

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
FOR THE THREE-MONTH ENDED 31 March 2026
AND
INDEPENDENT AUDITOR'S REVIEW REPORT

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
Condensed consolidated interim financial statements (Unaudited)
For The Three-Month Period Ended 31 March 2026

<u>INDEX</u>	<u>PAGE</u>
Independent Auditor’s Review Report	2
Condensed Consolidated Interim Statement of Financial Position	3
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7 – 21

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Sport Clubs Company
"A listed Saudi joint stock company"
Riyadh - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Sport Clubs Company** (the "Company") and its subsidiary (together "the Group"), as of 31 March 2026, the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the three-months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - ("IAS 34") "*Interim Financial Reporting*" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these 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*", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 that are endorsed in the Kingdom of Saudi Arabia 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) "*Interim Financial Reporting*" that is endorsed in the Kingdom of Saudi Arabia

For Dr. Mohamed Al-Amri & Co.,

Gilhad Mohamed Al-Amri
Certified Public Accountant
License Number (362)



Riyadh, on: 11 May, 2026 (G)
Corresponding to: 24 Dhu al-Qi'dah, 1447 (H)

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ريال)

	<u>Note</u>	31 March 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	(4)	560,560,939	539,778,851
Right of use assets	(5.1)	297,718,987	304,690,564
Intangible assets		7,873,357	8,389,832
TOTAL NON-CURRENT ASSETS		866,153,283	852,859,247
CURRENT ASSETS			
Inventory		9,748,603	8,071,523
Trade receivables	(6)	12,697,186	11,991,775
Prepayments and other receivables	(7)	29,192,624	25,107,772
Cash and cash equivalents	(8)	33,737,652	46,676,425
TOTAL CURRENT ASSETS		85,376,065	91,847,495
TOTAL ASSETS		951,529,348	944,706,742
EQUITY AND LIABILITIES			
EQUITY			
Share capital	(9)	114,400,000	114,400,000
Share premium	(9)	61,967,518	61,967,518
Retained earnings		95,290,100	94,143,323
TOTAL EQUITY		271,657,618	270,510,841
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities – non – current portion	(5.2)	326,331,993	328,002,495
Long term loans – non – current portion	(10)	107,158,598	107,530,540
Employees’ defined benefit obligations	(11)	33,189,652	30,122,179
Contract Liabilities – non – current portion	(12)	1,454,733	663,439
TOTAL NON-CURRENT LIABILITIES		468,134,976	466,318,653
CURRENT LIABILITIES			
Lease liabilities – current portion	(5.2)	46,690,834	45,433,906
Long term loans – current portion	(10)	31,867,125	32,398,451
Trade payables		10,611,259	10,641,905
Accrued expenses and other payables	(13)	16,710,380	16,781,734
Provision for Zakat	(14)	1,177,818	1,061,368
Contract liabilities – current portion	(12)	104,679,338	101,559,884
TOTAL CURRENT LIABILITIES		211,736,754	207,877,248
TOTAL LIABILITIES		679,871,730	674,195,901
TOTAL EQUITY AND LIABILITIES		951,529,348	944,706,742

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE THREE-MONTH ENDED 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ﷻ)

	<u>Note</u>	For the three-months period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	(15&19)	86,115,623	82,439,685
Cost of revenue	(19)	(64,301,944)	(65,228,607)
GROSS PROFIT		21,813,679	17,211,078
Marketing expenses		(2,916,105)	(2,461,803)
General and administrative expenses		(7,194,698)	(4,446,317)
Listing and Initial Public Offering Expenses	(21)	-	(140,000)
OPERATING PROFIT		11,702,876	10,162,958
Other income, net		616,368	889,533
Finance costs		(7,801,603)	(7,532,179)
PROFIT FOR THE PERIOD BEFORE ZAKAT		4,517,641	3,520,312
Zakat expense	(14)	(116,450)	(114,501)
PROFIT FOR THE PERIOD		4,401,191	3,405,811
OTHER COMPREHENSIVE INCOME:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of employees' defined benefit obligations	(11)	(3,254,414)	(985,438)
Other comprehensive income for the period		(3,254,414)	(985,438)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,146,777	2,420,373
BASIC AND DILUTED EARNING PER SHARE (ريال)	(20)	0.038	0.033

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ﷻ)

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
<u>For the three-month periods ended 31 March 2026</u>					
Balance as at 1 January 2026 (Audited)	114,400,000	61,967,518	-	94,143,323	270,510,841
Profit for the period	-	-	-	4,401,191	4,401,191
Other comprehensive income items for the period	-	-	-	(3,254,414)	(3,254,414)
Total comprehensive income for the period	-	-	-	1,146,777	1,146,777
Balance as at 31 March 2026(Unaudited)	<u>114,400,000</u>	<u>61,967,518</u>	<u>-</u>	<u>95,290,100</u>	<u>271,657,618</u>
<u>For the three-month periods ended 31 March 2025</u>					
Balance as at 1 January 2025 (Audited)	104,000,000	(1,026,540)	-	65,835,410	168,808,870
Profit for the period	-	-	-	3,405,811	3,405,811
Other comprehensive loss for the period	-	-	-	(985,438)	(985,438)
Total comprehensive income for the period	-	-	-	2,420,373	2,420,373
Share issuance reserve	-	(132,250)	-	-	(132,250)
Balance as at 31 March 2025 (Unaudited)	<u>104,000,000</u>	<u>(1,158,790)</u>	<u>-</u>	<u>68,255,783</u>	<u>171,096,993</u>

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ﷻ)

		For The Three-Month Periods Ended 31 March	
		2026	2025
		(Unaudited)	(Unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before Zakat		4,517,641	3,520,312
Adjustments for :			
Depreciation of property, plant, and equipment, and right-of-use assets (losses)/ Gains on disposal of property, plant, and equipment	(4)	19,182,342 (9,095)	17,701,544 (112,788)
Amortization of intangible assets		555,545	210,250
Employees' defined benefit liabilities	(11)	1,692,000	1,353,000
Finance costs		7,801,603	7,532,179
Reduction in lease expense during the period		-	(449,450)
		33,740,036	29,755,047
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Trade receivables		(705,411)	6,036,707
Inventories		(1,677,080)	(690,393)
Advance payments and other current assets		(4,084,852)	1,691,552
Trade payables		(30,646)	(8,402,156)
Accrued expenses and other current liabilities		(338,881)	745,882
Contract liabilities, net		3,910,748	(15,012,771)
Employees' defined benefit obligations paid	(10)	(1,611,414)	(1,756,438)
Net cash generated from (used in) operating activities		29,202,500	12,367,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to purchase property, plant, and equipment	(4)	(30,043,263)	(17,810,577)
Payment to purchase intangible assets		(39,070)	(516,938)
Proceeds from disposal of property, plant, and equipment		140,915	249,731
Net cash used in investing activities		(29,941,418)	(18,077,784)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of loans	(10)	(9,933,168)	(28,645,868)
Proceeds from loans	(10)	9,029,900	50,000,000
Payments of lease liabilities, net	(5.2)	(7,058,106)	(13,464,827)
Payment of finance costs		(4,238,481)	(3,656,476)
Net cash generated from / (used in) financing activities		(12,199,855)	4,232,829
Net change in cash and cash equivalents during the period		(12,938,773)	(1,477,525)
Cash and cash equivalents at the beginning of the period		46,676,425	5,026,406
Cash and cash equivalents at the end of the period		33,737,652	3,548,881
Significant non-cash transactions;			
Finance costs on lease liabilities capitalized during the period		(1,561,207)	(852,702)
Finance costs on loans capitalized during the period		(1,520,203)	(842,198)
Additions of right-of-use assets	(5.1)	-	(27,823,788)
Remeasurement of defined benefit obligations for employees	(11)	(3,254,414)	(985,438)
Share issuance reserve	(21)	-	(132,250)

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ﷲ)

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Sport Clubs Company (“the Company”) is a Saudi Joint Stock Company listed on the Saudi Stock Exchange Market. The Company was established as a limited liability company in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, operating under Commercial Registration No. 1010167892 dated 26 Rabi-Al-Thani 1422 H (corresponding to 18 July 2001 G) in Riyadh.

On 1 Rabi’ Al-Awwal 1444 H, corresponding to (26 September 2022 G), the shareholders unanimously resolved to convert the legal status of the Company from a limited liability company to a Saudi closed joint stock company while retaining the number, name and date of the commercial registration of the Company and its branches. On 2 Rabi’ Al-Awwal 1444 H corresponding to (27 September 2022 G), the legal procedures to amend the Company's Articles of Association have been completed.

The General Assembly of Shareholders, in its meeting held on 22 August 2024, approved the offering of 30% of the Company’s post-issue share capital through an Initial Public Offering (IPO). The IPO included 23.92 million existing shares sold by the current shareholders on a pro-rata basis according to their respective ownership ratios and 10.4 million new shares issued at a nominal value of SAR 1 per share, fully paid. As a result, the Company’s share capital increased by SAR 10.4 million, from SAR 104 million to SAR 114.4 million. The Company was successfully listed on the Saudi Stock Exchange (Tadawul) and commenced trading on 27 Muharram 1447H (22 July 2025G) under the trading symbol 6018.

The principal activities of the Group are wholesale and retail trade in sports equipment, tools, and clothing, purchase of lands for the construction of buildings and investing in them by sale or lease for the benefit of the Group, the establishment, management and maintenance of gymnasiums, general contracting for buildings, and electrical, mechanical and electronic works.

The head office of the Group is as follows:

P.O. Box 270079 - Riyadh 11352 - Kingdom of Saudi Arabia

The following are the details of the Subsidiary included in these consolidated financial statements:

<u>Name of Subsidiary</u>	<u>Commercial Registration</u>	<u>Country of Incorporation</u>	<u>Direct ownership percentage as at</u>		<u>Activity</u>
			<u>31 March 2026</u>	<u>31 December 2025</u>	
Third Amaken Sports Company	1010334139	Kingdom of Saudi Arabia	100%	100%	Building cleaning and maintenance

The Group also exercises its activities through branches of sports clubs that operate under the following commercial registrations for regions or for each individually as follows:

<u>N</u>	<u>City / Region</u>	<u>Commercial Registration Number</u>	<u>Commercial Registration Date</u>
1	Riyadh	1010167892	26/4/1422
2	Al-Qassim	1131028467	27/3/1430
3	Khamis Mushait	5855346579	26/4/1422
4	Hail	3350147174	18/5/1441
5	Jeddah	4030295107	4/9/1438
6	Hafar Al Batin	2511108063	4/6/1439
7	Tabuk	3550122370	4/6/1439
8	Al Badi'ah (females branch)	1010460120	1/9/1440
9	Madinah	4650209419	2/8/1440
10	Makkah	4031235157	18/5/1441

The Group’s financial year starts from 1 January and ends on 31 December of each Gregorian calendar year.

SPORT CLUBS COMPANY

(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(In Saudi Riyals ﷲ)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The condensed consolidated interim financial statements do not include all the information and disclosures required to prepare a complete set of annual consolidated financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

In addition, the results of the interim period ended 31 March 2026 may not be a fair indication of the results that can be expected for the fiscal year ended 31 December 2026.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2025.

The significant accounting assumptions, estimates and judgments used in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2025.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with the historical cost convention, except for employee benefit liabilities which are measured at present value for future liabilities using the projected credit unit method.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals ("ريال"), which is also the functional and presentation currency of the Group.

2.4 Basis of consolidation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary as at the reporting date. Control is achieved when the Company has:

- Power over the investee;
- Rights to variable returns from its involvement with the investee;
- The ability to use its influence over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Company considers all relevant facts and circumstances when assessing whether the voting rights it has in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of the voting rights of other owners;
- Potential voting rights held by the Company, other voting rights holders or third parties;
- Rights arising from other contractual arrangements; and
- Any other facts and circumstances indicating that the Company has or does not have the current ability to direct the relevant activities at the time the decisions are made, including voting patterns at previous shareholder meetings.

SPORT CLUBS COMPANY

(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(In Saudi Riyals ﷻ)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Basis of consolidation of the condensed consolidated interim financial statements (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

A change in the subsidiary's ownership interest, without loss of control, is recorded in the condensed consolidated interim statement of changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company. Total comprehensive income of subsidiaries is distributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of its subsidiary, it derecognizes the related assets (including goodwill), liabilities, and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the accounting policies of the Group.

All assets, liabilities, equity, revenues, expenses and cash flows relating to operations between members of the Group are eliminated in their entirety on consolidation.

The Third Amaken Sports Company, a subsidiary, hereinafter referred to as the 'Group', was consolidated with the parent company from the date the parent company obtained control until the date such control ceases, if any. The condensed consolidated interim financial statements have been prepared based on the financial statements of both the parent company and its subsidiary. The parent company owns 100% of the subsidiary's shares (2025: 100%). The subsidiary's activities are in the field of building cleaning and maintenance services.

3- MATERIAL ACCOUNTING POLICY INFORMATION

3.1 New standards, amendments to standards, and interpretations

A number of new standards and amendments to standards have been issued that are effective as at 1 January 2026, which are set out in the Group's annual consolidated financial statements, but they do not have a material impact on the Group's condensed consolidated interim financial statements as at 31 March 2026. The Group was not required to change its accounting policies or make retrospective adjustments as a result of the application of these amended standards.

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷲ)

4. PROPERTY, PLANT AND EQUIPMENT

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<u>Cost</u>		
As at the beginning of the period / year	844,740,981	734,090,678
Additions during the period / year	33,124,673	124,407,862
Disposals during the period / year	(1,200,857)	(13,757,559)
As at the end of the period / year	876,664,797	844,740,981
<u>Accumulated depreciation</u>		
As at the beginning of the period / year	(304,962,130)	(270,734,951)
Depreciation charged during the period / year	(12,210,765)	(46,470,527)
Disposals during the period / year	1,069,037	12,243,348
As at the end of the period / year	(316,103,858)	(304,962,130)
<u>Net book value (*)</u>	560,560,939	539,778,851

Lands are mortgaged to banks as security for the loans obtained by the Group (note 10). The balances of these lands, as at 31 March 2026, amount to ﷲ 21,500,000 (31 December 2025: ﷲ 38,527,800).

* This balance includes capital work in progress amounting to ﷲ 108,755,054 (31 December 2025: ﷲ 61,335,570). During the period ended 31 March 2026, capital work in progress amounting to ﷲ 99,308 (31 December 2025: ﷲ 35,280,288) has been transferred to buildings on leased lands.

5. LEASES**5.1 Right of use assets**

The Group leases sports clubs on lease contracts ranging from five to twenty years, with an option to renew the leases after that date.

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<u>Cost</u>		
As at the beginning of the period / year	445,858,971	367,358,465
Additions during the period / year	-	82,159,517
Termination of leases during the period / year	-	(2,001,465)
Lease modification during the period / year	-	(1,657,546)
As at the end of the period / year	445,858,971	445,858,971
<u>Accumulated depreciation</u>		
As at the beginning of the period / year	(141,168,407)	(114,689,746)
Depreciation during the period / year	(6,971,577)	(26,478,661)
As at the end of the period / year	(148,139,984)	(141,168,407)
<u>Net book value</u>	297,718,987	304,690,564

Right-of-use depreciation expenses are charged in full to cost of revenue.

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

5. LEASES (CONTINUED)**5.2 Lease liabilities**

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at the beginning of the period / year	373,436,401	321,922,530
Additions during the period / year	-	82,159,517
Termination of leases during the period / year	-	(2,712,685)
Lease modification during the period / year	-	(1,657,546)
Finance costs during the period / year	6,644,532	24,679,426
Payment during the period / year	(7,058,106)	(50,954,841)
As at the end of the period / year	373,022,827	373,436,401

Lease liabilities are presented in the statement of financial position as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current portion of lease liabilities	46,690,834	45,433,906
Non-current portion of lease liabilities	326,331,993	328,002,495
Total lease liabilities	373,022,827	373,436,401

6. TRADE RECEIVABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	14,662,358	13,956,947
Less: Expected credit loss	(1,965,172)	(1,965,172)
	12,697,186	11,991,775

The following is an analysis of the aging of trade receivables and credit risks:

	Total	0 – 30 days	31 – 90 days	91 – 180 days	181 – 270 days	271 – 365 days	More than 365 days
31 March 2026	14,662,358	10,095,031	2,366,318	235,837	-	-	1,965,172
31 December 2025	13,956,947	5,833,146	728,308	5,227,809	202,355	157	1,965,172

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

7. PREPAYMENTS AND OTHER RECEIVABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Prepaid expenses	18,842,007	16,516,910
Margin of letters of guarantee	5,310,399	5,310,399
Staff advances	1,829,471	1,724,850
Advance to suppliers	1,932,252	883,118
Refundable deposits	842,495	836,495
Accrued revenue	600,000	-
	29,356,624	25,271,772
Less: Impairment of other current assets	(164,000)	(164,000)
Balance	29,192,624	25,107,772

8. CASH AND CASH EQUIVALENTS

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Bank Deposits (8-1)	15,000,000	-
Banks - Current accounts	17,621,372	46,468,209
Cash on hand	1,116,280	208,216
	33,737,652	46,676,425

8-1 This deposit carries an expected return at a rate of 4.35% and matures within a period of less than three months. The aforementioned deposit is compliant with Sharia principles

9. SHARE CAPITAL

As of 31 March 2026, the Company's share capital amounted to SAR 114.4 million (31 December 2025: SAR 114.4 million), divided into 114.4 million (31 December 2025: 114.4 million) fully paid shares of SAR 1 each.

The Company was listed on the Saudi Stock Exchange (Tadawul) on 22 July 2025 (27 Muharram 1447 H) under the trading symbol 6018. Following the IPO, the Company issued 10.4 million new shares at SAR 7.5 per share, generating gross proceeds of SAR 78 million. Of this, SAR 10.4 million was allocated to the nominal value of new shares, SAR 5.63 million to cover the offering costs associated with the capital increase shares offered for public subscription, and SAR 61.97 million to share premium. sold. The IPO increased the Company's share capital and share premium accordingly.

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

10. LONG-TERM LOANS

- On 15 September 2025 (corresponding to 23 Rabi' Al-Awwal 1447H), the Group signed an agreement to renew credit facilities with a local bank to update the details of credit facilities previously drawn by the Group over the past years at variable rates, amounting to SAR 57 million. These loans are repayable in quarterly installments over five years, with a one-year grace period. The loan was settled during the first quarter of 2026. As at 31 March 2026, the loan balance amounted to nil (31 December 2025: SAR 3,597,367).

- On February 15, 2025 (corresponding to Sha'ban 16, 1446 AH), the Group signed a credit facility agreement with another local bank to obtain facilities in the amount of SAR 175 million. A commission is calculated on these facilities at variable rates. The last installment will be paid on June 1, 2030. The loan balance on March 31, 2026 amounted to: SAR 119,029,893 (December 31, 2025: SAR 116,335,792)

The loan is secured against a land mortgage (note 4), with shareholders providing a guarantee by pledging their share of ownership in the Group. The following are the details of the mortgaged land title deed (note 4):

<u>Date</u>	<u>Title deed number</u>
5-8-1445 H	718507000568

- On 15 December 2025 (corresponding to 24 Jumada Al-Akhirah 1447H), the Group entered into a credit facilities agreement with a local bank to obtain financing amounting to SAR 20 million. The loan is repayable in quarterly installments over seven years, commencing from the date of the first drawdown for each tranche, with a grace period of two years. As at 31 March 2026, the loan balance amounted to SAR 19,995,830 (31 December 2025: SAR 19,995,830).

All loans obtained by the Group are in compliance with Islamic Sharia principles.

The movement in loans is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at the beginning of period / year	139,928,991	142,973,350
Loans obtained during the period / year	9,029,900	112,970,077
Payments made during the period / year	(9,933,168)	(116,014,436)
As at the end of the period / year	139,025,723	139,928,991

Loans are presented in the statement of financial position as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current portion of long-term loans	31,867,125	32,398,451
Non-current portion of long-term loans	107,158,598	107,530,540
	139,025,723	139,928,991

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

11. EMPLOYEES' BENEFITS

Employees' defined benefit obligations include end-of-service benefits and leave allowance. The Group grants end-of-service benefits to employees in accordance with the Saudi Labor Law and the Social Insurance Law enforced in the Kingdom of Saudi Arabia. Movement in Employees' defined benefit obligations is as follows:

Movement in employee benefits:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at the beginning of the period / year	33,779,000	27,183,000
Current service cost	1,247,000	4,019,000
Interest cost	445,000	1,558,000
Benefits paid	(1,611,414)	(7,762,740)
Remeasurement of defined benefit obligations	3,254,414	8,781,740
As at the end of the period / year	37,114,000	33,779,000

Employee benefits are presented in the statement of financial position as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Long term benefits	33,189,652	30,122,179
Short term benefits (note 13)	3,924,348	3,656,821
	37,114,000	33,779,000

12. CONTRACT LIABILITIES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at the beginning of the period / year	102,223,323	94,388,890
Additions during the period / year	90,633,643	385,558,089
Recognized during the period / year as subscription revenue (note 15)	(73,222,661)	(309,585,935)
Recognized during the period / year as revenue from Personal training and other health services (note 15)	(11,416,596)	(38,255,938)
Recognized during the period / year as sale of accessories(note 15)	(382,429)	(2,070,333)
Recognized during the period / year as sport solutions revenue	(1,093,937)	(26,326,794)
Recognized during the period / year as other revenue	(607,272)	(1,484,656)
As at the end of the period / year	106,134,071	102,223,323

Contract liabilities are presented in the statement of financial position as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current portion of contracts liabilities	104,679,338	101,559,884
Non - current portion of contracts liabilities	1,454,733	663,439
As at the end of the period / year	106,134,071	102,223,323

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷲ)

13. ACCRUED EXPENSES AND OTHER PAYABLES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Employee's accruals (*)	11,342,908	14,472,495
Accrued expenses	3,302,773	1,671,977
Value added tax	2,064,699	637,262
	16,710,380	16,781,734

* The above balance of employee accruals includes a balance of employees accrued leaves with the amount of ﷲ 3,924,348 as at 31 March 2026 (31 December 2025: ﷲ 3,656,821). A policy was developed to carry over the balances of these leaves, and this policy was approved during the year ended 31 December 2023. Accordingly, the leave allowance has been calculated by a qualified actuary using the projected credit unit method and using the same assumptions used to provide employee end-of-service benefits (note 11).

14. ZAKAT

The following is a summary of the movement in Zakat

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
As at the beginning of the period / year	1,061,368	1,008,151
Payment made during the period / year	-	(1,008,151)
Provided during the period / year	116,450	1,061,368
As at the end of the period / year	1,177,818	1,061,368

15. REVENUE

Revenue from the operation classified as below:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
15-1 Revenue classification by product/service type		
Sport clubs subscriptions	73,222,661	60,543,318
Personal training and other health services(A)	11,416,596	4,383,971
Sale of accessories and other services (B)	382,429	594,628
Sports solutions		
Construction and development contracts	-	16,372,698
Sale of equipment (C)	66,828	275,173
Revenue from maintenance contracts	1,027,109	269,897
	1,093,937	16,917,768
	86,115,623	82,439,685
15-2 Revenue classification based on the timing of revenue recognition		
Over time	74,249,771	77,185,913
At a point in time (A+B+C)	11,865,852	5,253,772
	86,115,623	82,439,685

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

16. FINANCIAL ASSETS AND LIABILITIES**16.1 Financial assets:**

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Financial assets at amortized cost		
Trade receivables	12,697,186	11,991,775
Banks - Current accounts	17,621,372	46,468,209
Bank Deposits	15,000,000	-
Margin of letters of guarantee	5,310,399	5,310,399
Staff advances	1,829,471	1,724,850
Refundable deposits	842,495	836,495
Accrued revenue	600,000	-
Financial assets at amortized cost	53,900,923	66,331,728

16.2 Financial liabilities

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Financial liabilities at amortized cost		
Loans	139,025,723	139,928,991
Lease liabilities	373,022,827	373,436,401
Trade payables	10,611,259	10,641,905
Accrued expenses and other current liabilities Except VAT	14,645,681	16,144,472
Financial liabilities at amortized cost	537,305,490	540,151,769
Non-current portion of financial liabilities	433,490,591	435,533,035
Current portion of financial liabilities	103,814,899	104,618,734
Total financial liabilities	537,305,490	540,151,769

The fair values of financial assets and financial liabilities measured at amortized cost are not materially different from their carrying values.

17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2026, the Group has capital commitments amounting to ﷻ 26,573,378 (31 December 2025: SAR 30,740,714) for contracts for the establishment of new sports clubs included in capital work in progress.

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

18. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties generally consist of payments on behalf of shareholders to cover expenses related to the initial public offering and key management benefits. These transactions were carried out in accordance with the terms specified in the agreements concluded with the related parties and approved by the management. The following is a statement of the balances and transactions with related parties:

18.1 Due from related parties:

Related Party Name	Nature of relationship	Nature of transaction	For the Three-month period ended 31 March		Balances as at	
			2026 (Unaudited)	2025 (Unaudited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders (note 7)	Shareholders	IPO expenses paid on behalf of company (note 21)	-	314,254	-	-
Aldrees Petroleum and Transport Services Company	Under Common Directorship *	Purchases	135,248	-	20,027	20,275
		Payments	(135,000)			

(*) The CEO of Aldrees Petroleum and Transport Services Company is also the Vice Chairman of the Board of Directors of the Sports Clubs Company.

18.2 Key management benefits:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Salaries and other short-term benefits	2,855,492	2,311,546
Long-term benefits	264,285	135,712
	3,119,776	2,447,258

19. SEGMENT INFORMATION**19.1 Geographical segments**

For management purposes, the Group consists of business units based on geographical distribution, and it has five operating segments about which it reports as follows:

- Central Region
- Eastern Region
- Northern Region
- Southern Region
- Western Region

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

19. SEGMENT INFORMATION (CONTINUED)**19.1 Geographical segments (continued)**

The following tables present information on revenue and profit for the geographical segments:

For the three-month period ended 31 March 2026 (Unaudited):

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	54,286,950	10,878,038	7,525,949	2,072,582	11,352,104	86,115,623
Cost of revenue	(36,430,930)	(9,581,791)	(5,277,477)	(2,112,389)	(10,899,357)	(64,301,944)
Gross profit	17,856,020	1,296,247	2,248,472	(39,807)	452,747	21,813,679

For the three-month periods ended 31 March 2025 (Unaudited):

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	56,376,304	7,907,959	5,108,360	2,253,979	10,793,083	82,439,685
Cost of revenue	(41,330,860)	(8,131,460)	(3,702,937)	(2,201,258)	(9,862,092)	(65,228,607)
Gross profit	15,045,444	(223,501)	1,405,423	52,721	930,991	17,211,078

19.2 Market segments

The following table present information on revenue and profit/(loss) for the market segments:

For the three-month period ended 31 March (Unaudited):

	Men's fitness centers		Women's fitness centers		Sports solutions		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Revenue	59,923,009	46,082,993	25,098,677	19,438,924	1,093,937	16,917,768	86,115,623	82,439,685
Cost of revenue	(44,061,263)	(38,243,897)	(20,026,993)	(16,726,240)	(213,688)	(10,258,470)	(64,301,944)	(65,228,607)
Gross profit	15,861,746	7,839,096	5,071,684	2,712,684	880,249	6,659,298	21,813,679	17,211,078

SPORT CLUBS COMPANY
(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(In Saudi Riyals ﷻ)

19. SEGMENT INFORMATION (CONTINUED)

19.3 Market segments

The following table present information on assets and liabilities for the market segments:

	Head office		Men's fitness centers		Women's fitness centers		Sports solutions		Total	
	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Property, plant & equipment	11,583,885	11,241,201	377,555,666	357,780,582	171,308,552	170,621,140	112,836	135,928	560,560,939	539,778,851
Right of use assets	-	-	189,389,135	194,429,508	108,329,852	110,261,056	-	-	297,718,987	304,690,564
Other assets	93,249,422	100,237,327	-	-	-	-	-	-	93,249,422	100,237,327
Total assets	104,833,307	111,478,528	566,944,801	552,210,090	279,638,404	280,882,196	112,836	135,928	951,529,348	944,706,742
Lease liabilities	-	-	239,994,187	239,843,592	133,028,640	133,592,809	-	-	373,022,827	373,436,401
Contract liabilities	-	158,660	78,522,734	74,753,355	27,611,337	27,311,308	-	-	106,134,071	102,223,323
Other liabilities	200,714,832	198,536,177	-	-	-	-	-	-	200,714,832	198,536,177
Total liabilities	200,714,832	198,694,837	318,516,921	314,596,947	160,639,977	160,904,117	-	-	679,871,730	674,195,901

SPORT CLUBS COMPANY

(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)**

(In Saudi Riyals ﷻ)

19. SEGMENT INFORMATION (CONTINUED)**19.4 Reconciliation of segment results to profit**

Head office expenses and other income are not allocated to individual segments as these are managed on an overall at Group level. Below is the reconciliation;

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Segment profit	21,813,679	17,211,078
Marketing expenses	(2,916,105)	(2,461,803)
General and administrative expenses	(7,194,698)	(4,446,317)
Listing and Initial Public Offering Expenses	-	(140,000)
Other income, net	616,368	889,533
Finance costs	(7,801,603)	(7,532,179)
Profit before Zakat	4,517,641	3,520,312

19.5 Seasonality of the company's business

In general, there is an improvement in the company's business during the fourth quarter of the year better than other periods of the year due to many factors, including the favorable weather conditions and the company's offers with discounts that attract customers on the Saudi National Day (i.e. September 23). It is recorded in the fourth quarter of the year, enhances the company's revenue and profitability and improves the company's financial performance during the fourth quarter of the year.

20. EARNING PER SHARE**Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing profit for the year attributable to the Group's ordinary shareholders by the number of ordinary shares outstanding during the period.

	For the three-months period ended 31 March (Unaudited)	
	2026	2025
Profit for the period	4,401,191	3,405,811
Weighted average number of outstanding ordinary shares	114,400,000	104,000,000
Basic and diluted earnings per share (SAR)*	0.038	0.033

* Diluted earnings per share is the same as basic earnings per share, as the Group does not have any dilutive instruments.

SPORT CLUBS COMPANY
(A LISTED SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)
(In Saudi Riyals ﷻ)

21. LISTING AND INITIAL PUBLIC OFFERING EXPENSES

	For the three-months period ended 31 March (Unaudited)	
	2026	2025
Listing and initial public offering expenses	-	140,000
	-	140,000

During the three-month period ended 31 March 2026, the Group did not incur any expenses related to the listing and initial public offering process, following the completion of the listing and the commencement of trading of the Company's shares on the Saudi Stock Exchange (Tadawul) on 22 July 2025 (corresponding to 27 Muharram 1447H) under the trading symbol 6018.

No changes have occurred to the total cumulative IPO expenses or to the allocation bases and accounting treatment adopted as of 31 December 2025, which were applied in accordance with the requirements of International Accounting Standard No. 32, and based on the clarification issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) on 23 March 2023 regarding the accounting treatment of listing costs when a company is listed with the sale of part of the founders' shares to the public.

22. SUBSEQUENT EVENTS

The Group's management's believes that no subsequent events have occurred after the period ended March 31, 2026, that would have a material impact on the Group's condensed consolidated interim financial position or results of operations for the period.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of the Group for the three-month period ended 31 March 2026 were approved by the Board of Directors on 5 May 2026 G (Corresponding to: 18 Dhu al-Qi'dah, 1447 H).