DXB ENTERTAINMENTS
DREAMS WITHOUT BOUNDARIES

DXB Entertainments PJSC and its Subsidiaries

Condensed consolidated interim financial statements

For the period ended 31 March 2021

Sheikh Zayed Road, opposite the Palm Jebel Ali, Exit 5, Saih Shuaib
PO Box 33772, Dubai UAE Tel: +971 4 820 0820
www.dxbentertainments.com info@dxbentertainments.com

DXB Entertainments PJSC and its Subsidiaries

Condensed consolidated interim financial statements

For the period ended 31 March 2021

Contents **Pages**

Independent auditor's review report on condensed consolidated interim financial statements	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 - 17

Review report on condensed consolidated interim financial statements to the board of directors and shareholders of DXB Entertainments PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of DXB Entertainments PJSC ("the Company") and its subsidiaries (together, "the Group") as at 31 March 2021 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ('IAS 34'). Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matter

We draw attention to note 5 to the condensed consolidated interim financial statements which sets out the key assumptions and critical judgements used by management to assess the appropriateness of the carrying amount of its property and equipment of AED 6,196 million as at 31 March 2021. There is inherent estimation uncertainty in the expected future cashflows which continue to be further impacted by the effect of the COVID-19 pandemic on the operations and financial performance of the Group. The sensitivity analysis disclosed in note 5 highlights the impact on the assessment that may arise from potential material changes in management's key assumptions and estimates. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers
22 April 2021

Douglas O'Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

PricewaterhouseCoopers (Dubai Branch), License no. 102451
Emaar Square, Building 5, P O Box 11987, Dubai - United Arab Emirates
T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me

Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Condensed consolidated interim statement of financial position as at 31 March 2021

	Notes	31 March 2021 AED'000 (Reviewed)	31 December 2020 AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	**6,196,017**	6,249,584
Equity accounted investee		**47,501**	48,057
		6,243,518	6,297,641
Current assets			
Due from related parties	6	**8,039**	13,984
Trade and other receivables		**116,139**	97,945
Inventories		**22,402**	22,157
Other financial assets		**217,158**	116,792
Cash and cash equivalents		**415,081**	651,231
		778,819	902,109
Total assets		**7,022,337**	7,199,750
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**62,820,171**	7,999,913
Other equity reserve		**(49,063,006)**	-
Accumulated losses		**(8,165,322)**	(7,815,341)
Convertible bond - equity component		**-**	65,717
Cash flow hedging reserve		**-**	(28,852)
Total equity		**5,591,843**	221,437
LIABILITIES			
Non-current liabilities			
Convertible bond - liability component	7	**-**	1,414,307
Bank facilities	8	**-**	3,771,447
Trade and other payables		**43,914**	60,761
Lease liabilities	14(b)	**413,659**	425,052
Provisions		**46,096**	45,382
Due to related parties	6	**56,305**	60,035
		559,974	5,776,984
Current liabilities			
Trade and other payables		**822,981**	933,512
Bank facilities	8	**-**	213,248
Lease liabilities	14(b)	**43,041**	26,678
Derivative financial instruments	9	**-**	27,891
Due to related parties	6	**4,498**	-
		870,520	1,201,329
Total liabilities		**1,430,494**	6,978,313
Total equity and liabilities		**7,022,337**	7,199,750

To the best of our knowledge, the condensed consolidated interim financial statements are prepared, in all material respects, in accordance with IAS 34.

Abdulwahab Al Halabi
Chairman

Remi Ishak
Acting Chief Executive Officer and
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of profit or loss and other comprehensive income for the three month period ended 31 March 2021

	Notes	Three month period ended 31 March 2021 AED'000 (Reviewed)	2020 AED'000 (Reviewed)
Revenue	10	**55,451**	100,245
Salaries, depreciation and other expenses		**(152,888)**	(174,298)
Other direct costs		**(5,929)**	(9,724)
Marketing and selling expenses		**(5,194)**	(7,062)
Impairment losses on property and equipment		**-**	(392,993)
Finance costs	11	**(265,561)**	(103,468)
Finance income		**648**	5,172
Other income - net		**14,223**	17,832
Share of loss of equity accounted investee		**(556)**	(341)
Loss for the period		**(359,806)**	(564,637)
Other comprehensive income / (loss)			
Item that may be reclassified subsequently to profit or loss			
Cash flow hedge - gain / (loss) on fair value	9	**28,852**	(51,428)
Total comprehensive loss for the period		**(330,954)**	(616,065)
Loss per share:			
Basic and diluted loss per share (AED)	12	**(0.027)**	(0.071)

Adjusted earnings before interest, tax, depreciation and amortization (adjusted EBITDA)	13	**(36,620)**	(4,156)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity for the three month period ended 31 March 2021

	Share Capital AED'000	Other equity reserve AED'000	Accumulated losses AED'000	Convertible bond – equity component AED'000	Cash flow hedging reserve AED'000	Total AED'000
As at 1 January 2020 (Audited)	**7,999,913**	**-**	**(5,157,398)**	**65,717**	**937**	**2,909,169**
Loss for the period	-	-	*(564,637)*	-	-	*(564,637)*
Other comprehensive loss for the period	-	-	-	-	*(51,428)*	*(51,428)*
Total comprehensive loss for the period	-	-	(564,637)	-	(51,428)	(616,065)
As at 31 March 2020 (Reviewed)	**7,999,913**	**-**	**(5,722,035)**	**65,717**	**(50,491)**	**2,293,104**
As at 1 January 2021 (Audited)	**7,999,913**	**-**	**(7,815,341)**	**65,717**	**(28,852)**	**221,437**
Increase in share capital on convertible bond (Note 7)	1,428,783	57,151	9,825	(65,717)	-	1,430,042
Increase in share capital on bank borrowing conversion (Note 8)	53,391,475	(49,120,157)	-	-	-	4,271,318
Loss for the period	-	-	*(359,806)*	-	-	*(359,806)*
Other comprehensive income for the period (Note 9)	-	-	-	-	*28,852*	*28,852*
Total comprehensive income / (loss) for the period	**-**	**-**	**(359,806)**	**-**	**28,852**	**(330,954)**
As at 31 March 2021 (Reviewed)	**62,820,171**	**(49,063,006)**	**(8,165,322)**	**-**	**-**	**5,591,843**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows for the three month period ended 31 March 2021

	Three month period ended 31 March	
	2021	2020
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Cash flows from operating activities		
Loss for the period	**(359,806)**	(564,637)
Adjustments for:		
Depreciation of property and equipment	**72,496**	87,024
Impairment losses on property and equipment	**-**	392,993
Finance costs	**265,561**	103,468
Gain on bank facilities terms modification	**-**	(14,961)
Reversal of provision for doubtful debts	**(4)**	(584)
Provision for slowing inventories	**(79)**	-
Finance income	**(648)**	(5,172)
Provision for employees' end-of-service indemnity	**824**	759
Share of loss of investment accounted for using the equity method	**556**	341
Operating cash flows before changes in working capital	**(21,100)**	(769)
Increase in trade and other receivables (excluding advances to contractors)	**(19,409)**	(3,014)
Increase in inventories	**(166)**	(503)
Decrease in trade and other payables (excluding project accruals, advances to contractors and retentions payable)	**(8,207)**	(28,528)
Movement in due from / to related parties	**(316)**	(1,990)
Cash used in operating activities	**(49,198)**	(34,804)
Employees' end-of-service indemnity paid	**(110)**	(794)
Net cash used in operations	**(49,308)**	(35,598)
Cash flows from investing activities		
Property and equipment, net of project accruals, retentions payable and advances to customers	**(42,894)**	(48,230)
Interest received	**1,308**	5,905
(Increase) / decrease in other financial assets	**(100,366)**	98,670
Net cash (used in) / generated from investing activities	**(141,952)**	56,345
Cash flows from financing activities		
Payment for finance costs	**(8,547)**	(47,731)
Interest rate swap settlements	**(29,578)**	(22,967)
Payment for finance leases	**(6,765)**	(3,029)
Net cash used in financing activities	**(44,890)**	(73,727)
Net decrease in cash and cash equivalents	**(236,150)**	(52,980)
Cash and cash equivalents at the beginning of the period	**651,231**	933,997
Cash and cash equivalents at the end of the period	**415,081**	881,017

The significant non cash transactions that have taken place during the three month period ended 31 March 2021, have been disclosed within Notes 7 and 8.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021

1. General information

DXB Entertainments PJSC (the "Company") was originally formed as a limited liability company with commercial license number - 673692 and was incorporated on 11 July 2012. On 9 December 2014, approval from the Ministry of Economy was obtained and the Company was converted to a Public Joint Stock Company (PJSC) in accordance with UAE Federal Commercial Companies Law No. 8 of 1984, as replaced by UAE Federal Law No. 2 of 2015 ("Companies Law"). The Company is a subsidiary of Meraas Leisure and Entertainment LLC (the "Parent Company") and ultimately owned by Dubai Holding LLC (the "Ultimate Parent Company").

The registered address of the Company is P.O. Box 33772, Dubai, United Arab Emirates ("UAE"). The licensed activities of the Company and its subsidiaries (collectively the "Group") are investment in commercial enterprises and management, real estate development, amusement parks, investment in and management of tourist enterprises and sport and recreational events, tickets e-trading, marketing management, facilities management services and event management.

The existence of COVID-19 was determined in early 2020 and was subsequently declared a pandemic by the World Health Organisation. This necessitated global travel restrictions and lockdown measures in most countries of the world including the United Arab Emirates. Due to the unprecedented adverse effect of the lockdown on the global economy and success in the efforts to flatten the infection curve, many countries started to gradually ease the lock down restrictions. Due to the seasonality of the business and the COVID-19 impact, the results for the period ended 31 March 2021 are not indicative of the results that may be expected for the financial year ending 31 December 2021.

2. Summary of significant accounting policies

Statement of compliance

These condensed consolidated interim financial statements of the Group are prepared in accordance with International accounting standard ("IAS") 34 *Interim Financial Reporting* issued by the International accounting standards board ("IASB") and comply with the applicable requirements of U.A.E. Companies law. The condensed consolidated interim financial statements do not include all of the information required for audited annual consolidated financial statements.

Basis of preparation

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2020 except as mentioned below:

- IBOR reform Phase 2 amendments: On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9 — Financial Instruments ("IFRS 9"), IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), IFRS 7 — Financial Instruments: Disclosures ("IFRS 7"), IFRS 4 — Insurance Contracts ("IFRS 4") and IFRS 16 — Leases ("IFRS 16") with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

The above amendment and interpretation did not have significant impact on the condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

2. Summary of significant accounting policies (continued)

Going concern

The Group incurred a loss of AED 360 million, had negative operating cash flows of AED 49 million for the three-month period ended 31 March 2021 and has net current liabilities of AED 92 million as at 31 March 2021.

In accordance with Article 302 of UAE Federal Law No. 2 of 2015 (as amended), the Company convened its General Assembly meeting on 9 March 2021 in which a resolution was approved for the continuation of the Company as a going concern:

- To treat the Offer Resolutions as the continuation plan; and to approve the continuation of the Company as a going concern on the basis of the Offer being implemented.

In addition, the following resolution was also passed at the Company's General Assembly meeting on 9 March 2021:

- Approve the conversion of the senior bank debt of the Company acquired from Emirates NBD Bank PJSC and Dubai Islamic Bank PJSC by the Parent Company as at 28 February 2021 with an outstanding balance as at 28 February 2021 (including the amount of principal and accrued interest outstanding) of AED4,271,318,024.33 (comprising AED4,158,031,799.98 of principal and AED113,286,224.35 of accrued interest) (the "Senior Bank Debt") into 53,391,475,304 new ordinary shares of par value AED1 each in the share capital of the Company at a conversion price of AED0.08 per share (the "Bank Debt Conversion").

The Bank Debt Conversion took place during the quarter ended 31 March 2021 (Note 8) as well the conversion of the existing convertible bond instrument into new shares issued to the Parent Company (Note 7). Following the issuance of the shares arising from these two transactions, and the acceptances received in respect of the Offer, the Parent Company and Meraas Holding LLC holds approximately 95% of the Company's share capital as at 31 March 2021 and intend to acquire the remaining, from the remaining shareholders. Management has prepared cashflow forecasts for a period of 12 months (the "assessment period") from the date of approval of these condensed consolidated interim financial statements which shows sufficient liquidity after this assessment period and which considers:

- The impact of savings from cost optimisation measures introduced by the Group as part of an efficiency plan, implementation of additional temporary cost reductions and tight working capital management;
- Negotiation of long-term payment plans for outstanding development commitments; and
- Utilisation of residual cash following shareholder approval for the remaining proceeds from the rights issue.

In view of the above, management assessed that the Group has sufficient liquidity for the foreseeable future and accordingly has adopted the going concern basis in preparing the condensed consolidated interim financial statements which assumes the Group will be able to meet its liabilities due for a period of atleast 12 months from the date of approval of the condensed consolidated interim financial statements.

3. Critical accounting judgment and key sources of estimation uncertainty

In the application of the Group's accounting policies, management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2020.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

3. Critical accounting judgment and key sources of estimation uncertainty (continued)

Impairment of assets

Asset recoverability is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the higher of, the value-in-use i.e. the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate, and the assets' fair value less costs to sell. Management has assessed that the lowest cash generating unit for the purposes of impairment testing is the majority of assets within property and equipment, as these comprise one destination, Dubai Parks and Resorts, i.e. one cash generating unit ("CGU") that includes the four theme parks, a hotel and retail properties, excluding the undeveloped portions of land and certain rides / assets under construction ("the Destination").

For the purposes of determining whether an impairment has occurred, management uses a value in use calculation to carry out the impairment assessment based on the business plan prepared by management covering a long term discrete period, which is then extrapolated to estimate the terminal value. As with all assumptions, management's judgement is required based on historical experience and other factors, including expectations of future performance that are believed to be reasonable under the circumstances.

In preparing the long term business plan management make estimates and assumptions concerning future performance, which by definition are subject to variability and therefore actual performance may differ from forecast performance. Refer to Note 5 for further details of management's recoverability assessment of the Group's property and equipment.

4. Segment information

An operating segment is a component of the Group that engages in business activities from which it earns revenue and incurs expenses. The Group currently determines and presents financial information as a single operating segment based on the information that is provided internally to the Chief Executive Officer for decision making, who is also the Chief Operating Decision Maker.

5. Property and equipment

	Land AED'000	Building and infrastructure AED'000	IT and other equipment AED'000	Rides and attractions AED'000	Furniture and fixtures AED'000	Vehicles AED'000	Right-of-use asset AED'000	Capital work-in-progress AED'000	Total AED'000
Cost									
As at 1 January 2020	**1,266,824**	**6,412,795**	**808,385**	**1,064,286**	**124,476**	**4,017**	**584,837**	**787,962**	**11,053,582**
Additions during the year	-	3,616	4,923	1,647	170	-	-	97,413	107,769
Disposals	-	-	(286)	-	(1,115)	-	-	-	(1,401)
Transfers	-	97,214	-	-	-	-	-	(97,214)	-
Write-off	-	-	-	-	-	-	-	(4,592)	(4,592)
As at 31 December 2020	**1,266,824**	**6,513,625**	**813,022**	**1,065,933**	**123,531**	**4,017**	**584,837**	**783,569**	**11,155,358**
Additions during the period	-	-	1,173	-	108	-	-	17,648	18,929
As at 31 March 2021	**1,266,824**	**6,513,625**	**814,195**	**1,065,933**	**123,639**	**4,017**	**584,837**	**801,217**	**11,174,287**
Accumulated depreciation and impairment									
As at 1 January 2020	**75,799**	**1,368,485**	**367,797**	**255,348**	**60,058**	**3,316**	**240,259**	**442,578**	**2,813,640**
Charge for the year	-	178,284	74,477	50,131	10,596	656	31,392	-	345,536
Impairment loss	245,276	1,094,992	89,859	171,624	12,421	30	66,482	67,181	1,747,865
Disposals	-	-	(153)	-	(1,114)	-	-	-	(1,267)
As at 31 December 2020	**321,075**	**2,641,761**	**531,980**	**477,103**	**81,961**	**4,002**	**338,133**	**509,759**	**4,905,774**
Charge for the period	-	38,040	14,334	10,417	2,164	15	7,526	-	72,496
As at 31 March 2021	**321,075**	**2,679,801**	**546,314**	**487,520**	**84,125**	**4,017**	**345,659**	**509,759**	**4,978,270**
Carrying amount									
At 31 March 2021	**945,749**	**3,833,824**	**267,881**	**578,413**	**39,514**	**-**	**239,178**	**291,458**	**6,196,017**
At 31 December 2020	**945,749**	**3,871,864**	**281,042**	**588,830**	**41,570**	**15**	**246,704**	**273,810**	**6,249,584**

5. Property and equipment (continued)

(a) Capital work-in-progress includes work carried out for new rides and related facility costs.

(b) The destination being in its early stage of full operations and the uncertainty of the impact on future operations due to COVID-19, management had carried out the impairment assessment on the recoverability of the assets within property and equipment of the Destination as at 31 December 2020 (the "impairment assessment"), following which an impairment loss of AED 1,748 million had been recognised as at 31 December 2020 on the assets.

The key assumptions underlying the cash flow projections and forming the basis for the value in use calculation used within the impairment assessment included visitation and admission revenue per visit, long term growth rate and discount rate. The duration of the projections in the impairment assessment had been incrementally extended to reflect the increased risks arising from COVID-19.

As with all assumptions, management's judgement was required in determining the future cash flow projections, based on historical experience and other factors, including expectations of future performance that are believed to be reasonable under the circumstances.

In-line with the requirements of IAS 36 'Impairment of assets', management have assessed whether there is any indication of the carrying amount of the property and equipment assets being higher than its recoverable amount as at 31 March 2021, which included the following considerations:

- whether there had been further impairment indicators during the three-month period ended 31 March 2021;
- whether the detailed impairment assessment performed as at 31 December 2020 and relevant assumptions continue to be appropriate; and
- whether the results achieved for the three-month period were in-line with the cashflow projections included within the impairment assessment.

Based on the above considerations, no impairment was recorded for the property and equipment as at 31 March 2021.

Sensitivity analysis

Impairment reviews are performed based on key estimates and assumptions using currently available market information and expected short/long-term business performance which are inherently uncertain. In addition, this assessment is even more subjective given the added uncertainty caused by the COVID-19 pandemic and its impact on the global trade and tourism. Sensitivity analysis has therefore been performed based on the impairment assessment carried out as at 31 December 2020 to assess the impact of material changes in key assumptions and estimates. This is as follows:

Theme park visitation and admission revenue per visitor - The projections for the number of visits and admission revenue per visit are based on market analysis, including the total addressable market, penetration rates, the impact of the launch of new assets (currently under development) and sales and marketing activities, keeping in view the competitive landscape.

Management has assumed a compounded annual growth rate ("CAGR") of 7.8% in admission revenue per visitor over the period of impairment assessment and a CAGR of 8.1% in visitation from the period when visitation levels are expected to return to pre-COVID-19 levels of 2.6 million. Should visitation and admission revenue per visitor decrease by 2.5% every year (including the terminal year) with all other variables remaining constant this would result in an additional impairment of AED 374 million. Should the visitation number decrease by 5% every year (including the terminal year) with all other variables remaining constant this would result in an additional impairment of AED 422 million. Should admission revenue decrease by 5% every year (including the terminal year) with all other variables remaining constant this would result in an additional impairment of AED 337 million.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

5. Property and equipment (continued)

Sensitivity analysis (continued)

Discount rate - A discount rate of 8.5% (2019: 8.5%) was determined based on the estimated weighted average cost of capital of a 'market participant' within the main geographical region where the Group operates and drawn from market data in similar sectors and adjusted for asset specific risks. The key assumptions used when calculating the discount rate include the ratio of debt to equity financing and risk-free rates. Net present values are calculated using pre-tax discount rates derived from the Group's pre-tax weighted average cost of capital. Should the discount rate increase by 10 basis points with all other variables remaining constant, this would result in an impairment of AED 62 million.

Long term growth rate - A growth rate of 2.26% (2019: 2.5%) was determined based on management's long-term expectations, taking into account future expected trends in both market development and market share growth. Should the long-term growth rate decrease by 50 basis points with all other variables remaining constant this would result in an additional impairment of AED 264 million.

6. Related party balances and transactions

The following balances are outstanding as at the reporting date:

	31 March 2021 AED'000 (Reviewed)	31 December 2020 AED'000 (Audited)
Due from related parties		
Due from Parent Company	**1,008**	6,058
Due from a joint venture	**2,554**	3,243
Due from subsidiaries of the Parent Company	**4,477**	4,434
Due from joint ventures of the Parent Company	**-**	249
	8,039	13,984
Due to related parties		
Due to a subsidiary of the Parent Company	**60,405**	59,637
Due to joint ventures of the Parent Company	**398**	398
	60,803	60,035
Amounts due for settlement after 12 months	**56,305**	60,035
Amounts due for settlement within 12 months	**4,498**	-
	60,803	60,035

The key transactions that have taken place with related parties during the three month period ended 31 March 2021 with regards to the conversion of convertible bonds and bank facilities to additional share capital have been disclosed in notes 7 and 8.

Key management remuneration

	Three month period ended 31 March	
	2021 AED'000 (Reviewed)	2020 AED'000 (Reviewed)
Short term benefits	**1,698**	2,285
Long term benefits	**28**	63
	1,726	2,348

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

7. Convertible bond

	31 March 2021 AED'000 (Reviewed)	31 December 2020 AED'000 (Reviewed)
Balance at the beginning of the year	**1,480,024**	1,362,841
Accrued interest during the period / year	**15,735**	117,183
	1,495,759	1,480,024
Conversion of convertible bond into share capital		
Less: Residual value of equity component	**-**	(65,717)
Less: Share capital	**(1,428,783)**	-
Less: Other equity reserve	**(57,151)**	-
Less: Capital redemption reserve	**(9,825)**	-
Carrying amount of liability component	**-**	1,414,307

On 31 January 2021, in accordance with the terms and conditions of the existing convertible bonds, the Parent Company and Meraas Holding LLC served a notice to the Group to convert the outstanding balance of the existing convertible bond instrument into new shares at the contractual conversion price of AED 1.04 per share. On 28 February 2021, the conversion of convertible bonds was completed and the Company issued 1,428,782,912 shares of AED 1 each against the settlement of the contractual liability of AED 1,486 million due to the Parent Company. As part of the settlement the entire convertible bond equity and liability components are settled and the Company has recorded the AED 57 million share premium under an 'other equity reserve' and AED 10 million under 'accumulated losses' in the condensed consolidated interim statement of changes in equity. This redemption reserve represents the excess of the recorded convertible bond equity and liability components of AED 1,496 million as per the requirements of International Financial Reporting Standards ("IFRS") over the contractual liability of AED 1,486 million.

8. Bank facilities

	31 March 2021 AED'000 (Reviewed)	31 December 2020 AED'000 (Audited)
Balance at the beginning of the period	**4,144,861**	4,158,026
Gain on bank facilities terms modification	**-**	(14,961)
Amortization of gain using effective interest method	**13,165**	1,796
Conversion to share capital	**(4,158,026)**	-
Term loans	**-**	4,144,861
Gross borrowing costs	**307,438**	307,438
Less: cumulative amortisation	**(307,438)**	(147,272)
Un-amortised borrowing costs	**-**	160,166
Carrying amount	**-**	3,984,695
Within 1 year	**-**	213,248
Later than 1 year and not longer than 2 years		251,727
Later than 2 years and not longer than 5 years	**-**	1,470,289
Later than 5 years	**-**	2,209,597
	-	4,144,861
Amounts due for settlement after 12 months	**-**	3,931,613
Amounts due for settlement within 12 months	**-**	213,248
	-	4,144,861

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

8. Bank facilities (continued)

a) During the period ended 31 March 2021 the Parent Company acquired the bank facilities of the Company, with an outstanding balance as at 28 February 2021 of AED 4,271 million (including accrued interest) and converted the acquired liabilities as at 28 February 2021 into new shares at a conversion price of AED 0.08 per share (the "Bank Debt Conversion"). As part of the Bank Debt conversion, the Group issued 53,391,475,304 shares of AED 1 each to the Parent Company. The Group has recorded AED 49,120 million of share discount, representing the differential amount between the face value of the shares and the conversion price, under an 'other equity reserve' in the condensed consolidated interim statement of changes in equity. As part of the transaction after conversion, the Group has accelerated the amortisation of AED 160 million of unamortised borrowing costs and the AED 13 million modification gain unwind charge has been recorded within 'Finance costs' in the condensed consolidated interim statement of profit or loss and other comprehensive income.

b) On 15 March 2021 the Financiers and the Parent Company entered into an agreement to release all the mortgages and pledges of the Group secured under the bank facilities and as at 31 March 2021 the Company is in the process of finalising the mortgages and pledges release.

Letters of credit

As at 31 March 2021, the Group has facilities in relation to letters of credit amounting to AED 200 million (31 December 2020: AED 200 million) and outstanding letters of credit amounting to AED 3.3 million (31 December 2020: AED 3.3 million). The letters of credit are secured by way of 100% cash margin.

9. Derivative financial instruments

	31 March 2021 (Reviewed)		
	Positive fair value AED'000	**Negative fair value AED'000**	**Notional amount AED'000**
Interest rate swaps	**-**	**-**	**-**

	31 December 2020 (Audited)		
	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000
Interest rate swaps	-	27,891	1,537,723

During the year ended 31 December 2020, the Group terminated certain interest rate swaps ("IRS") in relation to its USD denominated term loans which were converted to AED denominated term loans. Subsequent to an assessed ineffectiveness, hedge accounting was discontinued and the remaining IRS were no longer designated as hedging instruments. These were categorised as level 2 IRS as one or more of the significant inputs are not based on observable market data.

During the period ended 31 March 2021, the Group terminated all its interest rate swaps ("IRS") in relation to its term loans upon conversion of the bank facilities into share capital (Note 8). The accumulated hedging reserve is recycled to the condensed consolidated interim statement of profit or loss and other comprehensive income and accordingly, an amount of AED 28.9 million has been recorded within 'Finance costs'.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

10. Revenue

	Three-month period ended 31 March	
	2021 AED'000 (Reviewed)	2020 AED'000 (Reviewed)
Revenue from contracts with customers - *Point in time*		
Admission revenue (excluding annual passes)	**16,361**	40,520
Sales of food and beverage	**9,325**	15,885
Sale of merchandise	**4,650**	7,443
Other	**2,391**	5,211
	32,727	69,059
Revenue from contracts with customers - *Over time*		
Accommodation revenue	**9,410**	13,229
Sponsorship revenue	**4,864**	9,385
Admission revenue (annual passes)	**7,828**	4,502
	22,102	27,116
Lease revenues	**622**	4,070
	55,451	100,245

11. Finance costs

	Three-month period ended 31 March	
	2021 AED'000 (Reviewed)	2020 AED'000 (Reviewed)
Interest on term loan	**45,452**	54,125
Interest on convertible bond	**15,735**	28,204
Interest on leases	**11,735**	11,288
Amortization of borrowing costs (Note 8)	**160,166**	7,256
Cash flow hedging losses on fair value reclassified to profit or loss (Note 9)	**28,852**	-
Discount unwinding on long term liabilities	**2,395**	2,595
Losses on ineffective hedges	**1,226**	-
	265,561	103,468

12. Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	Three month period ended 31 March	
	2021 (Reviewed)	2020 (Reviewed)
Loss attributable to equity holders of the Company (in AED '000)	**(359,806)**	(564,637)
Weighted average number of shares (in '000)	**13,237,958**	7,999,913
Basic and dilutive loss per share (in AED)	**(0.027)**	(0.071)

The Company does not have any instruments which have a dilutive impact on loss per share when exercised.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

13. Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)

Management presents adjusted EBITDA as a key performance measure and believes it to be relevant to the understanding of the Group's financial performance. Adjusted EBITDA for the Group is calculated by adjusting loss for the period to exclude the impact of finance costs, finance income, depreciation and non-recurring expenses and income. Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of adjusted EBITDA may not be comparable with similarly captioned performance measures and disclosures by other entities. The reconciliation of loss for the period to adjusted EBITDA is included below:

	Three month period ended 31 March	
	2021	2020
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Loss for the period	**(359,806)**	(564,637)
Adjusted for:		
Depreciation	**72,496**	87,024
Impairment losses on property and equipment	**-**	392,993
Finance costs	**265,561**	103,468
Finance income	**(648)**	(5,172)
EBITDA	**(22,397)**	13,676
Other income - net	**(14,223)**	(17,832)
Adjusted EBITDA	**(36,620)**	(4,156)

14. Commitments and contingent liabilities

(a) Commitments

Commitments for services received in relation to development and construction of assets classified under property and equipment amounted to AED 79 million as at 31 March 2021 (31 December 2020: AED 84 million).

(b) Lease payments - Group as a Lessee

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	31 March 2021	31 December 2020	**31 March 2021**	31 December 2020	**31 March 2021**	31 December 2020
	AED'000 (reviewed)	AED'000 (audited)	**AED'000 (reviewed)**	AED'000 (audited)	**AED'000 (reviewed)**	AED'000 (audited)
Not later than 1 year	**43,041**	26,678	**-**	-	**43,041**	26,678
Later than 1 year and no longer than 5 years	**306,739**	337,514	**182,950**	176,415	**123,789**	161,099
Later than 5 years	**923,693**	860,075	**633,823**	596,122	**289,870**	263,953
	1,273,473	1,224,267	**816,773**	772,537	**456,700**	451,730

(c) Contingent liabilities

Contingent liabilities may arise during the normal course of business. Based on information presently available any such contingent liabilities either cannot be quantified at this stage or in the opinion of management are without merit and therefore are deemed not likely to result in a cash outflow to the Group at the present time.

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

14. Commitments and contingent liabilities (continued)

(c) Contingent liabilities (continued)

Legal claim

An operating subsidiary of the Group is party to a litigation whereby the claimant to those proceedings is seeking an award against purported consultancy services provided in respect of certain sponsorship contracts. The litigation is currently under court proceedings with the parties submitting their respective legal positions. Therefore, the Group continues to believe that the amounts under the potential claim are not substantiated and will therefore be ultimately dismissed by the courts. Management has assessed the potential financial impact on the Group as low and believes that the amounts recognised to date and due as at 31 March 2021 are reflective of the amounts due in the ordinary course of business.

15. Financial risk management

The Group's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2020.

16. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments measured at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities that are due within a 12 month period from the balance sheet date approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

Valuation of financial instruments recorded at fair value is based on quoted market prices and other valuation techniques. The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on the present value calculation of the expected future cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The financial instruments are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2021 (continued)

17. Financial instruments

The following table details the Group's maturity profile for its non-derivative financial assets and liabilities.

Financial liabilities (undiscounted)

	Within 1 year AED'000	Between 1 and 5 years AED'000	Over 5 years AED'000	Total AED'000
31 March 2021 (reviewed)				
Due to related parties	**4,498**	**16,400**	**75,300**	**96,198**
Trade and other payables (excluding deferred revenue and advances)	**752,316**	**32,109**	**21,308**	**805,733**
	756,814	**48,509**	**96,608**	**901,931**
31 December 2020 (audited)				
Convertible bond*	-	-	2,272,653	2,272,653
Bank facilities	366,213	2,216,688	2,262,209	4,845,110
Due to related parties	-	16,400	79,400	95,800
Trade and other payables (excluding deferred revenue and advances)	879,259	32,109	24,859	936,227
	1,245,472	2,265,197	4,639,121	8,149,790

* The interest payable is calculated on the assumption that the bond is not converted to equity.

Maturity profile for Lease liabilities are disclosed in Note 14(b).

Financial assets (undiscounted)

	Within 1 year AED'000	Between 1 and 5 years AED'000	Over 5 years AED'000	Total AED'000
31 March 2021 (reviewed)				
Trade and other receivables (excluding prepayments and advances to contractors)	**75,007**	**-**	**-**	**75,007**
Due from related parties	**8,039**	**-**	**-**	**8,039**
Other financial assets	**217,158**	**-**	**-**	**217,158**
Cash and cash equivalents	**415,081**	**-**	**-**	**415,081**
	715,285	**-**	**-**	**715,285**
31 December 2020 (audited)				
Trade and other receivables (excluding prepayments and advances to contractors)	62,590	-	-	62,590
Due from related parties	13,984	-	-	13,984
Other financial assets	116,792	-	-	116,792
Cash and cash equivalents	651,231	-	-	651,231
	844,597	-	-	844,597

18. Approval of condensed consolidated interim financial statements

The condensed consolidated interim financial statements were approved by the Board of Directors and signed for issuance on 22 April 2021.