

**Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

**For the Three Month and Six months Periods ended
30 June 2025**

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

<i>INDEX</i>	<i>PAGES</i>
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Profit or Loss	2
Interim Condensed Consolidated Statement of Comprehensive Income	3
Interim Condensed Consolidated Statement of Financial Position	4
Interim Condensed Consolidated Statement of Changes in Equity	5
Interim Condensed Consolidated Statement of Cash Flows	6-7
Notes to the Interim Condensed Consolidated Financial Statements	8-22

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

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Leejam Sports Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed consolidated statements 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 consolidated 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 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*", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Hesham A. Alatiqi
Certified Public Accountant
License No. (523)

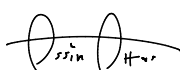


Riyadh: 9 Safar 1447H
(3 August 2025)

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the Three and Six Month Periods ended 30 June 2025

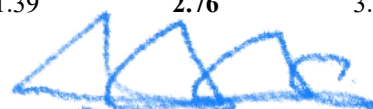
		For the three months period ended 30 June		For the six months period ended 30 June	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
CONTINUING OPERATIONS					
Revenue	6	375,575,312	339,350,997	744,463,321	679,746,986
Cost of revenue	7	(241,011,091)	(206,208,715)	(480,270,263)	(408,363,222)
GROSS PROFIT		134,564,221	133,142,282	264,193,058	271,383,764
General and administrative expenses		(35,237,653)	(28,976,778)	(70,290,679)	(59,525,846)
Advertising and marketing expenses		(5,909,851)	(3,592,235)	(11,356,549)	(12,186,956)
Allowance for expected credit losses		-	(932,054)	-	(1,881,815)
OPERATING PROFIT		93,416,717	99,641,215	182,545,830	197,789,147
Other (expenses) / income, net		(135,914)	54,010	(159,405)	4,920,833
Gain on lease modification		-	-	-	8,998,700
(Loss) / Gain on lease termination		(49,454)	5,803,430	(49,454)	5,803,430
Reversal of impairment of non-financial assets	9	3,063,004	-	11,457,173	4,733,842
Write off of property and equipment		-	(8,746,066)	-	(8,746,066)
Finance costs		(23,590,237)	(23,255,799)	(46,323,256)	(45,416,844)
Share in net results of investment in an associate		(2,177,602)	(1,926,270)	(4,584,397)	(3,639,837)
Profit from short term Murabaha		59,488	2,600,352	109,216	6,093,913
PROFIT BEFORE ZAKAT AND INCOME TAX		70,586,002	74,170,872	142,995,707	170,537,118
Zakat and income tax	17	1,666,057	(1,961,088)	(407,654)	(4,667,905)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		72,252,059	72,209,784	142,588,053	165,869,213
(Loss) / profit after zakat and income tax for the period from the discontinued operation	5	(132,379)	705,393	67,621	1,224,449
PROFIT FOR THE PERIOD		72,119,680	72,915,177	142,655,674	167,093,662
NET PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent company		73,109,201	73,202,106	143,996,433	167,422,756
Non- Controlling Interests		(989,521)	(286,929)	(1,340,759)	(329,094)
		72,119,680	72,915,177	142,655,674	167,093,662
EARNINGS PER SHARE					
Basic and diluted, from the profit for the period attributable to shareholders of the parent company	8	1.40	1.40	2.76	3.20
Basic and diluted, from continuing operations attributable to shareholders of the parent company	8	1.40	1.39	2.76	3.18



Assim Al Attas
Chief Financial Officer



Abdulelah Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

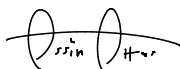
The attached notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the Three and Six Month Periods ended 30 June 2025

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
Net profit for the period	72,119,680	72,915,177	142,655,674	167,093,662
Other comprehensive income (“OCI”)				
<i>Item that will not be reclassified to statement of profit or loss in subsequent periods:</i>				
Share in net result of financial assets at fair value through OCI	-	-	-	92,318
Re-measurement loss on employees end of service benefits obligation	(651,851)	(530,751)	(651,851)	(530,751)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	71,467,829	72,384,426	142,003,823	166,655,229
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent company	72,457,350	72,671,355	143,344,582	166,984,323
Non- Controlling Interest	(989,521)	(286,929)	(1,340,759)	(329,094)
	71,467,829	72,384,426	142,003,823	166,655,229



Assim Al Attas
Chief Financial Officer



Abdulelah Al-Nemr
Chief Executive Officer



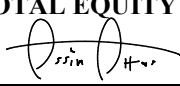

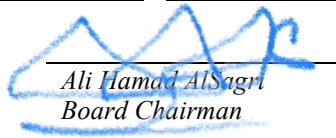
Ali Hamad AlSagri
Board Chairman

The attached notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

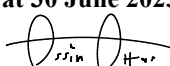

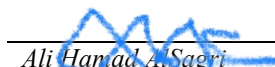
	Note	30 June 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	9	2,173,636,095	2,057,689,844
Right-of-use assets	10	1,335,840,891	1,253,059,878
Investment in associate	11	11,662,280	8,728,731
Intangible assets		9,259,844	8,382,827
Goodwill		8,289,905	8,289,905
Financial assets at fair value through other comprehensive income (FVOCI)		4,892,318	4,892,318
Advances to suppliers and contractors		113,459,270	99,334,520
TOTAL NON- CURRENT ASSETS		3,657,040,603	3,440,378,023
CURRENT ASSETS			
Inventories		23,753,902	24,321,491
Prepayments and other current assets		76,280,614	87,963,593
Trade receivables	13	34,881,186	26,024,581
Cash and cash equivalents	14	73,124,285	106,103,887
TOTAL CURRENT ASSETS		208,039,987	244,413,552
Assets classified as held for sale	5	35,309,424	36,142,123
TOTAL ASSETS		3,900,390,014	3,720,933,698
EQUITY AND LIABILITIES			
EQUITY			
Share capital		523,833,610	523,833,610
Treasury shares	22	(28,672,156)	(22,626,657)
Retained earnings		771,375,097	732,030,058
Fair value reserve of financial assets at FVOCI		92,318	92,318
Equity attributable to the equity holders of the parent company		1,266,628,869	1,233,329,329
Non-controlling interests		7,968,033	4,994,261
TOTAL EQUITY		1,274,596,902	1,238,323,590
NON-CURRENT LIABILITIES			
Borrowings	15	257,458,904	225,957,411
Lease liabilities	10	1,365,793,803	1,275,789,904
Employees' end of service benefits		72,044,759	65,945,056
TOTAL NON-CURRENT LIABILITIES		1,695,297,466	1,567,692,371
CURRENT LIABILITIES			
Borrowings	15	195,800,932	105,252,967
Lease liabilities	10	105,536,446	100,611,256
Accounts payable		73,736,106	67,975,620
Accrued expenses and other current liabilities	16	95,911,364	113,317,865
Deferred revenue		442,309,266	503,721,286
Provision for zakat and income tax	17	4,829,984	11,255,841
TOTAL CURRENT LIABILITIES		918,124,098	902,134,835
Liabilities directly associated with the assets held for sale	5	12,371,548	12,782,902
TOTAL LIABILITIES		2,625,793,112	2,482,610,108
TOTAL EQUITY AND LIABILITIES		3,900,390,014	3,720,933,698
 Assim Al Attas Chief Financial Officer		 Abdulelah Al-Nemr Chief Executive Officer	
		 Ali Hamad AlSagor Board Chairman	

The attached notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Month Period ended 30 June 2025

	<i>Attributable to Equity Holders of the Parent</i>					<i>Total</i>	<i>Non-Controlling Interest ("NCI")</i>	<i>Total</i>
	<i>Share Capital</i>	<i>Statutory Reserve</i>	<i>Treasury Shares</i>	<i>Retained earnings</i>	<i>Fair value reserve of financial assets at FVOCI</i>			
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
As at 31 December 2023 (Audited)	523,833,610	135,596,952	-	429,801,989	-	1,089,232,551	2,530,051	1,091,762,602
Profit for the period	-	-	-	167,422,756	-	167,422,756	(329,094)	167,093,662
Other comprehensive loss	-	-	-	(530,751)	92,318	(438,433)	-	(438,433)
Total comprehensive income for the period	-	-	-	166,892,005	92,318	166,984,323	(329,094)	166,655,229
Dividends (note 23)	-	-	-	(120,481,730)	-	(120,481,730)	-	(120,481,730)
Transfer of statutory reserve to retained earning	-	(135,596,952)	-	135,596,952	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	4,481,266	4,481,266
Additional investment by NCI	-	-	-	-	-	-	113,145	113,145
As at 30 June 2024 (Unaudited)	523,833,610	-	-	611,809,216	92,318	1,135,735,144	6,795,368	1,142,530,512
As at 31 December 2024 (Audited)	523,833,610	-	(22,626,657)	732,030,058	92,318	1,233,329,329	4,994,261	1,238,323,590
Profit for the period	-	-	-	143,996,433	-	143,996,433	(1,340,759)	142,655,674
Other comprehensive loss	-	-	-	(651,851)	-	(651,851)	-	(651,851)
Total comprehensive income for the period	-	-	-	143,344,582	-	143,344,582	(1,340,759)	142,003,823
Dividends (note 23)	-	-	-	(103,999,543)	-	(103,999,543)	-	(103,999,543)
Additional investment by NCI (note1 (a))	-	-	-	-	-	-	4,314,531	4,314,531
Treasury shares (note 22)	-	-	(6,045,499)	-	-	(6,045,499)	-	(6,045,499)
As at 30 June 2025 (Unaudited)	523,833,610	-	(28,672,156)	771,375,097	92,318	1,266,628,869	7,968,033	1,274,596,902
 Assim Al Attas Chief Financial Officer	 Abdulrah Al-Nemr Chief Executive Officer	 Ali Hamad A. Sagri Board Chairman						

The attached notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the Six Month Period ended 30 June 2025

		For the six-months period ended 30 June	
	Note	2025 RM	2024 RM
OPERATING ACTIVITIES			
Profit before zakat and income tax		142,995,707	170,537,118
Profit from discontinued operations		67,621	1,224,449
		<u>143,063,328</u>	<u>171,761,567</u>
Adjustments to reconcile profit before zakat and tax to net cash flows:			
Depreciation		164,706,121	142,408,922
Amortization of intangible assets		1,499,468	1,611,416
Allowance for expected credit losses		-	1,881,815
Finance costs		46,323,256	45,430,473
Profit from short term Murabaha		(109,216)	(6,093,913)
Reversal of impairment of non-financial assets		(11,457,173)	(4,733,842)
Gain on lease modification		-	(8,998,700)
Loss / (gain) on lease termination		49,454	(5,803,430)
Write off of property and equipment		-	8,746,066
Impairment of the asset held for sale		101,432	-
Loss / (Gain) on disposal of property and equipment		161,318	(476,274)
Share in net results of investment in an associate		4,584,397	3,639,837
Provision for employees' end of service benefits		5,490,150	4,312,158
		<u>354,412,535</u>	<u>353,686,095</u>
Working capital changes:			
Inventories		567,589	(7,325,750)
Prepayments and other current assets		11,373,732	12,981,757
Trade receivables		(8,944,711)	1,215,047
Accounts payable		5,883,788	11,391,171
Accrued expenses and other current liabilities		(17,794,680)	(7,154,850)
Deferred revenue		(61,294,335)	(39,078,455)
Cash from operations		<u>284,203,918</u>	<u>325,715,015</u>
Employees' end of service benefits paid		(1,593,933)	(1,198,461)
Zakat paid		(6,833,512)	(9,731,207)
Net cash from operating activities		<u>275,776,473</u>	<u>314,785,347</u>
INVESTING ACTIVITIES			
Addition in property and equipment	9	(190,321,541)	(268,064,092)
Advances to suppliers and contractors		(14,124,750)	(11,490,101)
Acquisition of subsidiaries		-	(9,340,844)
Proceeds from short term Murabaha profit		189,049	5,431,828
Addition in investment in an associate	11	(7,517,946)	(5,835,627)
Proceeds from disposal of property and equipment		583,957	2,031,984
Addition in intangible assets		(2,369,266)	(1,542,453)
Net cash used in investing activities		<u>(213,560,497)</u>	<u>(288,809,305)</u>

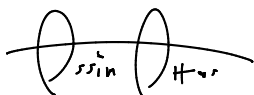
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Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(continued)

For the Six Month Period ended 30 June 2025

		<i>For the six-months period ended</i>	
	<i>Note</i>	<i>30 June</i>	
		<i>2025</i>	<i>2024</i>
		<i>₹</i>	<i>₹</i>
FINANCING ACTIVITIES			
Proceeds from borrowings		462,978,073	329,313,074
Repayments of borrowings		(340,950,992)	(200,170,710)
Finance cost paid		(60,473,213)	(51,175,759)
Dividend paid		(103,999,543)	(120,481,730)
Additional investment by NCI		4,314,531	113,145
Payment of principal portion of lease liabilities		(50,873,973)	(56,970,263)
Purchase of treasury shares	22	(6,045,499)	-
Net cash used in financing activities		(95,050,616)	(99,372,243)
Net decrease in cash and cash equivalents		(32,834,640)	(73,396,201)
Cash and cash equivalents at the beginning of the period	14	108,404,878	276,810,098
Cash and cash equivalents at the end of the period	14	75,570,238	203,413,897
<u>SIGNIFICANT NON-CASH TRANSACTIONS</u>			
Additions to right-of-use assets and corresponding lease liability		94,832,423	102,335,901
Re-measurement loss on employees end of service benefits obligation		651,851	530,751



Assim Al Attas
Chief Financial Officer



Abdulelah Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

The attached notes 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Leejam Sports Company and Its Subsidiaries (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Month Periods ended 30 June 2025

1 CORPORATE INFORMATION

Leejam Sports Company (“the Company”) is a Saudi Joint Stock Company and listed on the Saudi Stock Exchange Market. The Company was established in accordance with the Ministry of Commerce and Industry resolution No. 146/S dated 29 Rabi Al-Thani 1429H (corresponding to 5 May 2008) and registered under Commercial Registration (CR) numbered 4030180323 and the unified identification number 7001573141 dated 19 Jumada Al-Alkhirah 1429H (corresponding to 23 June 2008). The address of the Company’s registered office is Thumamah Street, P.O. Box 295245, Riyadh 11351, Kingdom of Saudi Arabia. In 2012, The Company’s head office was transferred from Jeddah to Riyadh, the Company obtained amended CR numbered 1010337986 dated 14 Jumada Al-Alkhirah 1433H (corresponding to 6 May 2012).

The objectives of the Company and its subsidiaries (“the Group”) are construction, management and operation of sports and entertaining centers and wholesale and retail trading in sports’ clothes and equipment and owning real estate and constructing buildings necessary to achieve its purposes and advertising, construction, management and owning hotels and furnished apartments and other activities that the Group needs to use. The Group’s operations are located in the Kingdom of Saudi Arabia and United Arab Emirates.

The subsidiaries included in these interim condensed consolidated financial statements are as follows:

Name	Country of incorporation	Ownership percentage			
		30 June 2025		31 December 2024	
		Direct	Indirect	Direct	Indirect
Sports Hive Limited Company (formerly known as Al Rasn Investment Company)	Kingdom of Saudi Arabia	-	100%	-	100%
Altathir Al-Riyadiyah Company	Kingdom of Saudi Arabia	-	100%	-	100%
Padel X Sports Company	Kingdom of Saudi Arabia	-	51%	-	51%
Champs Sports and Fitness Club LLC Company	United Arab Emirates	-	60%	-	60%
Sports Hub Sports Company	Kingdom of Saudi Arabia	-	55%	-	55%
Leejam Investments Company	Kingdom of Saudi Arabia	100%	-	100%	-
Al-Nemw Al-Murkab Real Estate Company	Kingdom of Saudi Arabia	-	100%	-	100%
Leejam Real Estate Company	Kingdom of Saudi Arabia	-	100%	-	100%
Tatweer Al-Momaiyez Sports Company	Kingdom of Saudi Arabia	-	60%	-	60%
Service Sport Company (note a below)	Kingdom of Saudi Arabia	-	65%	-	-

During 2016, the Group acquired 95% of the outstanding shares of Fitness Time for Trading Company Limited (the “Subsidiary”) in order to acquire the trademark “Fitness Time”. The trademark is renewable for a period of 10 years or periods at the option of the Group for a nominal fee. The Subsidiary discontinued its operations after the trademark was transferred to the Group. The management believes that the Subsidiary is immaterial to the Group; hence, does not consolidate the results of operations of the Subsidiary and its financial position in the consolidated financial statements of the Group.

(a) During the period ended 30 June 2025, the Group incorporated an entity named as Service Sport Company and the primary business of the entity is to provide the repair & maintenance services.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed 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 in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2024. In addition the results of the operations for the period ended 30 June 2025 do not necessarily represent an indicator for the results of the operations for the year ending 31 December 2025.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider 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 Group 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.

The interim condensed financial statements have been prepared on the historical cost basis, except for Employees' defined benefit obligations which are recognized at the current value of the future liabilities using projected credit unit method, financial assets held at fair value through other comprehensive income, which are measured at fair value. In addition, these interim condensed financial statements have been prepared using accrual basis of accounting.

These interim condensed consolidated financial statements are presented in Saudi Riyals (“ﷲ”) which is also the functional and presentation currency of the parent and its subsidiaries.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

As at 30 June 2025, management believes that, all judgments and sources of estimation uncertainty remain similar to those disclosed in the Company’s annual financial statements for the year ended 31 December 2024.

4 MATERIAL ACCOUNTING POLICY INFORMATION AND NEW AND AMENDED STANDARDS AND INTERPRETATIONS

4.1 Material accounting policy information

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

4.2 New standards, amendments to standards and interpretations applicable from 1 January 2025

Following are the standards and amendments effective on 1 January 2025 or after (unless otherwise stated) and do not have a material impact on the Group’s interim condensed financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Leejam Sports Company and Its Subsidiaries (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION AND NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

4.2 New standards, amendments to standards and interpretations applicable from 1 January 2025 (continued)

Amendments to IAS (21): Lack of exchangeability

The amendments to IAS (21) “The Effects of Changes in Foreign Exchange Rates” specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group’s interim condensed financial statements.

4.3 New and amended standards and interpretations not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the financial statements.

Standard, Amendment or Interpretation

Effective date

- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
- IFRS 18: Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	1 January 2027
- IFRS (19) - Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

5. DISCONTINUED OPERATIONS

On 1 Rajab 1445H (corresponding to 1 February 2024), Sports Hive Limited Company (formerly known as Al Rasn Investment Company) acquired a 60% stake in Champs Sports and Fitness Club LLC Company, having commercial license number 865400 issued by the Dubai Economy Department. Its head office is registered in Dubai, United Arab Emirates. Transaction costs of ﷲ 17,266 were expensed and were included in administrative expenses. It is engaged in the provision of comprehensive fitness and wellness services including but not limited to gym, fitness classes, basketball academy, football academy and facilities rentals.

The acquisition value amounted to ﷲ 8.16 million. During 2024, management decided to dispose off this subsidiary and the disposal is expected to be completed during 2025.

On 9 February 2025 the Board of Directors approved the plan to sell Champs Sports and Fitness Club LLC. At 31 December 2024, Champs Sports and Fitness Club LLC Company was classified as a disposal group held for sale and a discontinued operation. The business of Champs Sports and Fitness Club LLC Company represented the Group’s Subscriptions and membership, Personal training, Rental income and Others segments until 31 December 2024. With Champs Sports and Fitness Club LLC Company being classified as a discontinued operation, the Subscriptions and membership, Personal training, Rental income and others segments are no longer presented in the segment note.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

5. DISCONTINUED OPERATIONS (continued)

	30 June 2025 ﷲ	31 December 2024 ﷲ
Total Asset	35,309,424	36,142,123
Total Liabilities	12,371,548	12,782,902

Profit for the six-month period ended 30 June 2025 is ﷲ 169,052 (30 June 2024: ﷲ 1,224,449).

The net cash flows incurred by Champs Sports and Fitness Club LLC Company are, as follows:

	30 June 2025 ﷲ	31 December 2024 ﷲ
Operating activities	1,858,855	697,508
Investing activities	(202,546)	(8,458,355)
Financing activities	(1,511,347)	9,043,611

6. REVENUE

	For the three month period ended 30 June		For the six month period ended 30 June	
	2025 ﷲ	2024 ﷲ	2025 ﷲ	2024 ﷲ
Type of services	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Subscriptions and membership	313,468,830	289,435,251	625,468,734	572,648,282
Personal training	50,620,411	43,115,132	98,578,612	90,680,816
Rental income	6,151,307	5,326,887	11,740,184	9,400,995
Others	5,334,764	1,473,727	8,675,791	7,016,893
	<u>375,575,312</u>	<u>339,350,997</u>	<u>744,463,321</u>	<u>679,746,986</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers, for the six months period ended 30 June, based on male and female centers offerings:

	Subscriptions and membership		Personal training		Rental income	
	For the six months period ended 30 June		For the six months period ended 30 June		For the six months period ended 30 June	
	2025	2024	2025	2024	2025	2024
Types of customers	ﷲ(Unaudited)					
Male centers	466,373,635	431,868,965	63,479,489	58,180,529	6,520,666	5,931,376
Female centers	154,625,864	136,431,734	34,652,200	32,500,287	2,553,514	2,566,959
Other Business	4,469,235	4,347,583	446,923	-	2,666,004	902,660
	<u>625,468,734</u>	<u>572,648,282</u>	<u>98,578,612</u>	<u>90,680,816</u>	<u>11,740,184</u>	<u>9,400,995</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers, for the three months period ended 30 June, based on male and female centers offerings:

	Subscriptions and membership		Personal training		Rental income	
	For the three-months period ended 30 June		For the three-months period ended 30 June		For the three-months period ended 30 June	
	2025	2024	2025	2024	2025	2024
Types of customers	ﷲ(Unaudited)					
Male centers	235,780,862	219,678,873	32,643,795	27,272,060	3,272,315	3,454,813
Female centers	75,296,331	67,974,804	17,760,537	15,843,072	1,336,518	1,474,459
Other Business	2,391,637	1,781,574	216,079	-	1,542,474	397,615
	<u>313,468,830</u>	<u>289,435,251</u>	<u>50,620,411</u>	<u>43,115,132</u>	<u>6,151,307</u>	<u>5,326,887</u>

In addition, the Group separately presents segment information in accordance with IFRS-8 (note 19).

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

7. COST OF REVENUE

	<i>For the three month period ended 30 June</i>		<i>For the six month period ended 30 June</i>	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and related benefits	95,049,664	83,771,775	189,592,340	162,133,817
Depreciation	79,070,672	70,256,103	158,927,529	137,776,045
Cleaning and maintenance	29,084,561	18,369,714	57,671,438	44,572,947
Utilities	20,889,406	20,645,003	41,600,635	36,966,064
Others	16,916,788	13,166,120	32,478,321	26,914,349
	<u>241,011,091</u>	<u>206,208,715</u>	<u>480,270,263</u>	<u>408,363,222</u>

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As a result of treasury shares, the outstanding weighted average number of ordinary shares post the treasury shares have been used for calculation of basic and diluted earnings per ordinary share. The earnings per share calculation is given below:

Basic and diluted earnings per share

	<i>For the three-month period ended 30 June</i>		<i>For the Six-month period ended 30 June</i>	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit attributable to Equity holders of the parent company	73,109,201	73,202,106	143,996,433	167,422,756
Weighted average number of shares	<u>52,241,582</u>	<u>52,383,361</u>	<u>52,253,327</u>	<u>52,383,361</u>
Earnings per share	<u>1.40</u>	<u>1.40</u>	<u>2.76</u>	<u>3.20</u>

Basic and diluted earnings per share of continuing operations

	<i>For the three-month period ended 30 June</i>		<i>For the Six-month period ended 30 June</i>	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit attributable to Equity holders of the parent company	73,109,201	72,778,870	143,996,433	166,688,087
Weighted average number of shares	<u>52,241,582</u>	<u>52,383,361</u>	<u>52,253,327</u>	<u>52,383,361</u>
Earnings per share	<u>1.40</u>	<u>1.39</u>	<u>2.76</u>	<u>3.18</u>

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

9. PROPERTY AND EQUIPMENT

During the Six-month period ended 30 June 2025, the Group has purchased assets with a cost of ﷲ 206.37 million (Six-month period ended 30 June 2024: ﷲ 274.58 million). Depreciation charge for the six-month period ended 30 June 2025 amounted to ﷲ 101.13 million (Six-month period ended 30 June 2024: ﷲ 87.52 million).

The borrowing costs capitalized under capital work in progress during the period amounted to ﷲ 6.1 million (Six-month period ended 30 June 2024: ﷲ 0.7 million).

During the six-month period ended 30 June 2025, the Group reversed impairment losses totaling ﷲ 11.5 million, out of this amount ﷲ 8.4 million relates to impairment recognized in 2021 on an under construction project and expected to become operational during the current year. The remaining ﷲ 3.1 million pertains to an operational club for which a provision was recorded in 2022 due to its closure for a certain period of time.

10. LEASES

Expense recognized in the interim condensed consolidated statement of profit or loss in relation to leases for the six-months period was as follows:

	<i>For the six months period ended</i>	
	<i>30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Depreciation on right-of-use assets:</i>		
Depreciation charge for the period	62,178,841	54,758,627
<i>Interest expense on lease liabilities</i>		
Interest expense for the period	34,954,626	26,236,788
Capitalised for under construction fitness centers	(10,090,098)	(5,925,588)
	24,864,528	20,311,200
Total amount recognized in profit or loss	87,043,369	75,069,827

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

11. INVESTMENT IN ASSOCIATE

On 25 Dhu Al-Qi'dah 1444H (corresponding to 14 June 2023), the Group made an arrangement with Burjeel Holding Company to establish an entity named as Integrated Medical Care Services Company ("Investee Company"). According to the laws of the Kingdom of Saudi Arabia, the Parent Company and Burjeel Holding Company both hold 50% ownership in the Investee Company. The Group has assessed whether this arrangement is in the nature of joint venture or an associate.

For this purpose, the Group assesses whether it has significant influence or control not only on the basis of its ownership percentage but also on the existence of qualitative factors such as representation of the board of directors of the investee, its participation in decision making processes, interchange of managerial personnel and access to technical information. Burjeel Holding Company has higher representation in board of directors of the Investee Company and hence has power over the investee Company and thus concluded to have control over the Investee Company. Since, the Group does not have control over the entity based on qualitative factors, the Group considers this investment as investment in associate accounted under the equity method.

Integrated Medical Care Services Company was incorporated as per Saudi Regulations and registered in Riyadh under commercial registration number 1010888848 on 25 Dhu Al-Qi'dah 1444H (corresponding to 14 June 2023), with a share capital at an amount of ﷲ 100,000 divided into 100 shares with ﷲ 1,000 each. This partnership aims to establish and operate a network of physiotherapy, rehabilitation and sports health care clinics within and outside the Company's centers in the Kingdom. It also includes the provision of physiotherapy and related wellness services, with a special focus on sports medicine and advanced rehabilitation therapies.

The following is the carrying amount of the Group's investment in associate:

	<i>Ownership</i>			
	<i>30 June 2025 %</i>	<i>31 December 2024 %</i>	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Integrated Medical Care Services Company	50%	50%	11,662,280	8,728,731

Summarized statement of financial position of the associate:

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Current assets	10,942,957	6,611,402
Non-current assets	22,252,294	22,182,590
Current liabilities	9,304,779	10,331,861
Non-current liabilities	628,959	421,820
Equity	23,261,513	18,040,311
Group's share in equity	11,662,280	8,728,731

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

12. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties.

The following are the details of the major related party transactions occurred during the three month and six month periods ended 30 June:

<i>Name of Related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>For the three months periods ended 30 June</i>		<i>For the six months periods ended 30 June</i>	
			<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
			<i>ﷲ</i> (Unaudited)	<i>ﷲ</i> (Unaudited)	<i>ﷲ</i> (Unaudited)	<i>ﷲ</i> (Unaudited)
Key management personnel	Key management personnel	Salaries and other benefits	3,535,102	1,650,796	6,446,277	3,109,811
		Post-employment benefits	130,930	61,179	239,1478	115,217
Board of Directors	Directors	Remuneration	836,000	821,337	1,624,500	1,606,899
		Lease rentals paid to a shareholder	-	-	3,400,000	3,400,000
Hamad Ali AlSagri	Shareholder					
	Shareholder	Subscriptions sold	49,784	113,889	91,116	151,591
AlSagri Holding	affiliate					
Dhaoq Almanzel	Shareholder	Purchase of furniture	154,778	156,473	375,948	281,273
Trading Est	affiliate					
Afaq Al-Anaqah	Shareholder	Purchase of supplies	396,857	-	512,567	3,497,505
Trading	affiliate					
	Common					
Saudi Telecom	directorship	Subscriptions sold	289,292	-	659,886	-
Company		Internet	332,048	-	722,596	-

Amounts due from related parties are as follows:

	<i>30 June</i> <i>2025</i> <i>ﷲ</i> (Unaudited)	<i>31 December</i> <i>2024</i> <i>ﷲ</i> (Audited)
<i>Trade receivables</i>		
AlSagri Holding	182,810	78,026
Saudi Telecom Company	756,958	1,064,851
<i>Prepayments and other current assets</i>		
Afaq Al-Anaqah Trading	1,088,687	576,120
Dhaoq Almanzel Trading Est	-	88,200
<i>Accounts payables</i>		
Saudi Telecom Company	74,923	39,468
Dhaoq Almanzel Trading Est	155,540	-
Hamad Ali AlSagri	-	3,910,000

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

13. TRADE RECEIVABLES

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Subscriptions and membership receivables	25,586,018	20,098,213
Rental receivables	18,207,279	14,838,479
	<u>43,793,297</u>	<u>34,936,692</u>
Less: Allowance for expected credit losses		
- Subscriptions and membership receivables	(5,236)	(5,236)
- Rental receivables	(8,906,875)	(8,906,875)
	<u>34,881,186</u>	<u>26,024,581</u>

14. CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Cash in hand	149,077	122,107
Cash at bank – current accounts	72,975,208	90,981,780
Short term Murabaha (note a)	-	15,000,000
	<u>73,124,285</u>	<u>106,103,887</u>
Cash at bank and in hand attributable to discontinued operations	2,445,953	2,300,991
	<u>75,570,238</u>	<u>108,404,878</u>

a) These are placed in Islamic Murabaha accounts with a local bank as interest bearing Murabaha which are based on prevailing market rates and have original maturity of less than three months.

15. BORROWINGS

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Non-current portion of long-term borrowings	257,458,904	225,957,411
Current portion of long-term borrowings	195,800,932	105,252,967
	<u>453,259,836</u>	<u>331,210,378</u>

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

15. BORROWINGS (continued)

As at 30 June 2025, the Group had unutilized bank financing facilities amounting to ﷲ 744.56 million (31 December 2024 ﷲ 1,172 million) to manage its short-term and long-term liquidity requirements and for construction of the fitness centers. The facilities have been secured by promissory note issued by the Group.

All borrowings are denominated in Saudi Riyals and are under Islamic financing mode being Murabaha and Tawaruq loans. The above borrowings and facilities include certain covenants which require the Group to maintain certain levels of current and leverage ratios and also notify the bank of any breach or probable breach immediately. As at 30 June 2025, the Group is in compliance with borrowings covenants.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Accrued expenses	83,040,329	100,469,353
Value added tax (VAT) payable	11,315,690	12,848,512
Advances from customers	1,555,345	-
	<u>95,911,364</u>	<u>113,317,865</u>

17. ZAKAT AND INCOME TAX

17.1 Charge for the period

During the period, zakat and income tax charge of ﷲ 4.2 million (six-months period ended 30 June 2024: ﷲ 4.7 million) has been recognized in the interim condensed consolidated statement of profit or loss. This is partly offset by reversal of prior period excess provision amounting to ﷲ 3.8 million.

17.2 Status of assessments

The Group has submitted its zakat returns for the years up to 2024. The Group is in the process of receiving zakat certificate from the Zakat, Tax and Customs Authority ("ZATCA") which would be valid up to 30 April 2026. The Group has received final assessments from ZATCA for the years up to 2014 and 2019 to 2023.

However, the Group received notification from ZATCA on 30 April 2021 for the years 2015, 2016, 2017 and 2018 claiming an additional liability regarding the ownership of shares by Target Opportunities for Trading Company, one of the shareholders in the Group, for the said years, that there are certain taxes on the Group. ZATCA's view based on certain assumptions, is that the Group is partially subject to income tax. ZATCA assumed that the aforementioned former shareholder is owned directly or indirectly by investment funds that could be ultimately owned by non-GCC nationals and accordingly, the estimated amount of income tax exposure based on the notification for the years 2015, 2016, 2017 and 2018 is ﷲ 32.7 million excluding late payment penalties. The former shareholder was a shareholder of the Group until and including the year ended 31 December 2018.

The Group filed an objection with ZATCA against this assessment. ZATCA did not respond to the objection. Accordingly, the Group filed a lawsuit against ZATCA before the General Secretariate of Zakat, Tax and Customs Committees "GSTC" and during the year 2022, the GSTC issued its ruling in the favor of ZATCA. During 2022, the Group filed an appeal against this ruling which has been rejected. The Group filed a cassation appeal as a final stage in the litigation process which was rejected during 2024.

Leejam Sports Company and Its Subsidiaries (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

17. ZAKAT AND INCOME TAX (continued)

17.2 Status of assessments (continued)

The management position was that the Group as a 100% zakatable Group on the basis of its ownership structure with all direct and indirect shareholders being either GCC nationals, or companies that were established within the GCC and whose shareholders consist wholly of GCC nationals. Further, dividend distribution to the above-mentioned former shareholder, in management view, is not subject to withholding tax as it is a resident Company in the Kingdom of Saudi Arabia (as a Saudi limited liability Company on the basis of the incorporation documents).

However, the Group recorded a liability of ~~ﷲ~~ 32.7 million as a result of rejection of the appeal, part of which has been paid during the period ended 30 June 2025. The above-mentioned former shareholder has provided to the Group an indemnity undertaking letter to bear any amounts related to the liability that might be imposed on the Group by ZATCA in connection with the above matter. Therefore, based on the management assessment and formal advice received from an independent legal advisor, an equal amount of reimbursable receivable is recorded from the above-mentioned former shareholder as of 30 June 2025.

The Group's zakat assessment for the year 2024 is currently under review by the ZATCA. ZATCA raised some queries, which were responded. ZATCA has not issued a final assessment to date.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

In the normal course of the business, the Group's certain suppliers and contractors have commenced an action against the Group for claims and additional payments. The Group has consulted its legal advisor and for probable cash out flows, adequate provisions have been recorded. For certain cases where the legal counsel has advised that it is only possible, but not probable, that the action will succeed, no provision for any liability has been made in these interim condensed consolidated financial statements.

The Group's bankers have issued letters of guarantees amounting to ~~ﷲ~~ 12.5 million as at 30 June 2025 (31 December 2024: ~~ﷲ~~ 14.11 million) against land lease and letter of credit amounting to ~~ﷲ~~ 53.42 million as at 30 June 2025 (31 December 2024: ~~ﷲ~~ 53.42 million).

18.2 Capital commitments

The Group has capital commitments on contracts for setting up fitness centers amounting to ~~ﷲ~~ 172 million as at 30 June 2025 (31 December 2024: ~~ﷲ~~ 188.7 million).

19. SEGMENTAL INFORMATION

19.1 Geographical segments

For management purposes, the Group is organized into business units based on their geographical distribution and has two reportable operating segments as follows:

- Kingdom of Saudi Arabia
- United Arab Emirates

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

19. SEGMENTAL INFORMATION (continued)

19.1 Geographical segments (continued)

The following tables present revenue and profit information for the operating segments for six-months period ended 30 June 2025 and 2024, respectively:

	<i>Local Region – KSA</i>		<i>International Region – UAE</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	ﷲ(Unaudited)					
Revenue	720,586,261	660,009,989	23,877,060	19,736,997	744,463,321	679,746,986
Depreciation	(154,044,551)	(132,455,483)	(4,882,978)	(5,320,562)	(158,927,529)	(137,776,045)
Other operating costs	(309,387,969)	(260,369,249)	(11,954,765)	(10,217,928)	(321,342,734)	(270,587,177)
Segment profit	257,153,741	267,185,257	7,039,317	4,198,507	264,193,058	271,383,764

The following tables present revenue and profit information for the operating segments for three-months period ended 30 June 2025 and 2024, respectively:

	<i>Local Region – KSA</i>		<i>International Region – UAE</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	ﷲ(Unaudited)					
Revenue	363,670,544	329,394,594	11,904,768	9,956,403	375,575,312	339,350,997
Depreciation	(76,638,013)	(67,841,893)	(2,432,659)	(2,414,210)	(79,070,672)	(70,256,103)
Other operating costs	(156,133,633)	(130,657,948)	(5,806,786)	(5,294,664)	(161,940,419)	(135,952,612)
Segment profit	130,898,898	130,894,753	3,665,323	2,247,529	134,564,221	133,142,282

19.2 Market segments

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

for six-months period ended 30 June 2025:

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
	ﷲ(Unaudited)			
Revenues	540,197,667	193,934,228	10,331,426	744,463,321
Depreciation	(108,478,346)	(48,874,078)	(1,575,105)	(158,927,529)
Other Operating costs	(226,821,559)	(85,971,397)	(8,549,778)	(321,342,734)
Segment profit	204,897,762	59,088,753	206,543	264,193,058

for six-months period ended 30 June 2024:

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
	ﷲ(Unaudited)			
Revenues	499,694,834	173,194,906	6,857,246	679,746,986
Depreciation	(94,143,029)	(41,918,486)	(1,714,530)	(137,776,045)
Other Operating costs	(193,884,523)	(70,677,774)	(6,024,880)	(270,587,177)
Segment profit	211,667,282	60,598,646	(882,164)	271,383,764

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

19. SEGMENTAL INFORMATION (continued)

19.2 Market segments (continued)

for three-months period ended 30 June 2025:

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
		ﷲ(Unaudited)		
Revenues	273,461,421	95,214,437	6,899,454	375,575,312
Depreciation	(54,261,323)	(24,358,541)	(450,808)	(79,070,672)
Other Operating costs	(113,192,818)	(43,244,481)	(5,503,120)	(161,940,419)
Segment profit	106,007,280	27,611,415	945,526	134,564,221

for three-months period ended 30 June 2024:

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
		ﷲ(Unaudited)		
Revenues	251,463,293	85,708,516	2,179,188	339,350,997
Depreciation	(47,720,384)	(21,755,446)	(780,273)	(70,256,103)
Other Operating costs	(97,084,451)	(35,612,660)	(3,255,501)	(135,952,612)
Segment profit	106,658,458	28,340,410	(1,856,586)	133,142,282

19.3 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

	<i>For the six months period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Segment profit	264,193,058	271,383,764
Advertising and marketing expenses	(11,356,549)	(12,186,956)
Finance costs	(46,323,256)	(45,416,844)
Profit from short term Murabaha	109,216	6,093,913
General and administration expenses	(70,290,679)	(59,525,846)
Share in net results of investment in an associate	(4,584,397)	(3,639,837)
Other income/expenses	11,248,314	13,828,924
Profit before zakat	142,995,707	170,537,118

19.4 Seasonality of the Group's business

The Group's business performance during fourth quarter of the year is generally better than other quarters of the year because of several factors including conducive weather conditions and the Group offers attractive discounts to its customers on Saudi National Day (i.e. 23 September), the revenue against which is primarily recognised in the fourth quarter of the year which ultimately boosts the Group's revenue and profitability and improves the financial performance of the Group during the last quarter of the year.

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

20. LIQUIDITY RISK AND GOING CONCERN

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. At the interim condensed consolidated statement of financial position date, management assessment of adjusted gearing ratio and adjusted current ratio were as follows:

	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Equity	1,274,596,902	1,238,323,590
Debt (borrowings and lease liabilities)	1,924,590,085	1,707,611,538
Total capital structure	3,199,186,987	2,945,935,128
Gearing ratio	1.51	1.38
Gearing ratio (excluding lease liabilities from debt)	0.36	0.27
Current ratio (excluding deferred revenue)	0.50	0.68
The management also analyses the liquidity risk as follows:		
	<i>30 June 2025 ﷲ (Unaudited)</i>	<i>31 December 2024 ﷲ (Audited)</i>
Current financial assets	140,716,826	164,839,823
Current liabilities excluding deferred revenue	(428,673,590)	(341,597,841)
Adjusted net current financial liability position	(287,956,764)	(176,758,018)

The Group manages its liquidity risk by ensuring sufficient un-availed credit facilities. As of 30 June 2025, unutilized bank credit facilities of ﷲ 744.56 million (31 December 2024: ﷲ 1,172 million) were available from multiple banks for managing the working capital requirements. Moreover, the Group generated ﷲ 275.78 million of cash flows from operating activities.

In relation to liquidity risk and going concern assessment of the Group, the management has developed comprehensive cash flow projections ensuring the existence of sufficient funds in order to meet the Group's obligations for a period of at-least next twelve months from the reporting date.

The board of directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, these interim condensed consolidated financial statements have been prepared on a going concern basis.

21. CAPITAL MANAGEMENT AND FINANCIAL RISK MANAGEMENT

The Group's capital and financial risk management strategies have not changed significantly since the last year end. All financial assets and financial liabilities of the Group are classified and measured at amortized cost.

22. TREASURY SHARES

On 29 Dhu Al-Qi'dah 1445H (corresponding to 6 June 2024), the Extraordinary General Assembly approved the repurchase of shares up to 200,000 shares to allocate to the employees' long term incentive plan. During the six-month period ended 30 June 2025 the group has bought-back 41,998 of its outstanding shares as treasury shares at an average price of ﷲ 143.95 (31 December 2024: 110,122 outstanding shares at an average price of ﷲ 205.47).

Leejam Sports Company and Its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

For the Three and Six Month Periods ended 30 June 2025

23. DIVIDENDS

In its meeting held on 24 Thul-Qi'dah 1446H (corresponding to 22 May 2025), the Annual General Assembly of the Company authorized the Board of Directors to distribute interim dividends on a quarterly or semi-annual basis for the fiscal year 2025.

On 27 Thul-Qi'dah 1446H (corresponding to 25 May 2025), the Board of Directors, resolved to distribute cash dividend of ﷲ 0.81 per share amounting to ﷲ 42.32 million for the first quarter of 2025.

On 10 Sha'ban 1446H (corresponding to 9 February 2025), the Board of Directors, resolved to distribute cash dividend of ﷲ 1.18 per share amounting to ﷲ 61.68 million for the fourth quarter of 2024.

On 8 Ramadan 1445H (corresponding to 18 March 2024), the Board of Directors, resolved to distribute cash dividend of ﷲ 1.33 per share amounting to ﷲ 69.7 million for the fourth quarter of 2023.

On 26 Shawwal 1445 (corresponding to 5 May 2024), the Board of Directors, resolved to distribute interim cash dividend of ﷲ 0.97 per share amounting to ﷲ 50.81 million for the three-months period ended 31 March 2024.

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group has assessed that fair value of the financial instruments, comprising of trade and other receivables, short-terms deposits, cash and cash equivalents, accounts payables and other current assets and liabilities approximate their carrying values significantly due to the short maturities of these financial instruments.

The fair value of financial assets and liabilities is recognised as the amount for which the instrument can be exchanged in an existing transaction between willing parties, other than a forced sale or liquidation. The Group uses valuation techniques appropriate to current circumstances that provide sufficient data to measure fair value. In addition, for the financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a- Level "1" inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- b- Level "2" inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- c- Level "3" inputs are unobservable inputs either directly or indirectly.

25. EVENTS AFTER THE REPORTING PERIOD

On 4 Safar 1447H (corresponding to 29 July 2025), the Board of Directors, resolved to distribute interim cash dividend of ﷲ 0.84 per share amounting to ﷲ 43.87 million for the three months period ended 30 June 2025.

Other than disclosed above, there have been no further significant subsequent events since the period ended 30 June 2025 that would have a material impact on the financial position of the Group as reflected in these interim condensed consolidated financial statements.

26. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the three-month and six-month periods ended 30 June 2025 were authorized for issuance on 04 Safar 1447H (corresponding to 29 July 2025).