

**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 period ended 31 March 2026

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026

<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	4-5
Interim Condensed Consolidated Statement of Changes in Equity	6
Interim Condensed Consolidated Statement of Cash Flows	7-8
Notes to the Interim Condensed Consolidated Financial Statements	9-23



Shape the future
with confidence

ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
PAID-UP CAPITAL (٥,500,000 - FIVE MILLION FIVE HUNDRED THOUSAND SAUDI RIYAL)

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No.: 1010383821
Unified No.: 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED 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 31 March 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the three-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)

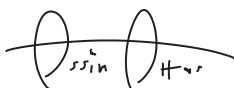


Riyadh: 11 Thul-Qi'dah 1447H
(28 April 2026)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For the three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March	
		2026 S	2025 S
Revenue	6	369,362,066	368,888,009
Cost of revenue	7	(251,812,040)	(239,259,172)
GROSS PROFIT		117,550,026	129,628,837
General and administrative expenses		(34,955,936)	(35,053,026)
Advertising and marketing expenses		(5,221,487)	(5,446,698)
OPERATING PROFIT		77,372,603	89,129,113
Other income / (expense), net		153,584	(23,491)
Gain on disposal of property and equipment		345,696	-
Reversal of impairment of non-financial assets		-	8,394,169
Gain on lease termination		634,915	-
Finance cost		(28,574,567)	(22,733,019)
Write-off of non-financial assets		(1,008,827)	-
Share in net results of investment in an associate		-	(2,406,795)
Profit from short term Murabaha	13	667,790	49,728
PROFIT BEFORE ZAKAT AND INCOME TAX FROM CONTINUING OPERATION		49,591,194	72,409,705
Zakat and income tax	16	(989,158)	(2,073,711)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATION		48,602,036	70,335,994
Profit from the discontinued operation	5	34,189	200,000
PROFIT FOR THE PERIOD		48,636,225	70,535,994
NET PROFIT (LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent company		48,830,474	70,887,232
Non- Controlling Interests		(194,249)	(351,238)
		48,636,225	70,535,994
EARNINGS PER SHARE			
Basic and diluted, from the profit for the period attributable to shareholders of the Parent Company	8	0.96	1.36
Basic and diluted, from continuing operations attributable to shareholders of the parent company	8	0.96	1.36



Assim Al Attas
Chief Financial Officer



Abdulelah Mohammed Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

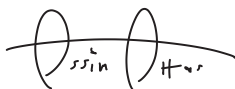
The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the three-month period ended 31 March 2026

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Net profit for the period	48,636,225	70,535,994
Other comprehensive loss		
Item that will not be reclassified to statement of profit or loss in subsequent periods:		
Re-measurement loss on employees' end of service benefits obligation	(419,115)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	48,217,110	70,535,994
TOTAL COMPREHENSIVE INCOME / (LOSS)		
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	48,411,359	70,887,232
Non- Controlling Interest	(194,249)	(351,238)
	48,217,110	70,535,994



Assim Al Attas
Chief Financial Officer



Abdulelah Mohammed Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at 31 March 2026

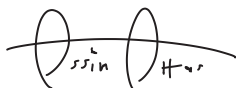
	Note	31 March 2026 ﷲ (Unaudited)	31 December 2025 ﷲ (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	9	2,290,332,812	2,295,554,839
Right-of-use assets	10	1,290,058,544	1,326,227,047
Intangible assets		7,255,308	7,714,221
Goodwill		7,006,036	7,006,036
Advances to suppliers and contractors		39,867,321	46,465,299
Investments at fair value through other comprehensive income		92,318	92,318
TOTAL NON- CURRENT ASSETS		3,634,612,339	3,683,059,760
CURRENT ASSETS			
Inventories		20,311,233	21,981,894
Prepayments and other current assets		66,171,928	77,567,083
Trade receivables	12	23,689,710	23,241,185
Cash and cash equivalents	13	163,352,915	169,736,961
TOTAL CURRENT ASSETS		273,525,786	292,527,123
Assets classified as held for sale	5	33,938,047	35,018,436
TOTAL ASSETS		3,942,076,172	4,010,605,319
EQUITY AND LIABILITIES			
EQUITY			
Share capital		523,833,610	523,833,610
Treasury shares		(209,729,679)	(160,656,765)
Retained earnings		837,641,246	836,797,273
Fair value reserve of financial assets at FVOCI		92,318	92,318
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		1,151,837,495	1,200,066,436
Non-controlling interests		2,619,108	2,813,357
TOTAL EQUITY		1,154,456,603	1,202,879,793
NON-CURRENT LIABILITIES			
Borrowings	14	486,435,172	426,101,700
Lease liabilities	10	1,333,644,650	1,366,413,544
Employees' end of service benefits		76,851,454	75,753,452
TOTAL NON-CURRENT LIABILITIES		1,896,931,276	1,868,268,696

The attached notes 1 to 25 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
(UNAUDITED) (continued)
As at 31 March 2026

	Note	31 March 2026 ﷲ (Unaudited)	31 December 2025 ﷲ (Audited)
CURRENT LIABILITIES			
Borrowings	14	108,781,323	122,300,841
Lease liabilities	10	116,731,039	117,043,123
Trade payable		63,740,840	51,653,484
Accrued expenses and other current liabilities	15	77,562,304	79,472,297
Deferred revenue		500,625,329	548,213,256
Provision for zakat and income tax	16	9,849,312	8,860,154
Derivative liabilities		2,599,049	-
TOTAL CURRENT LIABILITIES		879,889,196	927,543,155
Liabilities directly associated with the assets held for sale	5	10,799,097	11,913,675
TOTAL LIABILITIES		2,787,619,569	2,807,725,526
TOTAL EQUITY AND LIABILITIES		3,942,076,172	4,010,605,319



Assim Al Attas
Chief Financial Officer



Abdulelah Mohammed Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2026

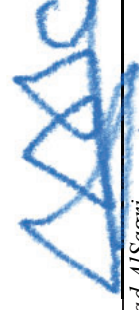
	Attributable to Equity Holders of the Parent Company					Non-Controlling Interest ("NCI") #	Total #
	Share Capital #	Treasury Shares #	Fair value reserve of financial assets at FVOCI #	Retained earnings #	Total #		
As at 31 December 2024 (Audited)	523,833,610	(22,626,657)	92,318	732,030,058	1,233,329,329	4,994,261	1,238,323,590
Profit (loss) for the period	-	-	-	70,887,232	70,887,232	(351,238)	70,535,994
Other comprehensive income	-	-	-	70,887,232	70,887,232	(351,238)	70,535,994
Total comprehensive income for the period	-	-	-	(61,682,422)	(61,682,422)	-	(61,682,422)
Dividends (note 22)	-	(4,522,171)	-	-	(4,522,171)	-	(4,522,171)
Treasury shares (note 20)	-	-	-	-	-	-	-
As at 31 March 2025 (Unaudited)	523,833,610	(27,148,828)	92,318	741,234,868	1,238,011,968	4,643,023	1,242,654,991
As at 31 December 2025 (Audited)	523,833,610	(160,656,765)	92,318	836,797,273	1,200,066,436	2,813,357	1,202,879,793
Profit for the period	-	-	-	48,830,474	48,830,474	(194,249)	48,636,225
Other comprehensive loss	-	-	-	(419,115)	(419,115)	-	(419,115)
Total comprehensive income for the period	-	-	-	48,411,359	48,411,359	(194,249)	48,217,110
Dividends (note 22)	-	-	-	(47,567,386)	(47,567,386)	-	(47,567,386)
Treasury shares (note 20)	-	(49,072,914)	-	-	(49,072,914)	-	(49,072,914)
As at 31 March 2026 (Unaudited)	523,833,610	(209,729,679)	92,318	837,641,246	1,151,837,495	2,619,108	1,154,456,603



Assim Al Atlas
Chief Financial Officer



Abdulelah Mohammed Al-Nemr
Chief Executive Officer



Ali Hamad AlSagari
Board Chairman

The attached notes 1 to 25 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 three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March	
		2026 S	2025 S
OPERATING ACTIVITIES			
Profit before zakat and income tax		49,591,194	72,409,705
Profit from discontinued operations		34,189	200,000
		49,625,383	72,609,705
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation of property and equipment	9	54,541,989	51,649,166
Depreciation of right-of-use assets	10	32,574,608	30,358,093
Amortization of intangible assets		790,412	715,749
Finance costs		28,574,567	22,733,019
Reversal of impairment of non-financial assets		-	(8,394,169)
Profit from short term Murabaha		(667,790)	(49,728)
Gain on lease modification		(81,411)	-
Gain on lease termination		(634,915)	-
Impairment of the Asset Held for Sale		51,284	300,000
Gain on disposal of property and equipment		(345,696)	-
Write-off of non-financial assets		1,008,827	-
Share in net results of investment in an associate		-	2,406,795
Provision for employees' end of service benefits		2,839,205	2,877,787
		168,276,463	175,206,417
Working capital changes:			
Inventories		1,645,809	761,222
Prepayments and other current assets		11,782,887	12,188,501
Trade receivables		(547,581)	2,174,416
Trade payable		11,999,992	(5,420,628)
Accrued expenses and other current liabilities		(2,220,341)	(6,105,393)
Deferred revenue		(47,838,731)	(87,902,469)
Cash from operations		143,098,498	90,902,066
Employees' end of service benefits paid		(3,056,076)	(950,870)
Net cash from operating activities		140,042,422	89,951,196
INVESTING ACTIVITIES			
Additions to property, equipment and related advances to suppliers and contractors		(39,742,614)	(126,292,325)
Intangible assets		(328,257)	(1,018,289)
Proceeds from short term Murabaha profit		683,143	129,561
Proceeds from disposal of property and equipment		411,139	-
Addition in investment in an associate		-	(2,886,149)
Net cash used in investing activities		(38,976,589)	(130,067,202)

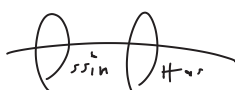
The attached notes 1 to 25 form an integral part of these interim condensed consolidated financial statements.

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

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

For the three-month period ended 31 March 2026

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
FINANCING ACTIVITIES		
Proceeds from borrowings	92,731,362	137,000,000
Repayments of borrowings	(43,318,359)	(28,639,853)
Finance cost paid	(30,927,134)	(28,050,345)
Dividend paid	(47,567,386)	(61,682,422)
Payment of principle element of lease liabilities	(28,955,181)	(27,183,496)
Treasury shares	(49,072,914)	(4,522,171)
	<hr/>	<hr/>
Net cash used in financing activities	(107,109,612)	(13,078,287)
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(6,043,779)	(53,194,293)
Cash and cash equivalents at the beginning of the period	171,438,295	108,404,878
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	165,394,516	55,210,585
	<hr/> <hr/>	<hr/> <hr/>
<u>SIGNIFICANT NON-CASH TRANSACTIONS</u>		
Additions to right-of-use assets and corresponding lease liability	6,279,504	28,563,076
Interest on lease liabilities capitalized for under construction fitness centers	1,381,565	2,126,823
Interest on borrowings capitalized for under construction fitness centers	1,688,886	2,859,575



Assim Al Attas
Chief Financial Officer



Abdulelah Mohammed Al-Nemr
Chief Executive Officer



Ali Hamad AlSagri
Board Chairman

The attached notes 1 to 25 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 (UNAUDITED)

For the three-month period ended 31 March 2026

1. CORPORATE INFORMATION

Leejam Sports Company (the “Company”, or “Parent 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) number 4030180323 and the unified identification numbered 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 number 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			
		31 March 2026		31 December 2025	
		Direct	Indirect	Direct	Indirect
Sports Hive Limited 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	Kingdom of Saudi Arabia	-	100%	-	100%
Kafaat Alisnad Lilmawarid Albashariyya Company	Kingdom of Saudi Arabia	-	100%	-	100%
Riada Raqmiyah For Technologies	Kingdom of Saudi Arabia	-	100%	-	100%

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.

Recent geopolitical developments in the Middle East

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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 2025. In addition, the results of the operations for the period ended 31 March 2026 do not necessarily represent an indication for the results of the operations for the year ending 31 December 2026.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern. Management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the 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 consolidated 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 and derivative financial instruments which are measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using accrual basis of accounting.

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

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 31 March 2026, management believes that, all judgments and sources of estimation uncertainty remain similar to those disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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 (except for the policies adopted for derivative hedge accounting narrated below) with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Derivative financial instruments and hedge accounting

During the period ended 31 March 2026, the Group entered into a cross-currency profit rate swap agreement with a bank in connection with an AED-denominated borrowing, in order to hedge its exposure to foreign exchange risk.

Fair value hedges

For fair value hedges, changes in the fair value of the hedging instrument are recognised immediately in the statement of profit or loss. The change in the fair value of the hedged item attributable to the hedged risk is also recognised in the statement of profit or loss and is recorded as an adjustment to the carrying amount of the hedged item. For fair value hedges relating to items carried at amortised cost, the cumulative fair value adjustment to the carrying amount of the hedged item is amortised to profit or loss over the remaining term of the hedged item, using the effective interest rate method. Amortisation begins no later than the date on which the hedged item ceases to be adjusted for changes in fair value attributable to the hedged risk.

If the hedged item is derecognised, any unamortised fair value adjustment is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as the hedged item in a fair value hedge, the cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability, with a corresponding gain or loss recognised in the statement of profit or loss.

4.2 *New standards, amendments to standards and interpretations applicable from 1 January 2026*

Following are the standards and amendments effective on 1 January 2026 or after (unless otherwise stated) and do not have a material impact on the Group's interim condensed financial statements. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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 2026 (continued)

Annual Improvements to IFRS accounting Standards – Volume 11

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

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

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

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

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

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

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.

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- 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
- IAS (21) The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency	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

	<i>31 March 2026</i>	<i>31 December 2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
Total Asset	33,938,047	35,018,436
Total Liabilities	10,799,097	11,913,675

Profit for the three-month period ended 31 March 2026 is ﷲ 85,473 (31 March 2025: ﷲ 500,000). The Group recognized an impairment loss on its share of profits in Champs Sports and Fitness Club LLC for the period ended 31 March 2026 amounting to ﷲ 51,284. Accordingly, the net profit generated from discontinued operations amounts to ﷲ 34,189.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

5. DISCONTINUED OPERATIONS (continued)

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

	31 March 2026	31 March 2025
	SAR	SAR
Operating activities	718,508	661,582
Investing activities	(3,241)	(561,582)
Financing activities	(375,000)	(150,000)

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 numbered 865400 issued by the Dubai Economy Department. Its head office is registered in Dubai, United Arab Emirates. Transaction costs of SAR 17,266 were expensed and are 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 SAR 8.16 million and the disposal is expected to be completed during 2026.

6. REVENUE

	<i>For the three-month period ended 31 March</i>	
	2026	2025
	SAR	SAR
	(Unaudited)	(Unaudited)
<i>Type of services</i>		
Subscriptions and membership	311,935,414	311,999,904
Personal training	43,347,770	47,958,201
Rental income	8,965,778	5,588,877
Others	5,113,104	3,341,027
	<u>369,362,066</u>	<u>368,888,009</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers, for the three-month period ended 31 March, based on male and female centers offerings:

	<i>Subscriptions and membership</i>		<i>Personal training</i>		<i>Rental income</i>	
	2026	2025	<i>For the three-month period ended 31 March</i>		2026	2025
			2026	2025		
			SAR			
			(Unaudited)			
<i>Types of customers</i>						
Male centers	225,306,139	230,592,773	27,618,261	30,835,694	-	3,248,351
Female centers	85,457,695	79,329,533	15,693,199	16,891,663	-	1,216,996
Other Business	1,171,580	2,077,598	36,310	230,844	8,965,778	1,123,530
	<u>311,935,414</u>	<u>311,999,904</u>	<u>43,347,770</u>	<u>47,958,201</u>	<u>8,965,778</u>	<u>5,588,877</u>

In addition, the Group separately presents segment information in accordance with IFRS-8 (note 18).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
For the three-month period ended 31 March 2026

7. COST OF REVENUE

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries and related benefits	97,848,317	94,542,676
Depreciation of property and equipment	52,532,130	49,813,550
Depreciation of right-of-use assets	32,248,384	30,043,307
Cleaning and maintenance	28,247,347	28,586,877
Utilities	22,370,146	20,711,229
Others	18,565,716	15,561,533
	<u>251,812,040</u>	<u>239,259,172</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, adjusted for the effects of treasury shares. The weighted average number of ordinary shares outstanding is determined after deducting shares held in treasury and reflecting the timing of any changes in the number of ordinary shares outstanding during the period. The Company did not have any dilutive potential ordinary shares outstanding during the period. Accordingly, diluted earnings per share is equal to basic earnings per share. The earnings per share calculations are set out below:

Basic and diluted earnings per share

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit attributable to Equity holders of the parent company	48,830,474	70,887,232
Weighted average number of shares	<u>50,963,324</u>	<u>52,267,113</u>
Earnings per share	<u>0.96</u>	<u>1.36</u>

Basic and diluted earnings per share of continuing operations

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit attributable to Equity holders of the Parent Company	48,830,474	70,887,232
Weighted average number of shares	<u>50,963,324</u>	<u>52,267,113</u>
Earnings per share	<u>0.96</u>	<u>1.36</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

9. PROPERTY AND EQUIPMENT

During the three-month period ended 31 March 2026, the Group has purchased assets with a cost of **ﷲ** 49 million (three-month period ended 31 March 2025: **ﷲ** 119 million). Depreciation charge for the three month period ended 31 March 2026 amounted to **ﷲ** 54 million (three-month period ended 31 March 2025: **ﷲ** 51 million).

The borrowing costs capitalized under capital work in progress during the period amounted to **ﷲ** 1.69 million (three-month period ended 31 March 2025: **ﷲ** 2.86 million).

10. LEASES

Expenses recognized in the interim condensed consolidated statement of profit or loss in relation to leases for the three-month period was as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	ﷲ	ﷲ
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Depreciation on right-of-use assets:</i>		
Depreciation charge for the period	32,470,843	30,308,094
<i>Interest expense on lease liabilities</i>		
Interest expense for the period	16,214,675	15,414,414
Capitalized to under construction fitness centers	(1,381,565)	(2,126,823)
	14,833,110	13,287,591
Total amount recognized in profit or loss	47,303,953	43,595,685

11. 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 material related party transactions that occurred during the three month period ended 31 March:

<i><u>Name of Related party</u></i>	<i><u>Nature of relationship</u></i>	<i><u>Nature of transactions</u></i>	<i>2026</i>	<i>2025</i>
			ﷲ	ﷲ
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Key management personnel	Key management personnel	Salaries and other benefits	3,240,184	2,911,175
		Post-employment benefits	138,233	108,218
Board of Directors	Directors	Remuneration	864,500	788,500
Hamad Ali AlSagri	Shareholder	Lease rentals paid	3,400,000	3,400,000
AlSagri Holding	Shareholder affiliate	Subscriptions sold	10,053	41,332
Dhaoq Almanzel Trading Est	Shareholder affiliate	Purchase of furniture	124,090	221,170
Saudi Telecom Company	Common directorship	Subscriptions sold	-	370,594
	Common directorship	Internet & other Service	410,854	390,548
Afaq Al-Anaqah Trading	Shareholder affiliate	Purchase of supplies	393,469	115,710

All above transactions are expenses except for subscriptions sold and purchase of furniture.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Amounts due from related party are as follows:

	<i>31 March 2026 SAR (Unaudited)</i>	<i>31 December 2025 SAR (Audited)</i>
<i>Trade receivables</i>		
AlSagri Holding	240,488	228,927
Saudi Telecom Company	-	75,136
<i>Trade payables and accruals</i>		
AlSagri Holding	1,739,130	-
Afaq Al-Anaqah Trading	473,034	17,864
Dhaoq Almanzel Trading Est	40,802	61,180

12. TRADE RECEIVABLES

	<i>31 March 2026 SAR (Unaudited)</i>	<i>31 December 2025 SAR (Audited)</i>
Subscriptions and membership receivables	15,089,211	17,760,548
Rental receivables	17,850,430	14,730,568
	<u>32,939,641</u>	<u>32,491,116</u>
Less: Allowance for expected credit losses		
- Subscriptions and membership receivables	(135,498)	(135,498)
- Rental receivables	(9,114,433)	(9,114,433)
	<u>23,689,710</u>	<u>23,241,185</u>

13. 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>31 March 2026 SAR (Unaudited)</i>	<i>31 December 2025 SAR (Audited)</i>
Cash in hand	328,958	173,980
Cash at bank – current accounts	153,023,957	159,362,981
Short term deposits (note a)	10,000,000	10,200,000
	<u>163,352,915</u>	<u>169,736,961</u>
Cash and cash equivalents attributable to discontinued operation	2,041,601	1,701,334
	<u>165,394,516</u>	<u>171,438,295</u>

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)
For the three-month period ended 31 March 2026

14. BORROWINGS

	<i>31 March 2026 ﷲ (Unaudited)</i>	<i>31 December 2025 ﷲ (Audited)</i>
Non-current portion of long-term borrowings	486,435,172	426,101,700
Current portion of long-term borrowings	108,781,323	122,300,841
	<u>595,216,495</u>	<u>548,402,541</u>

As at 31 March 2026, the Group had unutilized bank financing facilities amounting to ﷲ 912 million (31 December 2025: ﷲ 823 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, except one which is in AED, 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 31 March 2026, the Group is in compliance with borrowings covenants.

15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>31 March 2026 ﷲ (Unaudited)</i>	<i>31 December 2025 ﷲ (Audited)</i>
Accrued expenses	64,888,264	72,462,473
Value added tax (VAT) payable	9,711,437	7,009,824
Advances from customers	2,962,603	-
	<u>77,562,304</u>	<u>79,472,297</u>

16. ZAKAT AND INCOME TAX

16.1 Charge for the period

During the period, zakat and income tax charge of ﷲ 0.99 million (three-month period ended 31 March 2025: ﷲ 2.1 million) has been recognized in the interim condensed consolidated statement of profit or loss.

16.2 Status of assessments

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

Leejam Sports Company and Its Subsidiaries

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

16. ZAKAT AND INCOME TAX (continued)

16.2 Status of assessments (continued)

However, on 30 April 2021, the Group received a notification from ZATCA concerning the years 2015, 2016, 2017 and 2018. The notification claims an additional tax liability related to the ownership of shares in the Group by Target Opportunities for Trading Company, one of the former shareholders. ZATCA, based on certain assumptions, considers that the Group may be partially subject to income tax. ZATCA assumed that the former shareholder was directly or indirectly owned by investment funds that could ultimately be held by non-GCC nationals. Based on this assumption, the estimated income tax exposure indicated in the notification for 2015, 2016, 2017 and 2018 is ~~ﷲ~~ 32.7 million, excluding late payment penalties. The former shareholder remained a shareholder of the Group until 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.

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 and agreed an installment plan with ZATCA. In the current period, the Group finalized a reimbursement agreement with the former shareholder. The Group has been discharging this liability in accordance with the agreed installment plan and collecting the due amounts from the former shareholder.

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.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

In the normal course of the business, certain suppliers and contractors of the Group 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 financial statements.

The Group's bankers have issued letters of guarantees amounting to ~~ﷲ~~ 21.09 million as at 31 March 2026 (31 December 2025: ~~ﷲ~~ 23.31 million) against land lease and letter of credit amounting to ~~ﷲ~~ nil as at 31 March 2026 (31 December 2025: ~~ﷲ~~ 0.34 million).

17.2 Capital commitments

The Group has capital commitments on contracts for setting up fitness centers amounting to ~~ﷲ~~ 92.47 million as at 31 March 2026 (31 December 2025: ~~ﷲ~~ 100.40 million).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

18. SEGMENTAL INFORMATION

18.1 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

The following tables present revenue and profit (loss) information for the operating segments for three-month period ended 31 March 2026 and 2025, respectively:

	<i>Local Region – KSA</i>		<i>International Region – UAE</i>		<i>Total</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	₹ (Unaudited)					
Revenue	358,400,637	356,915,717	10,961,429	11,972,292	369,362,066	368,888,009
Depreciation						
- Property & equipment	(50,698,435)	(48,068,329)	(1,833,695)	(1,745,221)	(52,532,130)	(49,813,550)
- Right-of-use assets	(31,562,294)	(29,338,209)	(686,090)	(705,098)	(32,248,384)	(30,043,307)
Other operating costs	(160,392,916)	(153,254,336)	(6,638,610)	(6,147,979)	(167,031,526)	(159,402,315)
Segment profit	115,746,992	126,254,843	1,803,034	3,373,994	117,550,026	129,628,837

18.2 Market segments

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

For the period ended 31 March 2026

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
	₹ (Unaudited)			
Revenues	255,020,135	102,603,083	11,738,848	369,362,066
Depreciation on property and equipment	(35,084,657)	(16,859,799)	(587,674)	(52,532,130)
Depreciation of right-of-use assets	(20,877,050)	(10,855,268)	(516,066)	(32,248,384)
Other Operating costs	(112,471,858)	(50,739,474)	(3,820,194)	(167,031,526)
Segment profit	86,586,570	24,148,542	6,814,914	117,550,026

For the period ended 31 March 2025

	<i>Male</i>	<i>Female</i>	<i>Other Business</i>	<i>Total</i>
	₹ (Unaudited)			
Revenues	266,736,246	98,719,791	3,431,972	368,888,009
Depreciation on property and equipment	(34,018,081)	(15,344,263)	(451,206)	(49,813,550)
Depreciation of right-of-use assets	(20,198,942)	(9,171,274)	(673,091)	(30,043,307)
Other Operating costs	(113,628,741)	(42,726,916)	(3,046,658)	(159,402,315)
Segment profit / (loss)	98,890,482	31,477,338	(738,983)	129,628,837

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

18. SEGMENTAL INFORMATION (continued)

18.3 Reconciliation of segment results to profit or loss

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 three-month period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Segment profit	117,550,026	129,628,837
Unallocated head office costs		
General and administration expenses	(34,955,936)	(35,053,026)
Finance costs	(28,574,567)	(22,733,019)
Advertising and marketing expenses	(5,221,487)	(5,446,698)
Profit from short term Murabaha	667,790	49,728
Share in net results of investment in an associate	-	(2,406,795)
Others	125,368	8,370,678
	<u>49,591,194</u>	<u>72,409,705</u>
Profit before zakat		

18.4 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.

19. 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 condensed interim consolidated statement of financial position date, management assessment of adjusted gearing ratio and adjusted current ratio were as follows:

	<i>31 March</i>	<i>31 December</i>
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Equity	1,154,456,603	1,202,879,793
Debt (borrowings and lease liabilities)	2,045,592,184	2,031,859,208
Gearing ratio	<u>1.8</u>	<u>1.7</u>
Current ratio (excluding deferred revenue)	<u>0.8</u>	<u>0.8</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

19. LIQUIDITY RISK AND GOING CONCERN (continued)

As at 31 March, the management also analyses the liquidity risk as follows:

	<i>31 March 2026</i> ﷲ <i>(Unaudited)</i>	<i>31 December 2025</i> ﷲ <i>(Audited)</i>
Current financial assets	206,669,452	225,689,501
Current liabilities excluding deferred revenue	(333,710,618)	(342,062,555)
Net current financial liability position	(127,041,166)	(116,373,054)

The Group manages its liquidity risk by ensuring sufficient un-availed borrowing facilities. As of 31 March 2026, unutilized bank borrowing facilities of ﷲ 912 million (31 December 2025: ﷲ 823 million) were available from multiple banks for managing the working capital requirements. Moreover, the Group generated ﷲ 140 million of cash flows from operating activities (31 December 2025: ﷲ 772.9 million).

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

20. TREASURY SHARES

On 29 Thul-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. In this respect, the Group has bought-back 152,120 of its outstanding shares as treasury shares at an average price of ﷲ 188.48.

On 1 Jumada Al-Ula 1447H (corresponding to 23 October 2025), the Extraordinary General Assembly approved the repurchase of shares up to 3,300,000 shares as the Board of Directors considers the share price in the market is lesser than the fair value. In this respect, the Group has bought back 1,681,941 of its outstanding shares as treasury shares at an average price of ﷲ 107.65.

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 except for derivative liabilities.

22. 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.

On 29 Sha'ban 1447H (corresponding to 17 February 2026), the Board of Directors, resolved to distribute cash dividend of ﷲ 0.93 per share amounting to ﷲ 47.57 million for the fourth 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 61.7 million for the fourth quarter of 2024.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (continued)

For the three-month period ended 31 March 2026

23. 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, trade payables and other current assets and liabilities approximate their carrying values significantly due to the short maturities of these financial instruments.

Financial liabilities measured at fair value comprise derivative financial instruments, that represent cross-currency swap. This derivative is classified as Level 2 fair value measurement, as its valuation is determined using widely recognized valuation techniques based on observable market inputs, and are supported by valuations provided by counterparties.

The following table shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

	<i>31 March 2026</i>				
	<i>Carrying Amount</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial liabilities at fair value					
Derivative financial instruments – cross-currency swap	2,599,049	-	2,599,049	-	2,599,049
	<i>31 December 2025</i>				
	<i>Carrying Amount</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial liabilities at fair value					
Derivative financial instruments – cross-currency swap	-	-	-	-	-

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.

24. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the three months period ended 31 March 2026, the legal and regulatory procedures relating to the part disposal of Altathir Al-Riyadiyah Company were completed. This has resulted in dilution of the Group’s stake to 55% subsequent to the period end.

On 10 Thul-Qi’dah 1447 (corresponding to 27 April 2026), the Board of Directors, resolved to distribute interim cash dividend of 0.58 per share amounting to 29.32 million for the three months period ended 31 March 2026.

In the opinion of management, there have been no further significant subsequent events since the period ended 31 March 2026 that would have a material impact on the financial position of the Group as reflected in 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
(UNAUDITED) (continued)
For the three-month period ended 31 March 2026

25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2026 were authorized for issuance in accordance with the Board of Directors resolution on 10 Thul-Qi'dah 1447 (corresponding to 27 April 2026).