

Leejam Sports Company Extraordinary General Assembly Meeting May 22nd, 2025

The Board of Directors of Leejam Sports Company Invites Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) via Means of Modern Technology

ELEMENT LIST	EXPLANATION
Introduction	The Board of Directors of Leejam Sports Company (the Company) is pleased to Invite the Shareholders to Attend & vote in the Ordinary General Assembly Meeting (First Meeting) on 22 nd May 2025 at 20:30 which will be conducted via modern technologies.
City and Location of the General Assembly's Meeting	Riyadh at Leejam Head Office via modern technologies using Tadawulaty
URL for the Meeting Location	https://login.tadawulaty.com.sa
Date of the General Assembly's Meeting	22 nd May 2025
Time of the General Assembly's Meeting	20:30
Attendance Eligibility, Registration Eligibility, and Voting End	Each shareholder who is registered in the Company's shareholders register with Edaa at the end of the trading session prior to the Assembly meeting shall be entitled to attend the assembly meeting, according to the rules and regulations. The eligibility to register attendance at the assembly meeting ends at the time of the assembly and the right to vote on the Ordinary General Assembly Agenda for attendees ends when the counting committee finishes counting the votes.
Quorum for Convening the General Assembly's Meeting	The Ordinary general assembly meeting is valid if shareholders, representing at least 25% of the capital, attended.
General Assembly Meeting Agenda	<ol style="list-style-type: none"> 1. Review the Board of Directors' Report for the fiscal year ending on 31st December 2024 and discuss it. 2. Review the Financial Statements for the fiscal year ending on 31st December 2024 and discuss it. 3. Vote on the Auditor's Report on the Company's accounts for the fiscal year ending on 31st December 2024 after discussing it.

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	<p>4. Vote on releasing the Board of Directors members from liability for the fiscal year ending on 31st December 2024.</p> <p>5. Vote on paying an amount of SAR 3,167,845 as remuneration to the Board Members for the fiscal year ending on 31st December 2024.</p> <p>6. Vote on appointing an auditor for the company from among the candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review, and audit the second and third quarters and annual Financial Statements of the fiscal year ending on 31st December 2025., and the first quarter of the fiscal year ending on 31st December 2026., and the determination of the Auditor fees.</p> <p>7. Vote on delegating the Board of Directors to distribute interim dividends on a bi-annually or quarterly basis for the fiscal year ending on 31st December 2025.</p> <p>8. Vote on delegating to the Board of Directors the authorization powers of the General Assembly stipulated in paragraph (1) of Article (27) of the Companies Law, for a period of one year starting from the date of the approval by the General Assembly or until the end of the delegated Board of Directors' term, whichever is earlier, in accordance with the implementation rules of Companies Law for listed Joint Stock Companies.</p> <p>9. Vote on amending Audit Committee Regulations. (Attached)</p>
Proxy Form	Proxy Form is not available due to that the meeting will be conducted via modern technologies using Tadawulaty system
E-Vote	The shareholders who are registered in the Tadawulaty services can remotely vote on the items of the Ordinary General Assembly Meeting, through (electronic voting) service at (https://login.tadawulaty.com.sa) as voting and registration is free of charge. Noting that the remote voting will start at 01:00 AM on 20 May 2025 and continue till the end of the Meeting.
The shareholder right in discussing the assembly agenda topics, asking questions, and exercising the voting right	Each shareholder who is registered in the Company's shareholders register with Edaa at the end of the trading session prior to the Assembly meeting shall be entitled to the right to discuss the items included in the Assembly's agenda and ask questions by participating in the meeting remotely via the link attached to the Assembly's page on the Tadawulaty website (https://login.tadawulaty.com.sa).

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Method of Communication	For any inquiries please contact Investor Relations at: 00966564149752 or at: investor.relations@leejam.com.sa
Additional information	The attending shareholders are also entitled to discuss the agenda items and ask questions.

Leejam Sports Company Annual Audit Committee Report For the Year ended 31 December 2024

16 March 2025

Dear Shareholders of Leejam Sports Company,

Greetings

During the year 2024, the Committee discussed the effectiveness of both the external audit process and the internal audit function in relation to the preparation of financial reports and the internal control system at Leejam Sports Company (hereafter referred to as "the company" or "LEEJAM"). The Committee also focused particularly on the appropriateness of LEEJAM's financial statements to ensure compliance with applicable International Accounting and Financial Reporting Standards (IFRS) along with relevant local laws and regulations of Kingdom of Saudi Arabia (KSA). The Committee has ensured itself and has advised the Board of Directors (Board) accordingly, it did not notice what could affect its conclusion that the 2024 financial statements are fair, balanced and understandable, and provide the necessary information for shareholders to assess LEEJAM performance, business model and strategy.

The Committee held six (6) meetings during the year 2024 that took place with internal audit team, key management personnel and external auditor; to review the internal controls, compliance, and risk management system. The Chairman of the Committee also made communications with the Board to share high risk alerts to ensure timely remediation in line with best practices of risk management and internal controls system.

A. Outcome of Audit Committee Work

During the year 2024, the Committee worked on activities to fulfill its responsibilities under governance and to strengthen internal controls. Major activities are detailed below:

1. Review of Financial Statements

During the financial year 2024, the Committee considered the accounting policies, estimates and judgments used, considering the impact of such factors on the financial position of LEEJAM and its suitability to the nature of the company's activity.

2. Review of Internal Audit Reports

The Committee reviewed 15 internal audit reports and provided guidance to Executive Management on audit findings & remediation measures for several departments and subsidiaries.

3. Review of Recurring Engagements Reports

The Committee monitors the progress of recurring audit engagements and other reviews performed by the Internal Audit function on a monthly and quarterly basis, as seen below:

Recurring Engagements		
#	Business Areas Reviewed	Internal Controls Focus
1	Club Audits (162 clubs)	Operational & Compliance
2	Safecall Whistleblowing (25 cases)	Operational & Reputational
3	Quarterly Financial review	Financial & Compliance

4. Follow-up on Internal Audit Work

The Committee reviewed the Internal Audit work and oversights timely follow up on the raised observations to ensure timely implementation of the corrective action plan. Out of the total of 1,603 due observations reported till yearend, 1,456 (91%) due observations have been closed. The remaining 147 due observations and 142 undue observations will be closed during the year 2025.

5. Consulting Engagements

The Committee monitored the progress of consulting engagements performed by Internal Audit function designed to improve internal control environment and support management in adding business value. Such engagements included limited assurance engagements and advisory services.

6. Governance, Risk, and Compliance (GRC)

Under the supervision of the Audit Committee, the Governance, Risk, and Compliance (GRC) department was established to reinforce corporate governance structures, enhance risk management practices, and ensure robust compliance standards across the organization. Below is a high-level summary of key initiatives:

a. Governance:

The GRC department has established a comprehensive governance framework, covering critical policies such as Conflict of Interest, Whistleblowing, Stakeholder Protection, Authority and Delegation and many other policies, as well as structured Board and Committee Charters. By introducing Corporate Governance and Compliance Management Manuals and a robust Code of Conduct, the organization has enhanced oversight, clarified roles and responsibilities, and reinforced ethical leadership, transparency, and accountability at all levels.

b. Risk Management:

The Enterprise Risk Management (ERM) framework has been updated to systematically identify, assess, and mitigate risk. Supported by an ERM Manual that provides clear methodologies, reporting structures, and governance mechanisms, this approach integrates risk oversight into strategic decision-making and operational, strategic, organizational, and financial processes. Additionally, the GRC department continues to enhance the risk register and issue structured risk reports, including KRIs, ensuring ongoing risk visibility and proactive mitigation.

c. Compliance:

A standardized Compliance Management Framework and Manual underpin the organization's commitment to regulatory adherence and best practices. By maintaining an up-to-date database of laws and regulations, conducting compliance reviews, and implementing awareness and reporting mechanisms (including non-compliance procedures and compliance champions), fostering a culture of accountability and transparency while reinforcing internal controls.

d. Operations:

The GRC department expanded the scope of policies across areas such as Investments, Real Estate, Facility Management, Data Protection, and Command Center Governance. Efforts were also made to ensure business continuity through the development of effective operational controls, proactive incident management, and the integration of Health and Safety protocols (Emergency Response Plans, Hazard Identification, Fire Protection Procedures) with cybersecurity and data protection policies.

7. Key Projects by Audit Committee

The Committee undertook key projects to improve the overall risk management culture and overall internal control environment across the organization. For the year 2024, the following engagements were conducted/initiated to improve the company internal control systems:

- A. Cybersecurity Assessment & Maturity Review (*completed*)
- B. Personal Data Protection Law (PDPL) as well as conducting gap analyses and developing related policies. (*completed*)
- C. Health & Safety Management System (HSMS) (*completed*)

B. Internal Control and Risk Management Environment

The Committee recognizes that the Company has adopted a system of internal controls designed to monitor the company's activities and provide reasonable assurance about the effectiveness and efficiency of such controls (including financial reporting, compliance with applicable rules and regulations and operational efficiency and effectiveness). The Committee also ensured the work of the internal audit is focused assessing the adequacy and effectiveness of the Company's

internal controls, and that management is addressing the observations raised by the Internal Audit Department.

During the year, internal controls systems were updated and improved as part of ongoing improvement program. On recommendation of the Committee key enhancements & improvements were made to internal policies to comply them with the Capital Market Authority requirements.

Below steps were taken by the Committee to improve the internal control environment:

- Recent update of company risk registers to capture and manage new risks and evaluation of controls effectiveness at process level.
- Consistent update in delegation of authority matrix in line with change in company organization structure.
- Providing guidance to Internal Audit function to add business value by providing consultancy services and awareness sessions to management while monitoring the outcome of such consultancy engagements.

C. External Auditor Review

The Audit Committee oversees LEEJAM's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the LEEJAM, their appointment and their audit fee proposals.

The Committee also received communication from E&Y that they are independent and confirmed that they were not aware of any relationship between LEEJAM and E&Y or between E&Y and any person in financial reporting oversight roles in LEEJAM that may affect its independence.

The committee reviewed external auditor reports on that were based on unqualified opinions on annual and interim financial statements along with 'management representation' letter. For the year 2024, the Committee evaluated external audit proposals and recommended two names to be reviewed and approved in the Annual General Meeting.


D. Audit Committee Opinion

The Audit Committee was able to carry out its duties at LEEJAM in accordance with its approved charter, under unrestricted conditions.

With reference to the financial statements, based on assurance obtained during the review of internal audit reports, unqualified opinion issued by the external auditor and review of the documentation deemed necessary and following discussions with all stakeholders regarding the company's internal control, financial, and risk management systems and management's assurances regarding the integrity of the company's control system, the Audit Committee found

no significant observations on the internal control system for the fiscal year ending December 31, 2024. It should be noted that absolute assurances cannot be made, but rather reasonable assurances regarding the integrity and effectiveness of the internal control system. There is also no conflict between the Audit Committee's recommendations and decisions and those of the Board of Directors.

Moreover, as part of best practices and emerging regulatory changes, there is still improvement required to improve the overall risk and control culture where all LEEJAM employees are aware of their own responsibilities in relation to internal control environment, compliance, and risk management (as specified by IIA's three lines model, corporate governance guidelines as per Capital Market Authority (CMA) and global risk management practices).



Dr. Mohammed Al-Kinani

Chairman of Audit Committee

Leejam Sports Company