Transaction Summary

**The Deal**
- Parques Reunidos has reached an agreement with Tanjong PLC to acquire the German indoor water park Tropical Islands, for a total amount of €226 MM. The transaction includes the acquisition of 423has of nearby unused land suitable for expansion projects.
- The implicit transaction multiple for the business is 9.6x EV/EBITDA 2018PF (excluding the value of the unused land).
- The transaction will be fully debt financed and is expected to be EPS accretive since year-1 of operations.

**The Asset**
- Tropical Islands holds the world’s largest indoor water park and rainforest located in an extension of more than 600has of land.
- The Park is located 60km south from Berlin and close to the cities of Leipzig and Dresden in Germany.
- With ~1.3 MM visitors p.a. it offers a combination of waterpark experiences and different formats of accommodation facilities (~2,000 beds).

**Acquisition Rationale**
- Tropical Islands is a trophy asset:
  - Unique asset with an one-of-a-kind product offering with strong brand awareness.
  - The indoor setting plus the accommodation allows the Park to open all year round, and hence having a limited seasonality.
  - Located in a highly attractive growth market (Germany) and in a highly populated catchment area with limited competition.
- And a “must own” for Parques Reunidos:
  - Improving the Group’s diversification and helping to hedge against external conditions.
  - Extending the season of our European business.
  - Reinforcing our market positioning in Germany where we are already operating Movie Park and Belantis.
  - Reinforcing our positioning as the world’s leading water park operator.
  - Room to unlock significant value by implementing “Parques Reunidos best practices...”.
  - Potential for further expansion projects at accretive ROICs leveraging on the available un-used land.

**Timetable**
- The deal is yet pending clearance from the German Competition Authorities and other customary approvals.
- The transaction is expected to be closed by the end of January 2019.
Overview of Tropical Islands (i)

-The largest indoor water park and rainforest in the world
  - The Park opened its doors in December 2004 and was built by Tanjong PLC, a Malaysian Corporation that has operated it until now
  - It occupies a total extension of approximately 611ha of land, including 423ha of nearby land available for potential expansion

-A unique proven product with a solid brand awareness
  - The Park offering comprises three main concepts:
    - The Dome: a c.7ha area at the core of Tropical Islands with a strong exotic theme comprised of water attractions (including a lagoon, slides, a 200m sandy beach and sauna & spa facilities)
    - Amazonia: a 35,000 sqm outdoor water park with heated swimming pools operating all year round
    - Accommodation: with almost 2,000 beds distributed across the Dome (themed lodges, tents) and the surrounding land (mobile homes, camping, tepees and a satellite hotel) offering a different mix of prices ranges (from €50 to €200 per night)

-The Park has a highly attractive location
  - The Park is located at approximately 60km south from Berlin
  - Attractive catchment area with c.13m population (1) being close to the German cities of Berlin, Dresden and Leipzig reaching as well Poland and the Czech Republic
  - Limited competition within the catchment area

(1) Catchment area refers to the area within 3 hours driving from the Park
Overview of Tropical Islands (ii)

- **World's largest indoor water park and rainforest**
- Located 60km south of Berlin

- **Leisure and accommodation offering both inside and outside the main Dome**

- **Total land: ~611ha**
  - Opened: 24x7 365 days

- **~1.3m visitors**
  - >50% Day Visitors

- **~2,000 beds across 4 different concepts**

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**Dome**

**Amazonia**

**Teepees / Camping**

**Mobile Homes**
Overview of Tropical Islands (iii)

Dome Offering

Accommodation
- Lodges
- Tents

Points of Sale
- F&B
- Retail

Main Attractions
- South Sea
- Rainforest
- Sauna & Spa
- Lagoon
Overview of Tropical Islands (III)

A proven business model delivering a strong financial track record but with room to unlock significant value creation.

Financial Highlights (2018F)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>~1.3 MM</td>
</tr>
<tr>
<td>Revenues</td>
<td>~€71 MM</td>
</tr>
<tr>
<td>PerCap</td>
<td>~€54</td>
</tr>
<tr>
<td>EBITDAPF</td>
<td>~€20 MM</td>
</tr>
<tr>
<td>EBITDA mg</td>
<td>~28%</td>
</tr>
</tbody>
</table>

Revenue Breakdown (2018F)

Well balanced Seasonality Through the Year

Average Revenue per Quarter

\(^{(1)}\) December 2018 forecasts. Non-audited figures.
1. **Extending the season of our business and reducing seasonality**
   - Tropical Islands will represent c. 25% revenues and c. 30% EBITDA of our Rest of Europe business
   - Following Tropical Islands’ acquisition the off-season period\(^{(1)}\) will represent 45% of the Rest of Europe annual revenues and 35% for the Group, hence boosting a longer season through the year and reducing business seasonality

2. **Improves the business diversification and extends our product offering in the Rest of Europe**
   - Tropical Islands becomes our park 35th in the Rest of Europe region and our 23rd water park
   - This is our first indoor water park in the region as well as for the Group
   - Given its uniqueness the Park has potential to become a Destination Park in Central Europe

3. **Tropical Islands indoor setting will provide the Group with a hedge against external conditions**

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**Acquisition rationale (I)**

**Tropical Islands Acquisition**

\(^{(1)}\) Off-season includes revenues from October to May
Reinforcing our market positioning in Germany

- Tropical Islands is our 3rd park in Germany together with Movie Park and Belantis with which we are reaching a combined 3 MM visitors in the country
- Reinforcing our positioning as one of the regional leading players particularly in the Eastern Region

Unique location close to Belantis park

- Ample leeway to achieve cross selling between Belantis and Tropical Islands
- Area with limited competition despite being a highly attractive catchment area due to the population density

Germany is a key and strategic market for Parques Reunidos

- In Germany already 50% of the population visits a leisure park every year
- The German leisure market is exceeding the EU in terms of growth recording an average CAGR of +5% over 2011-16
- The market is expected to keep the same growth pace over the 2018-21 period
Room to unlock significant value creation
- Tropical Islands currently boasts an EBITDAPF margin of 28% (1)
- This is below the 38% average that a comparable selected group of European amusement park presents, and below the average of our water park portfolio
- Bringing in Parques Reunidos best practices will improve the Park’s operations and hence profitability levels. Areas of improvements identified include:
  > Implementation of revenue management best practices
  > Increasing offering through the roll-out of PQR concepts
  > Procurement efficiencies under PQR ownership
  > Operating expenses synergies with the rest of the Group

Value creation in line with Parques Reunidos track record
- Average EBITDA improvement of approximately 50%

Room for highly attractive expansion projects
- 423 has of nearby land suitable to carry out expansion projects both in accommodation and leisure offering
- There are several leisure and accommodation projects already identified with targeted ROICs >20%

Profitability Benchmark

<table>
<thead>
<tr>
<th></th>
<th>2018 EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selected European Amusement Parks</td>
<td>38%</td>
</tr>
<tr>
<td>Selected European Water Parks</td>
<td>44%</td>
</tr>
<tr>
<td>Tropical Islands</td>
<td>28% (1)</td>
</tr>
</tbody>
</table>

(1) December 2018 forecasts. Non-audited figures.
## Key Financial Considerations

### Financing details:
- Additional bullet tranche to existing credit facilities of €300 MM arranged with core lending group to finance the acquisition
- Extension of the 4.5x Net debt to EBITDA covenant ratio for 2 additional years (2021)
- Cost of debt in line with existing TLB

### Leverage view:
- Net debt to EBITDA to transitory increase to the 4.0x range (based on 2018 numbers)
- Leverage supported by a business model that generates high and recurrent CF generation capable to finance growth
- We keep our market commitment to reduce leverage in the medium term

## Key Valuation Considerations

<table>
<thead>
<tr>
<th>EV (€ MM)</th>
<th>226</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (€ MM)</td>
<td>~€20 MM</td>
</tr>
<tr>
<td>EV to EBITDA(1)</td>
<td>9.6x</td>
</tr>
</tbody>
</table>

### Valuation case:
- Valuation multiples in line with the amusement park sector despite the asset uniqueness with a sizeable lodging component
- Valuation supported by high earnings visibility
- Detailed business plan to improve operations bringing down acquisition multiple to <7.0x EV/EBITDA
- Earnings accretive from year-1

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1. Excluding €28 MM value of unused land as per advisor estimates.
Value Creation Potential Supported by our Unique Track Record

- 21 transactions successfully completed across 11 countries since 2004
- Target average EBITDA improvement of c.50% after 2 full seasons under Parques Reunidos management
- Implied EBITDA multiple paid(1) post integration of 5.8x

<table>
<thead>
<tr>
<th>Acquisition</th>
<th># Parks</th>
<th>Country</th>
<th>Year Acquired</th>
<th>Implied EBITDA multiple paid(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bobbejaanland</td>
<td>1</td>
<td>Belgium</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>BoSommarland</td>
<td>1</td>
<td>Norway</td>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>Marineland</td>
<td>1</td>
<td>France</td>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>Mirabilandia</td>
<td>1</td>
<td>Italy</td>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>Warner</td>
<td>1</td>
<td>Spain</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Aqualud</td>
<td>1</td>
<td>France</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>GrantLeisure</td>
<td>3</td>
<td>UK</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>BonBonLand</td>
<td>1</td>
<td>Denmark</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Tusenfryd</td>
<td>1</td>
<td>Norway</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>Faunia</td>
<td>1</td>
<td>Spain</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>Palace Group (FECs)</td>
<td>31</td>
<td>US</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>Hawaii</td>
<td>1</td>
<td>US</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>Kennywood Group</td>
<td>5</td>
<td>US</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>Movie Park</td>
<td>1</td>
<td>Germany</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>DutchWonderland</td>
<td>1</td>
<td>US</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Slagharen</td>
<td>1</td>
<td>Netherlands</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>Noah's Ark</td>
<td>1</td>
<td>US</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>Miami Seaquarium</td>
<td>1</td>
<td>US</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56</strong></td>
<td></td>
<td></td>
<td>5.8x</td>
</tr>
</tbody>
</table>

All elements are in place to continue being the leading consolidator

Note
1. Based on EBITDA after 2 full seasons under Parques Reunidos operation
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