

Meraas Leisure and Entertainment LLC

(Incorporated in Dubai, United Arab Emirates)

Commercial Registration Number 619257

NOTIFICATION OF MERAAS LEISURE AND ENTERTAINMENT LLC'S INTENTION TO MAKE A CONDITIONAL CASH OFFER TO ACQUIRE 100% OF THE ISSUED AND PAID UP ORDINARY SHARE CAPITAL OF DXB ENTERTAINMENTS PJSC (the "**Announcement**")

DISCLAIMER STATEMENT

THE SECURITIES AND COMMODITIES AUTHORITY (THE "**SCA**") AND THE DUBAI FINANCIAL MARKET (THE "**DFM**") SHALL NOT BE LIABLE FOR THE CONTENT OF THIS ANNOUNCEMENT AND SHALL NOT SUBMIT ANY CONFIRMATION IN RELATION TO THE ACCURACY OR COMPLETENESS THEREOF, AND HEREBY EXPRESSLY DISCLAIM ANY RESPONSIBILITY FOR ANY LOSS ARISING FROM THE CONTENT OF THIS DOCUMENT OR FROM RELYING ON ANY PART THEREOF.

Unless otherwise stated, terms defined in the SCA Rules shall have the same meaning in this Announcement.

Date of submission

Meraas Leisure and Entertainment LLC ("**Meraas**") notified the board of directors of DXB Entertainments PJSC ("**DXBE**") on 20 December 2020, that it intends to make a conditional cash offer to acquire 100% of the issued and paid up ordinary shares of DXBE (the "**Offer**"), subject to the fulfilment, or waiver by Meraas, of certain conditions to be agreed between the parties and including the terms referred to in the *Terms of the Offer and the Conditions* section below.

The Transaction

Under the terms of the Offer, holders of shares in DXBE (excluding Meraas and its affiliate, Meraas Holding LLC ("**Meraas Holding**") (the "**DXBE Offer Shares**") will be entitled to receive AED0.08 in cash for each DXBE Offer Share. Completion of the Offer will be subject to conditions including those referred to in the *Terms of the Offer and the Conditions* section below.

Meraas (and Meraas Holding) intend to convert the balance of the existing convertible bond instrument issued to Meraas (and Meraas Holding) by DXBE in 2018 into new shares in DXBE in accordance with its terms (the "**Convertible Conversion**"). This will amount to a conversion of AED1,479 million (being the outstanding balance estimated as at 31 December 2020 including the amount of principal and accrued interest outstanding) into new shares in DXBE at a conversion price of AED1.04 per share (being the conversion price stipulated in the documentation of the existing convertible bond instrument).

Meraas intends to acquire the senior bank debt (owed to certain commercial lenders) of DXBE (the "**Senior Bank Debt**"), with an outstanding balance (as at 31 December 2020 including the

amount of principal and accrued interest outstanding) estimated at approximately AED4,255 million, and subsequently convert such Senior Bank Debt into new shares of DXBE at a conversion price of AED0.08 per share (the “**Bank Debt Conversion**”).

Pursuant to the Convertible Conversion and the Bank Debt Conversion, DXBE will increase its issued ordinary shares from approximately 8,000 million to 62,822 million which consequently will result in Meraas and Meraas Holding acquiring an additional estimated 41.63% of the total issued ordinary shares of DXBE following the dates of the Convertible Conversion and Bank Debt Conversion, equating to an aggregate ownership by Meraas and Meraas Holding of 93.92% of DXBE’s total issued ordinary shares at that time.

Following completion of the above, Meraas intends to submit an offer to acquire the total shares of DXBE (the “**Original Offer**”). Meraas also intends to exercise its rights to acquire the shares of any minority shareholders that did not accept the Original Offer by submitting a mandatory notice to force the minority shareholders that did not accept the Original Offer to sell all their shares in DXBE to Meraas (the “**Squeeze Out**”), in accordance with applicable law and the SCA Rules. The price per share that will be offered pursuant to the Squeeze Out will be the same price paid under the Original Offer (AED0.08 per share).

Following completion of the Original Offer and Squeeze Out, Meraas intends to procure the de-listing of DXBE from the DFM.

As per the Merger and Acquisition Rules issued by the Securities and Commodities Authority, DXBE will appoint an independent valuer to prepare a valuation report to determine DXBE’s fair price per share. If the valuation report indicates that the fair price per share is more than AED0.08 per share (as offered by Meraas), Meraas has the right not to proceed with the transaction or any of part of it as described above.

Terms of the Offer and the Conditions

The implementation of the Offer will be subject to the fulfilment or waiver of certain conditions precedent. These will be agreed and set out in an implementation agreement to be entered into between Meraas and DXBE before the formal opening of the Offer. Therefore the Offer may not proceed, or may not complete, should those conditions not be fulfilled. Details of the Offer terms and conditions will be set out in an offer document to be provided to DXBE shareholders at the time of opening of the Offer.

Real identity of Meraas and its key shareholders

Meraas Leisure and Entertainment LLC
PO Box 123311, Dubai, United Arab Emirates

Meraas is a company incorporated and registered in Dubai, United Arab Emirates with commercial registration number

Details of the securities actually / potentially held by Meraas and its associated group during the term of the acquisition

619257 and is a direct, wholly-owned subsidiary of Meraas Holding (99%) and DH Shareholder FZ-LLC (1%).

As at 16 December 2020, Meraas had an ownership interest representing 51.82% (being 4,145,165,659 shares) and Meraas Holding had an ownership interest representing 0.48% (being 38,233,371 shares) of the shares in DXBE (equating to an aggregate ownership by Meraas and Meraas Holding of 52.29% of DXBE's share capital).

Irrevocable obligations in relation to acceptance of the Offer

As at the date of this Announcement, Meraas has not sought or obtained any irrevocable undertakings pursuant to which any DXBE shareholders (other than Meraas and Meraas Holding) undertook to irrevocably accept the Offer.

Details of any arrangements with DXBE which may have a material impact on the Offer

As at the date of this Announcement, there are no agreements entered into between Meraas (or any person acting in agreement with Meraas) and DXBE in relation to the implementation of the Offer.

Confirmation that Meraas has the required financial resources to execute the Offer

Meraas confirms that sufficient resources are available to satisfy in full the cash consideration payable to DXBE shareholders as a result of full acceptance of the Offer and has received confirmation from a commercial bank incorporated in the UAE and licenced by the Central Bank of the UAE indicating that Meraas Group has the financial resources to implement the full cash consideration of the Offer.

The intents, future plans and the purpose of the acquisition

The Offer and related transaction steps shall seek to eliminate DXBE's Senior Bank Debt. The Offer seeks to allow DXBE's shareholders to recover some value from their invested capital.

The arrangements related to the termination fees

As at the date of this Announcement, Meraas has not entered into any contractual arrangement or agreement with DXBE in respect of termination fees in the event this transaction does not complete.

Issued for and on behalf of
Meraas Leisure and Entertainment LLC

MERAAS' DECLARATION

MERAAS ACCEPTS RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT. TO THE BEST OF THE KNOWLEDGE OF MERAAS, THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT FOR WHICH IT IS RESPONSIBLE IS IN ACCORDANCE WITH THE FACTS.

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