FIT FOR GROWTH

Investor
Presentation
H1 2020

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LEEJAM

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3. Executive Summary
4. Financial Performance
5. Outlook FY 2020
6. Q&A

1. Overview

Vision, Mission, and Values

Vision
To be the people's favorite and most accessible wellness club

Mission
To steer society towards a healthy lifestyle and encourage people to exercise daily

Values

Leejam Strategic Pillars

Unrivalled Customer Experience

Achieve recognition for our exceptional member experience and industry leading standards

Provide extensive access to Fitness Time Support

Provide seamless member onboarding experience to ensure customer satisfaction

Be proactive in listening to feedback through frequent customer satisfaction surveys

Foster a customer-focused culture through training, e-learning and regular testing and assessment

Focusing on our People

Become the ‘Employer of Choice’ that offers a positive and motivated working culture

Provide clear and effective structures that reward hard work through shared success

Attract the best talent, retain existing talent and grow our own career development strategy

Develop a Leejam Academy for our staff to receive world class training and development

Class Leading Tech

Deliver a best-in-class consumer app that will build our relationship with members and prospects, and help brand loyalty

Adopt Smart Gym and provide a cashless and streamlined user experience for our members

Automate business processes and systems to enhance efficiency and collaboration

Create an employee app that will engage our staff members, support training and be a information hub

Growth

Increase the rate of expansion of our clubs through traditional clubs, Corporate Wellness partnerships and Small Gym concepts for men and ladies

Maintain a balance between brand quality, investment and operational excellence during expansion

Develop secondary income lines like spas, cafes and sports nutrition retail

Analyze pricing policy to deliver no loss-making clubs and maximize income opportunities

Increase club membership to 500K members by 2023

Maintain our rigorous approach to property acquisition and ensure sites deliver consistent performance

Focus on sales and member retention

Quality

Build systems that guarantee a high degree of quality standards throughout the business

Introduce quality control measures audited by third parties, including Mystery shop, NPS; which are linked to our management development and rewards

Innovate our Group Exercise, Indoor Cycling, HIIT Studios and Gyms to strengthen our position as market leader

Partner with top brands that add value for our members

Introduce cutting edge data analytics that will benefit members and the business

Business Model

VISION AND MISSION

VISION
To be the people's favorite and most accessible wellness club.

MISSION
To steer society towards a healthy lifestyle and encourage people to exercise daily

INPUTS

FINANCE

CUSTOMER SERVICE

OUR PEOPLE

OPERATIONAL EFFICIENCY

OUR APPROACH

- Diligent and risk-based decision making
- Customer centricity
- Innovative products and services tailored to meet customer needs
- Focus on quality and efficiency

OUR VALUE PROPOSITION

- Long term lease of land and construction of high quality gyms with state-of-the-art fit-out design and facilities
- High value membership
- Strategic locations
- Certified trainers and experts
- Brands catering to various KSA demographics
- Internationally certified training programs
- Capture female fitness opportunity

BRANDS

A high end, full service male fitness facility

A luxury and exclusive experience of fitness

A high end fitness center dedicated to women

A full service facility for kids and youth in the age range of 5 to 16 years

World class facilities for professional male athletes

World class facilities for professional female athletes

A luxury and exclusive experience for women

SERVICES & FEATURES

TRAINING
- Cardio
- Strength
- PT sessions
- CrossFit Style
- HIIT
- Extreme Boxing

FACILITES
- Jacuzzi
- Sauna
- Steam
- Courts
- Squash
- Lounges
- Business centers

AMENITIES
- Showers
- Lockers
- Towels
- Slippers

THE VALUE WE CREATE

MEMBERSHIP GROWTH AND CUSTOMER LOYALTY

SUSTAINABLE RETURNS FOR SHAREHOLDERS

HEALTHY SOCIETY

INCREASE MARKET SHARE

MARKET DYNAMICS

UNDERPINNED BY OUR DILIGENT RISK MANAGEMENT, BEST PRACTICE GOVERNANCE AND STRONG VALUES

Largest Fitness center operator in the Region & a Proud Saudi Brand

132
Operational Fitness Centers
(June 2020)
Added 2 Centers during H1 2020

243K
Active Members as of June 2020
Compared to 244K as of June 2019

32
Female Centers as of, June 2020
With

26%
Active Female Member of club member base

Corporate
June 2020

180+
Corporate
Customers

31K
Corporate Members
48K as of June 2019

29M
VISITORS
in 2019

Turbo HIIT
GX Studio Program was launched in 2019

Received Best Fitness Brand in the UAE by Fit Awards

improved security and customer experience

Financial highlights

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Revenue (IN SAR)	Gross Profit (IN SAR)
220M H1 2020	(13)M H1 2020
436M H1 2019	156M H1 2019

EBITDA (IN SAR)	Net Income (IN SAR)
47M H1 2020	(85)M H1 2020
213M H1 2019	89M H1 2019

Business Review

OUR BRANDS

Fitness Time	52 Clubs
Fitness Time Plus	2 Clubs
Fitness Time Pro	40 Clubs
Fitness Time Junior	3 Clubs
Fitness Time Ladies	25 Clubs
Fitness Time Ladies Pro	6 Clubs
Fitness Time Ladies Plus	1 Clubs
Fitness Time Corporate Wellness	3 Clubs

132 locations

28 Cities in Saudi Arabia & the UAE

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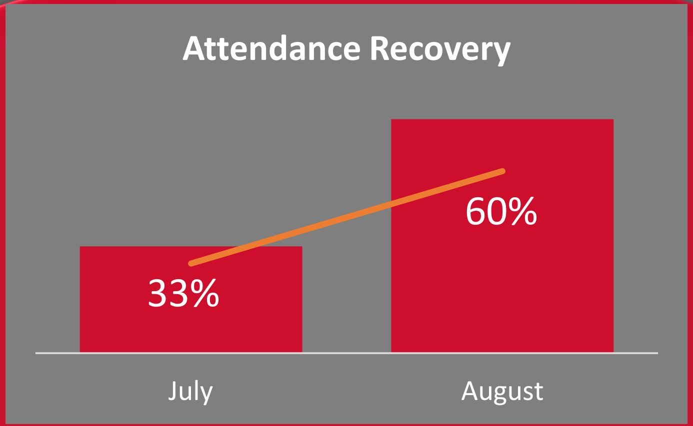
2. COVID-19

Post COVID-19

Re-opening

- The first Gym Chain to open with a 12 Hr notice, a week ahead of our competitors
- Supported the Ministry of Sports with the reopening protocols
- High Standards on Hygiene and Social Distancing
- Marketing Campaign started in June and continued through July, with demand picking up since reopening

Footfall Post Re-opening



- Average attendance per Club were increase from 33% as of 1st July 2020 compared to 2019 to 60% of 3rd week of August 2020 compared to 2019.

Cost Saving

- Submitted letter to Land Loads to waive rental during lockdown period and 27% of landlords agree for reduction in rental amounting to SR 10M and still response from 30% others is awaited
- Registered Saudi Employee on SANED, reduced employee payroll cost by 40% & Suspended contract with outsourced labor during Covid period
- Further plan for restructure club employees and save 20% of cost

COVID-19 Related Cost

- Leejam is providing high standards of Hygiene at its Club, due to this an additional cost of SR 2.5M / month is incurred

Cash

- Holding to adequate cash of SR 177M at end of June-2020
- Available Bank facilities to be utilized to ensure continuity of business which includes SR 85M of working capital and SR 275M to support expansion plan

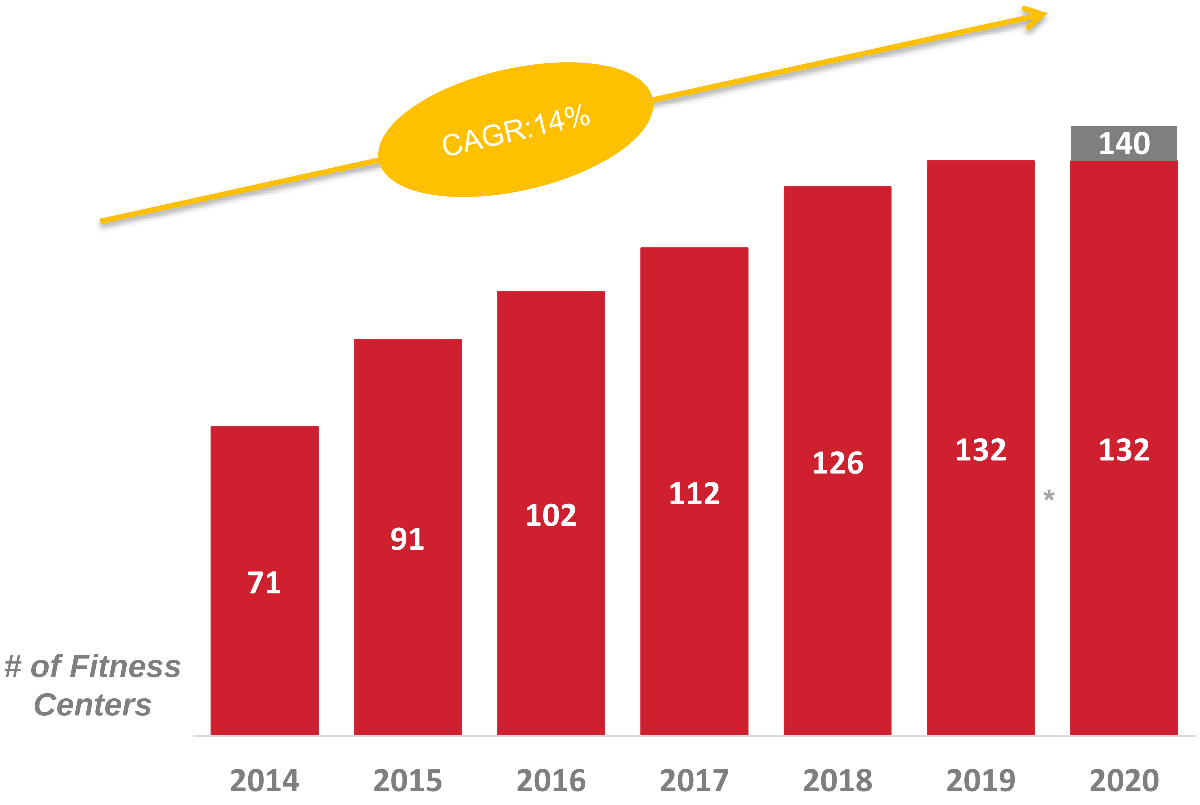
3. Executive Summary

Key Metrics

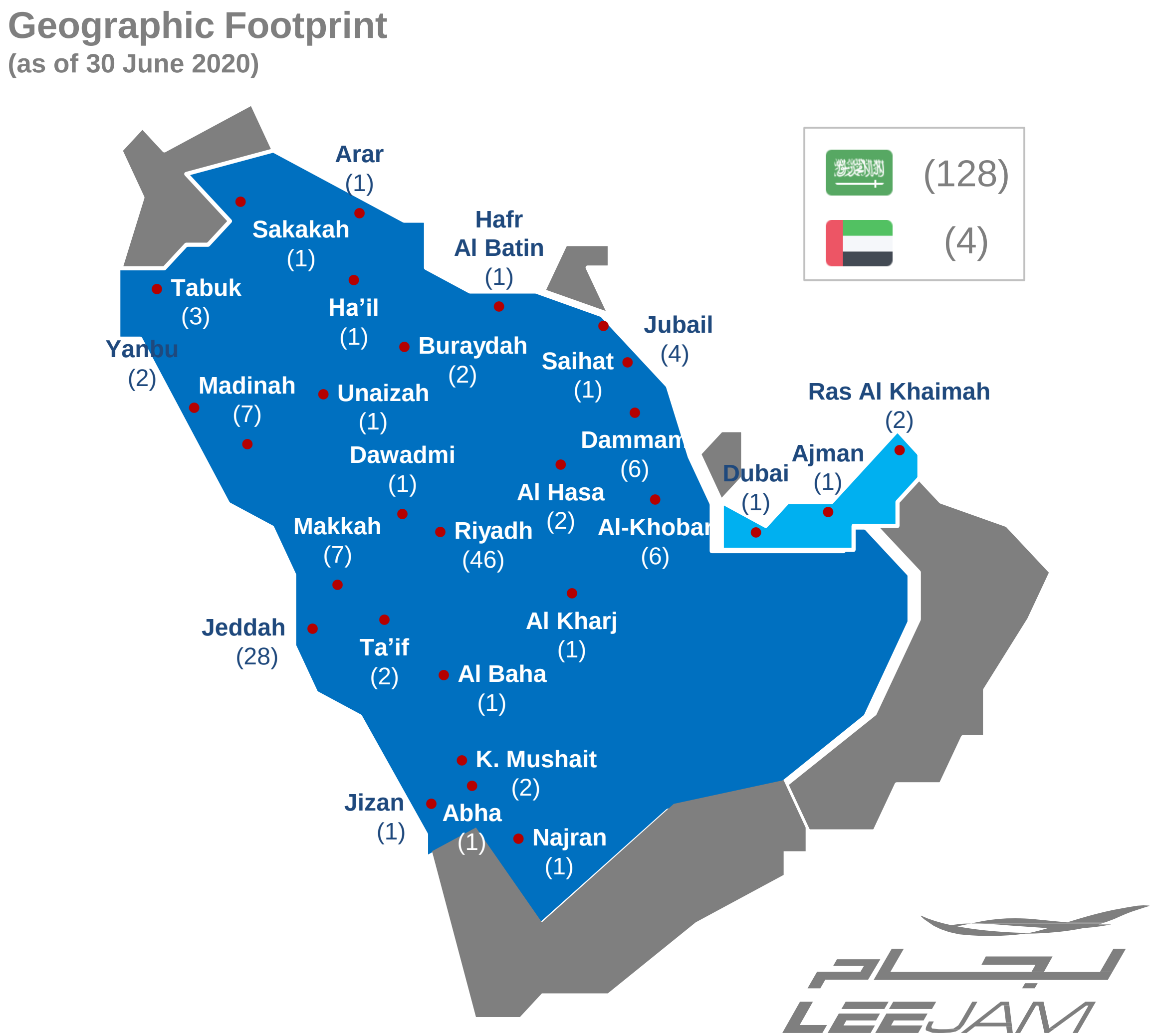
Revenue	Gross Income	EBITDA	Net Income	Members Count
24M SAR Q2 2020 (89%)	(63)M SAR Q2 2020 (178%)	(25)M SAR Q2 2020 (122%)	(91)M SAR Q2 2020 (280%)	243K Active Member June 2020 (0.4%)
219M SAR Q2 2019	82M SAR Q2 2019	114M SAR Q2 2019	50M SAR Q2 2019	244K Active Member June 2019

Market Leader with Strong Scale Advantage,

Fitness Centres Evolution



Strong geographical footprint with presence in 28 cities



Source: Company

- As of 30 June 2020, 1 centers is currently closed for conversion to female centers.
- Awali & Fayha in Makkah opened during Q1,2020

4. Financial Performance

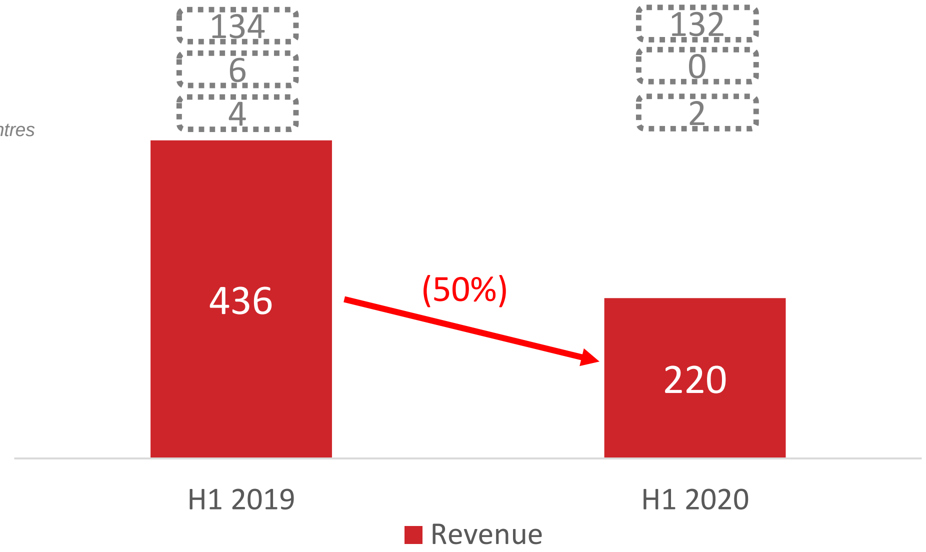
Revenue and Net Income – H1 2020

Revenue

# of Fitness Centres

- new Male Centres

- new & Converted Female Centres



In MSR

Key Messages:

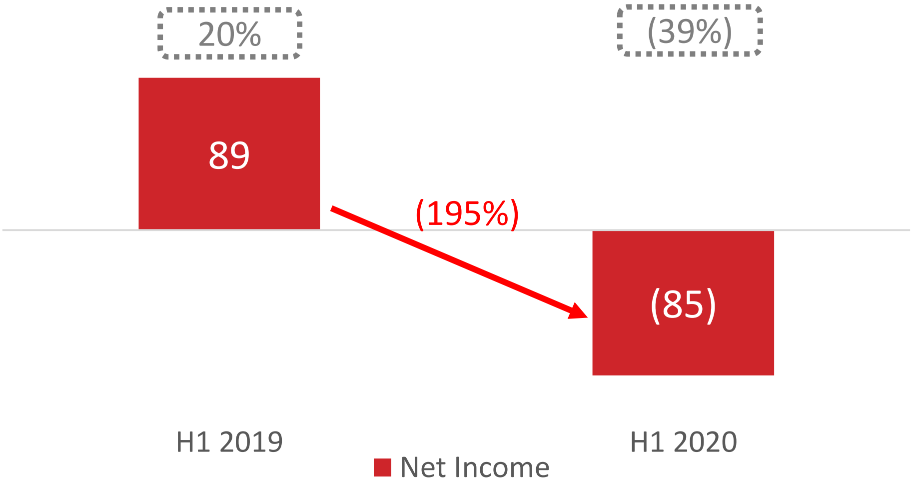
❖ CY Revenue was 50% lower vs. LY, mainly due to:

- Impact of covid-19 pandemic approx. SR 257M.
- Excluding the impact of covid-19 revenue of H1 2020 would have been SR 477M with a growth of 9% mainly driven by:
  - 13% growth of LFL (higher deferred revenue from previous periods)
  - Ramp-up of non-LFL centers (10 centers were opened during 2019) and contribution of new centers.

Net Income

Net Margin %

In MSR



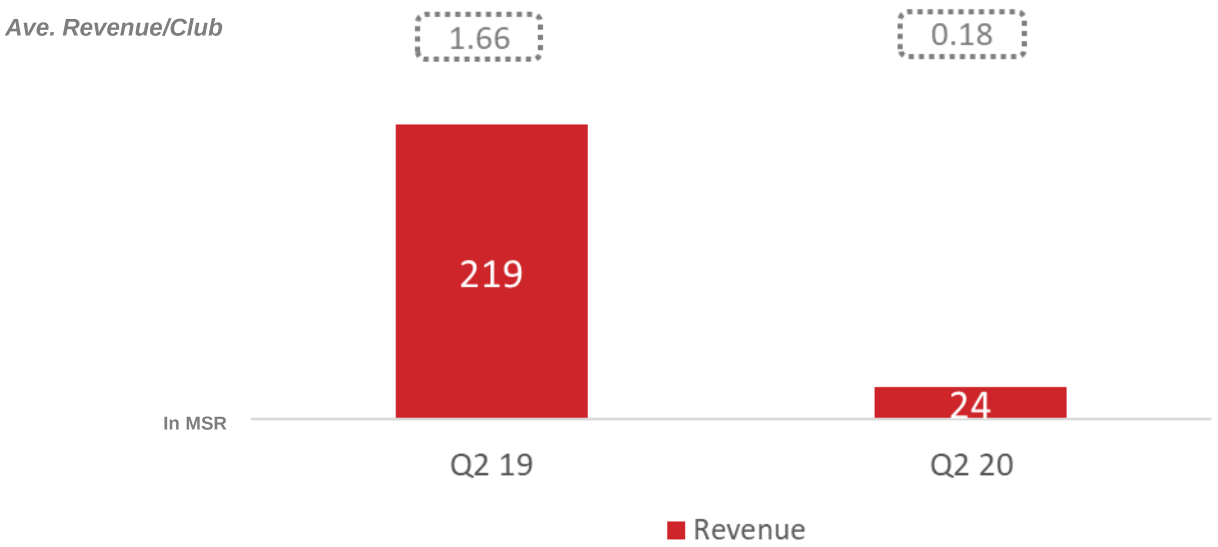
Key Messages:

❖ 195% H1 2020 net income decline primarily driven by:

- Impact of covid-19 pandemic approx. SR 161M
- Not recognizing revenue during lockdown period, however cost were there.
  Excluding the impact of covid-19 net income of H1 2020 would have been SR 100M with a growth 12%.

Revenue and Net Income – Q2 2020

Revenue



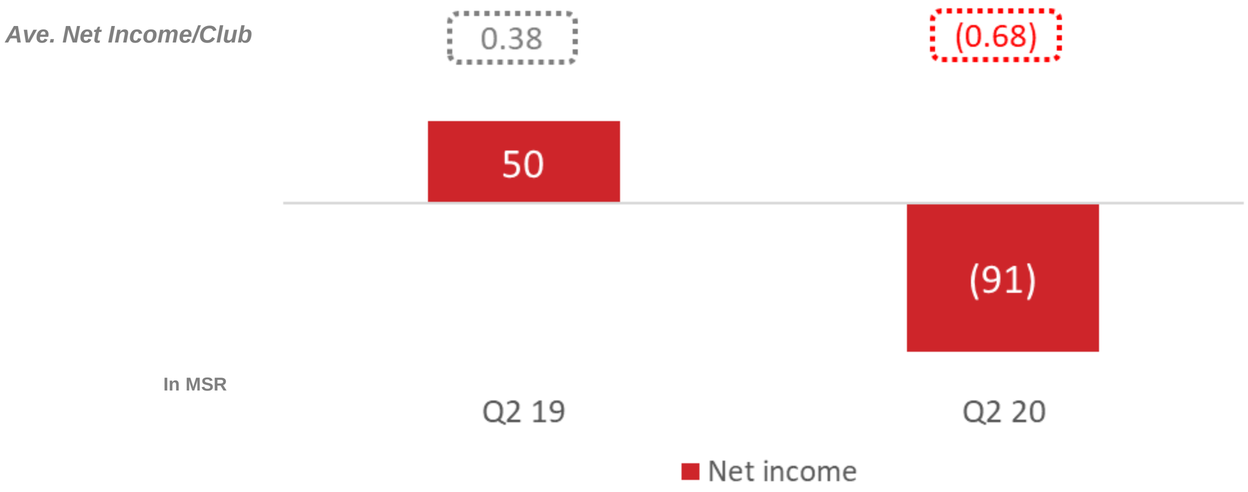
Key Messages:

❖ CY Revenue was 89% lower vs. LY, mainly due to:

- Impact of covid-19 pandemic approx. SR 213M.
- Excluding the impact of covid-19 revenue of Q2 2020 would have been SR 237 with a growth of 8% mainly driven by:
  - Growth of LFL (higher deferred revenue from previous periods)
  - Ramp-up of non-LFL centers (10 centers were opened during 2019) and contribution of new centers.

Net Income

In MSR



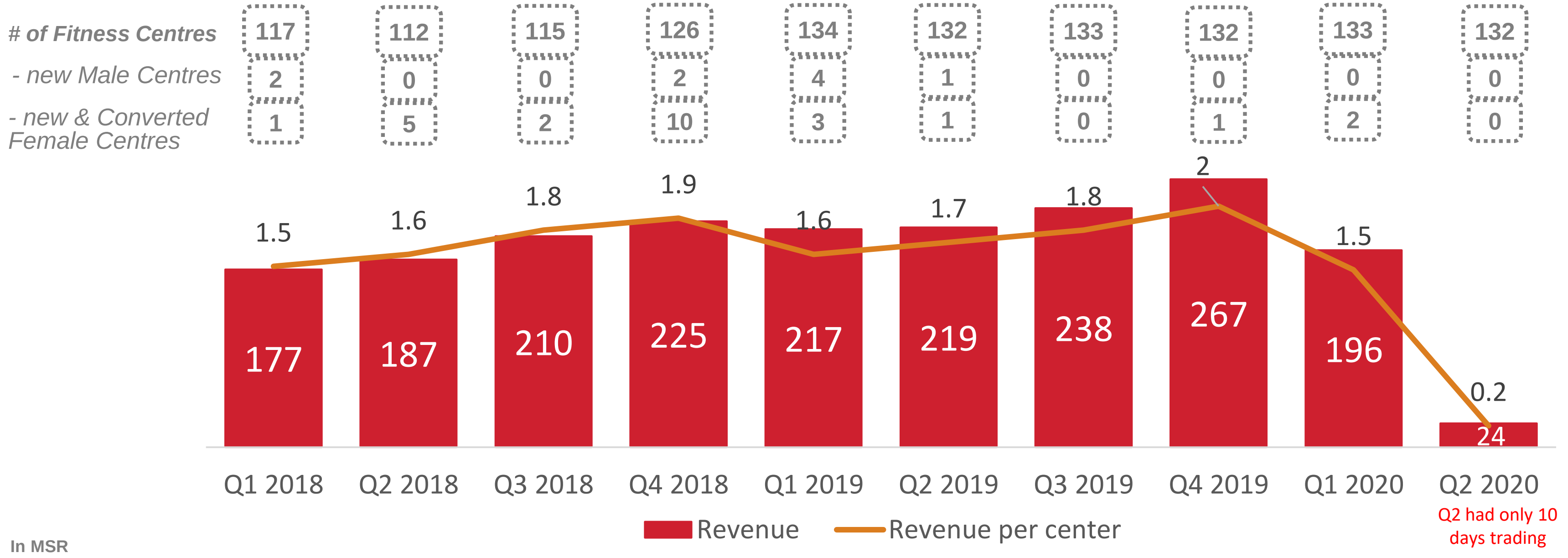
Key Messages:

❖ 282% Q2 2020 net income decline primarily driven by:

- Impact of covid-19 pandemic approx. SR 44M
- Not recognizing revenue during lockdown period, however cost were there.
  Excluding the impact of covid-19 net income of Q2 2020 would have been SR 50M.

QoQ Growth (SAR million)

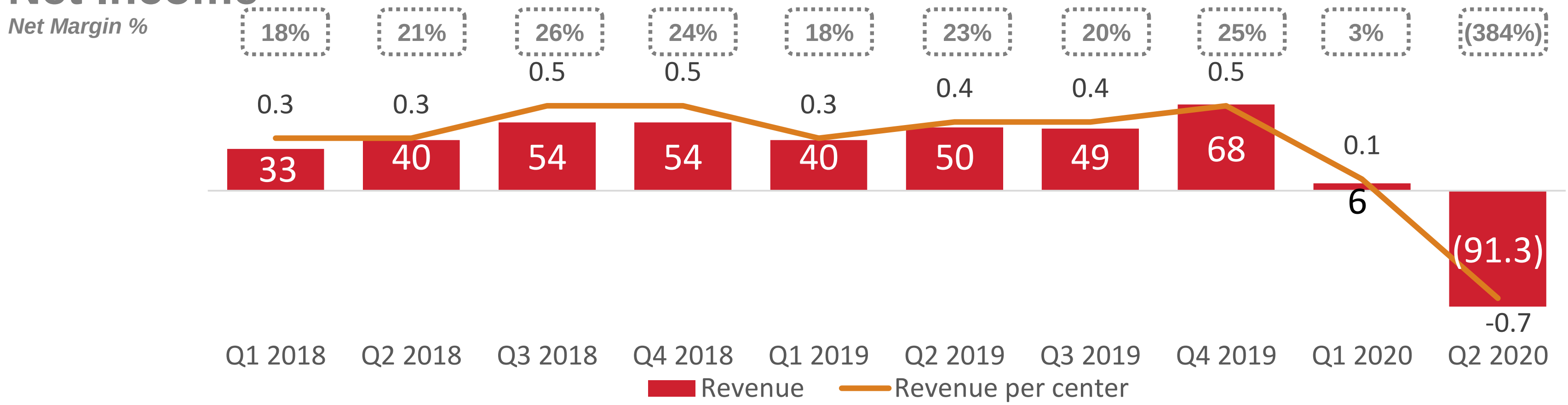
Revenue



Key Messages:

Excluding impact of covid-19 pandemic, Q2 2020 revenue would have a growth of 8% vs. Q2 2019

Net Income



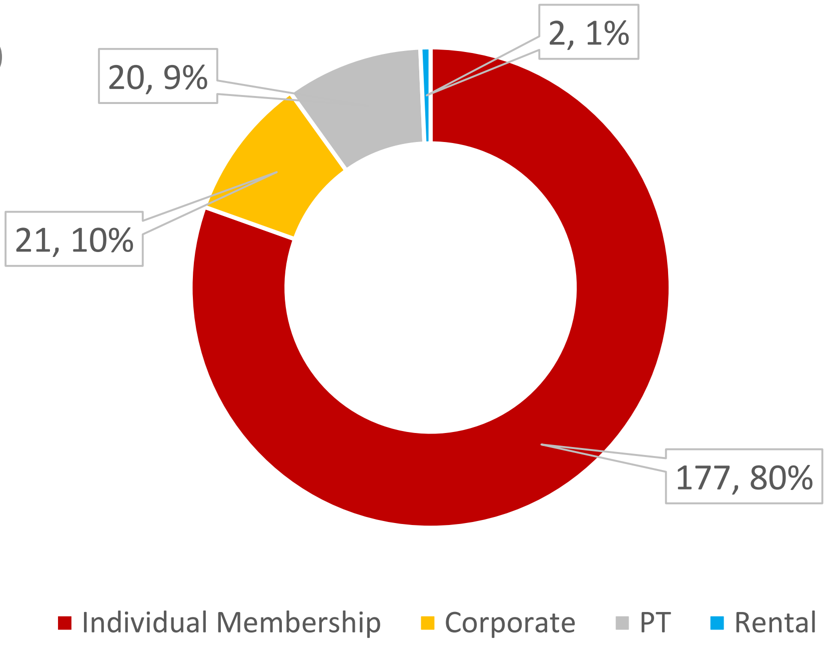
Key Messages:

Excluding impact of covid-19 pandemic, Q2 2020 net income would have been stable vs. Q2 2019

Revenue Break-Down

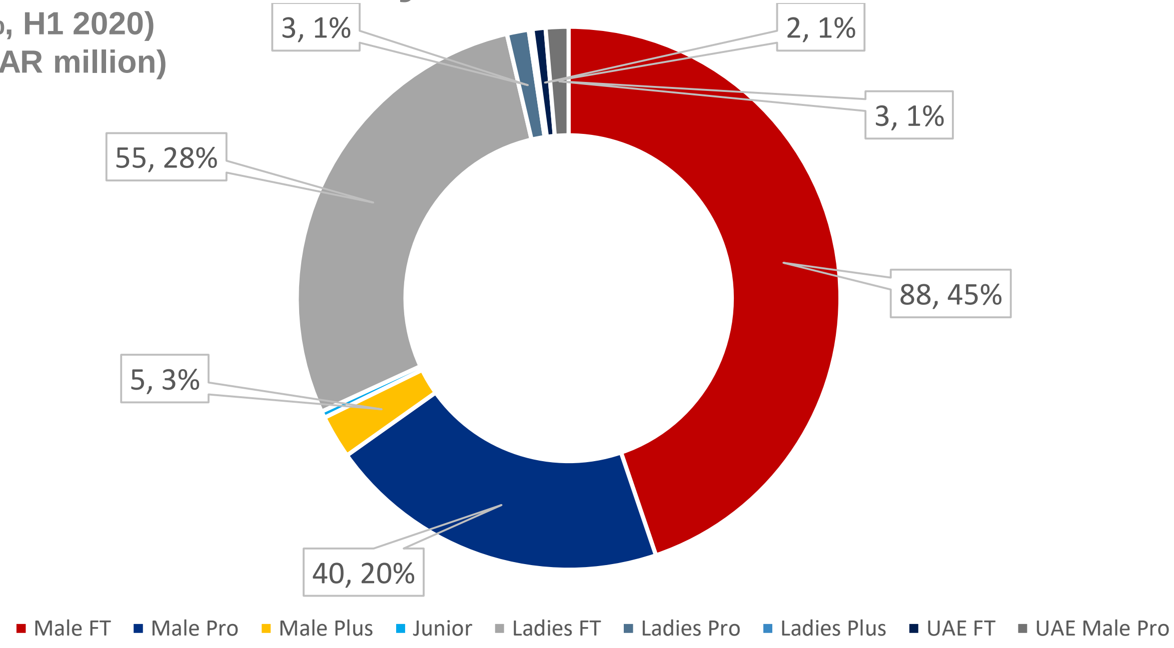
Revenue by Type

(%, H1 2020)
(SAR million)



Center Revenue by Brand

(%, H1 2020)
(SAR million)



Revenue Breakdown	CY	LY	∆	∆%
Individual Membership	177	327	(150)	(45.9%)
Corporate	21	64	(42)	(66.7%)
Personal training income	20	41	(21)	(50.8%)
Rental income	2	4	(3)	(66.3%)
Total	**220**	**436**	**(216)**	**(49.6%)**

No. of centers by category

Category	Q2 2020	2019	2018	2017
FT Men	55	53	49	50
PRO Men	40	42	41	42
Plus Men	2	2	4	4
Junior	3	4	6	8
FT Female	25	24	20	4
PRO Female	6	6	6	4
Plus Female	1	1	0	0
Total	**132**	**132**	**126**	**112**

Source: Company

H1 2020 P&L

SR M	H1 19	H1 20	Δ	Δ%
Revenue	436.3	219.9	(216.5)	(49.61%)
Cost of revenue	279.7	232.7	(47.0)	(16.81%)
Gross profit	**156.6**	**(12.8)**	**(169.4)**	**(108.18%)**
Gross profit Margin	**35.89%**	**(5.83%)**	**(41.72%)**	**(41.72%)**
Advertising and marketing expenses	7.1	9.7	2.6	36.66%
General and administrative expenses	34.5	34.4	(0.0)	(0.06%)
Impairment (loss) / reversal on financial assets	1.0	1.0	0.0	1.65%
Other income	5.0	2.5	(2.5)	(49.47%)
Operating income	**119.1**	**(55.4)**	**(174.5)**	**(146.53%)**
Operating income Margin	**27.29%**	**(25.20%)**	**(52.49%)**	**(52.49%)**
Finance charges	27.6	29.7	2.1	7.55%
Net income before Zakat	**91.5**	**(85.1)**	**(176.6)**	**(192.99%)**
Zakat	2.3	(0.0)	(2.3)	(100.02%)
Net income	**89.2**	**(85.1)**	**(174.3)**	**(195.40%)**
Net income Margin	**20.44%**	**(38.69%)**	**(59.13%)**	**(59.13%)**
Basic earnings per shares	1.7	-1.6	(3.3)	(195.40%)
EBITDA	**213.0**	**46.9**	**(166.1)**	**(77.98%)**
EBITDA Margin	**48.8%**	**21.3%**	**(27.49%)**	**(27.49%)**

Key Messages:

- Revenue decline of SR 216M (50%) mainly due to closure of all clubs since 16th Mar until June21 2020 due to covid-19 pandemic.
- Cost of revenue decreased by SR 47M (17%) mainly due to decrease in salaries, utilities, cleaning, consumables and security, partly offset by higher depreciation (impact of Non-LFL and new centers) and increase in government expenses (high iqama, work permit and licenses fees).
- Higher Advertising expenses of by SR 2.6M (37%) driven by increasing marketing activities mainly higher social media presence.
- G&A expenses is almost same LY, mainly due to lower salaries and government expenses, offset by increase professional fees, FA provision and other costs.
- Finance cost higher by SR 2.1M mainly driven by and higher loans balance to support expansion plan.

Q2 2020 P&L

SR M	Q2 19	Q2 20	Δ	Δ%
Revenue	219.0	23.8	(195.3)	(89.14%)
Cost of revenue	137.5	87.0	(50.5)	(36.71%)
Gross profit	**81.5**	**(63.3)**	**(144.8)**	**(177.59%)**
Gross profit Margin	**37.22%**	**(265.98%)**	**(303.20%)**	**(303.20%)**
Advertising and marketing expenses	3.5	1.0	(2.4)	(70.16%)
General and administrative expenses	14.3	13.5	(0.8)	(5.56%)
Impairment (loss) / reversal on financial assets	0.8	0.7	(0.1)	(14.54%)
Other income	2.6	1.0	(1.7)	(63.06%)
Operating income	**65.5**	**(77.5)**	**(143.1)**	**(218.32%)**
Operating income Margin	**29.92%**	**(326.06%)**	**(355.98%)**	**(355.98%)**
Finance charges	14.6	14.0	(0.7)	(4.57%)
Net income before Zakat	**50.9**	**(91.5)**	**(142.4)**	**(279.76%)**
Zakat	1.3	(0.2)	(1.5)	(112.96%)
Net income	**49.6**	**(91.3)**	**(140.9)**	**(284.17%)**
Net income Margin	**22.64%**	**(384.07%)**	**(406.71%)**	**(406.71%)**
Basic earnings per shares	1.0	(1.7)	(2.7)	(283.16%)
EBITDA	**113.7**	**-24.6**	**(138.3)**	**(121.64%)**
EBITDA Margin	**51.9%**	**(103.45%)**	**(155.36%)**	**(155.36%)**

Key Messages:

- Revenue decline of SR 195M (89%) mainly due to closure of all clubs until 21 June 2020 due to covid-19 pandemic.
- Cost of revenue decreased by SR 50.5M (37%) mainly due to closure of all clubs until 21 June 2020 due to covid-19 pandemic.
- Lower Advertising expenses of by SR 2.4M (70%) driven by the closure of all clubs until 21 June 2020 due to covid-19 pandemic.
- decrease in G&A expenses is mainly due to lower salaries (lower allowances and commissions) partly offset by increase in professional fees, higher provisions (doubtful debt and PP&E written off) and slight increase in government expenses, utilities and stationery.
- Finance cost lower by SR 0.7M mainly due to decrease finance lease liability partly offset by higher interest cost (higher loan balances).

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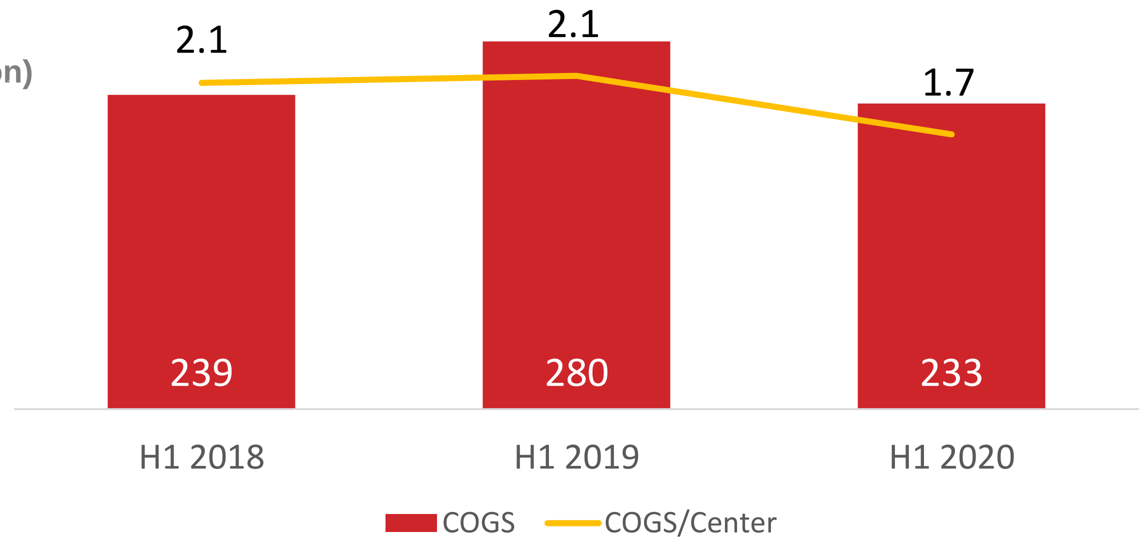
COGS & SG&A

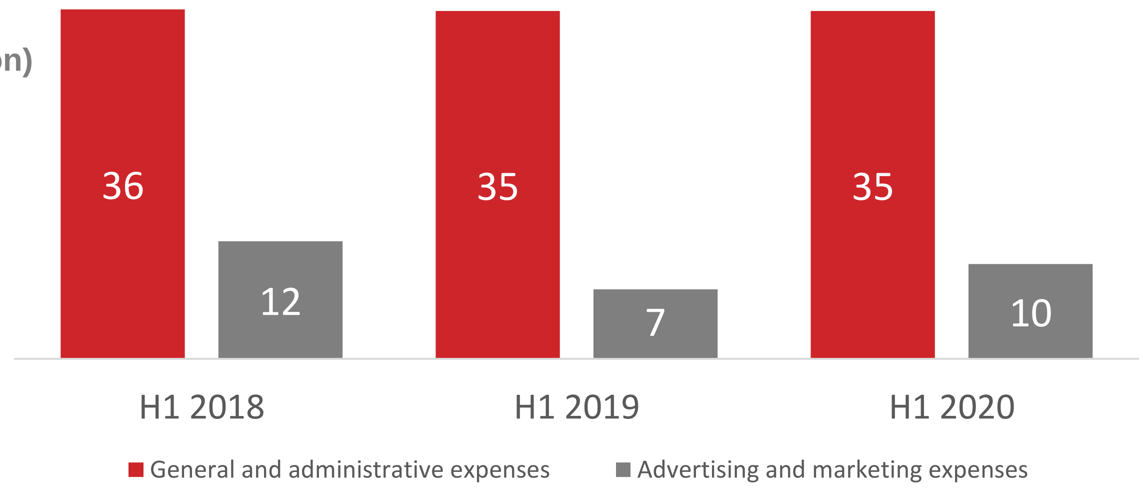
COGS
(SAR million)



Key Messages:

❖ 17% decrease in average COGS / center is mainly driven by:
- Lower salaries and benefits 32% (lower allowances and commissions), decrease in utilities, cleaning expenses, consumables and security, partly offset by:
- Higher depreciation (impact of new and non- LFL centers) and government expenses (higher iqama, work permit and licenses fees).

SG&A
(SAR million)



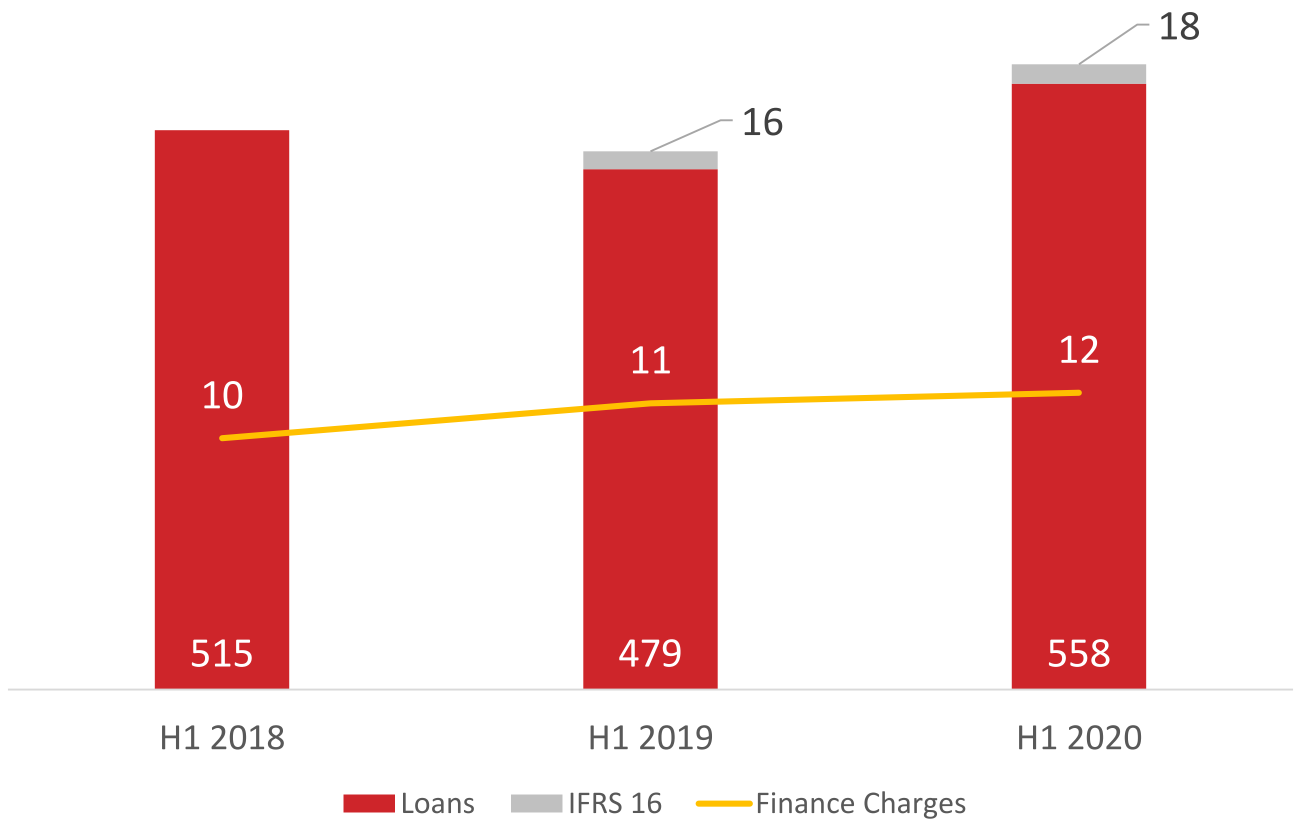
Key Messages:

❖ Increase in advertising & marketing cost mainly due to higher campaigns & longer durations, higher media spend and more activities to enhance customers awareness that will lead to improvements in realized price.

❖ General and administrative expenses were slightly lower by 1% due to:
- ➢ decrease in staff cost offset by higher professional fees and increase in provisions.

Loans & Finance Charges

Loans and Finance Charges
(SAR million)



Key Messages:

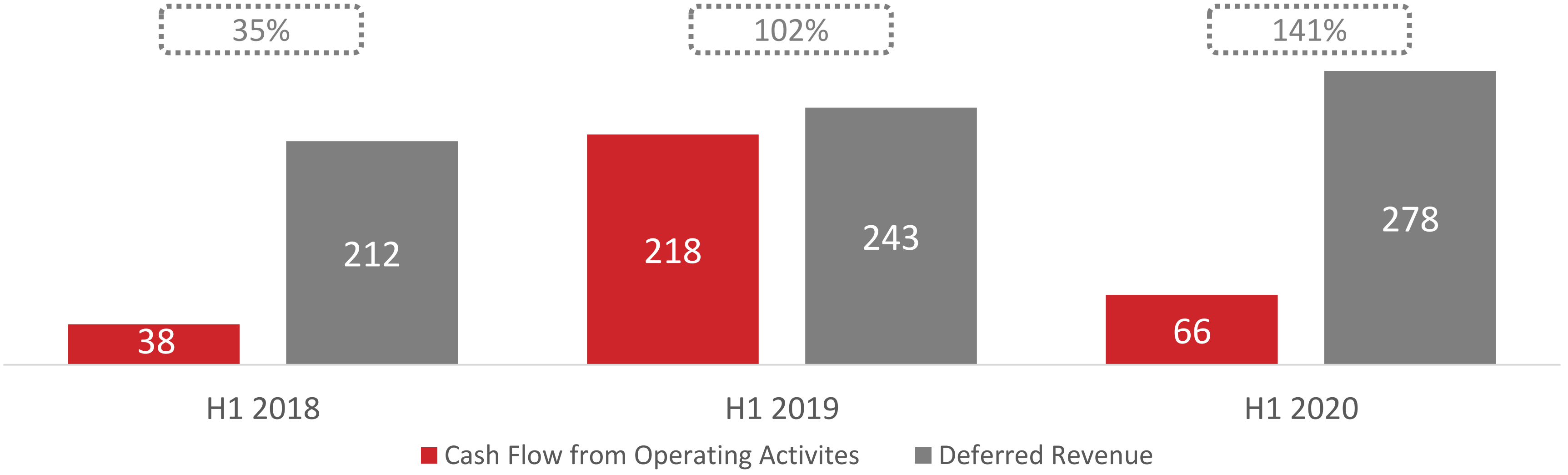
- YOY Increase in loans to support center expansion.
- Overall bank loan increased by SR 79M, however Cash increased by SR 152M
- Approximate 50-60% split by managing the portfolio between floating & fixed rated borrowings.
- Weighted average cost of borrowings approximate 4%.

Cash Generation & Returns

Cash Flow From Operations

(SAR million)

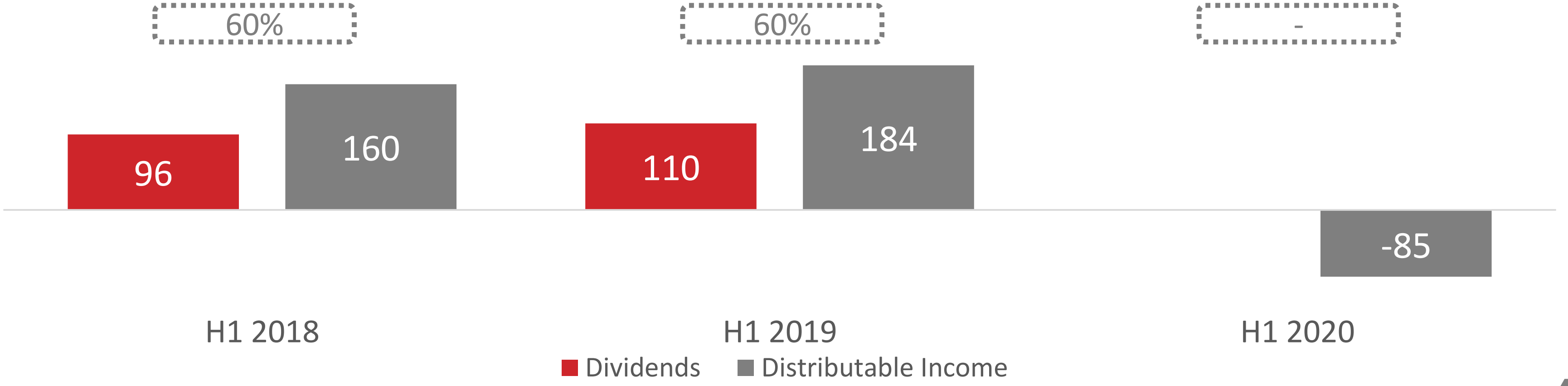
Cash flow / EBITDA



Dividend Declared and Pay-out

(SAR million)

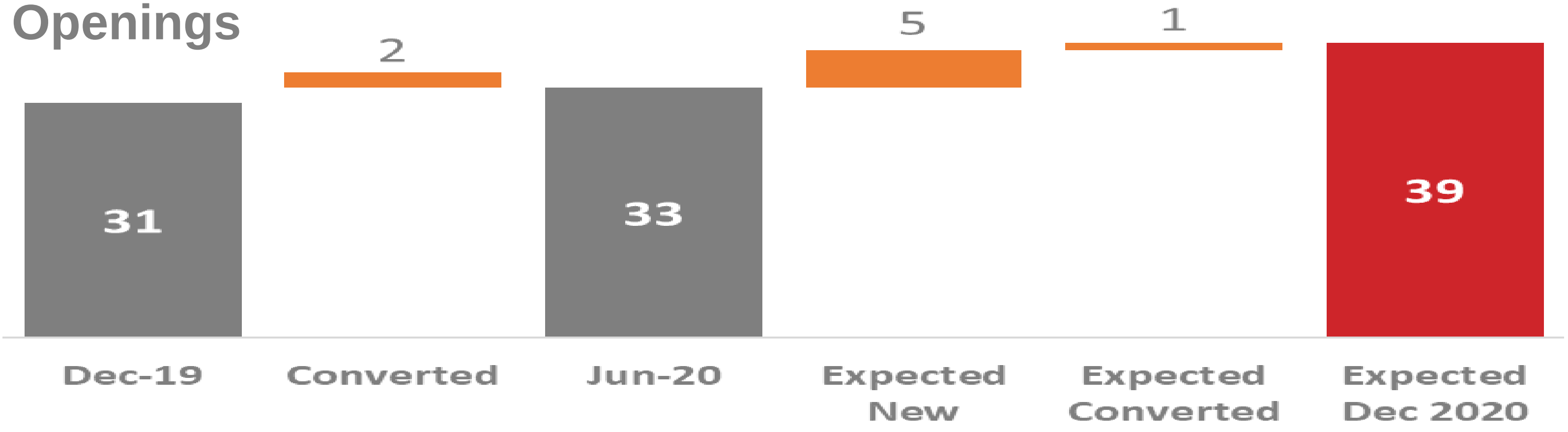
Dividend Ratio



H1 2020 Male & Female Segments

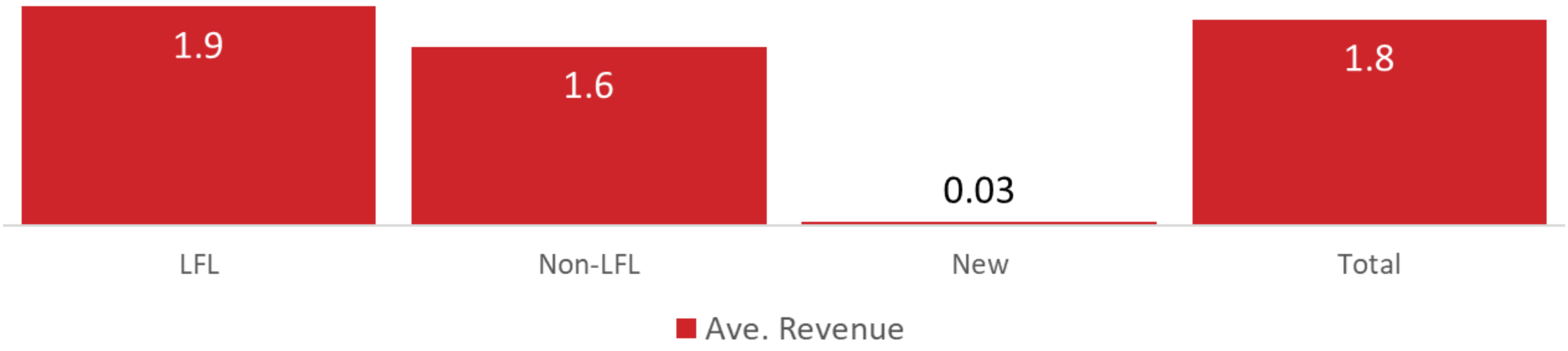
Female Centers continue to make Material Contribution in H1 2020

Female Centers Openings



CY Female centers Ramp-up Evolution

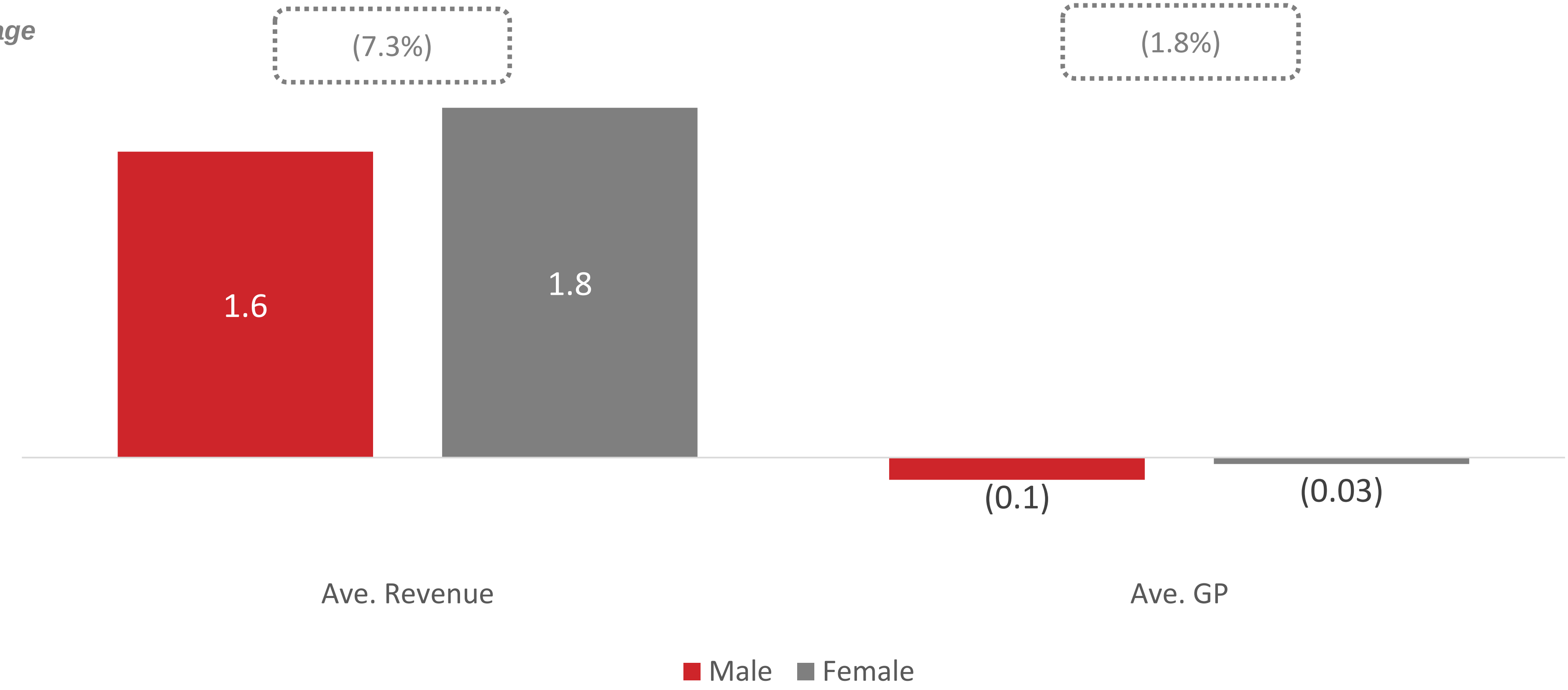
Revenue per centre (SAR million)



Male vs. Female Centres Performance

Based on Q2 2020 performance
Revenue and Gross Profit per centre (SAR million)

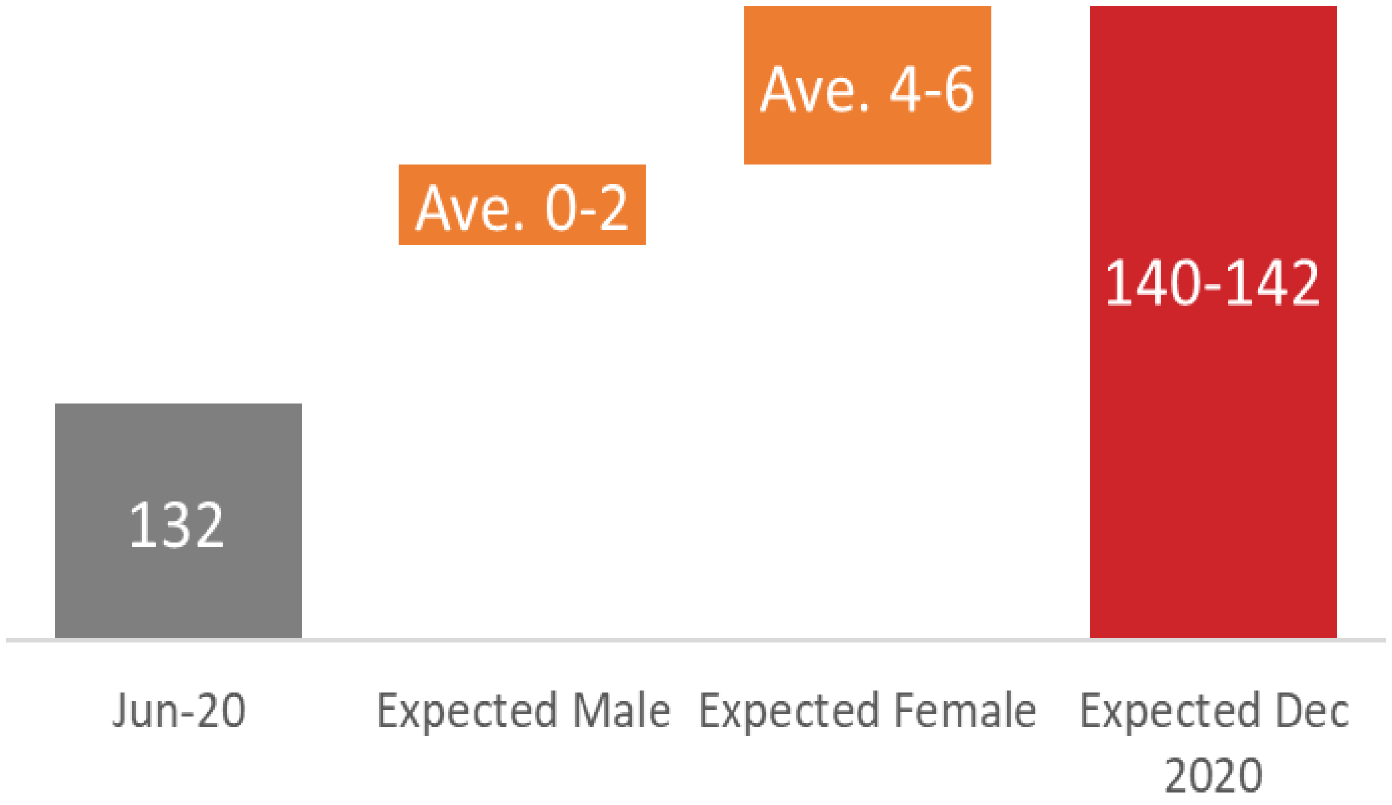
Gross Margin, average



5. Outlook FY 2020

Outlook FY 2020

No. of centres Growth



Tentative Guidance:

- 2020 growth will be driven by:
  - further opening of 0-2 male centers & 4-6 female centers
  - Continuing LFL growth and ramp up of non-LFL & new centers
  - expanding corporate & PT business
  - gradual improvement of realized prices
  - focus on bringing back members who left Fitness Time
  - cost control, and improving customer experience, member retention & services.
- Despite the impact of covid-19, we expect QoQ growth in 2020 after reopening.

Thank you

6. Q&A