

SPORT CLUBS COMPANY

(A LISTED SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

AND

INDEPENDENT AUDITOR'S REVIEW REPORT

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED Consolidated Financial Statements (Unaudited)
For The Three-Month And Nine-Month Period Ended 30 September 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 LISTED 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 "the Group"), as of 30 September 2025 and the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. Management is responsible for preparation and fair presentation of these 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.

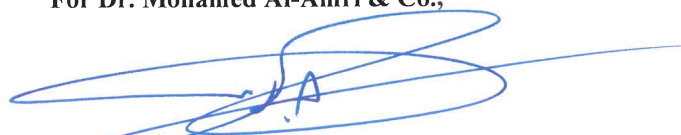
Scope of Review

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: 5 November 2025 (G)
Corresponding to: 14 Jumada al Ula 1447 (H)



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (UNAUDITED)
(In Saudi Riyals ﷻ)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	(4)	511,126,402	465,149,962
Right of use assets	(5.1)	279,904,062	252,668,719
Intangible assets		7,473,144	5,385,723
TOTAL NON-CURRENT ASSETS		798,503,608	723,204,404
CURRENT ASSETS			
Inventory		9,057,282	9,927,245
Trade receivables	(6)	22,903,885	28,769,607
Prepayments and other receivables	(7)	28,207,322	31,478,944
Cash and cash equivalents	(8)	74,041,399	5,026,406
TOTAL CURRENT ASSETS		134,209,888	75,202,202
TOTAL ASSETS		932,713,496	798,406,606
EQUITY AND LIABILITIES			
EQUITY			
Share capital	(9)	114,400,000	104,000,000
Share premium	(9)	61,967,518	(1,026,540)
Retained earnings		88,436,045	65,835,410
TOTAL EQUITY		264,803,563	168,808,870
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities – non – current portion	(5.2)	309,168,122	279,672,885
Long term loans – non – current portion	(10)	95,703,679	84,031,227
Employees’ defined benefit obligations	(11)	27,291,711	24,676,110
Contract Liabilities – non – current portion	(12)	2,946,396	731,953
TOTAL NON-CURRENT LIABILITIES		435,109,908	389,112,175
CURRENT LIABILITIES			
Lease liabilities – current portion	(5.2)	43,041,361	42,249,645
Long term loans – current portion	(10)	35,709,547	58,942,123
Trade payables		9,494,530	26,096,223
Accrued expenses and other payables	(13)	20,606,425	18,532,482
Provision for Zakat	(14)	703,549	1,008,151
Contract liabilities – current portion	(12)	123,244,613	93,656,937
TOTAL CURRENT LIABILITIES		232,800,025	240,485,561
TOTAL LIABILITIES		667,909,933	629,597,736
TOTAL EQUITY AND LIABILITIES		932,713,496	798,406,606

The accompanying notes from (1) to (24) 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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025 (UNAUDITED)**

(In Saudi Riyals ﷲ)

	<u>Note</u>	For the three-months period ended 30 September		For the nine-months period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	(15&19)	105,133,537	97,874,213	271,982,952	238,376,943
Cost of revenue	(19)	(66,485,345)	(66,339,042)	(193,923,736)	(171,957,059)
GROSS PROFIT		38,648,192	31,535,171	78,059,216	66,419,884
Marketing expenses		(1,870,591)	(1,946,138)	(7,134,537)	(5,882,615)
General and administrative expenses		(7,800,755)	(5,084,088)	(15,809,632)	(14,889,923)
Listing and Initial Public Offering Expenses	(21)	(4,163,326)	(2,030,660)	(4,748,788)	(2,030,660)
OPERATING PROFIT		24,813,520	22,474,285	50,366,259	43,616,686
Other income, net		989,279	625,932	2,252,296	3,488,943
Finance costs		(9,048,425)	(8,599,766)	(25,324,723)	(22,964,113)
PROFIT FOR THE PERIOD BEFORE ZAKAT		16,754,374	14,500,451	27,293,832	24,141,516
Zakat expense	(14)	(436,881)	(266,499)	(703,549)	(534,678)
PROFIT FOR THE PERIOD		16,317,493	14,233,952	26,590,283	23,606,838
OTHER COMPREHENSIVE INCOME:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of employees' defined benefit obligations	(11)	(2,157,723)	(468,370)	(3,989,648)	(4,219,190)
Other comprehensive income for the period		(2,157,723)	(468,370)	(3,989,648)	(4,219,190)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,159,770	13,765,582	22,600,635	19,387,648
BASIC AND DILUTED EARNING PER SHARE (ﷲ)	(20)	0.146	0.137	0.249	0.227

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

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SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(In Saudi Riyals ﷲ)

	Share Capital	Share Premium	Statutory reserve	Retained earnings	Total equity
For the nine-month periods ended 30 September 2025					
Balance as at 1 January 2025 (Audited)	104,000,000	(1,026,540)	-	65,835,410	168,808,870
Profit for the period	-	-	-	26,590,283	26,590,283
Other comprehensive income items for the period	-	-	-	(3,989,648)	(3,989,648)
Total comprehensive income for the period	-	-	-	22,600,635	22,600,635
Share issuance costs for capital increase (Note 21)	-	(4,605,942)	-	-	(4,605,942)
Increase in share capital (Note 9)	10,400,000	67,600,000	-	-	78,000,000
Balance as at 30 September 2025(Unaudited)	114,400,000	61,967,518	-	88,436,045	264,803,563
For the nine-month periods ended 30 September 2024					
Balance as at 1 January 2024 (Audited)	104,000,000	-	15,904,683	23,505,781	143,410,464
Profit for the period	-	-	-	23,606,838	23,606,838
Other comprehensive loss for the period	-	-	-	(4,219,190)	(4,219,190)
Total comprehensive income for the period	-	-	-	19,387,648	19,387,648
Dividends paid	-	-	-	(6,000,000)	(6,000,000)
Share issuance costs for capital increase (Note 21)	-	(430,094)	-	-	(430,094)
Transfer of statutory reserve to retained earnings (note 22)	-	-	(15,904,683)	15,904,683	-
Balance as at 30 September 2024 (Unaudited)	104,000,000	(430,094)	-	52,798,112	156,368,018

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SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(In Saudi Riyals ﷻ)

		For The Nine-Month Periods Ended 30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before Zakat		27,293,832	24,141,516
Adjustments for :			
Depreciation of property, plant, and equipment, and right-of-use assets	(4)	54,046,553	48,027,811
(losses)/ Gains on disposal of property, plant, and equipment		525,576	(119,770)
Amortization of intangible assets		692,608	535,299
Employees' defined benefit liabilities	(11)	4,068,000	4,223,000
Finance costs		25,324,723	22,964,113
Termination of leases contracts during the period		(711,190)	
Reduction in lease expense during the period		(686,736)	(214,507)
Re-measurement of lease during the period		-	(2,052,721)
		110,553,366	97,504,741
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Trade receivables		5,865,722	(21,798,644)
Inventories		869,963	(2,988,755)
Advance payments and other current assets		3,271,622	(10,533,276)
Trade payables		(16,601,693)	(17,893,953)
Accrued expenses and other current liabilities		(2,779,398)	13,479,500
Contract liabilities, net		31,802,119	19,467,265
Zakat paid	(13)	(1,008,151)	(728,530)
Employees' defined benefit obligations paid	(10)	(5,194,648)	(5,038,506)
Net cash generated from (used in) operating activities		126,778,902	71,469,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to purchase property, plant, and equipment	(4)	(74,036,894)	(59,091,005)
Payment to purchase intangible assets		(2,780,029)	(576,851)
Proceeds from disposal of property, plant, and equipment		783,050	689,725
Net cash used in investing activities		(76,033,873)	(58,978,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares	(9)	78,000,000	-
Payments of loans	(10)	(105,259,200)	(80,271,188)
Proceeds from loans	(10)	93,699,076	124,284,606
Payments of lease liabilities, net	(5.2)	(33,150,106)	(33,958,341)
Payment of finance costs		(15,019,806)	(12,086,070)
Dividend paid		-	(6,000,000)
Net cash generated from / (used in) financing activities		18,269,964	(8,030,993)
Net change in cash and cash equivalents during the period		69,014,993	4,460,718
Cash and cash equivalents at the beginning of the period		5,026,406	8,641,035
Cash and cash equivalents at the end of the period		74,041,399	13,101,753
Significant non-cash transactions;			
Finance costs on lease liabilities capitalized during the period		(3,000,470)	(5,477,883)
Finance costs on loans capitalized during the period		(4,685,164)	(2,301,751)
Additions of right-of-use assets	(5.1)	(50,503,446)	(63,181,220)
Depreciation of right-of-use assets capitalized during the year	(5.1)	-	(1,437,524)
Remeasurement of defined benefit obligations for employees	(11)	(3,989,648)	(4,219,190)
Share issuance reserve	(21)	(4,605,942)	(430,094)
Transferred of statutory reserve to retained earnings		-	(15,904,683)

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

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SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2025 (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:

Name of Subsidiary	Commercial Registration	Country of Incorporation	Direct ownership percentage as at		Activity
			30 September 2025	31 December 2024	
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:

N	City / Region	Commercial Registration Number	Commercial Registration Date
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 branch)	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.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(In Saudi Riyals ﷲ)

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 issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim condensed consolidated 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 2024.

In addition, the results of the interim period ended 30 September 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 ("ﷲ"), 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.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2025 (UNAUDITED)
(In Saudi Riyals ﷻ)

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 interim condensed consolidated 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 September 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 LISTED SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)
(In Saudi Riyals ﷲ)

4. PROPERTY, PLANT AND EQUIPMENT

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost</u>		
As at the beginning of the period / year	735,957,916	679,221,430
Additions during the period / year	81,722,528	99,720,328
Disposals during the period / year	(9,910,749)	(42,983,842)
As at the end of the period / year	807,769,695	735,957,916
<u>Accumulated depreciation</u>		
As at the beginning of the period / year	(270,807,954)	(271,147,910)
Depreciation charged during the period / year	(34,437,462)	(40,419,697)
Disposals during the period / year	8,602,123	40,759,653
As at the end of the period / year	(296,643,293)	(270,807,954)
<u>Net book value (*)</u>	511,126,402	465,149,962

Lands are mortgaged to banks as security for the loans obtained by the Group (note 10). The balances of these lands, as at 30 September 2025, amount to ﷲ 38,527,800 (31 December 2024: ﷲ 38,527,800).

* This balance includes capital work in progress amounting to ﷲ 58,961,762 (31 December 2024: ﷲ 61,335,570). During the period ended 31 September 2025, capital work in progress amounting to ﷲ 63,856,766 (31 December 2024: ﷲ 36,372,857) has been transferred to buildings on leased lands and furniture and fixtures.

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.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost</u>		
As at the beginning of the period / year	367,358,465	399,168,623
Additions during the period / year	50,503,446	2,036,848
Termination of leases during the period / year	(2,001,466)	(33,847,006)
Lease modification during the period / year	(1,657,546)	-
As at the end of the period / year	414,202,899	367,358,465
<u>Accumulated depreciation</u>		
As at the beginning of the period / year	(114,689,746)	(89,987,827)
Depreciation during the period / year	(19,609,091)	(23,609,347)
Capitalized depreciation on projects in progress during the period / year	-	(1,092,572)
As at the end of the period / year	(134,298,837)	(114,689,746)
<u>Net book value</u>	279,904,062	252,668,719

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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025
(UNAUDITED)
(In Saudi Riyals ﷲ)

5. LEASES (CONTINUED)

5.2 Lease liabilities

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
As at the beginning of the period / year	321,922,530	369,449,916
Additions during the period / year	50,503,446	2,036,848
Termination of leases during the period / year	(2,712,656)	(36,490,544)
Lease modification during the period / year	(1,657,546)	-
Finance costs during the period / year	17,990,551	22,274,606
Payment during the period / year	(33,836,842)	(35,348,296)
As at the end of the period / year	352,209,483	321,922,530

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

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Current portion of lease liabilities	43,041,361	42,249,645
Non-current portion of lease liabilities	309,168,122	279,672,885
Total lease liabilities	352,209,483	321,922,530

6. TRADE RECEIVABLES

	30 September 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	24,869,057	30,734,779
Less: Expected credit loss	(1,965,172)	(1,965,172)
	22,903,885	28,769,607

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
30 September 2025	24,869,057	22,600,640	89,063	203,832	10,350	-	1,965,172
31 December 2024	30,734,779	28,464,616	279,994	24,997	-	-	1,965,172

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7. PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Prepaid expenses	17,975,735	19,386,954
Margin of letters of guarantee	5,817,252	5,443,191
Due from related parties (shareholders) (note 18)	-	2,053,079
Staff advance	1,642,282	1,865,537
Advances to suppliers	1,341,558	1,456,215
Refundable deposits	830,495	822,495
Accrued revenue	600,000	451,473
	28,207,322	31,478,944

8. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Bank deposit (note 8.1)	40,183,000	-
Banks - Current accounts	32,743,419	4,940,868
Cash on hand	1,114,980	85,538
	74,041,399	5,026,406

8.1 This deposit carries an anticipated profit rate of 5.49% and has a maturity of less than three months. The aforementioned deposit is in compliance with Islamic Sharia principles.

9. SHARE CAPITAL

As of 30 September 2025, the Company's share capital amounted to ﷻ 114.4 million (31 December 2024: ﷻ 104 million), divided into 114.4 million (31 December 2024: 104 million) fully paid shares of ﷻ 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 ﷻ 7.5 per share, generating gross proceeds of ﷻ 78 million. Of this, ﷻ 10.4 million was allocated to the nominal value of new shares, ﷻ 5.63 million to cover the offering costs associated with the capital increase shares offered for public subscription (Note 21), and ﷻ 61.97 million to share premium. sold. The IPO increased the Company's share capital and share premium accordingly.

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10. 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 ﷲ 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 September 30, 2025, amounted to ﷲ 5,436,990 (December 31, 2024: ﷲ 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 September 30, 2025 amounted to: ﷲ 103,480,406 (December 31, 2024: ﷲ 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 ﷲ 10 million, in exchange for an annual administrative service fee of ﷲ 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 September 30, 2025 amounted to ﷲ 2,500,000 (December 31, 2024: ﷲ 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 ﷲ 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 September 30, 2025 amounted to ﷲ 19,995,830 (December 31, 2024: ﷲ 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.

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

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10. LONG-TERM LOANS (CONTINUED)

The movement in loans is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
As at the beginning of period / year	142,973,350	102,625,982
Loans obtained during the period / year	93,699,076	149,736,016
Payments made during the period / year	(105,259,200)	(109,388,648)
As at the end of the period / year	131,413,226	142,973,350

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion of long-term loans	35,709,547	58,942,123
Non-current portion of long-term loans	95,703,679	84,031,227
	131,413,226	142,973,350

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:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
As at the beginning of the period / year	27,183,000	25,352,000
Current service cost	2,898,000	2,792,000
Interest cost	1,170,000	1,135,000
Benefits paid	(5,194,648)	(7,740,795)
Remeasurement of defined benefit obligations	3,989,648	5,644,795
As at the end of the period / year	30,046,000	27,183,000

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Long term benefits	27,291,711	24,676,110
Short term benefits (note 13)	2,754,289	2,506,890
	30,046,000	27,183,000

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12. CONTRACT LIABILITIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
As at the beginning of the period / year	94,388,890	76,328,694
Additions during the period / year	304,841,205	306,421,909
Recognized during the period / year as subscription revenue (note 15)	(247,325,084)	(260,071,893)
Recognized during the period / year as revenue from sports solutions (note 15)	(24,657,868)	(26,930,888)
Recognized during the period / year as other income	(1,056,134)	(1,358,932)
As at the end of the period / year	126,191,009	94,388,890

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion of contracts liabilities	123,244,613	93,656,937
Non - current portion of contracts liabilities	2,946,396	731,953
As at the end of the period / year	126,191,009	94,388,890

13. ACCRUED EXPENSES AND OTHER PAYABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Employee's accruals (*)	11,591,495	12,387,389
Accrued expenses	925,569	4,829,105
Value added tax	8,089,361	1,315,988
	20,606,425	18,532,482

* The above balance of employee accruals includes a balance of employees accrued leaves with the amount of ﷻ 2,754,289 as at 30 September 2025 (31 December 2024: ﷻ 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).

14. ZAKAT

The following is a summary of the movement in Zakat

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
As at the beginning of the period / year	1,008,151	802,549
Payment made during the period / year	(1,008,151)	(728,530)
Provided during the period / year	703,549	934,132
As at the end of the period / year	703,549	1,008,151

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15. REVENUE

Revenue from the operation classified as below:

	For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	2025	2024	2025	2024
Sport clubs subscriptions	91,413,261	71,092,884	220,211,374	187,058,464
Health Club Services subscriptions	13,248,636	12,324,805	27,113,710	30,363,361
Sports solutions	471,640	14,456,524	24,657,868	20,955,118
	105,133,537	97,874,213	271,982,952	238,376,943

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets at amortized cost		
Trade receivables	22,903,885	28,769,607
Cash and cash equivalents	74,041,399	5,026,406
Financial assets at amortized cost	96,945,284	33,796,013

16.2 Financial liabilities

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Financial liabilities at amortized cost		
Loans	131,413,226	142,973,350
Lease liabilities	352,209,483	321,922,530
Trade payables	9,494,530	26,096,223
Financial liabilities at amortized cost	493,117,239	490,992,103
Non-current portion of financial liabilities	404,871,801	363,704,112
Current portion of financial liabilities	88,245,438	127,287,991
Total financial liabilities	493,117,239	490,992,103

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 30 September 2025, the Group has capital commitments amounting to ﷲ 19,400,575 (31 December 2024: ﷲ 23,144,496) for contracts for the establishment of new sports clubs included in capital work in progress.

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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 Nine-month period ended 30 September		Balances as at	
			2025 (Unaudited)	2024 (Unaudited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Shareholders (note 7)	Shareholders	IPO expenses paid on behalf of company (note 21)	9,843,182	-	-	2,053,079
		Deducting the due IPO expenses from the offering proceeds (note 21)	(11,896,261)	-	-	-
Aldrees Petroleum and Transport Services Company	Under Common Directorship *	Purchases	495,000	370,000	20,275	20,275
		Payments	(495,000)	(370,000)		

(*) 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:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Salaries and other short-term benefits	7,027,457	6,940,690
Long-term benefits	407,137	506,687
	<u>7,434,594</u>	<u>7,447,377</u>

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

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19. SEGMENT INFORMATION (CONTINUED)

19.1 Geographical segments (continued)

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

For the nine -month period ended 30 September 2025 (Unaudited):

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	177,357,049	29,858,622	21,149,755	6,989,126	36,628,400	271,982,952
Cost of revenue	(117,951,791)	(26,468,203)	(12,322,515)	(6,414,547)	(30,766,680)	(193,923,736)
Gross profit	59,405,258	3,390,419	8,827,240	574,579	5,861,720	78,059,216

For the nine-month periods ended 30 September 2024 (Unaudited):

	Central Region	Eastern Region	Northern Region	Southern Region	Western Region	Total
Revenue	160,741,625	27,290,116	14,566,841	7,590,466	28,187,895	238,376,943
Cost of revenue	(111,477,236)	(24,042,895)	(8,835,057)	(6,146,768)	(21,455,103)	(171,957,059)
Gross profit	49,264,389	3,247,221	5,731,784	1,443,698	6,732,792	66,419,884

19.2 Market segments

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

For the nine -month period ended 30 September (Unaudited):

	Men's fitness centers		Women's fitness centers		Sports solutions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	172,428,986	151,134,506	74,896,098	66,287,319	24,657,868	20,955,118	271,982,952	238,376,943
Cost of revenue	(121,406,489)	(109,735,275)	(55,682,593)	(49,915,696)	(16,834,654)	(12,306,088)	(193,923,736)	(171,957,059)
Gross profit	51,022,497	41,399,231	19,213,505	16,371,623	7,823,214	8,649,030	78,059,216	66,419,884

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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	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Property, plant & equipment	18,954,781	14,094,362	339,962,397	293,040,598	151,613,517	157,876,193	595,707	138,809	511,126,402	465,149,962
Right of use assets	-	-	220,567,457	161,473,655	58,822,137	91,195,064	514,468	-	279,904,062	252,668,719
Other assets	141,683,032	80,587,925	-	-	-	-	-	-	141,683,032	80,587,925
Total assets	160,637,813	94,682,287	560,529,854	454,514,253	210,435,654	249,071,257	1,110,175	138,809	932,713,496	798,406,606
Lease liabilities	-	-	278,144,335	244,238,069	73,588,298	77,684,461	476,850	-	352,209,483	321,922,530
Contract liabilities	187,782	-	92,399,221	68,120,662	33,604,006	21,762,370	-	4,505,858	126,191,009	94,388,890
Other liabilities	189,509,441	213,286,316	-	-	-	-	-	-	189,509,441	213,286,316
Total liabilities	189,697,223	213,286,316	370,543,556	312,358,731	107,192,304	99,446,831	476,850	4,505,858	667,909,933	629,597,736

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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;

	30 September 2025 (Unaudited)	31 September 2024 (Unaudited)
Segment profit	78,059,216	66,419,884
Marketing expenses	(7,134,537)	(5,882,615)
General and administrative expenses	(15,809,632)	(14,889,923)
Listing and Initial Public Offering Expenses	(4,748,788)	(2,030,660)
Other income, net	2,252,296	3,488,943
Finance costs	(25,324,723)	(22,964,113)
Profit before Zakat	27,293,832	24,141,516

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 30 September (Unaudited)		For the nine-months period ended 30 September (Unaudited)	
	2025	2024	2025	2024
Profit for the period	16,317,493	14,233,952	26,590,283	23,606,838
Weighted average number of outstanding ordinary shares	112,026,087	104,000,000	106,704,762	104,000,000
Basic and diluted earnings per share (ﷻ)*	0.146	0.137	0.249	0.227

*Basic and diluted earnings per share for the periods ended 30 September 2025 and 30 September 2024 have been calculated by dividing net income after zakat attributable to the shareholders for the period by the weighted average number of ordinary shares issued and outstanding at the end of the period. Basic and diluted earnings per share are same as there are no instruments which will dilute the basic earnings per share.

21. 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 were 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 ﷻ 1 per share, fully paid. This resulted in an increase in the Group's share capital by 10.4 million Saudi Riyals, bringing it to 114.4 million Saudi Riyals instead of 104 million Saudi Riyals. This was 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.

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21. LISTING AND INITIAL PUBLIC OFFERING EXPENSES (CONTINUED)

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 nine-months period ended 30 September 2025, the Group has paid an cumulative amount of ﷲ 25.1 million (31 December 2024: ﷲ 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, which 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.

	Basis of allocation	Amounts recognized	
		30 September 2025 (Unaudited)	31 December 2024 (Audited)
Allocated to the existing shareholders (related party account)	20.91%	11,896,261	2,053,079
Allocated to the new shareholders (deducted from share premium in equity)	9.09%	5,632,482	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%	7,600,405	2,851,617
	100%	25,129,148	5,931,236

Impact on condensed consolidated financial statements is as follows:

	Amounts recognized	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties (Note 7)	-	2,053,079
Share premium (Note 9)	61,967,518	(1,026,540)
Initial Public Offering costs (expenses in the consolidated statement of profit or loss and other comprehensive income)*	4,748,788	2,851,617

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22. STATUTORY RESERVE

Under the previous Company's bylaw, the Company was obligated to transfer 10% of net income to the statutory reserve until it reached 30% of the share capital. According to the amendments made to the Companies Law in the Kingdom of Saudi Arabia, there is no longer an obligation to maintain the statutory reserve. Accordingly, the shareholders decided at the Extraordinary General Assembly held on 22 August 2024, to amend the Company's Company bylaw. According to the decision, the statutory reserve amounting to SAR 15,904,683 was transferred to retained earnings.

Under the amended Articles of Association, the General Assembly of Shareholders has the right, when determining the share of profits, to decide to form new reserves to the extent that serves the interest of the Company or ensures the distribution of fixed profits to shareholders as much as possible.

23. SUBSEQUENT EVENTS

The Group's management's believes that no subsequent events have occurred after the period ended September 30, 2025, that would have a material impact on the Group's interim condensed consolidated financial position or results of operations for the period.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2025 were approved by the Board of Directors on 30th October 2025 G (Corresponding to: 08 Jumada Al-Awwal 1447 H).
