ARMAH SPORTS COMPANY
(A Saudi Listed Joint Stock Company)

Interim Condensed Financial Statements
and Independent Auditor's Review Report

For the Three-Month and Six-Month Periods Ended 30 June 2026

ARMAH SPORTS COMPANY
(A Saudi Listed Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
For the Three Month and Six-Month Periods Ended 30 June 2026

EY
Shape the future with confidence

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: 5,500,000 (Five Million Five Hundred Thousand Saudi Riyals)
Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Unified No. 7000117205
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ARMAH SPORTS COMPANY
(A SAUDI LISTED JOINT STOCK COMPANY)**

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Armah Sports Company – A Saudi Listed Joint Stock Company ("the Company") as at 30 June 2026, and the related interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed statement of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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.

Other Matters
The financial statements of the Company for the year ended 31 December 2025 were audited by another auditor who expressed unmodified opinion on those financial statements on 6 Ramadan 1447H (corresponding to 23 February 2026). Further, the interim condensed financial statements for the six-month period ended 30 June 2025 were reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statements on 26 Muharram 1447H (corresponding to 21 July 2025).

We have not been appointed or assigned to review the interim condensed financial statements of the Company as at and for the three-month period ended 30 June 2025. Accordingly, we were not able to indicate whether there were any adjustments to the results of its business and cash flows for the three-month period ended 30 June 2025. Our conclusion is not modified in relation to this matter.

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

for Ernst & Young Professional Services

R7
EY
سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 16 Safar 1448H
(30 July 2026G)

ARMAH SPORTS COMPANY
(A Saudi Listed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Three Month and Six-Month Periods Ended 30 June 2026
(Saudi Riyals)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025	**2026**	2025
		(Unaudited)	(Unaudited and unreviewed)	**(Unaudited)**	(Unaudited)
		⃁	⃁	⃁	⃁
Revenue	6	**60,030,992**	51,078,605	**113,706,261**	102,372,030
Cost of revenue	7	**(32,411,350)**	(28,368,101)	**(59,705,045)**	(54,719,845)
Gross profit		**27,619,642**	22,710,504	**54,001,216**	47,652,185
General and administrative expenses		**(5,328,420)**	(5,043,197)	**(10,957,483)**	(10,075,628)
Selling and marketing expenses		**(3,621,747)**	(2,971,541)	**(6,656,619)**	(5,682,868)
Gain on commencement of sublease	11	**-**	-	**-**	9,506,244
Other operating expenses		**(1,577,939)**	(1,213,477)	**(3,484,596)**	(2,600,535)
Operating profit		**17,091,536**	13,482,289	**32,902,518**	38,799,398
Finance Income		**1,480,689**	1,553,259	**3,006,930**	2,723,097
Finance Cost		**(5,656,061)**	(6,212,597)	**(11,086,243)**	(13,218,842)
Profit before zakat		**12,916,164**	8,822,951	**24,823,205**	28,303,653
Zakat		**(267,810)**	(318,392)	**(567,810)**	(841,472)
Profit for the period		**12,648,354**	8,504,559	**24,255,395**	27,462,181
Other comprehensive loss					
Remeasurement loss on employees' end of service benefit		**(138,179)**	-	**(276,360)**	-
Other comprehensive loss for the period		**(138,179)**	-	**(276,360)**	-
Total comprehensive income for the period		**12,510,175**	8,504,559	**23,979,035**	27,462,181
Basic and diluted earnings per share	8	**0.38**	0.26	**0.74**	0.84

Finance Director	**Chief Financial Officer**	**Chief Executive Officer**	**Chairman of Board of Directors**
Muhammad Salahuddin	**Ibrahim Gharbieh**	**Fahad Alhagbani**	**Abdulmohsen Alhagbani**

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

ARMAH SPORTS COMPANY
(A Saudi Listed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026
(Saudi Riyals)

	Notes	**30 June 2026 (Unaudited) ⃁**	31 December 2025 (Audited) ⃁
ASSETS			
Non-current assets			
Property and equipment	9	**797,083,162**	763,167,090
Right of use assets	10	**185,645,669**	126,798,861
Net investment in sublease	11	**63,594,430**	64,144,495
Intangible assets		**1,277,986**	1,423,382
Advances to suppliers and contractors		**26,600,536**	19,349,128
Total non-current assets		**1,074,201,783**	974,882,956
Current assets			
Prepayments and other current assets		**7,605,155**	6,392,526
Trade receivables		**73,060**	262,042
Inventories		**3,968,590**	3,648,560
Net Investment in sublease	11	**5,500,000**	2,750,000
Cash and cash equivalents	12	**67,051,891**	82,142,367
Total current assets		**84,198,696**	95,195,495
Total assets		**1,158,400,479**	1,070,078,451
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**328,591,660**	328,591,660
Share premium	13	**68,855,423**	68,855,423
Retained earnings		**61,626,555**	37,647,520
Revaluation surplus		**117,459,910**	117,459,910
Total equity		**576,533,548**	552,554,513
Liabilities			
Non-current liabilities			
Loans and borrowings	14	**171,559,089**	163,253,737
Lease liabilities	10	**252,124,381**	192,287,621
Retention payables		**1,975,491**	1,264,395
Employees' end of service benefits		**6,225,660**	4,911,501
Total non-current liabilities		**431,884,621**	361,717,254
Current liabilities			
Loans and borrowings	14	**35,769,296**	55,993,155
Lease liabilities	10	**21,297,860**	16,618,027
Trade payables		**2,383,792**	3,229,442
Accrued expenses and other current liabilities		**18,856,935**	15,884,607
Deferred revenue		**71,263,927**	62,591,282
Zakat provision	15	**410,500**	1,490,171
Total current liabilities		**149,982,310**	155,806,684
Total liabilities		**581,866,931**	517,523,938
Total equity and liabilities		**1,158,400,479**	1,070,078,451

Finance Director	**Chief Financial Officer**	**Chief Executive Officer**	**Chairman of Board of Directors**
Muhammad Salahuddin	**Ibrahim Gharbieh**	**Fahad Alhagbani**	**Abdulmohsen Alhagbani**

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Six-Month Periods Ended 30 June 2026
(Saudi Riyals)

	Share capital	Share premium	(Accumulated losses) / retained earnings	Revaluation surplus	Total
	⃁	⃁	⃁	⃁	⃁
Balance as at 1 January 2025	328,591,660	68,855,423	(23,812,229)	97,100,000	470,734,854
Net profit for the period	-	-	27,462,181	-	27,462,181
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the period	-	-	27,462,181	-	27,462,181
Balance as at 30 June 2025 (Unaudited)	328,591,660	68,855,423	3,649,952	97,100,000	498,197,035
Balance as at 1 January 2026	**328,591,660**	**68,855,423**	**37,647,520**	**117,459,910**	**552,554,513**
Net profit for the period	**-**	**-**	**24,255,395**	**-**	**24,255,395**
Other comprehensive loss	**-**	**-**	**(276,360)**	**-**	**(276,360)**
Total comprehensive income for the period	**-**	**-**	**23,979,035**	**-**	**23,979,035**
Balance as at 30 June 2026 (Unaudited)	**328,591,660**	**68,855,423**	**61,626,555**	**117,459,910**	**576,533,548**

Finance Director	**Chief Financial Officer**	**Chief Executive Officer**	**Chairman of Board of Directors**
Muhammad Salahuddin	**Ibrahim Gharbieh**	**Fahad Alhagbani**	**Abdulmohsen Alhagbani**

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the Six-Month Periods Ended 30 June 2026
(Saudi Riyals)

	Notes	**30 June 2026 (Unaudited) ⃁**	30 June 2025 (Unaudited) ⃁
Cash flows from operating activities			
Profit before zakat		**24,823,205**	28,303,653
Adjustments for non-cash items:			
Depreciation of property and equipment	9	**18,352,522**	16,816,812
Depreciation of right of use assets	10	**4,749,981**	4,378,821
Amortization of intangible assets		**216,028**	195,181
Gain from commencement of sublease	11	**-**	(9,506,244)
Finance Income		**(3,006,930)**	(2,723,097)
Finance cost		**11,086,243**	13,218,842
Employees' end of service benefits		**1,124,851**	1,005,054
		57,345,900	51,689,022
Changes in working capital items:			
Prepayments and other current assets		**(1,242,332)**	(1,310,007)
Trade receivables		**188,982**	(169,642)
Inventories		**(320,030)**	362,685
Due from / to related parties		**-**	(23,604)
Trade payables		**(845,650)**	(749,209)
Accrued expenses and other current liabilities		**2,972,328**	1,259,395
Deferred revenue		**8,672,645**	7,192,732
Long term retentions		**711,096**	-
Cash generated from operating activities		**67,482,939**	58,251,372
Employees' end of service benefits paid		**(95,972)**	(49,282)
Zakat paid		**(1,647,480)**	(1,004,623)
Net cash generated from operating activities		**65,739,487**	57,197,467
Cash flows from investing activities			
Purchase of property and equipment	9	**(48,304,156)**	(9,343,972)
Purchase of intangible assets		**(70,632)**	(153,194)
Advances to suppliers and contractors		**(7,251,408)**	(7,000,514)
Proceeds from sublease	11	**-**	2,750,000
Finance income received		**836,697**	815,644
Net cash (used in) / generated from investing activities		**(54,789,499)**	(12,932,036)
Cash flows from financing activities			
Interest element of lease liabilities paid		**(970,608)**	(531,128)
Principal element of lease liabilities paid		**(6,399,992)**	(780,615)
Payment of interest on borrowings	14	**(6,634,013)**	(4,754,881)
Repayment of long-term loans and borrowings	14	**(52,000,000)**	(20,000,000)
Receipt of long-term loans and borrowings	14	**39,964,149**	9,700,111
Net movement on short term loans and borrowings		**-**	(7,500,000)
Net cash used in financing activities		**(26,040,464)**	(23,866,513)
Net change in cash and cash equivalents		**(15,090,476)**	20,398,917
Cash and cash equivalents at beginning of the period		**82,142,367**	45,090,919
Cash and cash equivalents at end of the period		**67,051,891**	65,489,836
Significant Non-cash transactions			
Capitalization of interest on loans and borrowings	9	**1,381,409**	87,935
Addition of right of use assets	10	**63,596,789**	-
Addition of lease liabilities	10	**63,396,789**	-
Derecognition of right of use asset due to sublease	10	**-**	56,270,726
Capitalization of interest on lease liability		**2,583,029**	1,163,802

Finance Director	**Chief Financial Officer**	**Chief Executive Officer**	**Chairman of Board of Directors**
Muhammad Salahuddin	**Ibrahim Gharbieh**	**Fahad Alhagbani**	**Abdulmohsen Alhagbani**

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

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Armah Sports Company, (the "Company") is a Saudi Listed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration Number 1010559940 and Unified National Number 7005955278 dated Jumada Al-Akhirah 14, 1440 H (corresponding to February 19, 2019).

The registered address of the Company is building number 3894, Al Nakheel District, Riyadh, Kingdom of Saudi Arabia.

The Company's primary activities include operating facilities, sport centers, personal training, retail sales of sports apparel, and providing food services in sport facilities, salons, and other sports activities.

On 29 Muharram 1448H (corresponding to 14 July 2026), the Company announced its application to the Saudi Exchange for transfer from Parallel Market of the Saudi Exchange (Nomu) to the Main Market of the Saudi Exchange (Tadawul).

Recent geopolitical developments in the Middle East

During the period, geopolitical tensions in parts of the Middle East intensified, leading to regional instability. Given that the majority of the Company's operations are conducted within the region, management continues to monitor these developments closely and its impact on the business as the situation remains evolving.

2. BASIS OF PREPARATION

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2025. In addition, the results of the operations for the period ended 30 June 2026 do not necessarily represent an indication for the results of the operations for the year ending 31 December 2026. Specific explanatory disclosures have been included in order to explain the significant events and transactions during the period.

The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. Management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed financial statements have been prepared on the historical cost basis, except for the following:
- Land under property and equipment – measured at revalued amount; and
- Defined benefit plan – measured at the present value of future obligations using the Project Unit Credit Method.

Furthermore, these interim condensed financial statements are prepared using the accrual basis of accounting.

The interim condensed financial statements are presented in Saudi Riyal ("⃁"), which is the Company's functional currency.

3. USE OF JUDGMENTS AND ESTIMATES

The preparation of these interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

All judgements and sources of estimation uncertainty used in the preparation of the interim condensed financial statements remain similar to those disclosed in the Company's annual financial statements for the year ended 31 December 2025.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies and calculation methods applied in preparing the interim condensed financial statements are consistent with those followed in preparing the Company's annual financial statements for the year ended 31 December 2025. The Company did not early adopt any other standard, interpretation or amendment issued but not yet effective.

5. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2026:

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Company's interim condensed financial statements

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Company's interim condensed financial statements.

Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in -scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on Company's interim condensed financial statements.

Standards issued but not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and below mentioned are the details of those standards:

(Saudi Riyals)

5. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS (continued)

Standards/ amendments to standards/ interpretations	***Effective date***
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 January 2027

The adoption of these standards and interpretations is not expected to have any material impact on the Company on the effective date, except IFRS 18, which the Company has evaluated the impact of its adoption on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Although the adoption of IFRS 18 will have no material impact on the Company’s profit for the period or total revenue, the Company expects that grouping items of income and expense in the Interim Condensed Statement of Profit or Loss into the new categories will impact how Operating profit is reported.

1- <u>Structure of the Statement of Profit or Loss</u>

The Company does not have a specified main business activity as defined in IFRS 18. Following is the high level IFRS 18 impact assessment results as at the date of reporting:

- The Company will continue to present operating profit line item and believe that it is not materially different from operating profit reported under IAS 1 as at the reporting date;

- The items of finance income line item will be disaggregated into interest income on net investment in sublease and interest income on cash and cash equivalents, and will be presented within the new investing category, before the new ‘Profit before financing and zakat’ subtotal required by IFRS 18.

- The finance costs line item will be disaggregated into interest expense on borrowings, interest expense on lease liabilities and interest expense on employees’ end of service benefits, and will be presented within the new financing category, after the new ‘Profit before financing and zakat’ subtotal required by IFRS 18.

- The Company expects the Zakat to be presented in income tax category of IFRS 18 hence, there is no change from existing presentation under IAS 1.

(Saudi Riyals)

5. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS (continued)

2- Management-defined performance measures (MPMs)

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

Upon adoption of IFRS 18, the Company will assess whether performance measures communicated to investors, analysts and other stakeholders, outside Companies financial statements would meet the definition of an MPM under IFRS 18 and accordingly, will comply with the IFRS 18 disclosure requirements in this regard. On high level, the Company expects to include Adjusted EBITDA (Earnings Before Interest, Zakat, Depreciation and Amortization) and Adjusted Net Income, as management-defined performance measures. Adjusted EBITDA and Adjusted Net Income will be adjusted to exclude certain income and expense items which are infrequent during normal course of business.

3- Aggregation and Disaggregation

The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary. The Company is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics. Certain profit or loss line items description and aggregations may change to provide useful structured summaries and disclose of additional material information would be included in the notes. The Company also expects expanded disclosure requirements relating to the aggregation and disaggregation of information. The Company is also assessing line items currently labeled as "other" and will use more informative labels that describes the aggregated items as precisely as possible.

4- Consequential amendments

The Company currently uses profit before zakat for the year / period as a starting point of the reconciliation to cash flows from operating activities which will change to 'operating profit or loss'. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

6. REVENUE

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026 (Unaudited)	2025 (Unaudited and unreviewed)	**2026 (Unaudited)**	2025 (Unaudited)
	⃁	⃁	⃁	⃁
Over a period of time:				
Subscription and membership	**50,396,123**	43,784,117	**97,175,480**	88,575,471
Personal training fees	**7,785,837**	5,759,096	**13,471,716**	11,211,135
	58,181,960	49,543,213	**110,647,196**	99,786,606
At a point in time:				
Other fitness centers' revenue	**1,849,032**	1,535,392	**3,059,065**	2,585,424
Total revenue	**60,030,992**	51,078,605	**113,706,261**	102,372,030

Other fitness centers' revenue mainly comprises revenue generated from the sale of food and beverage and other merchandise available at the fitness centers.

(Saudi Riyals)

7. COST OF REVENUE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited and unreviewed)	**2026 (Unaudited)**	2025 (Unaudited)
	⃁	⃁	⃁	⃁
Salaries and wages	**11,811,931**	9,704,180	**21,689,089**	19,376,057
Depreciation of property and equipment	**9,496,400**	8,134,693	**17,738,894**	16,207,070
Cleaning and related services	**4,267,375**	3,446,550	**8,123,187**	7,209,996
Utilities	**1,985,657**	1,524,701	**3,173,297**	2,164,109
Depreciation of right of use assets	**1,406,174**	863,838	**2,310,004**	1,778,284
Repair and maintenance	**711,168**	1,138,155	**1,696,145**	2,446,986
Governmental fees	**618,640**	561,071	**1,218,924**	1,114,520
Merchandise items	**630,382**	707,911	**1,019,350**	1,206,713
Software charges	**430,094**	762,771	**895,418**	905,957
Club consumables	**455,794**	976,574	**728,834**	1,210,427
Others	**597,735**	547,657	**1,111,903**	1,099,726
Total cost of revenue	**32,411,350**	28,368,101	**59,705,045**	54,719,845

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the Company over the weighted average number of outstanding ordinary shares during the period.

There were no diluted shares outstanding at any time during the period, therefore, the diluted earnings per share is equal to the basic earnings per share.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited and unreviewed)	**2026 (Unaudited)**	2025 (Unaudited)
	⃁	⃁	⃁	⃁
Net profit attributable to the shareholders of the Company	**12,648,354**	8,504,559	**24,255,395**	27,462,181
Weighted average number of outstanding shares during the period	**32,859,166**	32,859,166	**32,859,166**	32,859,166
Basic and diluted earnings per share	**0.38**	0.26	**0.74**	0.84

9. PROPERTY AND EQUIPMENT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	⃁	⃁
Beginning balance for the period/ year	**763,167,090**	724,608,839
Additions during the period/ year	**52,268,594**	52,056,144
Revaluation gain during the period/ year	-	20,359,910
Depreciation charged during the period/ year	**(18,352,522)**	(33,857,803)
Ending balance for the period/ year*	**797,083,162**	763,167,090

(Saudi Riyals)

9. PROPERTY AND EQUIPMENT (continued)

*This balance includes additions of capital work in progress amounting to ⃁ 42.48 million (31 December 2025: ⃁ 22.19 million).

The borrowing costs capitalized under capital work in progress during the period amounted to ⃁ 1.38 million (31 December 2025: ⃁ 0.70 million).

10. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company has various land and building lease agreements for the construction of fitness clubs.

The movement in right of use assets and lease liabilities during the period/year was as follows:

	30 June 2026 (Unaudited) ⃁		31 December 2025 (Audited) ⃁	
	Right of use assets	**Lease liabilities**	Right of use assets	Lease liabilities
Beginning balance for the period/ year	**126,798,861**	**208,905,648**	191,602,795	199,823,096
Additions during the period/ year	**63,596,789**	**63,396,789**	-	-
Derecognition during the period / year	**-**	**-**	(56,270,726)	-
Depreciation during the period/ year	**(4,749,981)**	**-**	(8,533,208)	-
Interest expense during the period/ year	**-**	**8,288,735**	-	14,880,277
Payments during the period/ year	**-**	**(7,168,931)**	-	(5,797,725)
Ending balance for the period/year	**185,645,669**	**273,422,241**	126,798,861	208,905,648

The following are the lease liabilities as classified in the interim condensed statement of financial position:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Non-current	**252,124,381**	192,287,621
Current	**21,297,860**	16,618,027
	273,422,241	208,905,648

11. NET INVESTMENT IN SUBLEASE

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Opening	**66,894,495**	-
Additions during the period/ year*	**-**	65,776,970
Finance income	**2,199,935**	3,867,525
Collection	**-**	(2,750,000)
Ending balance for the period/ year	**69,094,430**	66,894,495

* The Company signed a sublease contract for Al Wadi Lands for a period of 20 years and 11 months entered into during the year ended 31 December 2025. The total rentals as per the signed sublease contract in 2025 amount to ⃁ 127.6 million receivable over the period of the sublease. This transaction resulted in derecognition of the right of use asset of 56.3 million and recognition of gain amounting to ⃁ 9.5 million.

As of 30 June 2026, the contractual undiscounted receivables amount to ⃁ 124.9 million.

(Saudi Riyals)

11. NET INVESTMENT IN SUBLEASE (continued)

The table below summarizes the maturity profile of net investment in sublease based on contractual undiscounted receivables:

	Up to 1 year	More than 1 year and up to 5 years	More than 5 years	Total
Net investment in sublease	**5,500,000**	**22,275,000**	**97,102,500**	**124,877,500**

12. CASH AND CASH EQUIVALENT

The carrying amount of cash and cash equivalents as of period/ year-end is as follows:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Short term deposits*	**40,000,000**	47,000,000
Cash at banks	**26,750,111**	34,798,650
Cash on hand	**301,780**	343,717
	67,051,891	82,142,367

*This represents Islamic short-term deposits with maturities of three months or less. Finance income earned from these deposits amounted to ⃁ 0.81 million (30 June 2025: ⃁ 0.99 million) and is recognized in the statement of profit or loss. These deposits carry profit rates ranging from 4.30% to 4.75% (2025: 4.60% to 5.55%)

13. SHARE CAPITAL AND SHARE PREMIUM

The Company was listed on the Parallel Market "Nomu" in 2023. As part of the listing, the Company issued 4,106,666 new ordinary shares at an offer price of ⃁ 28 per share. The excess of the offer price over the nominal value was recognized as share premium amounting to ⃁ 68,855,423, net of issuance costs.

The details of authorized and issued share capital is as follows:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Authorized & issued		
Number of ordinary shares	**32,859,166**	32,859,166
Value of shares @ ⃁ 10 per share	**328,591,660**	328,591,660

14. LOANS AND BORROWINGS

The carrying amount of the Islamic loans and borrowings, in the form of Tawaruq, as of period/ year-end is as follows:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Non-current portion of long-term loans	**171,559,089**	163,253,737
Current portion of long-term loans	**31,500,000**	52,000,000
Short term borrowings	**-**	-
Accrued interest on long and short-term loans	**4,269,296**	3,993,155
Loans and borrowings – current	**35,769,296**	55,993,155
Total loans and borrowings	**207,328,385**	219,246,892

(Saudi Riyals)

14. LOANS AND BORROWINGS (continued)

Below is the movement of the Islamic loans and borrowings for the period/year:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Beginning balance for the period/ year	**219,246,892**	224,885,392
Receipts during the period/ year	**39,964,149**	39,112,571
Payments during the period/ year	**(52,000,000)**	(47,500,000)
Payment of interest on loan during the period/ year	**(6,634,013)**	(11,100,982)
Interest on loan expensed during the period/ year	**5,369,948**	13,146,048
Interest on loan capitalized during the period/ year	**1,381,409**	703,863
Ending balance for the period/ year	**207,328,385**	219,246,892

As at 30 June 2026, the Company had unutilized Islamic bank financing facilities totaling ⃁ 121.1 million (31 December 2025: ⃁ 160.9 million), available to meet short-term and long-term liquidity requirements and to finance the construction of fitness centers. These facilities are secured by mortgage of lands and issuance of promissory note by the Company.

The Islamic financing facilities are subject to certain financial covenants and require the Company to promptly notify the bank of any actual or potential covenant breaches. As at 30 June 2026, management had not identified any breaches of the borrowing covenants associated with the Company's financing arrangements.

15. ZAKAT

The Company has filed its zakat returns up to the year ended 31 December 2025 and has settled the zakat liabilities in accordance with the returns filed. Final zakat assessments have been received from the Zakat, Tax and Customs Authority (“ZATCA”) for the years 2020 and 2023, and the related liabilities have been duly settled. The zakat assessments for the intervening years 2021 and 2022 and subsequent years 2024 and 2025 are currently under review by ZATCA and final assessments have not yet been issued.

16. CONTINGENCIES AND COMMITMENTS

The Company has capital commitments on contracts for developing fitness centers amounting to ⃁ 63.64 million (31 December, 2025: ⃁ 82.93 million).

17. RELATED PARTY TRANSACTIONS AND BALANCES

During the period ended 30 June 2026, the only material related party transactions entered into by the Company were with key management personnel.

Key management compensation

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation to key management, including benefits to Board of Director and Remuneration Committee, is shown below:

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026 (Unaudited) ⃁	2025 (Unaudited and unreviewed) ⃁	**2026 (Unaudited)** ⃁	2025 (Unaudited) ⃁
Short term benefits	**1,566,114**	1,433,398	**3,137,853**	2,866,797
End of service benefits	**91,147**	81,934	**323,642**	272,338
	1,657,261	1,515,332	**3,461,495**	3,139,135

(Saudi Riyals)

18. SEGMENT INFORMATION

A segment is a separate and distinct part of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision-maker, who is responsible for allocating resources, assessing performance and making strategic decisions about the operating segments.

For management purposes, the Company is organized into business units based on their geographical distribution.

Geographical segments

The Company has operations in the central region and western region of Saudi Arabia only. The following tables present information for the geographical segments for the period end.

<u>For the six-month period ended 30 June 2026 (Unaudited)</u>

	Central region ⃁	**Western region** ⃁	**Total** ⃁
Revenue	**96,674,230**	**17,032,031**	**113,706,261**
Cost of revenue	**(44,608,470)**	**(15,096,575)**	**(59,705,045)**
Gross profit	**52,065,760**	**1,935,456**	**54,001,216**
Comprehensive income	**47,164,283**	**(1,238,510)**	**45,925,773**
Unallocated head office costs			**(21,946,738)**
Total comprehensive income			**23,979,035**
Depreciation			
- Property and equipment	**(14,180,557)**	**(4,171,965)**	**(18,352,522)**
- Right of use assets	**(2,332,082)**	**(2,417,899)**	**(4,749,981)**

<u>For the six-month period ended 30 June 2025 (Unaudited)</u>

	Central region ⃁	Western region ⃁	Total ⃁
Revenue	87,332,553	15,039,477	102,372,030
Cost of revenue	(43,114,788)	(11,605,057)	(54,719,845)
Gross profit	44,217,765	3,434,420	47,652,185
Comprehensive income	47,977,210	(1,069,262)	46,907,948
Unallocated head office costs			(19,445,767)
Total comprehensive income			27,462,181
Depreciation			
- Property and equipment	(13,615,141)	(3,201,671)	(16,816,812)
- Right of use assets	(2,013,048)	(2,365,773)	(4,378,821)

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Company's financial risk management strategies have not changed significantly since the last year end.

There have been no substantive changes in the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial statements. Furthermore, the levels of inputs used in determination of the fair values are consistent with that disclosed in the financial statements for the year ended 31 December, 2025. The fair value of financial instruments approximates their carrying value.

20. SUBSEQUENT EVENTS

On 29 Muharram 1448H (corresponding to 14 July 2026), the Company announced its application to the Saudi Exchange for transfer from Parallel Market of the Saudi Exchange (Nomu) to the Main Market of the Saudi Exchange (Tadawul). There is no financial impact of the above event on these interim condensed financial statements

Other than disclosed above, there have been no further significant subsequent events since the period ended 30 June 2026 that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

21. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever considered necessary for the purposes of comparison and better presentation

22. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved by the Board of Directors on 15 Safar 1448H (corresponding to 29 July 2026G).