بالمـز الرياضيـة
PALMS SPORTS

Palms Sports
Private Joint Stock Company

بالمـز الرياضيـة
PALMS SPORTS

This Prospectus is intended for listing the shares of Palms Sports PJSC, a private joint stock company incorporated in the Emirate of Abu Dhabi under the UAE laws, in the Private Joint Stock Companies Secondary Market of Abu Dhabi Securities Exchange.

Legal Advisors

HADEF & PARTNERS

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

The main objective of this Prospectus is to present material information about the Company to the SCA and ADX as part of the application to the SCA and ADX to accept the listing in ADX Private Joint Stock Companies Secondary Market.
This Prospectus contains data submitted according to the SCA Resolution No. (10) of the year 2014 on the Regulation of Listing and Trading of Shares of Private Joint Stock Companies. The Board members, whose names are set out in this Prospectus, are jointly responsible for the integrity of data and information stated in the Prospectus.

For additional information and inquiries concerning this Prospectus please contact the Legal Advisor:
Hadef and Partners LLC
Telephone: +971 (02) 205 5300
Email: Y.Omar@hadefpartners.com

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمــز الرياضيــة
PALMS SPORTS

TABLE OF CONTENTS

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمــز الرياضيــة
PALMS SPORTS

1) DEFINITIONS & ABBREVIATIONS

Throughout the Prospectus, the following expressions shall have the meanings assigned to them hereunder.

AED or Dirham(s)	The currency of the United Arab Emirates
ADX	Abu Dhabi Securities Exchange
ADX Secondary Market	ADX Private Joint Stock Companies Secondary Market
Articles of Association or the Articles	Articles of Association of the Company
Board or Board of Directors	The Board of Directors of the Company
Chairman	The presiding officer of the Board
Commercial Companies Law	UAE Federal Law No. 2 of 2015 concerning commercial companies
Company	Palms Sports PJSC, a private joint stock company registered in the Emirate of Abu Dhabi under trade license No (CN-1190651) issued by the Department of Economic Development in the Emirate of Abu Dhabi and registered with the Ministry of Economy under registration No. 352
Financial Statements	The audited financial statements of the Company for the two financial years ended 31 December 2018 and 2019, and the condensed interim financial statements for the 1st, 2nd and 3rd quarter of the financial year ended 30 September 2020
General Assembly	The Company's General Assembly comprising of all of its shareholders
Management	The Company's management
Memorandum of Association	Memorandum of Association of the Company
Listing	Listing of the Shares in ADX Secondary Market
Prospectus	This document.
PJSC	Private Joint Stock Company
SCA	UAE's Securities and Commodities Authority

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمـــز الرياضيـــة
PALMS SPORTS

Share(s)	Share(s) in the Company, with a nominal value of AED (1.00) per Share
Shareholder(s)	Holder(s) of the Share(s) of the Company
UAE	United Arab Emirates

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

2) COMPANY PROFILE

Company Name	Palms Sports PJSC
Commercial Registration No.	3774700
Commercial License No.	CN- 1190651
Nominal Value of Share Capital	AED 150,000,000
Number of Shares	150,000,000
Nominal Value of Each Share	AED 1
Rights Related to the Shares	No third party rights on the Shares
Any changes to Company's share capital during the year	The Company's Capital was increased in the year of 2020 from AED (300,000) to AED (150,000,000)

3) SHAREHOLDERS OWNING MORE THAN 5% OF THE SHARES OF THE COMPANY

#	Name	Shares Owned in the Company	Ownership Percent %
1.	IHC Capital Holding L.L.C	118,500,000	79%
2.	Chimera Investment LLC	7,500,000	5%
3.	Fouad Fahmi Darwish	7,500,000	5%
4.	Abdulmuneim Alsayed Mohamed Alsayed Al Hashemi	15,000,000	10%
Total		148,500,000	99%

4) CONSTITUTIONAL DOCUMENTS:

1. Memorandum of Association
2. Articles of Association
3. Commercial License Certificate
4. Company Registration Certificate with the Ministry of Economy

Palms Sports PJSC was established in 2010 and it is specialized in sports enterprises investment, institution and management in Abu Dhabi. On 8 November 2020 the Shareholders of the Company decided to change the legal form of the Company from limited liability company to private joint stock company in accordance with the Commercial Companies Law, its Memorandum of Association, Articles of Association dated 26 November 2020 and by virtue of the Registration Certificate issued by the Ministry of Economy on 29 November 2020.

The financial year of the Company starts on 1st of January and ends on 31st of December of each calendar year.

5) OBJECTS OF THE COMPANY:

The main objects for which the Company is incorporated shall be to carry on the following activities:

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

1- Sport Enterprises Investment, Institution and Management.

2- For the purpose of achieving its main objects stated above, the Company may carry on the following activities within or outside the United Arab Emirates:

(a) incorporate all types of companies either alone or in partnership with third parties and grant such companies the authorities that it may deems appropriate or necessary for any purposes related to the objects of the Company, expansion thereof, or its business.

(b) to acquire, participate in or own shares, stocks and other interests in companies engaged in any field related to the activities of the Company or to any extension of its business or carrying on activities similar to the activities carried on by the Company or which may assist the Company in achieving its objects; and the Company may finance such companies.

(c) to enter into any agreements with banks, financial institutions and credit agencies concerning the financing of the Company's activities, including, without limitation, the issuance of guarantees, the granting of securities over its assets, including its shares and assets or the shares or assets of its subsidiaries, and to enter into agreements in favour of any subsidiary, including, without limitation, to issue or grant indemnities or to act as a guarantor to secure the liabilities of any subsidiary, with or without consideration and to mortgage or create a security over all or any part of the Company's rights or assets or the rights or assets of any of its subsidiaries in order to secure the commitments of the Company.

(d) to enter into any contracts or agreements required for achieving and performing any of the objects and activities of the Company.

(e) to participate with others in establishing other companies, partnerships or entities for the purposes of acquiring, developing, owning, operating or managing the activities or enterprises of the Company.

(f) manage the subsidiary companies and entities affiliated with the Company.

(g) Issue and sale of new shares in the Company or any shares or in interests in any affiliated company.

(h) undertake any activity, or do any action that may support the Company's financial position, or increase its value or the value of its assets, or support the rights of its Shareholders.

(i) to carry on any business or activity related or incidental to any of the business of the Company or which would enhance, whether directly or indirectly the value of all or any of the enterprises, properties or assets of the Company or in any way increase the profitability of the Company or enhance the interests of the Company or its shareholders.

3- The Company shall carry on its objects within the United Arab Emirates and abroad as shall be determined by the Board of Directors of the Company in that regard.

4- The objects of the Company shall be interpreted in a broad manner and the Company's General Assembly may amend the Company's objects in accordance with the Articles of Association.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمـز الرياضيـة
PALMS SPORTS

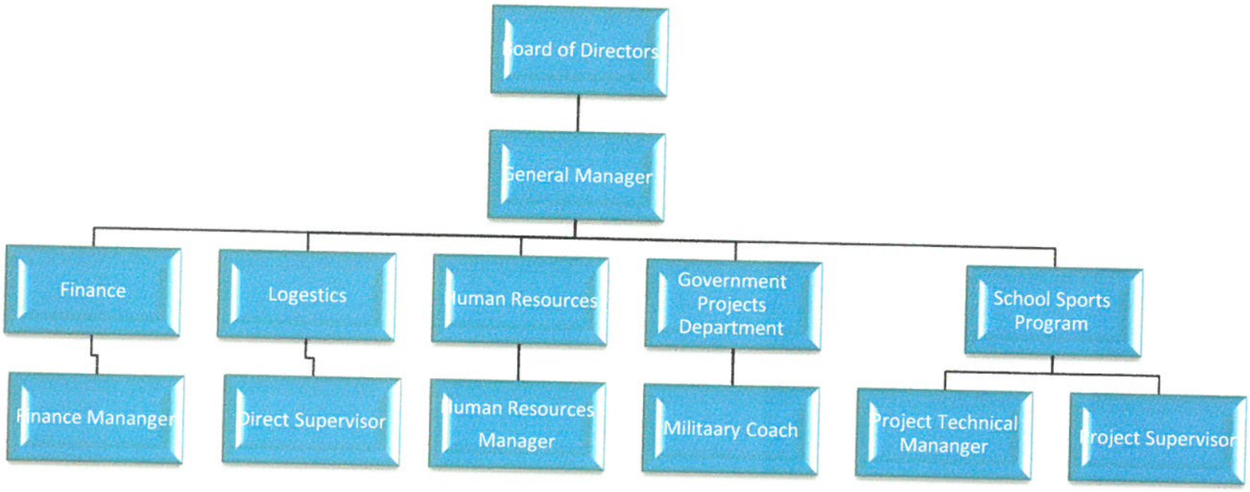
6) LICENSED COMMERCIAL ACTIVITIES:

The Company's Commercial License issued by the Department of Economic Development in Abu Dhabi includes the following commercial activities:

Sports enterprises investment, institution and management.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

7) ORGANIZATIONAL STRUCTURE



PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمز الرياضية
PALMS SPORTS

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

8) CORPORATE GOVERNANCE

FIRST: MEMBERS OF BOARD OF DIRECTORS AND A BRIEF OF THE BIOGRAPHY OF EACH BOARD OF DIRECTORS

Abdulmuneim Alsayed Mohamed Alsayed Al Hashemi– Chairman

H.E. Abdulmuneim Al Hashemi is one of the founders of the UAE Jiu Jitsu Federation and is considered as of the leaders of the UAE sporting scene as a whole. H.E. today is the senior vice president of the International Jiu Jitsu Federation, Chairman of the Asian Jiu Jitsu Union and president of the UAE Jiu Jitsu Federation.

Riyadh Faraj Ahmed Alkindi –Vice Chairman

Mr. Riyadh has more than 20 years of experience in the field of investment management and marketing. He started working in the private office of His Highness Sheikh Zayed Bin Sultan Al Nahyan from 1996 until 2004. He was one of the founding partners of the American Veterinary Clinic and Blue Waves Cleaning Services, as well as he is the founding partner of PAL Computers and PAL Technolgoy Services LLC.

Khalifa Yousif Khouri – Board member

Mr. Khalifa Khouri is a members of number of board of directors of public and private joint stock companies in the UAE in addition to being a nominated representative for some private family wealth management committees.

He has sound leadership skills and is a dynamic business founder of many companies throughout the UAE. He has a wealth of experience in leading and managing institutions in various sectors including general investments, media, trading, services, manufacturing, real estate, building materials, oil & gas and others. He has had an active leadership role in mergers & acquisitions, bond issuance and taking companies public.

Fouad Fahmi Darwish – Board member

Mr. Fouad has more than 25 years of experience in the banking and financial sectors across 3 continents. He has been able to create and maintain strategic alliances and partnerships with government officials, business leaders and stakeholders alike, facilitating consistent growth and strategic positioning of the Company. Previously, he was a senior executive in key financial organizations in MENA, in addition to holding several board directorships.

Saje Thomas – Board member

Mr. Saji is also the managing director Royal Group. He has contributed significantly to the growth of the group over the past 18 eighteen years and has succeeded in expanding its activities in real estate, entertainment and other areas. He holds a Bachelor's degree in Commerce from Mahatma Gandhi University, India. He is a member of the Institute of Chartered Accountants in India, a Certified Public Accountant from Colorado USA, and a certified cost and management accountant in India.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

SECOND: COMMITTEES FORMED BY THE BOARD OF DIRECTORS

The Board of Directors has two main committees which are: The Nomination and Remuneration Committee and the Audit Committee.

The members of the nomination and remuneration committee are:

(a) Mr. Riyadh Faraj Ahmed Alkindi
(b) Mr. Khalifa Yousif Khouri
(c) Fouad Fahmi Darwish

The Nomination and Remuneration Committee is responsible for the following tasks:

(a) Preparing and reviewing the policy related to granting rewards, benefits, incentives and salaries for the members of the Company's Board of Directors and its employees, and the policy on human resources and training, and monitoring the implementation of both.

(b) Determining the Company's needs for competencies at the level of senior executive management and employees and the basis for their selection.

(c) Organizing and following up the procedures for nomination for membership of the Board of Directors in accordance with the laws and regulations in force.

(d) Submitting reports to the Board of Directors containing the procedures, findings and recommendations reached.

Members of the Audit Committee:

(a) Khalifa Yousif Khouri
(b) Riyadh Faraj Ahmed Alkindi
(c) Mr. Saje Thomas

The Audit Committee is responsible for the following:

(e) Establishing and implementing the policy of contracting with the external auditor and submitting a report to the Board of Directors specifying the matters it deems necessary to take action on, along with its recommendations of the steps to be taken.

(f) Following up and monitoring the independence and objectivity of the external auditor, and discussing with him about the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.

(g) Monitor the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year.

(h) Review the Company's financial control, internal control and risk management systems.

(i) Discussing the internal control system with the Management and ensuring that it fulfills its duty to establish an effective internal control system.

(j) Examining the results of major investigations into internal control matters assigned to it by the Board of Directors or on the initiative of the committee and with the approval of the Management.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

(k) Ensure that the external auditor is independent, and that all the works he performs are free from any conflict of interest.

(l) Reviewing the Company's financial and accounting policies and procedures.

(m) Establishing controls that enable the Company's employees to confidentially report any potential violations of financial reports, internal control, or other issues, and steps to ensure independent and fair investigations of such violations.

(n) Monitor the Company's compliance with the rules of code of conduct.

(o) Ensure the implementation of business rules related to its duties and the powers entrusted to it by the Board of Directors.

THIRD: SENIOR EXECUTIVE MANAGEMENT MEMBERS AND A BRIEF OF THE BIOGRAPHY OF EACH

1. Fouad Fahmi Darwish – General manager

As general manager, his qualifications include Master of Business Administration - International Finance and Marketing from the American University of Dubai - United Arab Emirates, a BA with honors with a specialized degree in economics and political science and a minor in Middle Eastern and Islamic Studies from the University of Toronto, one of the top 30 universities.

2. Hamdan Zeyad Hamdan – Financial director

Mr. Hamdan has more than 20 years of experience in the field of warranty services. He is a certified specialist with leading names in the field including Deloitte, CPA, CIDA. He joined the Company in 2015 as finance director, and prior to that, he worked as a partner at RMS Albazie & Co. In Kuwait, and as financial manager at Deloitte in Canada and the Middle East. Mr. Hamdan Ali holds a BA in Accounting from Amman University, Jordan.

FOURTH: The Internal Control System

1) The Company has an internal control system aimed at developing an assessment of the Company's risk management methods and procedures, and properly implementing the rules of governance therein, verifying that the Company and its employees adhere to the provisions of applicable laws, regulations and decisions that govern its work, internal policies and procedures, and reviewing the financial data presented to the senior management of the Company, which is used in preparing the financial statements.

2) The internal control system will be approved by the Board of Directors after consulting with the Management, and the application of this system will be undertaken by the Company's internal control department.

3) The internal control system defines the objectives, tasks and powers of the internal control department, provided that it enjoys sufficient independence to perform its duties and reports directly to the Board of Directors.

4) The Board of Directors conducts an annual review to ensure the effectiveness of the internal control system in the Company and its subsidiaries and discloses its findings to the

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

Shareholders in its annual report on corporate governance.

FIFTH: SUMMARY OF GENERAL ASSEMBLY RESOLUTIONS FOR THE TWO YEARS PRECEDING THE LISTING

a. **FY 2018 – Meeting held on 17 January 2019:**

1. Considered and approved the Board of Directors' report on the Company's activities and financial position for the year ended on 31st December 2018.
2. Considered and approved the external auditors' report for the financial year ended on 31st December 2018.Considered and approved the balance sheet and profit and loss account for the financial year ended on 31st December 2018.
3. Considered and approved the Board of Directors' dividend proposal for the financial year ended on 31st December 2018 in total amount of AED 60,000,000.
4. Discharged the Board of Directors members from liability for their services for the financial year ended on 31st December 2018.
5. Considered and approved the allocation of an amount of AED 3,445,397 as remuneration for the members of the Board of Directors.
6. Appointed the external auditors of the Company for the financial year 2019 (Deloitte Abu Dhabi) and fixed their remuneration.

b. **FY 2019 – Written Resolution of the General Assembly issued on 31/10/2020**

1. Considered and approved the Board of Directors' dividend proposal for the financial year ended on 31st December 2019 in total amount of AED 100,000,000.

The Shareholders of the Company issued a resolution on 26 November 2020 approving the conversion of the Company into a private Joint Stock Company.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

9) BUSINESS PLAN

(a) BUSINESS PLAN / STRATEGY

The Company's strategic plan is based on the increase in the popularity of martial arts, especially the sport of jiu-jitsu, which is very popular and supported by various authorities in the country and the international competitions that are organized by the United Arab Emirates. Also, the strategic plan focuses on the good reputation achieved by the Company in the field of sports training.

Therefore, the Company aspires to expand the program of Jiu-Jitsu schools as well as to continue and expand in the field of swimming training. The Company also seeks to continue its activities in the field of organizing and managing sporting events despite the challenges imposed by the restrictions related to the Covid-19 virus. The Company also aims to strengthen its strategic partnership with many television broadcasting channels and expand the activity of sports consulting services.

The Nakheel Academies Program is a fundamental pillar of future expansion, as the Company intends to open academies in all emirates of the country.

Finally, the Company's ambitious plans include the establishment of an integrated sports training center on the plot of land acquired by the Company in Al Reem Island, where the Company aims to make that facility one of the most important and most equipped sports centers in the region to provide integrated and comprehensive services to members.

(b) OPERATING COSTS

1- The annual budget is submitted to the Board of Directors for approval before the beginning of the fiscal year, accompanied by the target revenues and other key performance indicators.

2- Operational work is carried out according to the limits set for it in the budget.

3- The current team carries out the required review before carrying out any spending process.

4- All spending operations are subject to the review of the financial director and the final approval of the general manager, all in accordance with the approved powers system.

(c) PAYMENTS

1- Payments are made by the finance director and the general manager together according to the limits set by the Board of Directors.

2- As an additional precaution, the list of those payments is reviewed and approved by the general manager on a monthly basis.

3- The general manager shall sign any payments whose value exceeds the limits of the powers of the financial director and general manager.

10) A SUMMARY OF THE SUBSTANTIAL CONTRACTS CONCLUDED BY THE COMPANY

Palms Sports LLC is headquartered in the United Arab Emirates and works to promote specialized sporting activities with a special focus on Jiu-Jitsu and Martial Arts for UAE Nationals.

The Company's main services include, but are not limited to:

A) Development and implementation of comprehensive education curricula and sports training programs
B) Sports facilities management
C) Sports marketing solutions and consulting services
D) Managing sports programs and events
E) Supplier of sporting goods and equipment

The Company's training programs:

A) Jiu Jitsu
B) Muay Thai and a group of combat sports
C) Swimming
D) Traditional rowing
E) Fitness and nutrition

The Company's main strategic partners:

A) Ministry of Education
B) Governmental and semi-government agencies
C) Ministry of the Interior
D) Police Academies
E) Jiu Jitsu Sports Clubs

a) Jiu Jitsu School Training Program

Upon the establishment of the Company in 2010, it has supervised a handful of Abu Dhabi Education Council schools, yet it developed the largest sports training initiative in the UAE - the Jiu Jitsu School Program - to a large extent to include more than 155 schools in the seven Emirates.

Tournaments and Events:

From the start, the Jiu Jitsu School Program created an impressive talent pool, which benefited the national team through the continuous and consistent flow of talent.

In order to show our growing talent pool, the Company has arranged over 170 competitions in the past year as well as a host of prestigious UAEJJF Championships available to School Jiu-Jitsu Training Program students to show their skills on the international level.

Mohamed bin Zayed Championship:

The Mohammed Bin Zayed championship is the largest Jiu-Jitsu championship in the world. The prestigious series of the Mohammed Bin Zayed Jiu-Jitsu competitions includes more than 17,000 competitors participating in this annual celebration of the sport.

Competitive testing areas promote talent identification and development. Competitors develop increased confidence and a desire to compete in public and international events.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

UAE Fitness Challenge Championship:

In line with the overall sports strategy in the United Arab Emirates, the Company has taken it upon itself to participate in the great endeavor to educate and raise sportsmanship and active livelihoods by introducing the unique Emirati fitness in cooperation with the distinguished Ministry of Education.

Similar to the Jiu-Jitsu competitions, the UAE Fitness Challenge Championships provide an ideal opportunity to sho the achievements of the program as well as develop the health and fitness of each individual student.

b) Swimming

In 2019, the Company was awarded a contract to implement and supervise the School Swimming Training Program in selected Ministry of Education schools. The program is designed to provide training to 18,000 students across Abu Dhabi, Al Ain and Al Dhafra. The Company's 92 certified swimming instructors follow a comprehensive and developmental approach in providing swimming lessons to students across 42 Ministry of Education schools

c) Muay Thai

The Company works closely with the UAE Muay Thai Federation and oversees the implementation of the first Muay Thai training program in Emirates National Schools.

Dating back to the pilot classes in early 2017, the program has since grown to include frequent training sessions throughout the Emirates National Schools, with experienced and charismatic instructors appointed to ensure all students are safe, developed and enjoying.

d) Traditional Rowing

In 2019, the Company launched a traditional rowing program for Cycle 2 and Cycle 3 students in selected Ministry of Education schools in the seven Emirates. Training is carried out using traditional wooden boats, as a revival of the UAE's long-standing tradition of sailing on teak paddleboats.

e) Nakheel Sports Academies

Palms Sports Academies was launched in 2019 under the name "Al-Nakheel Academy", providing highly specialized training in Jiu-Jitsu and support for Emirati youth and preparing young Emirati athletes for success at the local, regional and international levels. In late 2019, four academies were opened in Abu Dhabi.

f) Other initiatives

Jiu-Jitsu training for people of determination

In coordination with the Zayed Higher Organization for People of Determination and Al Ain Club, the Company offers classes dedicated to Jiu-Jitsu for students of determination.

Training began in November 2017 with three semesters.

11) Details of Company Assets, Investments, Projects (within Emirates and overseas)

A) Assets

#	Asset	Asset Description	Value in AED (31.12.2019)	Balance Sheet Reference
1	Furniture, Vehicles & Equipment	• motor vehicles which includes delivery vans and trucks used to facilitate tournaments logistics, and 2 office vehicles used by PRO and GM. • Office Equipment mainly includes office computers and has a carrying value of AED 143,025 as on Dec 31, 2019. • Furniture and fixtures are office furniture and has a net book value of AED 63,763 as on Dec 31, 2019.	576,378	Property & equipment
2	Leased Property	The Company has the following leased properties that as per IFRS 16 are considered in balance sheet: • 1 leased land in Reem Island for building a facility centre. The lease commenced on 16 October, 2019 for an average period of 10 years.	735,867	Right-of-use asset

B) Investments

#	Investment	Investment Description	Balance Sheet Reference	Value in AED
	None			

C) Projects

#	Project	Project Description	Balance Sheet Reference	Value in AED
	None			

The Company's audited financial statements for the two previous fiscal years and the interim financial statements for the period beginning on 1 January 2020 and ending on 30 September 2020,

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

are included in Appendix (1) attached to this Prospect.

12) LOANS

The Company has not neither obtained nor granted any loans.

13) DETAILS OF ANY DEBT SECURITIES OR INSTRUMENTS ISSUED OR GUARANTEED BY THE COMPANY

The Company has not issued any debt/sukuk instruments or any other instrument that is secured by the Company.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

14) DESCRIPTION OF THE COMPANY'S OPERATING PERFORMANCE

The Company's contracts with third parties, whether governmental or private entities, represent the main source of the Company's revenues and profits. We have mentioned above the details of the material contracts concluded with third parties.

The previous paragraph explains the sources of the Company's income in general, but the details of the components of income for each financial year are referred to in detail below.

1 January 2020 until 30 September 2020

1- The net profit for the nine months from 1 January 2020 until 30 September 2020 is 53,128,000 Dirhams.
2- Total profits are (73,200,000) Dirhams.
3- The value of its assets amounts to (344,528,000) Dirhams.
4- General administrative expenses amounted to (21,606,000) Dirhams.

Fiscal year 2019 (from 1 January 2019 to 31 December 2019)

1- The net profit for the period from 1 January 2019 to 31 December 2019 is (76,700,000) Dirhams.
2- Total profits are (114,100,000) Dirhams.
3- The value of its assets is (310,400,000) Dirhams.
4- General administrative expenses amounted to (23,700,000) Dirhams.

Fiscal Year 2018 (1 January 2018 to 31 December 2018)

1- The net profit for the period from 1 January 2018 to 31 December 2018 is 76,300,000 Dirhams.
2- Total profits are (119,800,000) Dirhams.
3- The value of its assets is (290,000,000) Dirhams.
4- General administrative expenses amounted to (24,900,000) Dirhams.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

15) DESCRIPTION OF THE COMPANY'S CASH FLOW

While the Company's cash flows are available in a detailed format in the Consolidated Statement of Cash Flows included within the financials for the respective years, the following points are to be noted in general:

1) The Company started its activities in 2011 and proudly has been operating debt free to this day by practicing astute financial strategies and very successful receivables' collection efforts. The Company has maintained steady collection dates of less than 60 days for past several years.

2) Similarly, The Company has consistently distributed a significant dividend for the shareholders and in the past 5 years alone distributed collectively AED 280 million. This includes AED100 million in 2018, AED 60 million in 2019 and AED 100 million in 2020.

3) The Company's cash at hand and end of year bank balances reflected the strength of the Company's financial position, as the cash balance at the end of 2019 amounted to AED 145 million and AED 250 million at the end of 2018.

4) The Company has maintained fixed deposits with good returns amounting to 118 million Dirhams in 2019 and 165 million Dirhams in 2018.

5) The Company has successfully maintained a strong receivables turnover ratio by reducing reporting and collection periods in 2017.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

16) DETAILS OF LAWSUITS AND CLAIMS

To date, there have been no lawsuits filed against the Company or any of its subsidiaries.

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

17) DESCRIPTION OF ANY INSOLVENCY OR INABILITY TO PAY

N/A

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمــز الرياضيــة
PALMS SPORTS

FOR AND ON BEHALF OF PALMS SPORTS PJSC

Chief Executive Officer

Mr. Fouad Fahmi Darwish

Signature: ....

Stamp of the Company:

Date: 30/11/2020

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

بالمــز الرياضيــة
PALMS SPORTS

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

ANNEX (1) THE AUDITED AND REVIEWED FINANCIAL STATEMENTS

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

ANNEX (2) MEMORANDUM OF ASSOCIATION

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com

ANNEX (3) ARTICLES OF ASSOCIATION

PO Box 39877 | Abu Dhabi, UAE | T +971 2 8111444 | F +971 2 8111895
www.palmssports.com