

**SPORT CLUBS COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED**

**FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

**AND**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**SPORT CLUBS COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

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

To the Shareholders of  
**Sport Clubs Company**  
"A Saudi Joint Stock Company"  
Riyadh - Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Sport Clubs Company** (the "Company") and its subsidiary (Together referred to as "the Group"), as of 30 June 2025 and the interim condensed consolidated statement of profit or loss and other comprehensive income for the three month and six month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated 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 interim condensed consolidated 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 interim condensed consolidated 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.,



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



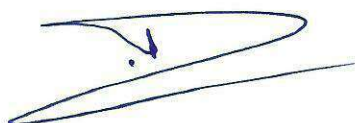
Riyadh on, 29 July 2025 (G)  
Corresponding to: 04 Safar 1447 (H)

**SPORT CLUBS COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 June 2025 (UNAUDITED)**  
(In Saudi Riyals ﷲ)

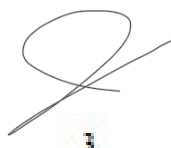
	<u>Note</u>	<u>30 June 2025</u> <u>(Unaudited)</u>	<u>31 December 2024</u> <u>(Audited)</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant, and equipment	(4)	481,629,302	465,149,962
Right of use assets	(5.1)	284,085,793	252,668,719
Intangible assets		6,828,231	5,385,723
<b>TOTAL NON-CURRENT ASSETS</b>		<b>772,543,326</b>	<b>723,204,404</b>
<b>CURRENT ASSETS</b>			
Inventory		10,142,174	9,927,245
Trade receivables	(6)	25,851,709	28,769,607
Prepayments and other receivables	(7)	30,367,065	31,478,944
Cash and cash equivalents		5,652,880	5,026,406
<b>TOTAL CURRENT ASSETS</b>		<b>72,013,828</b>	<b>75,202,202</b>
<b>TOTAL ASSETS</b>		<b>844,557,154</b>	<b>798,406,606</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	(8)	104,000,000	104,000,000
Share issuance reserve	(20)	(1,476,210)	(1,026,540)
Retained earnings		74,276,275	65,835,410
<b>TOTAL EQUITY</b>		<b>176,800,065</b>	<b>168,808,870</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of lease liabilities	(5.2)	312,795,414	279,672,885
Non-current portion of long-term loans	(9)	95,494,613	84,031,227
Employees' benefits	(10)	25,864,470	24,676,110
Non-current portion of contract liabilities	(11)	410,987	731,953
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>434,565,484</b>	<b>389,112,175</b>
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	(5.2)	44,111,175	42,249,645
Current portion of long-term loans	(9)	63,718,826	58,942,123
Trade payables		17,682,343	26,096,223
Accrued expenses and other payables	(12)	16,193,150	18,532,482
Provision for Zakat	(13)	266,668	1,008,151
Current portion of contract liabilities	(11)	91,219,443	93,656,937
<b>TOTAL CURRENT LIABILITIES</b>		<b>233,191,605</b>	<b>240,485,561</b>
<b>TOTAL LIABILITIES</b>		<b>667,757,089</b>	<b>629,597,736</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>844,557,154</b>	<b>798,406,606</b>

The accompanying notes from (1) to (22) 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 SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025(UNAUDITED)**

(In Saudi Riyals ﷲ)

	<u>Note</u>	For the three-months period ended 30 June		For the six-months period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	(14&18)	84,409,730	70,868,520	166,849,415	140,502,730
Costs of revenue	(18)	(62,209,784)	(53,339,103)	(127,438,391)	(105,618,017)
<b>GROSS PROFIT</b>		<b>22,199,946</b>	<b>17,529,417</b>	<b>39,411,024</b>	<b>34,884,713</b>
Marketing expenses		(2,802,143)	(1,293,373)	(5,263,946)	(3,936,477)
General and administrative expenses		(3,562,560)	(4,985,343)	(8,008,877)	(9,805,835)
Listing and Initial Public Offering Expenses	(20)	(445,462)	-	(585,462)	-
<b>OPERATING PROFIT</b>		<b>15,389,781</b>	<b>11,250,701</b>	<b>25,552,739</b>	<b>21,142,401</b>
Other income , net		373,484	2,170,168	1,263,017	2,863,011
Finance costs		(8,744,119)	(7,888,213)	(16,276,298)	(14,364,347)
<b>PROFIT FOR THE PERIOD BEFORE ZAKAT</b>		<b>7,019,146</b>	<b>5,532,656</b>	<b>10,539,458</b>	<b>9,641,065</b>
Zakat expense	(13)	(152,167)	(161,028)	(266,668)	(268,179)
<b>PROFIT FOR THE PERIOD</b>		<b>6,866,979</b>	<b>5,371,628</b>	<b>10,272,790</b>	<b>9,372,886</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Loss on remeasurement of employees' defined benefit liabilities	(10)	(846,487)	(2,961,073)	(1,831,925)	(3,750,820)
Other comprehensive income for the period		(846,487)	(2,961,073)	(1,831,925)	(3,750,820)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>6,020,492</b>	<b>2,410,555</b>	<b>8,440,865</b>	<b>5,622,066</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (ﷲ)</b>	(19)	<b>0.066</b>	<b>0.052</b>	<b>0.099</b>	<b>0.090</b>

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

Finance Director  
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Wael El Merhabi

Chairman of the board  
Ammar Al khudairy



**SPORT CLUBS COMPANY**

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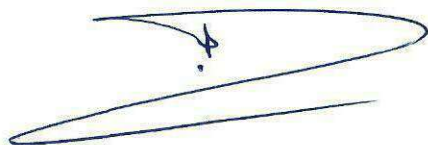
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025(UNAUDITED)**

(In Saudi Riyals ﷲ)

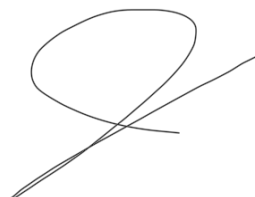
	<u>Share Capital</u>	<u>Statutory reserve</u>	<u>Share issuance reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
<b><u>For the six-month periods ended 30 June 2025</u></b>					
Balance as at 1 January 2025 (Audited)	104,000,000	-	(1,026,540)	65,835,410	168,808,870
Profit for the period	-	-	-	10,272,790	10,272,790
Other comprehensive loss items for the period	-	-	-	(1,831,925)	(1,831,925)
Total comprehensive income for the period	-	-	-	8,440,865	8,440,865
Share issuance reserve (Note 20)	-	-	(449,670)	-	(449,670)
Balance as at 30 June 2025(Unaudited)	<u>104,000,000</u>	<u>-</u>	<u>(1,476,210)</u>	<u>74,276,275</u>	<u>176,800,065</u>
<b><u>For the six-month periods ended 30 June 2024</u></b>					
Balance as at 1 January 2024 (Audited)	104,000,000	15,904,683	-	23,505,781	143,410,464
Profit for the period	-	-	-	9,372,886	9,372,886
Other comprehensive loss for the period	-	-	-	(3,750,820)	(3,750,820)
Total comprehensive income for the period	-	-	-	5,622,066	5,622,066
Balance as at 30 June 2024 (Unaudited)	<u>104,000,000</u>	<u>15,904,683</u>	<u>-</u>	<u>29,127,847</u>	<u>149,032,530</u>

The accompanying notes from (1) to (22) 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 SAUDI CLOSED JOINT STOCK COMPANY)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025(UNAUDITED)**  
(In Saudi Riyals ﷲ)

		For the six-month periods ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before Zakat		10,539,458	9,641,065
Adjustments:			
Depreciation of property, plant, and equipment, and right-of-use assets	(4) (5.1)	35,774,905	31,523,443
Gains / (losses) on disposal of property, plant, and equipment		(76,133)	32,310
Amortization of intangible assets		433,216	314,870
Employees' defined benefit liabilities	(10)	2,710,000	2,786,000
Finance costs		16,276,298	14,364,347
Termination of leases contracts during the period		-	(2,052,719)
Reduction in rent expense during the period		(449,492)	-
		65,208,252	56,609,316
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>			
Trade receivables		2,917,898	(2,100,537)
Inventories		(214,929)	(1,808,909)
Advance payments and other current assets		1,111,879	(6,211,954)
Trade payables		(8,413,880)	(23,933,445)
Accrued expenses and other current liabilities		(2,673,642)	(1,373,430)
Contract liabilities, net		(2,758,460)	(9,030,476)
Zakat paid	(13)	(1,008,151)	(728,530)
Employee defined benefit liabilities paid	(10)	(3,468,925)	(3,458,820)
<b>Net cash generated from (used in) operating activities</b>		<b>50,700,042</b>	<b>7,963,215</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment to purchase property, plant, and equipment	(4)	(35,806,092)	(32,471,720)
Payment to purchase intangible assets		(1,875,724)	(499,681)
Proceeds from disposal of property, plant, and equipment		482,748	207,544
<b>Net cash used in investing activities</b>		<b>(37,199,068)</b>	<b>(32,763,857)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of loans	(9)	(69,023,988)	(45,988,407)
Proceeds from loans	(9)	85,264,077	98,442,784
Payments of lease liabilities, net	(5.2)	(20,889,984)	(20,474,318)
Payment of finance costs		(8,224,605)	(7,123,305)
<b>Net cash used in / generated from financing activities</b>		<b>(12,874,500)</b>	<b>24,856,754</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>626,474</b>	<b>56,112</b>
Cash and cash equivalents at the beginning of the period		5,026,406	8,641,035
<b>Cash and cash equivalents at the end of the period</b>		<b>5,652,880</b>	<b>8,697,147</b>
<b>Non-cash transactions;</b>			
Capitalized during the year of finance costs on lease liabilities		(2,064,724)	(3,628,020)
Capitalized during the year of finance costs on loans		(1,634,431)	(1,249,288)
Additions of right-of-use assets	(5.1)	(46,230,233)	(61,144,373)
Depreciation of right-of-use assets capitalized during the year	(5.1)	-	(941,292)
Loss on remeasurement of defined benefit obligations for employees	(10)	(1,831,925)	(3,750,820)
Share issuance reserve	(20)	(449,670)	-

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

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Abdullah Altahan

Chief Executive Officer  
Wael El Merhabi

Chairman of the board  
Ammar Al khudairy

**SPORT CLUBS COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (UNAUDITED)**

(In Saudi Riyals ﷻ)

**1. INCORPORATION AND PRINCIPAL ACTIVITIES**

Sport Clubs 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.

The principle 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.

On 1 Rabi' Al-Awwal 1444 H, corresponding to (26 September 2022 G), the shareholders unanimously agreed 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 G corresponding to (27 September 2022 G), the legal procedures to amend the Company's Articles of Association have been completed.

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:

<b>Name of Subsidiary</b>	<b>Commercial Registration</b>	<b>Country of Incorporation</b>	<b>Direct ownership percentage as at</b>		<b>Activity</b>
			<b>30 June 2025</b>	<b>31 December 2024</b>	
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:

<b>N</b>	<b>City / Region</b>	<b>Commercial Registration Number</b>	<b>Commercial Registration Date</b>
1	Riyadh	1010167892	26/4/1422
2	Al-Qassim	1131028467	27/3/1430
3	Dammam	2050069185	15/3/1431
4	Khamis Mushait	5855346579	26/4/1422
5	Hail	3350147174	18/5/1441
6	Al Ahsa	2250064353	18/3/1437
7	Jeddah	4030295107	4/9/1438
8	Najran	5950032854	15/3/1438
9	Hafar Al Batin	2511108063	4/6/1439
10	Tabuk	3550122370	4/6/1439
11	Al Badi'ah " females"	1010460120	1/9/1440
12	Madinah	4650209419	2/8/1440
13	Makkah	4031235157	18/5/1441

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



## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These interim condensed consolidated 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 that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim condensed consolidated financial statements do not contain 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 2024.

In addition, the results of the interim period ended 30 June 2025 may not be a fair indication of the results that can be expected for the fiscal year ended 31 December 2025.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2024.

The significant accounting assumptions, estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2024.

### **2.2 Basis of measurement**

These interim condensed consolidated 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 ("SAR"), which is also the functional and presentation currency of the Group.

### **2.4 Basis of consolidation of the interim condensed consolidated financial statements**

The interim condensed consolidated 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.

## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.4 Basis of consolidation of the interim condensed consolidated 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 interim condensed consolidated 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 (2024: 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 2025, which are set out in the Group's annual consolidated financial statements, but they do not have a material impact on the Group's interim condensed consolidated financial statements as at 30 June 2025. 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 SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (UNAUDITED)**  
(In Saudi Riyals ﷻ)

**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>30 June 2025</b> <b>(Unaudited)</b>	31 December 2024 <b>(Audited)</b>
<b><u>Cost</u></b>		
As at the beginning of the period / year	735,957,916	679,221,430
Additions during the period / year	39,505,247	99,720,328
Disposals during the period / year	<b>(2,877,587)</b>	(42,983,842)
As at the end of the period / year	<b>772,585,576</b>	735,957,916
<b><u>Accumulated depreciation</u></b>		
As at the beginning of the period / year	<b>(270,807,954)</b>	(271,147,910)
Depreciation charged during the period / year	<b>(22,619,292)</b>	(40,419,697)
Disposals during the period / year	<b>2,470,972</b>	40,759,653
As at the end of the period / year	<b>(290,956,274)</b>	(270,807,954)
<b><u>Net book value</u></b>	<b>481,629,302</b>	465,149,962

Lands are mortgaged to banks as security for the loans obtained by the Group. The balances of these lands, as at 30 June 2025, amount to SAR 38,527,800 (31 December 2024: SAR 38,527,800).

**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.

	<b>30 June 2025</b> <b>(Unaudited)</b>	31 December 2024 <b>(Audited)</b>
<b><u>Cost</u></b>		
As at the beginning of the period / year	367,358,465	399,168,623
Additions during the period / year	46,230,233	2,036,848
Termination of leases during the period / year	-	(33,847,006)
Re-measurement of leases during the period / year	<b>(1,657,546)</b>	-
As at the end of the period / year	<b>411,931,152</b>	367,358,465
<b><u>Accumulated depreciation</u></b>		
As at the beginning of the period / year	<b>(114,689,746)</b>	(89,987,827)
Depreciation during the period / year	<b>(13,155,613)</b>	(23,609,347)
Capitalized depreciation on projects in progress during the period / year	-	(1,092,572)
As at the end of the period / year	<b>(127,845,359)</b>	(114,689,746)
<b><u>Net book value</u></b>	<b>284,085,793</b>	252,668,719

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

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**5. LEASES (CONTINUED)**

**5.2 Lease liabilities**

	<b>30 June 2025</b> <b>(Unaudited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
As at the beginning of the period / year	<b>321,922,530</b>	369,449,916
Additions during the period / year	<b>46,230,233</b>	2,036,848
Termination of leases during the period / year	-	(36,490,544)
Re-measurement of leases during the period / year	<b>(1,657,546)</b>	-
Finance costs during the period / year	<b>11,750,848</b>	22,274,606
Payment during the period / year	<b>(21,339,476)</b>	(35,348,296)
As at the end of the period / year	<b>356,906,589</b>	321,922,530

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

	<b>30 June 2025</b> <b>(Unaudited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Lease liabilities - current portion	<b>44,111,175</b>	42,249,645
Lease liabilities - non-current portion	<b>312,795,414</b>	279,672,885
Total lease liabilities	<b>356,906,589</b>	321,922,530

**6. TRADE RECEIVABLES**

	<b>30 June 2025</b> <b>(Unaudited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Trade receivables	<b>27,816,881</b>	30,734,779
Less: Expected credit loss	<b>(1,965,172)</b>	(1,965,172)
	<b>25,851,709</b>	28,769,607

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

	<b>Total</b>	<b>0 – 30 days</b>	<b>31 – 90 days</b>	<b>91 – 180 days</b>	<b>181 – 270 days</b>	<b>271 – 365 days</b>	<b>More than 365 days</b>
<b>30 June 2025</b>	<b>27,816,881</b>	<b>20,063,778</b>	<b>376,954</b>	<b>5,410,977</b>	-	-	<b>1,965,172</b>
<b>31 December 2024</b>	<b>30,734,779</b>	<b>28,464,616</b>	<b>279,994</b>	<b>24,997</b>	-	-	<b>1,965,172</b>



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**7. PREPAYMENTS AND OTHER RECEIVABLES**

	<b>30 June 2025</b> <b>(Unaudited)</b>	<b>31 December 2024</b> <b>(Audited)</b>
Prepaid expenses	<b>17,273,834</b>	19,386,954
Margin of letters of guarantee	<b>5,561,348</b>	5,443,191
Due from related parties (shareholders) (note 17)	<b>3,395,283</b>	2,053,079
Staff advance	<b>1,896,400</b>	1,865,537
Advances to suppliers	<b>1,219,869</b>	1,456,215
Refundable deposits	<b>826,496</b>	822,495
Accrued revenue	<b>193,835</b>	451,473
	<b>30,367,065</b>	31,478,944

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**8. SHARE CAPITAL**

The Company's capital as of 30 June 2025 amounted to 104 million Saudi Riyals, divided into 104 million shares of equal value, each share valued at 1 Saudi Riyal, distributed among shareholders as follows:

	<b>30 June 2025 (Unaudited)</b>			<b>31 December 2024 (Audited)</b>			<b>Total share capital</b>	
	<b>No. of shares</b>	<b>Value per share</b>	<b>Shareholding %</b>	<b>No. of shares</b>	<b>Value per share</b>	<b>Shareholding %</b>	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Private Opportunities Investment Company	<b>41,600,000</b>	<b>1</b>	<b>40%</b>	41,600,000	1	40%	<b>41,600,000</b>	41,600,000
Diamond Opportunities Sports Company	<b>35,879,000</b>	<b>1</b>	<b>34.499%</b>	35,879,000	1	34.499%	<b>35,879,000</b>	35,879,000
Elaf Gulf Commercial Investment Company	<b>5,691,018</b>	<b>1</b>	<b>5.47%</b>	8,527,030	1	8.199%	<b>5,691,018</b>	8,527,030
Other Shareholders	<b>6,919,198</b>	<b>1</b>	<b>6.65%</b>	5,189,630	1	4.990%	<b>6,919,198</b>	5,189,630
Abdul Qader Al-Muhaidib & Sons Company	<b>4,742,510</b>	<b>1</b>	<b>4.56%</b>	4,742,510	1	4.56%	<b>4,742,510</b>	4,742,510
Al-Fawzan Holding Company	<b>4,742,510</b>	<b>1</b>	<b>4.56%</b>	4,742,510	1	4.56%	<b>4,742,510</b>	4,742,510
Ammar Abdul Wahid Faleh Al-Khudairi	<b>4,425,764</b>	<b>1</b>	<b>4.26%</b>	3,319,320	1	3.192%	<b>4,425,764</b>	3,319,320
	<b>104,000,000</b>	<b>1</b>	<b>100%</b>	104,000,000	1	100%	<b>104,000,000</b>	104,000,000

The ownership of these shares has been recorded in the shareholders register prepared by the company.

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**9. LONG-TERM LOANS**

On March 26, 2023 (corresponding to Ramadan 4, 1444 AH), the Group signed a credit facility renewal agreement with a local bank to update data on credit facilities previously drawn by the Group during previous years. The agreement, which includes variable interest rates and a total value of SAR 57 million, is repayable in quarterly installments over five years, with a one-year grace period. The last installment will be paid on December 1, 2026. The loan balance as of June 30, 2025, amounted to SAR 8,337,048 (December 31, 2024: SAR 15,541,150).

The aforementioned loan is secured against a mortgage on lands (note 4), with shareholders also providing a guarantee by pledging their share of ownership in the Group. The following details pertain to the mortgage on the titles of the mortgaged land (note 4):

<u>Date</u>	<u>Title deed number</u>
22-3-1441	814006005053
17-6-1441	314006005791
17-6-1441	914006005790

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 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 June 30, 2025 amounted to: SAR 128,380,561 (December 31, 2024: SAR 103,686,370)

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	718507000568

On December 21, 2020 (corresponding to Jumada Al-Awwal 6, 1442 AH), the Group signed a credit facility agreement with a government bank to obtain financing in the amount of SAR 10 million, in exchange for an annual administrative service fee of SAR 400,000. The loan is repayable in semi-annual installments over a period of five years, starting from the date of receipt of the first payment, with a grace period of one year. March 1, 2026. The loan balance as of June 30, 2025 amounted to SAR 2,500,000 (December 31, 2024: SAR 3,750,000). These facilities are secured by a payment note, in addition to individual and collective guarantees from shareholders, each according to their shareholding percentage.

On January 8, 2024 (corresponding to Jumada Al-Akhirah 26, 1445 AH), the Group signed a credit facility agreement with a local bank to obtain financing in the amount of SAR 20 million. This loan is repayable in quarterly installments over a period of seven years, starting from the date of the first withdrawal for each installment, with a grace period of two years. November 26, 2031. The loan balance as of June 30, 2025 amounted to SAR 19,995,830 (December 31, 2024: SAR 19,995,830). These facilities are secured by a payment note, in addition to individual and collective guarantees from shareholders, each according to their percentage of contribution.

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**9. LONG-TERM LOANS (CONTINUED)**

The movement in loans is as follows:

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
As at the beginning of period / year	<b>142,973,350</b>	102,625,982
Loans obtained during the period / year	<b>85,264,077</b>	149,736,016
Payments made during the period / year	<b>(69,023,988)</b>	(109,388,648)
As at the end of the period / year	<b>159,213,439</b>	142,973,350

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

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Current portion	<b>63,718,826</b>	58,942,123
Non-current portion	<b>95,494,613</b>	84,031,227
	<b>159,213,439</b>	142,973,350

**10. EMPLOYEES' BENEFITS**

Employees' defined benefit liabilities 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 liabilities is as follows:

**Movement in employee benefits:**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
As at the beginning of the period / year	<b>27,183,000</b>	25,352,000
Current service cost	<b>1,932,000</b>	2,792,000
Interest cost	<b>778,000</b>	1,135,000
Benefits paid	<b>(3,468,925)</b>	(7,740,795)
Remeasurement of defined benefit obligations	<b>1,831,925</b>	5,644,795
As at the end of the period / year	<b>28,256,000</b>	27,183,000

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

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Long term benefits	<b>25,864,470</b>	24,676,110
Short term benefits (note 12)	<b>2,391,530</b>	2,506,890
	<b>28,256,000</b>	27,183,000



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**11. CONTRACT LIABILITIES**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
As at the beginning of the period / year	<b>94,388,890</b>	76,328,694
Additions during the period / year	<b>164,828,347</b>	306,421,909
Recognized during the period / year as subscription revenue (note 14)	<b>(142,663,187)</b>	(260,071,893)
Recognized during the period / year as revenue from Operation and sale of sports equipment and projects related to the sports solutions sector (note 14)	<b>(24,186,228)</b>	(26,930,888)
Recognized during the period / year as other income	<b>(737,392)</b>	(1,358,932)
As at the end of the period / year	<b>91,630,430</b>	94,388,890

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

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Current portion of contracts liabilities	<b>91,219,443</b>	93,656,937
Non - current portion of contracts liabilities	<b>410,987</b>	731,953
As at the end of the period / year	<b>91,630,430</b>	94,388,890

**12. ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Employee's accruals (*)	<b>10,840,953</b>	12,387,389
Accrued expenses	<b>2,726,311</b>	4,829,105
Value added tax	<b>2,625,886</b>	1,315,988
	<b>16,193,150</b>	18,532,482

\* The above balance of employee accruals includes a balance of employees accrued leaves with the amount of SAR 2,391,530 as at 30 June 2025 (31 December 2024: SAR 2,506,890). 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 10).

**13. ZAKAT**

The following is a summary of the movement in Zakat

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
As at the beginning of the period / year	<b>1,008,151</b>	802,549
Payment made during the period / year	<b>(1,008,151)</b>	(728,530)
Provided during the period / year	<b>266,668</b>	934,132
As at the end of the period / year	<b>266,668</b>	1,008,151

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**14. REVENUE**

Revenue from the operation classified as below:

	<b>For the three-month period ended 30 June (Unaudited)</b>		<b>For the six-month period ended 30 June (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Sport clubs subscriptions	<b>68,254,795</b>	56,725,414	<b>128,798,113</b>	115,965,580
Health Club Services subscriptions	<b>9,481,103</b>	8,918,071	<b>13,865,074</b>	18,038,555
Operational sales, sales of sports equipment and projects related to the sports solutions segment	<b>6,673,832</b>	5,225,035	<b>24,186,228</b>	6,498,595
	<b>84,409,730</b>	70,868,520	<b>166,849,415</b>	140,502,730

**15. FINANCIAL ASSETS AND LIABILITIES**

**15.1 Financial assets:**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>Financial assets at amortized cost</b>		
Trade receivables	<b>25,851,709</b>	28,769,607
Cash and cash equivalents	<b>5,652,880</b>	5,026,406
Financial assets at amortized cost	<b>31,504,589</b>	33,796,013

**15.2 Financial liabilities**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>Financial liabilities at amortized cost</b>		
Loans	<b>159,213,439</b>	142,973,350
Lease liabilities	<b>356,906,589</b>	321,922,530
Trade payables	<b>17,682,343</b>	26,096,223
Financial liabilities at amortized cost	<b>533,802,371</b>	490,992,103
Non-current portion of financial liabilities	<b>408,290,027</b>	363,704,112
Current portion of financial liabilities	<b>125,512,344</b>	127,287,991
Total financial liabilities	<b>533,802,371</b>	490,992,103

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

**16. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 30 June 2025, the Group has capital commitments amounting to SAR 28,691,404 (31 December 2024: SAR 23,144,496) for contracts for the establishment of new sports clubs included in capital work in progress.

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**17. 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:

**17.1 Due from related parties:**

Related Party Name	Nature of relationship	Nature of transaction	For the six-month period ended 30 June		Balances as at	
			2025 (Unaudited)	2024 (Unaudited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Shareholders (note 7)	Shareholders	IPO expense paid on behalf of company (note 20)	(585,462)	-	3,395,283	2,053,079
Aldrees Petroleum and Transport Services Company	Under Common Directorship *	Purchases	295,000	490,000	20,275	20,275
		Payments	(295,000)	(490,000)		

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

**17.2 Key management benefits:**

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Salaries and other short-term benefits	4,607,820	4,627,127
Long-term benefits	271,425	337,791
	<b>4,879,245</b>	<b>4,964,918</b>

**18 SEGMENT INFORMATION****18.1 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

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**18. SEGMENT INFORMATION (CONTINUED)**

**18.1 Geographical segments (continued)**

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

**For the six-month period ended 30 June 2025 (Unaudited):**

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	111,770,396	17,175,575	11,081,930	4,482,915	22,338,599	166,849,415
Cost of revenue	(79,262,146)	(16,457,594)	(7,478,943)	(4,256,854)	(19,982,854)	(127,438,391)
Gross profit	32,508,250	717,981	3,602,987	226,061	2,355,745	39,411,024

For the six-month periods ended 30 June 2024 (Unaudited):

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	92,359,034	16,930,931	8,781,617	4,849,067	17,582,081	140,502,730
Cost of revenue	(66,599,381)	(15,451,720)	(5,705,769)	(4,001,681)	(13,859,466)	(105,618,017)
Gross profit	25,759,653	1,479,211	3,075,848	847,386	3,722,615	34,884,713

**18.2 Market segments**

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

**For the six-month period ended 30 June (Unaudited):**

	Men's fitness centers		Women's fitness centers		Sports solutions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	99,078,924	93,475,998	43,584,263	40,528,137	24,186,228	6,498,595	166,849,415	140,502,730
Cost of revenue	(77,977,435)	(70,106,486)	(35,210,111)	(31,806,256)	(14,250,845)	(3,705,275)	(127,438,391)	(105,618,017)
Gross profit	21,101,489	23,369,512	8,374,152	8,721,881	9,935,383	2,793,320	39,411,024	34,884,713



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**19. EARNINGS 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.

	<b>For the three-months period ended 30 June (Unaudited)</b>		<b>For the six-months period ended 30 June (Unaudited)</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Profit for the period	<b>6,866,979</b>	5,371,628	<b>10,272,790</b>	9,372,886
<b><u>Number of shares</u></b>				
Number of shares issued (note 8)	<b>104,000,000</b>	104,000,000	<b>104,000,000</b>	104,000,000
<b>Basic and diluted earnings per share (ﷲ)*</b>	<b>0.066</b>	0.052	<b>0.099</b>	0.090

\*The diluted earnings per share are the same as the basic earnings per share as the Group has no diluted instruments

**20. LISTING AND INITIAL PUBLIC OFFERING EXPENSES**

The General Assembly of Shareholders, in its meeting held on August 22, 2024, approved the offering of 30% of the Group's shares in an Initial Public Offering (IPO). Of this, 20% of the existing shares will be sold by current shareholder on a pro-rata basis according to their ownership ratios, in addition to the issuance of 10% of new shares at a nominal value of one Saudi Riyal per share, fully paid. This will result in an increase in the Group's share capital by 10 million Saudi Riyals, bringing it to 114 million Saudi Riyals instead of 104 million Saudi Riyals. This will be carried out through the submission of a registration and offering request to the Saudi Capital Market Authority, as well as a request for listing on the Saudi Stock Exchange (Tadawul). The Board of Directors have been authorized to take all necessary legal actions to complete the application.

The Group has contracted legal and financial advisors to conduct studies and prepare the necessary requirements for the registration and offering process. Under the Assembly's decision, shareholders agreed to bear these expenses. Since the start of the registration and offering process

Till the end of the Six-months period ended 30 June 2025, the Group has paid an cumulative amount of SAR 8.3 million (31 December 2024: SAR 5.9 million) related to this process.

These expenses have been classified and treated according to the nature of the transaction associated with each expense, based on the clarification issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) on March 23, 2023, regarding the treatment of listing costs on the financial market when the listing coincides with the sale of a portion of the founders' shares to the public.

These costs were classified into;

- Costs related to selling and initial public offering, and were borne by the existing shareholders outside the company's accounts.
- Costs related to the listing process, which were charged to the Interim condensed consolidated statement of profit or loss and other comprehensive income.
- Costs related to the listing transaction that are difficult to attribute directly to both the sale process and the listing process have been allocated using the guidance of paragraph 38 of International Accounting Standard No. 32 "Financial Instruments: Presentations" between the company and the old shareholders pro-rata to the basis of the number of shares sold to the shares held, and the Group's share was charged to the Interim condensed consolidated statement of profit or loss and other comprehensive income.

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**20. LISTING AND INITIAL PUBLIC OFFERING EXPENSES (CONTINUED)**

	Basis of allocation	Amounts recognized	
		30 June 2025 (Unaudited)	31 December 2024 (Audited)
Allocated to the existing shareholders (related party account)	20.91%	3,395,283	2,053,079
Allocated to the new shareholders (equity)	9.09%	1,476,210	1,026,540
Allocated to listing the existing shareholders (expenses in the Interim condensed consolidated statement of profit or loss and other comprehensive income)	70%	3,437,079	2,851,617
	100%	8,308,572	5,931,236

Impact on consolidated financial statements is as follows:

	Amount recognized	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties (Note 7)	3,395,283	2,053,079
Share issuance reserve	1,476,210	1,026,540
Initial Public Offering cost (expenses in the consolidated statement of profit or loss and other comprehensive income)*	3,437,079	2,851,617
	8,308,572	5,931,236

**21. SUBSEQUENT EVENTS**

Subsequent to the end of the financial period, the Saudi Stock Exchange (Tadawul) announced the commencement of trading in the shares of the Sports Clubs Company on the main market, starting from Tuesday 01/27/1447 AH corresponding to 07/22/2025 AD, with the trading symbol 6018 and the international symbol SA56BG3IU118.

**22. APPROVAL OF THE FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements of the Group For the Six-month and six-month periods ended 30 June 2025 were approved by the Board of Directors on 28 July 2025 G (Corresponding to: 03 Safar 1447 H).