

PRESS RELEASE
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DXB Entertainments Provides Update on Temporary Suspension of Operations

DXB Entertainments PJSC (DFM: DXBE) today announced that the temporary suspension of its theme park operations at Dubai Parks and Resorts will be extended from 31 March 2020 until such time the situation is re-evaluated. This also includes the suspension of operations at its onsite hotel, Lapita and its retail and dining destination, Riverland Dubai.

In the forthcoming period, which incorporates the holy month of Ramadan and that historically has experienced lower demand, DXBE will take the opportunity to undertake its annual routine maintenance cycle, in readiness for re-opening.

Mohamed Almulla, Managing Director and CEO, DXB Entertainments PJSC, said: “The health and safety of our employees, guests and their families is our top priority, and accordingly and in support of both local and global efforts to reduce the spread of COVID-19, we have taken the decision to extend the temporary suspension of operations at our destination.

“Consequently, COVID-19 will have a material impact on our 2020 results. However, given the high level of uncertainty, it is too early to quantify this impact. Our contingency plans have been activated and as of today, we have either implemented or are in the process of implementing further cost savings, in addition to the material savings already delivered in 2019.

“Our liquidity position is robust and I am pleased to announce has been further improved by reaching agreement with our financing partners to defer a significant proportion of our interest over the next 15 months, significantly improving our near-term liquidity.

“We are monitoring the situation and will provide further updates in due course.”

Debt Amendment

As previously announced in the Board of Directors Report released on 12 February 2020, there were advanced discussions ongoing with the Company’s syndicated loan financiers and other financial institutions with regard to the Company’s AED 4.2 billion syndicated loan facility.

These discussions have now concluded and effective from 31 March 2020, for a period of 15 months through to 30 June 2021, a significant proportion of the interest / profit due will be deferred and will be settled in cash at the end of the 15 month period.

Concurrently, the number of financing partners in the financing syndicate has been reduced and we are grateful to the remaining partners for their support and look forward to working closely with them in the future. The facility is now entirely denominated in Dirhams.

Cost Mitigation Plan

As previously reported the Company implemented its cost efficiency and optimisation plan in 2019, delivering year-on-year savings of AED 172m or 24%, with further savings, due to the annualised impact, expected in 2020.

In addition to the above, the Company is in the process of implementing a number of additional temporary measures to mitigate the impact of the suspension of operations, including renegotiation of supplier agreements, an immediate reduction in marketing spend and a suspension of outsource arrangements.

Destination Enhancement

Whilst enhancement works remain broadly in line with original timelines, due to the current uncertainty and potential reduction in demand for the remainder of the year, we have made the decision to delay the opening of the Legoland Hotel from June 2020 to Q4 2020 to coincide with the unveiling of our new rides, three of which are world record holders.

ENDS

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DXB Entertainments PJSC

DXB Entertainments PJSC is the Dubai-based owner and operator of Dubai Parks and Resorts, the region's leading integrated leisure and entertainment destination. The Company is traded on the Dubai Financial Market (DFM) under the trading symbol "DXBE". We bring together a portfolio of world-class brands to offer entertainment in the areas of theme parks, retail and hospitality.

For more information, go to: www.dxbentertainments.com