds under onerous conditions, allowing the Group's liquidity position to be continuously monitored.

b) Issue premium

The share premium is freely distributable, except when, as a result of its distribution, the net equity is less than the share capital. During the IPO in April 2016, there was an increase in capital, increasing the existing share premium at that time from 819,463 thousand euros to 508,065 thousand euros.

c) Other reserves

The reserves in consolidated companies included non-distributed profits and accumulated losses to be offset pertaining to the consolidated companies, also considering consolidation adjustments.

The net equity of the Company and of some of the subsidiaries which is eliminated as part of the consolidation process includes reserves which, given their nature, are restricted according to the terms established in the legislation applicable to each case.

Among such cases are the legal reserve of the subsidiaries in Spain, Italy, France, Argentina and Belgium and the restatement reserve arising from the application of Royal Decree Law 7/1996 to Spanish subsidiaries, amounting to 6,095 thousand euros at 30 June 2019 and 31 December 2018.

d) Other shareholder contributions

This heading mainly includes the recognition in 2016 of Euros 9,811 thousand in relation to the Exit Bonuses that the then Single Shareholder (Centaur Nederland, B.V.) approved prior to the flotation mentioned in note 1.

e) Other equity instruments

This heading includes the increase in net equity as a result of the long term 2016-2019 Incentives Plan approved by the previous Single Shareholder (see note 16 c)). At 30 June 2019 this plan has expired.

f) Other global P&L

Exchange differences mainly pertain to the conversion to Euros of the financial statements of the US subgroup, whose working currency is the US Dollar.

g) Treasury Stock

At 30 June 2019, the composition of the Parent Company's share portfolio corresponds to 13,064 shares with a weighted average cost of 13.93 euros per share.

These shares were acquired in order to be delivered in the context of the incentive plan described in note 16 c). These shares have been delivered after 30 June 2019 (see note 19).

(10) Financial liabilities

a) Financial liabilities with credit institutions

The composition of "Financial liabilities with credit institutions", both current and non-current, at 30 June 2019 and 31 December 2018, is as follows:

	Thousands of euro							
	30.06.2019				31.12.2018			
	Limit	Current	Non-Current	Total	Limit	Current	Non-Current	Total
Valued at amortised cost:								
Syndicated loan	829,000	22,958	805,086	828,044	549,657	22,902	526,755	549,657
Revolving credit	200,000	110,395	–	110,395	200,000	63,738	–	63,738
Other bank loans	–	2,354	9,964	12,318	–	2,341	10,926	13,267
Credit facilities	66,193	35,514	–	35,514	57,249	16,872	–	16,872
Interests outstanding	–	9,185		9,185	–	3,867	–	3,867
Syndicated loan fees	–	–	(5,892)	(5,892)	–	–	(4,393)	(4,393)
Revolving credit fees	–	–	(2,130)	(2,130)	–	–	(1,451)	(1,451)
Adjustment IFRS 9	–	(2,500)	(4,000)	(6,500)	–	(2,500)	(4,000)	(6,500)
Valued at fair value:								
Derivative financial instruments	–	–	–	–	–	270	–	270
	1,095,193	**177,906**	**803,028**	**980,934**	**806,906**	**107,490**	**527,837**	**635,327**

The fair value of the syndicated loan at 30 June 2019 is of 1,044,003 thousand euros (634,449 thousand euros at 31 December 2018). The estimated fair value is Level 2 based on the fair value hierarchy established in IFRS 7.

Other bank loans include a loan entered into by the subsidiary Parque Biológico de Madrid, S.A., whose outstanding balance at 30 June 2019 amounts to 4,133 thousand euros (4,725 thousand euros at 31 December 2018), maturing in 2022 and accruing an annual variable interest rate of Euribor + 2.55 %. Moreover, it also includes a loan with an outstanding balance at 30 June 2019 of 6,434 thousand euros (6,791 thousand euros at 31 December 2018), entered into by the subsidiary Marineland Resort, S.A.S. maturing in 2027 and at a fixed annual rate of 3.8 %. Finally, as a consequence of the acquisition and integration of the new dependent company Event Park GmbH, a loan subscribed by this company is included in this epigraph whose outstanding balance as of 30 June 2019 is of 1,751 thousand euros (same amount at 30 December 2018) due in 2022 and a fixed annual interest ratio 1,76%.

At 30 June 2019 and 31 December 2018, several Group companies have credit facilities which amount to 66,193 and 57,249 thousand euros, respectively. This credit facilities are extended every year. The drawdowns made by 30 June 2019 and 31 December 2018 are mainly due to the seasonal nature of the Group's activities and the temporary cash requirements of some of the parks. Additionally, the syndicated loan includes a revolving credit facility of 200,000 thousand euros expiring April 2022.

At 30 June 2019 and 31 December 2018, the long-term maturity of the debts with credit institutions is as follows:

	30.06.2019 Thousands of euro				
	06/2021	06/2022	06/2023	06/2024 and following	Total
Syndicated loan	22,958	782,128	-	-	805,086
Other bank loans	2,380	2,998	1,255	3,331	9,964
	25,338	**785,126**	**1,255**	**3,331**	**815,050**

	31.12.2018 Thousands of euro					
	12/2020	12/2021	12/2022	12/2023	12/2024 and following	Total
Syndicated loan	22,902	22,902	480,951	-	-	526,755
Other bank loans	2,370	2,391	2,421	832	2,912	10,926
	25,272	**25,293**	**483,372**	**832**	**2,912**	**537,681**

b) Syndicated loan and revolving credit

At 1 April 2016 the Parent Company and its subsidiary in the US subgroup Festival Fun Parks, LLC entered into, as joint and several borrowers and guarantors, a new syndicated loan with Banco Santander, S.A. (as the agent bank). This new funding was used for (i) the repayment of the syndicated loan entered into in 2014, the bonds of the US subgroup and the GE Capital 2011 revolving credit, which were repaid in full using the cash obtained from the new financing as well as that obtained from the flotation Initial Public Offer and Sales Offer (see note 1) and (ii) towards the payment of fees, commissions and expenses associated with the new financing. On the other hand, a new revolving credit line was used to finance the working capital needs of the Group (including capex investments and permitted business acquisitions).

At 13 February 2017, the Company agreed a novation of this syndicated debt, which means a reduction in 40 basis points in the interest rate spread applicable to the debt and an extension up to 11 months in the maturity schedule thereof, depends on the tranches. After analysing this novation, it has been determined that the modification of the syndicated loan is not substantial, with the variation of 1.52%.

At January 8, 2019, the Parent Company has formalized the increase of the syndicated loan in an amount of 300,000 thousand euros. This increase of the principal amount has generated an additional tranche (tranche B3) in that syndicated loan and has been granted under the same interest rate and maturity conditions to the existing tranche B2. The aforementioned increase has been used to finance the acquisition of the new "Tropical Islands" indoor water park located in Germany described in note 4.

Below is a breakdown of the syndicated loan, at 30 June 2019 and 31 December 2018:

			Thousands of euros 30.06.2019		
Tranche	Year of maturity	Nominal rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	Apr 2022	6 month Libor + 2,85%	83,305	-	73,267
Tranche A2 (Euros)	Apr 2022	6 month Euribor + 2,85%	110,400	-	110,400
Tranche B1 (Dollar)	May 2022	6 month Libor + 3.60%	15,,197	-	137,377
Tranche B2 (Euros)	May 2022	6 month Euribor + 3.60%	207,000	-	207,000
Tranche B3 (Euros)	May 2022	Euribor + 3.60%	300,000	-	300,000
Revolving credit (multi-currency)	Apr 2022	Libor/Euribor + 2.85%	200,000	89,605	110,395
				89,605	**938,439**

			Thousands of euros 31.12.2018		
Tranche	Year of maturity	Nominal rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	Apr 2022	6 month Libor + 2.35%	93,718	-	81,921
Tranche A2 (Euros)	Apr 2022	6 month Euribor + 2.35%	124,200	-	124,200
Tranche B1 (Dollar)	May 2022	6 month Libor + 3.10%	156,197	-	136,536
Tranche B2 (Euros)	May 2022	6 month Euribor + 3.10%	207,000	-	207,000
Revolving credit (multi-currency)	Apr 2022	Libor/Euribor + 2.35%	200,000	136,262	63,738
				136,262	**613,395**

At 30 June 2019 and 31 December 2018, there are no restrictions on the revolving credit drawdowns.

The agreement establishes a partial amortisation schedule for tranches A1 and A2, with 10% of amortisation of the principal on 31 May of financial years 2018 to 2021, and the remaining 60% to be amortised in April 2022. On its part, the total amortisation of tranches B2 and B3 is set as a single repayment to be made at 31 May 2022. Finally, every drawdown against the revolving credit must be repaid on the last day of its interest period.

The syndicated loan also requires fulfilment, semi-annual and at the end of the year, of a covenant financial ratio calculated on the consolidated financial statements or consolidated financial accounts of the Group. The Group Corporate Financial Department carries out a detailed follow-up of compliance with such financial ratios, in order to enable early detection of any potential risk of non-compliance. In each semester since the signing of the original agreement in April 2016 and at 30 June 2019, the Directors of the Company have confirmed compliance with the following covenant:

Covenant	Definition	Ratio required
Debt	Net financial debt (*) / Consolidated EBITDA	< 4.50

(*) Defined as: Syndicate loan + Other bank loans + Pending interest – Cash and cash equivalents

In order to guarantee fulfilment of the obligations arising from the syndicated loan, the lender entities were provided with the following guarantees:

- Personal, joint and several guarantees by Parques Reunidos Servicios Centrales, S.A. and Festival Fun Parks, LLC (including pledge on the shares of the latter). This guarantee is enforceable as soon as any guarantors should fail to fulfil the commitments of amortisation of the principal or payment of interest for the debt tranches drawn down by each. At 30 June 2019, both guarantors are current with the payments and therefore the guarantee has not been enforced and, therefore, the Company has not had to recognise an additional liability pertaining to the debt of Festival Fun Parks, LLC.
- Pledge on the shares of Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., Leisure Parks, S.A., Zoos Ibéricos, S.A., Gestion Parque de Animales Madrid, S.L.U., Centaur Nederland 2 B.V., Grant Leisure Group Ltd, Tusenfryd AS, Pleasantville B.V., Marineland SAS, Movie Park Germany GmbH and Centaur Nederland 3 B.V.
- In addition, the following subsidiaries have furnished a personal guarantee: Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., Leisure Parks, S.A., Zoos Ibéricos, S.A., Gestion Parque de Animales Madrid, S.L.U., Centaur Nederland 2 B.V., Grant Leisure Group Ltd, Tusenfryd AS, Pleasantville B.V., Marineland SAS Parco della Standiana SRL, Movie Park Germany GmbH and Centaur Nederland 3 B.V.

c) Derivative financial instruments

At 30 June 2019 all of derivative financial instruments of the Group have expired.

The breakdown of derivative financial instruments included in the consolidated statement of financial position at 31 December 2018, is as follows:

	31.12.2018		
	Current	**Non-current**	**Total**
Assets			
Interest rate hedges	823	-	823
Liabilities			
Interest rate hedges	270	-	270

The Group hedges against the risk of interest rate fluctuations in the syndicated loan using interest rate swaps (IRS). These financial instruments have been classified as Level 2 according to the rank established in IFRS 7.

At 30 June 2019, the Group has recognized, in the heading "Variation of fair value of interest rate derivatives" of the consolidated income statement, a loss of 553 thousand euros corresponding to the variation in fair value from the beginning of the period until 30 June 2019 of both the IRS in euros and dollars (see note 15 c).

In addition, these derivative instruments have accrued interest amounting to 159 thousand euros which are included in the heading "Financial expenses" in the consolidated income statement for the period (see note 15 c).

d) Other financial liabilities

"Other non-current financial liabilities" of the attached consolidated statement mainly includes the contributions granted to Spanish companies Mall Entertainment Centre Murcia, S.L., Mall Entertainment Centre Acuario Arroyomolinos, S.L. and Mall Entertainment Centre Temático Arroyomolinos, S.L.U. and to the English company Lakeside Mall Entertainment Centre Ltd. for an amount of 6,358, 7,562, 3,738 and 2,793 thousand euros, respectively, by the owners where the works of adaptation of these IECs are being executed. As a result of the adoption of IFRS 16, part of this contributions are reverted in the consolidation process due to the recognition of the lease liability of the IECs Mall Entertainment Centre Murcia, S.L., Mall Entertainment Centre Acuario Arroyomolinos, S.L. and Mall Entertainment Centre Temático Arroyomolinos, S.L.U. amounting to 3,265, 5,899 and 3,767 thousand euros, respectively.

Additionally, due to the business combination described in note 4, at 30 June 2019, an amount to approximately 811 thousand euros is incorporated into this heading related to a subsidy granted to Tropical Island by the German tax authority.

At 31 December 2018, due to the business combination described in note 4, approximately 5 million euros were incorporated into this heading in relation to the contingent consideration in the acquisition of Wet n'Wild Sydney Pty Ltd.

On the other hand, at 28 March 2019, the General Meeting of Shareholders approved the distribution of a dividend in the amount to 20 million euros. This dividend is included in the heading "Other current financial liabilities" of the attached consolidated statement and has been settled at 17 July 2019.

(11) Other current liabilities

Certain parks in the Group sell annual passes and season vouchers. Both are registered as non-accrued income at the time of the sale and recognised following a systematic criterion (based on statistics and historical data) in the consolidate income statement over the period during which they are valid.

During the six-month period ending at 30 June 2019, the Group has recognised 3,724 thousand euros pertaining to non-accrued income at 30 June 2019, for the bonds sold in the period, whose visits will occur after the closing of these Condensed Consolidated Interim Financial Statements.

In addition to annual passes and seasonal vouchers, the Group sells tickets, stays in accommodation within the parks and other consumptions in advance. Revenues related to these items are recorded in the consolidated income statement once they are consumed or when they expire. This registration corresponds, mainly, to the presales corresponding to the visits that will take place during the high season of the parks that take place during the months immediately after the closing of these Interim Consolidated Financial Statements.

(12) Provisions

The provision at 30 June 2019 and 31 December 2018 refer, mainly, to the obligations to cover the commitments that the labour matter maintains to the group with its US employees in favour of the coverage of healthy systems and other concepts, as well as the provisions for possible obligations with third parties arising from litigation in progress. Likewise, they also correspond to provisions for pensions and the like corresponds, fundamentally, to the amount accrued at 30 June 2019 and 31 December 2018, for the compensation that the group`s employees will receive in Italy at the time they leave it.

During the period ended at 30 June 2019, an amount of 1,639 thousand euros has been incorporated into this heading for the incorporation to the perimeter of Tropical Island Holding GmbH as a result of the business combination described in note 4. Likewise, 1,840 thousand euros have been provisioned in relation to a dispute arising as a result of the termination of the contracts for the projects under development described in note 7 b).

(13) Income tax

The Parent Company is the head of the tax consolidation group in accordance with Law 27/2014 at 27 November 2014 of the Corporation Tax formed by the companies Parque de Atracciones Madrid, S.A.U., Zoos Ibéricos, S.A., Parques de la Naturaleza Selwo, S.L., Leisure Parks, S.A., Parque de Atracciones San Fernando de Henares, S.L.U., Aquopolis Cartaya, S.L.U., Madrid Theme Park Management, S.L.U., Gestión Parque de Animales Madrid, S.L.U., Travelpark Viajes, S.L.U., Parques Reunidos Valencia, S.A., company in liquidation, Parque Biológico de Madrid, S.A.U, Mall Entertainment Centre Murcia, S.L.U., Mall Entertainment Centre Temático Arroyomolinos, S.L.U., Mall Entertainment Centre Acuario Arroyomolinos, S.L.U., Indoor Entertainment Principe Pío, S.L.U. and Parques Reunidos Atlántica S.L.U. The rest of the subsidiaries have not been included in this tax group because they did not meet the requirements established in the Spanish tax regulations on the consolidated declaration regime.

According to the applicable legislation in Spain, taxes cannot be considered definitively settled until the declarations submitted have been inspected by the tax authorities, or the statute of limitations of four years has elapsed. At 30 June 2019, the Parent Company and the rest of its subsidiaries located in Spain, with whom it forms a fiscal consolidation group, have all the main taxes applicable to it from the last four years open to inspection by the tax authorities. In relation to the US subgroup, the years 2003-2019 are open for inspection by the tax authorities. With regard to the rest of the Group entities, the years established by their respective local jurisdictions are open for inspection. In relation to German entities, there are various tax inspections in progress:

- Event Park, GmbH: Corporate tax, trade tax and withholding taxes and VAT for the 2013-2016 fiscal years. Wage taxes for the 2014-2018 fiscal years. Social Security Contributions inspection for the 2015-2018 fiscal years.
- Centaur Holding Germany, GmbH: Income taxes (corporate tax, trade tax and withholding taxes) and VAT for the 2014-2017 fiscal years.
- Movie Park Gemany, GmbH: Corporate, trade tax and withholding taxes and VAT for the 2014-2017 fiscal years.
- Movie Park Gemany Services, GmbH: Corporate tax, trade tax and withholding taxes and VAT for the 2014-2017 fiscal years.

Also, in Belgium they have initiated several limited checks in relation to insurance and gambling taxes that have not yet been completed.

As a consequence, among others, of the different possible interpretations of the tax legislation force in each country where the Group is present, additional liabilities may arise as a result of an inspection. In any case, the Directors of the Parent Company consider that such liabilities, if they occur, would not significantly affect these Condensed Consolidated Interim Financial Statements.

Income from Corporate Tax has been recognized based on the best estimate made by the Management of the annual weighted average rate of the expected tax rate for the annual fiscal year. The resulting effective rate is applied to the result before taxes for the six-month period ended at 30 June 2019.

(14) Commitments and contingencies

At 30 June 2019, the Group has guarantees in Spain, United States, Norway, Germany and Australia amounting to 16,231 thousand euros (9,266 thousand euros at 31 December 2018) stemming from the contractual guarantees required in the ordinary course of business. The director's considerer that no material liabilities will arise for the Group as a result of the aforementioned guarantees.

Below is a Condensed of the types of guarantee per country, the amounts, the guarantor and the beneficiaries at 30 June 2019 and 31 December 2018:

		Thousands of euro			
Type	**Country**	**30.06.2019**	**31.12.2018**	**Guarantor**	**Beneficiary**
From park exploitation contracts	Spain	3,846	2,758	Financial entities	Municipal entities
Social Security	Spain	23	23	Financial entities	Social Security Treasury
Counter-guarantees	Spain	1,006	1,006	Financial entities	Financial entities
Licences Parque Warner	Spain	3,861	3,796	Financial entities	Warner Bros
Inherent to business contracts	Italy	528	528	Financial entities	Several
Tax-related	Norway	361	352	Entidades financieras	Municipal entities
Other	Norway	206	30	Entidades financieras	Varios
Leases	Alemania	773	773	Entidades financieras	Several
Leases	USA	5,277	-	Entidades financieras	SJP TS, LLC
Payroll of employees	Australia	350	-	Entidades financieras	Bank of America (Australia)
		16,231	**9,266**		

The Directors consider that no significant liabilities will be generated against the Group as a result of the aforementioned guarantees. In addition, as is stated in note 10, to guarantee fulfilment of the obligations arising from the syndicated loan, the Group has issued guarantees on shares and stocks of certain companies with in the Group.

At 30 June 2019 and 31 December 2018, the Group has acquired insurance policies to cover against risk of property damage, loss of profit and civil liability, as well as commitments with employees. In the opinion of the Directors of the Parent Company, the insured capital covers the abovementioned assets and risks.

Occasionally, the Group is involved in litigation related to its ordinary course of business. At 30 June 2019 and 31 December 2018, there are legal contingencies regarding the Group's participation in a number of legal proceedings, whose results, in the opinion of the Directors and their legal advisers, individually or as a whole, would not have a significant adverse effect on the Group's consolidated income statement.

(15) Income and expenses

a) Ordinary income

The breakdown of the balance of this heading in the consolidated income statement for the six-month period ending 30 June 2019 and 30 June 2018 is as follows:

	Thousands of euros	
	30.06.2019	**30.06.2018**
Income from tickets	125,869	91,860
Income from food services	54,992	37,702
Income from merchandising	15,443	11,593
Games and gaming machines	10,841	10,016
Parking income	5,688	4,730
Sale of hotel packages	5,123	4,978
Subconcessions	5,975	4,772
Exclusivity income	6,127	6,330
Event	3,931	3,891
Other income	8,528	8,616
	242,517	**184,488**

b) Other operating expenses

The composition of the heading "Other operating expenses" of the consolidated income statement for the six-month period ending 30 June 2019 and 30 June 2018 is as follows:

	Thousands of euros	
	30.06.2019	**30.06.2018**
Advertising and propaganda	17,864	14,921
Leases and rental (note 2)	3,753	2,426
Utilities	21,816	14,657
Repairs and conservation	12,740	9,933
Taxes	4,777	4,339
Guarding, cleaning and gardening	7,276	5,324
Independent professional services	15,456	9,744
Insurance premiums	5,182	3,911
Other expenses	57,182	8,040
	146,046	**73,295**

Other expenses, at 30 June 2019, mainly includes expenses due to the termination of the contracts associated to the opening of the indoor leisure centers (IECs) of Lisbon in Portugal, Times Square in the United States (described in note 7 b)) and Prince Pío in Madrid. As a result of the strategy revision procedure of indoor leisure centers, for an amount of 42,276 thousand euros, of which 36,726 thousand euros corresponds to the pending payment of Times Square at 30 June 30 2019, included in the heading of commercial creditors and other accounts payable. In addition, it mainly includes the provision of an ongoing litigation in relation to the termination of contracts amounting to 1,840 thousand euros, expenses related to the termination of the concession of the Spanish water park Parque de Atracciones San Fernando de Henares, for 627 thousand euros, the provision of an ongoing litigation in relation to the Leisure Parks amounting to 498 thousand euros. Finally, it includes royalty expenses for an amount of 6,438 thousand euros.

Other expenses, at 30 June 2019, mainly includes royalties amounting to 4,292 thousand euros.

c) Financial expenses

The breakdown of the financial expenses corresponding to the six-month period ended 30 June 2019 and 2018 is as follows:

	Thousands of euros	
	30.06.2019	30.06.2018
Interest expenses	30,835	19,654
Financial expenses interest rates derivates	(159)	577
Variation in fair value of interest rates derivates	553	727
	31,229	**20,958**

The financial expenses at 30 June 2019 and 30 June 2018, mainly includes the interest on the syndicated loan for the amount of 18,886 and 10,950 thousand euros, respectively.

d) Employee remuneration expenses

The composition of this heading in the six-month period ending 30 June 2019 and 30 June 2018 is as follows:

	Thousands of euros	
	30.06.2019	30.06.2018
Salaries and wages	79,865	61,860
Social Security	15,986	13,039
Severance pay	2,557	1,270
Other social expenses	1,604	1,307
	100,012	**77,476**

The average number of employees in the Group in the six-month period ended 30 June 2019 and 30 June 2018 is of 8,467 and 7,498, respectively.

During the six-month period ending 30 June 2019 and 30 June 2018, only one of the Directors has been an employee of the Parent Company.

(16) Related Party Balances and Transactions

a) Related party balances and transactions

The related party balances and transactions for the six-month periods ended 30 June 2019 and 30 June 2018 refer, exclusively, to Group Director and Senior Management personnel remunerations.

b) Information about Directors of the Parent Company and Senior Executive personnel

The remuneration received during the six-month periods ending 30 June 2019 and 30 June 2018 by the Directors as members of the Board of Directors of the Parent Company, including those who are also Senior Management members, has been as follows:

	Thousands of euros	
	30.06.2019	**30.06.2018**
Fixed remuneration	806	741
Variable remuneration	-	108
	806	**849**

The remuneration received during the six-month periods ending 30 June 2019 and 30 June 2018 by the Senior Management members (different from those who are also members of the Board of Directors, whose remuneration has been shown earlier), have been as follows:

	Thousands of euros	
	30.06.2019	**30.06.2018**
Salaries and wages	859	1,326
	859	1,326

At 30 June 2019 and 2018, the Company has no credit balances with Senior. At 30 June 2019 and 2018, the Company has no balances outstanding with the Directors. On the other hand, at 30 June 2019 and 2018, the Company has not granted advances or commitments of pension funds, and other similar items to Directors or Senior Management personnel, with the exception of the contribution defined for senior management plans detailed in note 20 of the consolidated annual accounts for the year ended 31 December 2018.

c) Long term incentive plans

In April 2016, prior to the Initial Public Offer, the Offer for Sale and the Admission to Trading (see note 1), the Single Shareholder Centaur Nederland, B.V. approved, for several Senior Executives of the Group and Directors of the Company, the implementation of a 2016-2020 long term incentive plan payable by way of Parent Company shares. This Plan consists of two share delivery cycles, each with a measurement period of three years. At the start of each cycle, a number of shares is allocated to each beneficiary on the basis of his salary level, as well as the estimated compliance with conditions of permanence and estimated degree of achievement of certain financial targets. The first cycle (Cycle 2016/2019) began on 1 May 2016 (valuation date) finalized on 30 April 2019. The second cycle (Cycle 2017/2020) began on 1 January 2017 and finalize 31 December 2019. At 30 June 2019, the Company has re-estimated the fulfilment of conditions for both cycles, determining a degree of compliance of 0% for employees and executives affected by the plan (0% compliance as of December 31, 2018). For certain administrators who are beneficiaries of the unique and extraordinary incentive, compliance has been 100% given that these associated objectives were not subject to a degree of compliance but to the mere acceptance of the position as administrator. As of June 30, 2019, with the expiration of the first cycle, the part corresponding to the administrators has been liquidated resulting in a total of 58,345 shares, of which 13,064 are registered as own values as of June 30, 2019 (note 9 f). Of the remaining 45,281 shares, 39,193 have been paid in cash and 6,088 have been transmitted to the beneficiary.

The expense recognised in the six-month period ended 30 June 2019 for this Plan has risen to 125 thousand euros corresponding to the managers. The counterpart has been posted as "Other own equity instruments" (see note 9).

On the 26 of February 2019, the Company's Board of Directors approved a new long-term incentive plan aimed to several group executives and the new CEO. This plan establishes an accrual period that ends on 31 December 2020 and a period of four years from the accrual date, until 31 December 2024. In the context of the voluntary public offering for the acquisition of shares of the Parent Company, the potential liquidation of the same will activate the corresponding clauses of change of control of the plan, resulting in an anticipated accrual thereof. In this sense, the method of payment of the plan approved by the Remuneration Committee of the Company on 22 May 2019 is the payment in cash of the amounts due under this plan

(17) Financial Information by segment

The Management of the Group supervises the performance of the group's operations and makes strategic decisions based on geographical segmentation. On this segmentation, the Group has identified the following operating segments: "United States", "Spain" and "Rest of the World". The holding activities of the Parent Company, as well as the activities carried out by the central offices of the Group (offices in Spain and in the United States) not attributable to any of the specific operating segments, are included in the segment "Central Offices- Non-Operating". The Group's Management considers that this segmentation is in line with that of other groups in the sector.

Annex I attached hereto includes segmented information of the six-month period ending 30 June 2019 as well as the comparative information for the six-month period ending 30 June 2018.

(18) Risk policy and management

At 30 June 2019, the financial risk targets and policies of the Group are consistent with those described in the consolidated financial statements pertaining to the three-month period ended 31 December 2018.

(19) Subsequent events

On 11 June 2019, the Spanish National Securities Market Commission has admitted, in accordance with the article 17 of Royal Degree 1066/2017, of 27 July 2017, on the regime of public offers for the acquisition of securities, the authorization request submitted on 24 May 2019 by Piolin BidCo, SAU for the formulation of a voluntary public offer to acquire shares of Parques Reunidos Servicios Centrales, S.A.

At 5 July 2019, in accordance with the provisions of article 32.3 of the Royal Decree, Piolin Bidco, S.A.U expressly states that the minimum acceptance condition established in the public offer to acquire shares has been eliminated.

At 24 July 2019, the Spanish National Securities Market Commission has adopted the agreement to authorize the voluntary public offer to acquire shares of Parques Reunidos Servicios Centrales, SA, aforementioned company by understanding that its terms are adjusted to the current regulations and considering the contents of the explanatory prospectus presented after the last changes registered at 22 July 2019. The offer is directed to 100% of the share capital of Parques Reunidos Servicios Centrales, SA consisting of 80,742,044 shares, admitted to trading in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia and integrated in the Stock Market Interconnection System, excluding 42,843,979 shares representing 53.06% of the share capital that have been acquired by the offeror or are owned by other shareholders. Consequently, the offer extends to the acquisition of 37,898,065 shares of Parques Reunidos Servicios Centrales, S.A. representing 46.94% of the share capital. The price set by the bidder is 13,753 euros per share and is justified in the prospectus of the offer in accordance with the rules on fair price, and the valuation criteria established in articles 9 and 10 of Royal Degree 1066/2007, of 27 July 2007, on the regime of public offers for the acquisition of securities. The effectiveness of the offer is not subject to any conditions. On 31 July 2019, the Board of Directors of Parques Reunidos Servicios Centrales, S.A. approved the report on the voluntary public offer to acquire shares of the Company approved by Piolin Bidco, S.A.U.

At 12 September 2019, in compliance with the provisions of the second paragraph of article 36 of Royal Decree 1066/2007, of 27 July 2007, on the regime of public offers for the acquisition of securities, the Spanish National Securities Market Commission announces that the public offer to acquire shares of Parques Reunidos Servicios Centrales, SA formulated by Piolin BidCo; S.A.U. which was authorized on July 24, 2019, has been accepted by a number 21,491,300 shares representing 56.71% of the shares to which the offer was directed and 26.62% of the entity's share capital.

On the occasion of the publication of the number of acceptances of the public offer of acquisition of shares and the subsequent change of control of the Company, on the 16 September 2019 all outstanding amounts corresponding to the syndicated loan and revolving credit have been prepaid (note 10 b) with the new debt formalized by Piolin Bidco, SAU, for a total amount of 960,000 thousand euros. This new financing is distributed as the previous one in a tranche in dollars for approximately 300,000 thousand dollars and the rest in euros, with a maturity of seven years. Likewise, a new multi-currency revolving credit line will be available for 200,000 thousand euros under conditions similar to the previous financing, with a maturity in six and a half years. The margins to be applied to the Euribor and Libor will initially be 400 basis points and 350 basis points for the new revolving line of credit, which can be reduced depending on the level of leverage, under similar conditions as the previous financing. Additionally, there has been the anticipated accrual of the long-term Incentive Plan approved on 26 February 2019 addressed to several group executives and the new CEO. On the 17 September 2019, the liquidation has been made for an amount of 1,455 thousand euros (see note 16 c)).

At 20 September 2019, as stated in the explanatory prospectus of the public offer to acquire shares announced by Piolin BidCo, S.A.U. on the total share capital of Parques Reunidos Servicios Centrales, SA, and once Alba Europe, S.à rl and Miles Capital, S.à r.l. have contributed their shares in Parques Reunidos Servicios Centrales, S.A, to Piolin II, S.à r.l. and the latter, in turn, has contributed them to Piolin BidCo, SAU (company that, consequently, became the holder at that time of 69,762,204 shares of Parques Reunidos Servicios Centrales, SA, representing 86.4% of the share capital de Parques Reunidos Servicios Centrales, SA), Piolin I, S.à rl, Alba Europe, S.à rl, Miles Capital, S.à rl, Piolin BidCo, SAU and Piolin II, S.à rl They have signed a shareholders' agreement regarding the Group that contains a series of clauses that may be considered a para-corporate agreement for the purposes of article 530 of the Capital Companies Law.

At date of formulation, the shareholding structure is as follows:

	%
EQT Fund Management SARL	86.401%
Syquant Capital	12.776%

At the date of formulation of these Condensed Consolidated Interim Financial Statements, the amount corresponding to the compensation of the termination of the contract associated with the opening of the IEC Times Square has been paid (see note 15 b)).

Regarding the inspection at the headquarters of Event Park GmbH in relation to the employee compensation tax (wage taxes) it was notified on 16 July 2019 and it will begin during the month of September 2019 comprising the periods 12-2014 to 12-2018.

At 30 August 2019, in relation to the incentive plan described in note 16 c), the Company delivered 13,064 shares to the beneficiary, thus liquidating the own values included in the statement of changes in the consolidated intermediate equity as of 30 June 2019 (note 9 f)).

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Information by segment for the six-month period ending 30 June 2019 and 30 June 2018

	Thousands of Euro									
	United States		Spain		Rest of the world		Non-Operating Headquarters		Total	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Income	72,023	48,379	56,881	50,508	107,360	79,111	6,253	6,490	242,517	184,488
Supplies	(7,172)	(4,701)	(6,718)	(5,838)	(13,707)	(10,660)	(179)	(95)	(27,776)	(21,294)
Fixed expenses (a)	(106,578)	(50,132)	(32,592)	(29,010)	(83,773)	(54,543)	(23,115)	(17,086)	(246,058)	(150,771)
Amortisation and depreciation (b)	(24,653)	(9,010)	(5,015)	(4,315)	(81,564)	(11,551)	(37,119)	(17,714)	(148,351)	(42,590)
Variation in traffic provisions	(24)	(12)	28	(363)	(406)	(47)	412	(1,019)	10	(1,441)
Operating profit / (loss)	**(66,404)**	**(15,476)**	**12,584**	**10,982**	**(72,090)**	**2,310**	**(53,748)**	**(29,424)**	**(179,658)**	**(31,608)**
Net financial expenses (d)	(3,821)	(3,139)	(4,590)	(4,744)	(11,510)	(5,763)	(10,162)	(6,700)	(30,083)	(20,346)
Profit / (Loss) before taxes	**(70,225)**	**(18,615)**	**7,994**	**6,238**	**(83,600)**	**(3,453)**	**(63,910)**	**(36,124)**	**(209,741)**	**(51,954)**
Corporate Income Tax	-	-	1,853	1,705	1,338	(1,408)	28,792	23,279	31,983	23,576
Profit / (loss) for the year	**(70,225)**	**(18,615)**	**9,847**	**7,943**	**(82,262)**	**(4,861)**	**(35,118)**	**(12,845)**	**(177,758)**	**(28,378)**
Non-controlling interests	-	-	(20)	(19)	-	-	-	-	(20)	(19)
Profit / (loss) for the year attributable to the shareholders of the Parent Company	**(70,225)**	**(18,615)**	**9,867**	**7,962**	**(82,262)**	**(4,861)**	**(35,118)**	**(12,845)**	**(177,758)**	**(28,359)**
Amortisation and depreciation (b)	(24,653)	(9,010)	(5,015)	(4,315)	(81,564)	(11,551)	(37,119)	(17,714)	(148,351)	(42,590)

	Thousands of Euro									
	United States		Spain		Rest of the world		Non-Operating Headquarters		Total	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Additions to tangible and intangible fixed assets	26,809	6,001	7,379	2,259	34,762	10,464	8,789	11,136	77,739	29,860
Total assets	740,234	728,288	739,676	731,688	908,945	684,392	77,019	159,103	2,465,874	2,303,471
Total liabilities	130,234	94,753	219,060	235,866	152,666	88,075	1,105,334	829,055	1,607,294	1,247,749

(a) Includes the headings "Employee remuneration expenses" and "Other operating costs" in the consolidated income statement.
(b) Includes the headings "Amortisation expenses" and "Net impairment losses and disposal of non-current assets" in the consolidated income statement.
(c) Includes the headings "Financial Income", "Financial Expenses" and "Exchange differences" in the consolidated income statement.

This Annex forms an integral part of note 17 of the Condensed Consolidated Interim Financial statements for the six-month period ending 30 June 2019, which it must be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Consolidated Interim Management Report for the six-month period ended 30 June 2019

1. Business performance and situation of the Group

The main financial figures of the Group are presented adjusting the comparable exchange rate effect with the purpose of eliminate effects that can distort the comparability of the six-month period ended 30 June 2019 with the same period of 2018. In this sense, the most significative performance indicator of the Group is EBITDA which is defined as Earnings Before Interests, Depreciation and Amortization (excluding earnings or expenses of fixed assets sales and subsidiary Companies or other results). Likewise, other non-recurrent income or expenses have been removed of the EBITDA, based on the Groups internal policies. In this sense, the Groups EBITDA for the six-month period ended 30 June 2019 has been the following (million euros):

	30.06.2019
Operating Income / (Loss)	(179.7)
Amortisation expenses	55.6
Net losses on depreciation and fixed assets sales	92,7
Trade provision valuation	-
Other non-recurrent revenues and expenses (*)	55.9
EBITDA	**24.5**

(*) Includes, based on the Groups internal policies, expenses for Compensations and other remunerations of Senior Management amounting to 2,247 thousand euros, included in the paragraph of Personnel expenses. Additionally, it includes the expense derived from the contract termination associated to the opening of the indoor entertainment centres (IECs) of Lisbon in Portugal, Times Square in the USA and Príncipe Pío in Madrid, as a consequence of the revision process of the development strategy of indoor entertainment centres of the Group, amounting to 42,276 thousand euros, the provision of a pending litigation related to the beforementioned termination of contracts, amounting to 1,840 thousand euros, expenses related to the end of the concession of the Spanish aquatic park Parque de Atracciones San Fernando de Henares, amounting to 627 thousand euros, the provision of a pending litigation related to the Leisure Parks components amounting 498 thousand euros, advisory services expenses amounting 6,075 thousand euros and other miscellaneous expenses considered non-recurrent included in the epigraph Other Operating expenses of the Consolidated Financial Statements corresponding to the six-month period ended at 30 June 2019.

Likewise, with the objective of presenting a homogeneous perimeter of the Group it’s excluded from the comparison the EBITDA generated from the changes in consolidation perimeter in the six-month period ended at 30 June 2019. In this sense, its also excluded the revenue of the acquired company in the period Tropical Islands, the revenue of the company Nature Park, which activity has begun with the acquisition of the assets of Vogelpark Walsrode GmbH at 30 January 2019, the revenue of the company acquired in the three-month period ended at 31 December 2019, Raging Waters Sydney (earlier Wet n’Wild Sydney), the revenue of the company sold in the three-month exercise ended at 31 December 2018, Plunimar, S.A. and the revenue of Event Park GmbH (Belantis) (acquired in the annual exercise ended at 30 September 2018).

Consequently, the conciliation for the six-month period ended at 30 June 2019 is as follows:

€ MM	Revenue	EBITDA
Financial Statements of the six-month period ended 30 June 2019	**242.5**	**24.5**
Changes in consolidation perimeter	(46.9)	(10,9)
Comparable Financial Statements of the six-month period ended 30 June 2019	**195.6**	**13.6**

Based on these criteria, hereunder, the table shows the group's main financial figures that have been harmonised for comparison purposes:

Group			
€ MM	2018	2019	Change
Visitors ('000)	**6,461**	**6,481**	**0.3%**
Total Income Per capita (1)	**30.0**	**30.2**	**0.6%**
Total income	**193.9**	**195.6**	**0.9%**
EBITDA (2)	**20.0**	**13.6**	**(32.3)%**
10%	*10%*	*7%*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA/ Total income

During the six-month period ended 30 June 2019, the Group has maintained the results of visitors and income in relation to the previous period.

The overall impact of these circumstances was a 0.9% increase in income, due to increase of 0.3% in number of visitors compared to 2018 — an effect that is partly offset by the 0.6% increase in per capita income.

However, EBITDA has been adversely affected by an increase in operating costs, mainly those related to personnel.

On the other hand, the sale of annual passes has grown by 14%.

It is important to point out that the income achieved during this six-month period represents approximately 33% of the Group's annual income.

2. Business performance by geographical area

Below is a comparison of the main figures by segment (geographical area):

Spain

For the six-month period ended 30 June 2019, Spanish parks logged significant growth compared with the previous year.

Spain			
€ MM	2018	2019	Var.
Visitors ('000)	**2,118**	**2,240**	**5.7%**
Total Income Per capita [(1)]	**23.4**	**25.4**	**8.7%**
Total income	**49.5**	**56.9**	**14.9%**
EBITDA [(2)]	**15.0**	**18.8**	**25.2%**
% margin [(3)]	*30%*	*33%*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income.

The main reasons of this improvement (14.9% growth in income and 25.2% in EBITDA) have been:

- In general, the good weather this semester, insolating Easter, springtime with less rainy days than the previous year, leading to an increase of 5.7% in the number of visitors.
- Growth in the sale of annual passes for the season 2019 in 6.8%
- Per capita income growth of 8.7%, due to the success of the new pricing strategy implemented.
- Increase in the number of opening days.

Likewise, EBITDA has been positively affected by the increase in several operating costs, such as personal expenses, due to the increase in the minimum interprofessional salary, royalties and other expenses related to the activity.

Rest of Europe

The main magnitudes of the Rest of Europe segment are shown below:

Rest of Europe			
€ MM	2018	2019	Var.
Visitors ('000)	**2,462**	**2,365**	**(3.9)%**
Total Income Per capita [(1)]	**27.7**	**27.9**	**0.7%**
Total income	**68.3**	**66.1**	**(3.3)%**
EBITDA [(2)]	**7.9**	**4.2**	**(46.8)%**
12%	*12%*	*6%*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

Regarding the European segment, the turnover reflects a decrease with respect to the previous year of 3.3%, mainly driven by the drop in the number of visitors of 3.9% and reduced by the increase in per capita income.

The reasons behind these results, are the following:

• Decrease in the opening days of the parks due to the calendar effect of Holy Week and holidays with respect to the previous period.

• Rainy weather conditions especially during the month of May.

• Delay in the opening of new attractions (Ducati in Mirabilandia).

Additionally, EBITDA has been negatively affected by the increase in operating costs such as personnel, royalties and supplies.

United States

United States			
€ MM	2018	2019	Var.
Visitors ('000)	**1,829**	**1,681**	**(8.1)%**
Total Income Per capita [(1)]	**38.1**	**39.5**	**3.8%**
Total income	**69.6**	**66.4**	**(4.6)%**
EBITDA	**5.3**	**(0.7)**	**(113.2)%**
% margin	*(8%)*	*(1%)*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

The results shown in the United States segment are affected by a general decrease in the number of visitors, due to the adverse climatic conditions that have affected the country, especially in the Northeast and California, partially offset by an increase in the per capita income. In addition, EBITDA has been affected by an increase in operating costs, mainly those related to personnel and insurance.

Head Office – Non-Operating

Head Office – Non-Operating			
€ MM	2018	2019	Var.
Total income	**6.5**	**6.3**	**(3.1)%**
EBITDA [(1)]	**(8.3)**	**(8.8)**	**(6)%**
% margin	*(127)%*	*(140)%*	

Method of calculation:
(1) EBITDA = Operating profit / (loss) – amortisation and depreciation expenses – Net losses due to impairment and disposal of non-current assets – Valuation of traffic provisions – Other results (includes, according to the Group's internal policies, severance expenses for senior management, expenses for a long-term incentive plan, both included in the Employee Expenses heading, as well as expenses for consulting services included under the heading of Other operating expenses).

The EBITDA has been affected by the decrease in revenues related to IECs as well as those from management contracts.

3. Foreseeable strategy and performance of the Group

The main action lines envisaged to achieve greater growth at the Group are as follows:

Organic growth

- Annual passes: increase sales of annual passes, attract a larger number of loyal customers and thereby reduce the impact of external factors.
- Commercial Licence agreements, which the Group currently operates over brands that are easily recognised in the market: Nickelodeon, Walking Dead, Star Trek, among others, that act as a clear enticement to visitors and will therefore continue operating in the future.
- Additionally, actions will be carried out via channel management and promotions improvements.
- Ticketing income: increase in this income based on the Dynamic Price strategy.
- Actions to boost consumption in the parks (restaurants and store).
- The Group remains committed to improving the offering by opening new attractions and incorporating new virtual reality technologies, as well as expanding existing attractions.
- Improvement in operating leverage.

Acquisitions: By acquiring the German park Belantis and Tropical Island in February 2018 and January 2019, and the Australian park Wet´n´Wild, in October 2018, the park has expanded its portfolio, as well as its worldwide presence. In this respect, the search continues for opportunities to acquire assets with potential for operational improvements that bolster the existing portfolio.

4. Research and Development

During the six-month period ended at 30 June 2019, the Group continued to conduct internal R&D&I projects, mainly in the area of software applications as well as the new business model in shopping malls (Indoor Entertainment Centres).

5. Treasury Stock

At 30 June 2019, the composition of the Parent Company's share portfolio corresponds to 13,064 shares with a weighted average cost of 13.93 euros per share.

These shares were acquired in order to be delivered in the context of the incentive plan. These shares have been delivered after 30 June 2019.

6. Financial Instruments

To hedge against the risk of interest rate fluctuations in the syndicated loan, in 2018 the Group arranged interest rate swaps (IRS). These financial instruments have been classified as Level 2 according to the hierarchy established in IFRS 7.

With the use of the IRS, the Group receives from the bank a variable interest rate in exchange for a fixed interest rate, applied to the same principal. The variable interest rate received from the derivative offsets the financing interest payments of the hedged financing object. The final result are fixed interest payments on a hedged financing. For the determination of the interest rate derivative’s fair value the use of the method of cash flow discount based on the embedded cash flows determined by the Euro - U.S. Dollar interest rate curve depending on the market conditions at the valuation date is applied.

At 30 June 2019, the Group has recognised, in the heading “Variation in fair value of interest rate derivatives” of the consolidated income statement for the period, a loss of 553 thousand euros pertaining to the variation in fair value since the start of the year until 30 June 2019, both for the IRS in Euro and USD.

Lastly, these derivative instruments haven settle interest for an amount of 159 thousand euros, included in the "Financial Expenses" consolidated income statement of the period.

At 30 June 2019 all of derivative financial instruments of the Group have expired.

7. Risk policy and management

Management of the risks to which the Group is exposed in the performance of its activities is one of the basic pillars of its effort to preserve the value of its assets and, consequently, the value of shareholders' investment. The risk management system is structured and defined for the achievement of the strategic and operational objectives of the Group.

The management of the Group's financial risk is centralised in the Corporate Financial Department. This Department has established the necessary mechanisms to control, according to the structure and financial position of the Group and the economic variables of the environment, the exposure to the changes in interest and currency rates, as well as the risks of credit and liquidity by resorting, if necessary, to occasional hedge transactions and establishing, if deemed necessary, the pertaining credit limits and establishing policies for the provision of credit insolvencies.

The following describes the principal financial risks and the corresponding Group policies:

Foreign exchange risk

The Group is exposed to very limited exchange rate fluctuations since practically all of the transactions of the Group companies are made in their functional currencies. The Group's presentation currency is the euro, but some of the subsidiaries use other currencies, namely the US dollar, the Danish krone, the Norwegian krone, and the British pound. As a consequence of foreign currency exchange rate fluctuations, the Group's financial statements are subject to fluctuations arising from the process of translating financial information into currencies other than the euro.

The following table shows the impact that a movement of 5%-10% in US dollar value would have had on the consolidated P&L of the year:

	Millions of Euro	
	Result – (Expense) / Income	
	30.06.2019	**30.06.2018**
Appreciation of 5%	(3.0)	(0.6)
As % of consolidated result for the year	*2.9%*	*2.3%*
Devaluation of 5%	2.7	0.6
As % of consolidated result for the year	*(2.6%)*	*(2.0%)*
Appreciation of 10%	6.2	(1.4)
As % of consolidated result for the year	*6.1%*	*4.8%*
Devaluation of 10%	5.1	1.1
As % of consolidated result for the year	*(5.0%)*	*(3.9%)*

Credit risk

The main financial assets of the Group are cash and cash equivalents as well as trade and non-trade debtor. Generally, the Group deposits its cash and cash equivalents with a highly rated entity.

The Group does not have a significant concentration of credit risk with third parties since most of its revenue is paid in cash and the risk is distributed among a large number of customers with short collection periods.

Liquidity risk

The various acquisitions that have taken place in recent years have been carried out through appropriate financing structures. However, these structures lead to the fulfilment of certain commitments with financial institutions that facilitate such financing, so monitoring compliance with them is a very important task.

The Corporate Financial Department performs a detailed monitoring of compliance with these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. At 30 June 2019 and 31 December 2018, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

The exposure to adverse situations in the debt or capital markets may hinder or prevent the procurement of the financing required by the Group to adequately conduct its business activities and implement its strategic plan.

At 30 June 2019 and 31 December 2018, several Group companies have credit lines for a total limit of 66,193 and 57,249 thousand euros, respectively. These lines of credit are extended annually. The provisions made at 30 June 2019 and 31 December 2018 are mainly due to the seasonality of the Group's activity and the temporary cash needs in some of the parks. In addition, the syndicated loan includes a Revolving Credit Facility of 200,000 thousand euros, with a maturity date in April 2022.

At 30 June 2019 and 31 December 2018, the maturity date for the long-term liabilities are as following:

	30.06.2019				
	Thousands of Euro				
	06/2021	06/2022	06/2023	06/2024 and following	Total
Syndicated loan	22,958	728,128	-	-	805,086
Other bank loans	2,380	2,998	1,225	3,331	9,964
	25,338	**785,126**	**1,225**	**3,331**	**815,050**

	31.12.2018					
	Thousands of Euro					
	12/2020	12/2021	12/2022	12/2023	12/2024 and following	Total
Syndicated loan	22,902	22,902	480,951	-	-	526,755
Other bank loans	2,370	2,391	2,421	832	2,912	10,926
	25,272	**25,293**	**483,372**	**832**	**2,912**	**537,681**

Interest rate risk

The Group's financial assets and liabilities are exposed to interest rate fluctuations which could have an adverse effect on its results and cash flow.

In accordance with the reporting requirements of IFRS 7, the Group has performed sensitivity analysis on the possible interest rate fluctuations that might occur in the markets in which it operates. Based on such requirements, the Group estimates that an increase of 0,50 points in the reference interest rates of the syndicated loan would imply an increase in the financial expenses thereof of 2,415 thousand euros for the six-month period ended 30 June 2019 (1,678 thousand euros for the same period in 2018).

Operation risk - Brexit

Due to the situation in the United Kingdom and the process of leaving the European Union (Brexit), which final conditions are still under negotiation between the British Government and the European Union, the Group has analysed the possible impacts this situation could have in their results and has concluded that there will not be a significant impact since the weight of income in the group doesn´t exceed 3%. In addition, from an operational point of view, the number of visitors should not be significantly affected since they are residents of the country.

8. Dividend policy

The Group has as its objective a distribution of dividends of between 20% and 30% of the Group's Net Profit, once the impact of non-recurring effects has been corrected.

9. Events after the reporting period

On 11 June 2019, the Spanish National Securities Market Commission has admitted, in accordance with the article 17 of Royal Degree 1066/2017, of 27 July 2017, on the regime of public offers for the acquisition of securities, the authorization request submitted on 24 May 2019 by Piolin BidCo, SAU for the formulation of a voluntary public offer to acquire shares of Parques Reunidos Servicios Centrales, S.A.

At 5 July 2019, in accordance with the provisions of article 32.3 of the Royal Decree, Piolin Bidco, S.A.U expressly states that the minimum acceptance condition established in the public offer to acquire shares has been eliminated.

At 24 July 2019, the Spanish National Securities Market Commission has adopted the agreement to authorize the voluntary public offer to acquire shares of Parques Reunidos Servicios Centrales, SA, aforementioned company by understanding that its terms are adjusted to the current regulations and considering the contents of the explanatory prospectus presented after the last changes registered at 22 July 2019. The offer is directed to 100% of the share capital of Parques Reunidos Servicios Centrales, SA consisting of 80,742,044 shares, admitted to trading in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia and integrated in the Stock Market Interconnection System, excluding 42,843,979 shares representing 53.06% of the share capital that have been acquired by the offeror or are owned by other shareholders. Consequently, the offer extends to the acquisition of 37,898,065 shares of Parques Reunidos Servicios Centrales, S.A. representing 46.94% of the share capital. The price set by the bidder is 13,753 euros per share and is justified in the prospectus of the offer in accordance with the rules on fair price, and the valuation criteria established in articles 9 and 10 of Royal Degree 1066/2007, of 27 July 2007, on the regime of public offers for the acquisition of securities. The effectiveness of the offer is not subject to any conditions. On 31 July 2019, the Board of Directors of Parques Reunidos Servicios Centrales, S.A. approved the report on the voluntary public offer to acquire shares of the Company approved by Piolin Bidco, S.A.U.

At 12 September 2019, in compliance with the provisions of the second paragraph of article 36 of Royal Decree 1066/2007, of 27 July 2007, on the regime of public offers for the acquisition of securities, the Spanish National Securities Market Commission announces that the public offer to acquire shares of Parques Reunidos Servicios Centrales, SA formulated by Piolin BidCo; S.A.U. which was authorized on July 24, 2019, has been accepted by a number 21,491,300 shares representing 56.71% of the shares to which the offer was directed and 26.62% of the entity's share capital.

On the occasion of the publication of the number of acceptances of the public offer of acquisition of shares and the subsequent change of control of the Company, on the 16 September 2019 all outstanding amounts corresponding to the syndicated loan and revolving credit have been prepaid (note 10 b) with the new debt formalized by Piolin Bidco, SAU, for a total amount of 960,000 thousand euros. This new financing is distributed as the previous one in a tranche in dollars for approximately 300,000 thousand dollars and the rest in euros, with a maturity of seven years. Likewise, a new multi-currency revolving credit line will be available for 200,000 thousand euros under conditions similar to the previous financing, with a maturity in six and a half years. The margins to be applied to the Euribor and Libor will initially be 400 basis points and 350 basis points for the new revolving line of credit, which can be reduced depending on the level of leverage, under similar conditions as the previous financing. Additionally, there has been the anticipated accrual of the long-term Incentive Plan approved on 26 February 2019 addressed to several group executives and the new CEO.

On the 17 September 2019, the liquidation has been made for an amount of 1,455 thousand euros (see note 16 c)).

At 20 September 2019, as stated in the explanatory prospectus of the public offer to acquire shares announced by Piolin BidCo, S.A.U. on the total share capital of Parques Reunidos Servicios Centrales, SA, and once Alba Europe, S.à rl and Miles Capital, S.à r.l. have contributed their shares in Parques Reunidos Servicios Centrales, S.A, to Piolin II, S.à r.l. and the latter, in turn, has contributed them to Piolin BidCo, SAU (company that, consequently, became the holder at that time of 69,762,204 shares of Parques Reunidos Servicios Centrales, SA, representing 86.4% of the share capital de Parques Reunidos Servicios Centrales, SA), Piolin I, S.à rl, Alba Europe, S.à rl, Miles Capital, S.à rl, Piolin BidCo, SAU and Piolin II, S.à rl They have signed a shareholders' agreement regarding the Group that contains a series of clauses that may be considered a para-corporate agreement for the purposes of article 530 of the Capital Companies Law.

At date of formulation, the shareholding structure is as follows:

	%
EQT Fund Management SARL	86.401%
Syquant Capital	12.776%

At the date of formulation of these Condensed Consolidated Interim Financial Statements, the amount corresponding to the compensation of the termination of the contract associated with the opening of the IEC Times Square has been paid (see note 15 b)).

Regarding the inspection at the headquarters of Event Park GmbH in relation to the employee compensation tax (wage taxes) it was notified on 16 July 2019 and it will begin during the month of September 2019 comprising the periods 12-2014 to 12-2018.

At 30 August 2019, in relation to the incentive plan described in note 16 c), the Company delivered 13,064 shares to the beneficiary, thus liquidating the own values included in the statement of changes in the consolidated intermediate equity as of 30 June 2019 (note 9 f)).

10. Personnel

The average number of employees at 30 June 2019 is of 8,467 (7,498 employees at 30 June 2018), from which 4,437 are women.

11. Non-financial information report

See Annex "Non-Financial Information Statement" in the Consolidated Annual Accounts for the tree-month period ended 31 December 2018.

12. Other disclosures

The Annual Corporate Governance Report of Parques Reunidos is a part of this consolidated management report and available through the website www.parquesreunidos.com and published as a Significant Disclosure in the CNMV web.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorization of Issue of the Condensed Consolidated Interim Financial Statements for the six-month period ending 30 June 2019 and Consolidated Interim Management Report for the six-month period ended 30 June 2019

The Meeting of Administrators of Parques Reunidos Servicios Centrales, SA, dated 26 September 2019, in compliance with the requirements established by article 253.2 of the Consolidated Text of the Capital Companies Law and article 37 of the Commercial Code, proceed to draw up the Consolidated Summary of the Interim Financial Statements and the Consolidated Management Report for the six-month period ended 30 June 2019. The Consolidated Summary of the Interim Financial Statements is constituted by the attached documents that precede this statement.

Signatory:

D. Richard T. W. S. Golding
(President)

D. José Díaz Gómez
(Chief executive officer)

D. Nicolás Villén Jiménez
(Chair)

D. Dag Erik Johan Svanstrom
(Chair)

D. Javier Fernández Alonso
(Chair)

D. Jonathan Rubinstein
(Chair)

Dª. Ana Bolado Valle
(Chair)

D. Mario Armero Montes
(Chair)

D. Carlos Ortega Arias-Paz
(Vocal)

Dª. Jackie Kernaghan
(Vocal)

DECLARATION OF DIRECTORS' RESPONSIBILITY

The members of the Board of Directors of Parques Reunidos Servicios Centrales, S.A. ("**Parques Reunidos**" or the "**Company**") on its meeting held on 26 September 2019, and according to article 119 of the consolidated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 11.1 b) of Royal Decree 1362/2007 of 19 October, declare that, as far as they are aware, the Summarized Annual Accounts of the Company, corresponding to the financial semester ended 30 June 2019, and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the interim management report includes an accurate analysis of the required information.

Madrid, 26 September 2019

Mr. Richard Golding Chairman	Mr. José Díaz Gómez Chief Executive Officer
Mr. Javier Fernández Alonso Member	Mr. Johan Svanstrom Member
Mr. Jonathan Rubinstein Member	Mr. Nicolás Villén Jiménez Member
Ms. Ana Bolado Valle Member	Mr. Mario Armero Montes Member
Mr. Carlos Ortega Arias-Paz Member	Ms. Jackie Kernaghan Member