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 Month Periods Ended 30 June 2026

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2026

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ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
PAID-UP CAPITAL (⃁5,500,000 - FIVE MILLION FIVE HUNDRED THOUSAND SAUDI RIYAL)

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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 2026, 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 2026, 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)

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

Riyadh: 15 Safar 1448H
(29 July 2026)

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 2026

		For the three months period ended 30 June		*For the six months period ended 30 June*	
		2026	*2025*	***2026***	*2025*
	Note	**⃁**	⃁	**⃁**	⃁
CONTINUING OPERATIONS					
Revenue	6	**410,801,023**	375,575,312	**780,163,089**	744,463,321
Cost of revenue	7	**(269,625,329)**	(241,011,091)	**(521,437,369)**	(480,270,263)
GROSS PROFIT		**141,175,694**	134,564,221	**258,725,720**	264,193,058
General and administrative expenses		**(41,327,211)**	(35,237,653)	**(76,283,147)**	(70,290,679)
Advertising and marketing expenses		**(6,774,586)**	(5,909,851)	**(11,996,073)**	(11,356,549)
OPERATING PROFIT		**93,073,897**	93,416,717	**170,446,500**	182,545,830
Other income / (expense), net		**389,199**	(135,914)	**542,783**	(159,405)
Gain on disposal of property and equipment		**-**	-	**345,696**	-
(Loss) / gain on lease termination		**-**	(49,454)	**634,915**	(49,454)
Reversal of impairment of non-financial assets		**-**	3,063,004	**-**	11,457,173
Write-off of non-financial assets		**-**	-	**(1,008,827)**	-
Finance costs		**(31,248,503)**	(23,590,237)	**(59,823,070)**	(46,323,256)
Share in net results of investment in an associate		**-**	(2,177,602)	**-**	(4,584,397)
Profit from short term Murabaha		**628,620**	59,488	**1,296,410**	109,216
PROFIT BEFORE ZAKAT AND INCOME TAX FROM CONTINUING OPERATION		**62,843,213**	70,586,002	**112,434,407**	142,995,707
Zakat and income tax	17	**192,612**	1,666,057	**(796,546)**	(407,654)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**63,035,825**	72,252,059	**111,637,861**	142,588,053
Profit / (loss) from the discontinued operation	5	**13,968**	(132,379)	**48,157**	67,621
PROFIT FOR THE PERIOD		**63,049,793**	72,119,680	**111,686,018**	142,655,674
NET PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the parent company		**63,971,732**	73,109,201	**112,802,206**	143,996,433
Non- controlling interests		**(921,939)**	(989,521)	**(1,116,188)**	(1,340,759)
		63,049,793	72,119,680	**111,686,018**	142,655,674
EARNINGS PER SHARE					
Basic and diluted, from the profit for the period attributable to shareholders of the parent company	8	**1.28**	1.40	**2.23**	2.76
Basic and diluted, from continuing operations attributable to shareholders of the parent company	8	**1.28**	1.40	**2.23**	2.76

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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Three and Six Month Periods ended 30 June 2026

	For the three-month period ended 30 June		***For the six-month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	⃁	⃁	**⃁**	⃁
Net profit for the period	**63,049,793**	72,119,680	**111,686,018**	142,655,674
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)**	(651,851)	**(838,230)**	(651,851)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**62,630,678**	71,467,829	**110,847,788**	142,003,823
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent company	**63,552,617**	72,457,350	**111,963,976**	143,344,582
Non- controlling interest	**(921,939)**	(989,521)	**(1,116,188)**	(1,340,759)
	62,630,678	71,467,829	**110,847,788**	142,003,823

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 2026

	Note	***30 June 2026*** ⃁ ***(Unaudited)***	*31 December 2025* ⃁ *(Audited)*
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	9	**2,312,728,535**	2,295,554,839
Right-of-use assets	10	**1,267,091,752**	1,326,227,047
Intangible assets		**6,446,257**	7,714,221
Goodwill		**7,006,036**	7,006,036
Investments at fair value through other comprehensive income		**92,318**	92,318
Advances to suppliers and contractors		**35,369,346**	46,465,299
TOTAL NON- CURRENT ASSETS		**3,628,734,244**	3,683,059,760
CURRENT ASSETS			
Inventories		**22,230,349**	21,981,894
Prepayments and other current assets		**66,715,038**	77,567,083
Trade receivables	13	**25,481,950**	23,241,185
Cash and cash equivalents	14	**119,776,202**	169,736,961
TOTAL CURRENT ASSETS		**234,203,539**	292,527,123
Assets classified as held for sale	5	**33,893,652**	35,018,436
TOTAL ASSETS		**3,896,831,435**	4,010,605,319
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**523,833,610**	523,833,610
Treasury shares	22	**(280,647,467)**	(160,656,765)
Retained earnings		**877,385,406**	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		**1,120,663,867**	1,200,066,436
Non-controlling interests		**6,817,734**	2,813,357
TOTAL EQUITY		**1,127,481,601**	1,202,879,793
NON-CURRENT LIABILITIES			
Borrowings	15	**458,136,434**	426,101,700
Lease liabilities	10	**1,323,024,174**	1,366,413,544
Employees' end of service benefits		**77,461,233**	75,753,452
TOTAL NON-CURRENT LIABILITIES		**1,858,621,841**	1,868,268,696
CURRENT LIABILITIES			
Borrowings	15	**147,866,728**	122,300,841
Lease liabilities	10	**109,715,749**	117,043,123
Trade payables		**92,538,758**	51,653,484
Accrued expenses and other current liabilities	16	**62,249,794**	79,472,297
Deferred revenue		**481,231,480**	548,213,256
Provision for zakat and income tax	17	**3,703,166**	8,860,154
Derivative liabilities		**2,681,584**	-
TOTAL CURRENT LIABILITIES		**899,987,259**	927,543,155
Liabilities directly associated with the assets held for sale	5	**10,740,734**	11,913,675
TOTAL LIABILITIES		**2,769,349,834**	2,807,725,526
TOTAL EQUITY AND LIABILITIES		**3,896,831,435**	4,010,605,319

Assim Al Attas	*Abdulelah Al-Nemr*	*Ali Hamad AlSagri*
Chief Financial Officer	*Chief Executive Officer*	*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 2026

	Attributable to Equity Holders of the Parent Company						
	Share Capital ⃁	***Treasury Shares*** ⃁	***Retained earnings*** ⃁	***Fair value reserve of financial assets at FVOCI*** ⃁	***Total*** ⃁	***Non-Controlling Interest ("NCI")*** ⃁	***Total*** ⃁
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 / (loss) 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 /(loss) 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	-	-	-	-	-	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
As at 31 December 2025 (Audited)	**523,833,610**	**(160,656,765)**	**836,797,273**	**92,318**	**1,200,066,436**	**2,813,357**	**1,202,879,793**
Profit / (loss) for the period	**-**	**-**	**112,802,206**	**-**	**112,802,206**	**(1,116,188)**	**111,686,018**
Other comprehensive loss	**-**	**-**	**(838,230)**	**-**	**(838,230)**	**-**	**(838,230)**
Total comprehensive income /(loss) for the period	**-**	**-**	**111,963,976**	**-**	**111,963,976**	**(1,116,188)**	**110,847,788**
Dividends (note 23)	**-**	**-**	**(76,885,978)**	**-**	**(76,885,978)**	**-**	**(76,885,978)**
Partial disposal of a subsidiary (note 11)		**-**	**5,510,135**	**-**	**5,510,135**	**3,545,565**	**9,055,700**
Additional investment by NCI	**-**	**-**	**-**	**-**	**-**	**1,575,000**	**1,575,000**
Treasury shares (note 22)	**-**	**(119,990,702)**	**-**	**-**	**(119,990,702)**	**-**	**(119,990,702)**
As at 30 June 2026 (Unaudited)	**523,833,610**	**(280,647,467)**	**877,385,406**	**92,318**	**1,120,663,867**	**6,817,734**	**1,127,481,601**

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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the Six Month Period ended 30 June 2026

	Note	*For the six-months period ended 30 June* *2026* ⃁	*2025* ⃁
OPERATING ACTIVITIES			
Profit before zakat and income tax		**112,434,407**	142,995,707
Profit from discontinued operations		**48,157**	67,621
		112,482,564	143,063,328
Adjustments to reconcile profit before zakat and tax to net cash flows:			
Depreciation		**175,580,378**	164,706,121
Amortization of intangible assets		**1,560,213**	1,499,468
Finance costs		**59,823,070**	46,323,256
Profit from short term Murabaha		**(1,296,410)**	(109,216)
Reversal of impairment of non-financial assets		**-**	(11,457,173)
Gain on lease modification		**(81,411)**	-
(Gain) / loss on lease termination		**(634,915)**	49,454
Write off of non-financial assets		**1,008,827**	-
Impairment of the asset held for sale		**72,236**	101,432
(Gain) / loss on disposal of property and equipment		**(345,696)**	161,318
Share in net results of investment in an associate		**-**	4,584,397
Provision for employees' end of service benefits		**5,891,301**	5,490,150
		354,060,157	354,412,535
Working capital changes:			
Inventories		**(331,294)**	567,589
Prepayments and other current assets		**10,938,473**	11,373,732
Trade receivables		**(2,552,096)**	(8,944,711)
Trade payables		**40,385,293**	5,883,788
Accrued expenses and other current liabilities		**(17,009,637)**	(17,794,680)
Deferred revenue		**(67,268,410)**	(61,294,335)
Cash from operations		**318,222,486**	284,203,918
Employees' end of service benefits paid		**(6,813,264)**	(1,593,933)
Zakat paid		**(5,953,534)**	(6,833,512)
Net cash from operating activities		**305,455,688**	275,776,473
INVESTING ACTIVITIES			
Additions to property, equipment and related advances to suppliers and contractors		**(110,627,374)**	(204,446,291)
Proceeds from short term Murabaha profit		**1,284,694**	189,049
Proceeds from partial disposal of a subsidiary		**9,000,000**	-
Addition to investment in an associate		**-**	(7,517,946)
Proceeds from disposal of property and equipment		**452,234**	583,957
Addition to intangible assets		**(285,769)**	(2,369,266)
Net cash used in investing activities		**(100,176,215)**	(213,560,497)

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

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

For the Six Month Period ended 30 June 2026

	Note	*For the six-months period ended 30 June* 2026 ⃁	*For the six-months period ended 30 June* 2025 ⃁
FINANCING ACTIVITIES			
Proceeds from borrowings		**197,777,745**	462,978,073
Repayments of borrowings		**(137,495,540)**	(340,950,992)
Finance cost paid		**(30,730,441)**	(25,312,341)
Dividend paid		**(76,885,978)**	(103,999,543)
Additional investment by NCI		**1,575,000**	4,314,531
Payment of interest portion of lease liabilities		**(32,694,023)**	(35,160,872)
Payment of principal portion of lease liabilities		**(56,541,093)**	(50,873,973)
Purchase of treasury shares	22	**(119,990,702)**	(6,045,499)
Net cash used in financing activities		**(254,985,032)**	(95,050,616)
Net decrease in cash and cash equivalents		**(49,705,559)**	(32,834,640)
Cash and cash equivalents at the beginning of the period	14	**171,438,295**	108,404,878
Cash and cash equivalents at the end of the period	14	**121,732,736**	75,570,238
SIGNIFICANT NON-CASH TRANSACTIONS			
Additions to right-of-use assets and corresponding lease liabilities		**13,926,129**	94,832,423
Interest on lease liabilities capitalized for under construction fitness centers		**2,057,275**	10,090,098
Interest on borrowings capitalized for under construction fitness centers		**3,312,818**	6,163,464

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.

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-Akhirah 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-Akhirah 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:

		Ownership percentage			
		30 June 2026		*31 December 2025*	
Name	***Country of incorporation***	***Direct***	***Indirect***	*Direct*	*Indirect*
Sports Hive Limited Company	Kingdom of Saudi Arabia	**-**	**100%**	-	100%
Altathir Al-Riyadiyeh Company (note 11)	Kingdom of Saudi Arabia	**-**	**55%**	-	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 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

The Group continues to monitor geopolitical developments in the Middle East and their potential impact on the regional economy and business environment. Based on management's assessment, the Group did not experience any significant disruption to its operations, customer activity, or financial performance during the six-month period ended 30 June 2026, and no material impact on the condensed consolidated interim financial statements has been identified. Management will continue to monitor the situation and assess any potential future effects at subsequent reporting dates.

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 30 June 2026 do not necessarily represent an indicator for the results of the operations for the year ending 31 December 2026.

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 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 ("⃁") 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 30 June 2026, management believes that, all judgments and sources of estimation uncertainty remain similar to those disclosed in the Group's annual financial statements for the year ended 31 December 2025.

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 30 June 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

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 group's financial performance and cash flows.

The amendments had no impact on the Group's interim condensed consolidated 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***
- 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.

***IFRS 18 – Presentation and Disclosure in Financial Statements**

In April 2024, the International Accounting Standards Board issued IFRS 18 'Presentation and Disclosure in Financial Statements' ("IFRS 18"), which replaces IAS 1 Presentation of Financial Statements. IFRS 18, as endorsed in the Kingdom of Saudi Arabia, is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted, and is required to be applied retrospectively.

On adoption, the Group will restate the comparative period and will disclose a reconciliation for each line item in the statement of profit or loss and other comprehensive income between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

IFRS 18 introduces new requirements for the presentation of the statement of profit or loss and other comprehensive income, disclosure requirements for management-defined performance measures and enhanced principles for the aggregation and disaggregation of information in the financial statements and the notes. IFRS 18 does not change the recognition and measurement of items in the financial statements; accordingly, profit for the year, earnings per share and total equity are not affected. The Group has performed an initial assessment of the impact of IFRS 18 on its financial statements, the results of which are set out below. The assessment is ongoing and the expected impacts described below are preliminary and may change as the Group finalizes its implementation of IFRS 18.

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

4.3 New and amended standards and interpretations not yet effective **(continued)**

a) Structure of the Statement of Profit or Loss

The presentation of certain income and expense items will be reclassified between the operating, investing, financing, income tax and discontinued operations categories within the statement of profit or loss. IFRS 18 also introduces mandatory subtotals, including Operating Profit and Profit Before Financing and Income Taxes, which may result in changes to the current presentation of the Group's statement of profit or loss. The Group is currently evaluating the impact of these requirements as part of its ongoing IFRS 18 implementation assessment.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group, following adoption of IFRS 18, will be determined based on public communications issued by the Group

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

5. DISCONTINUED OPERATIONS

	30 June 2026	*31 December 2025*
	⃁	⃁
Total Asset	**33,893,652**	35,018,436
Total Liabilities	**10,740,734**	11,913,675

Profit for the six-month period ended 30 June 2026 is ⃁ 120,393 (30 June 2025: ⃁ 169,053). The Group recognized an impairment loss on its share of profits in Champs Sports and Fitness Club LLC for the period ended 30 June 2026 amounting to ⃁ 72,236 (30 June 2025: ⃁ 101,432). Accordingly, the net profit generated from discontinued operations amounts to ⃁ 48,157 (30 June 2025: ⃁ 67,621).

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

	30 June 2026	*30 June 2025*
	⃁	⃁
Operating activities	**1,013,692**	1,858,855
Investing activities	**(8,492)**	(202,546)
Financing activities	**(750,000)**	(1,511,347)

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 for a consideration of ⃁ 8.16 million. Champs Sports and Fitness Club LLC Company, having commercial license number 865400 issued by the Dubai Economy Department, is headquartered in Dubai, United Arab Emirates and is engaged in the provision of comprehensive fitness and wellness services, including gym facilities, fitness classes, basketball and football academies, and facility rentals. Transaction costs amounting to ⃁ 17,266 were expensed and recognised within administrative expenses.

Management is committed to a plan to dispose of its investment in Champs Sports and Fitness Club LLC Company, and active efforts to complete the sale are ongoing. The disposal is considered highly probable and is expected to be completed during 2026. Accordingly, in accordance with IFRS 5, the assets and liabilities of Champs Sports and Fitness Club LLC Company have been classified as a disposal group held for sale and its results have been presented as a discontinued operation.

6. REVENUE

	For the three month period ended 30 June		***For the six month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	⃁	⃁	⃁	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Type of services				
Subscriptions and membership	**342,730,041**	313,468,830	**654,665,455**	625,468,734
Personal training	**51,363,682**	50,620,411	**94,711,452**	98,578,612
Rental income	**10,822,284**	6,151,307	**19,788,062**	11,740,184
Others	**5,885,016**	5,334,764	**10,998,120**	8,675,791
	410,801,023	375,575,312	**780,163,089**	744,463,321

6. REVENUE (continued)

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					
	2026	*2025*	***2026***	*2025*	***2026***	*2025*
	⃁ (Unaudited)					
Types of customers						
Male centers	**474,272,905**	466,373,635	**58,978,636**	63,479,489	**-**	6,520,666
Female centers	**177,870,565**	154,625,864	**35,690,583**	34,652,200	**438,815**	2,553,514
Other Business	**2,521,985**	4,469,235	**42,233**	446,923	**19,349,247**	2,666,004
	654,665,455	625,468,734	**94,711,452**	98,578,612	**19,788,062**	11,740,184

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					
	2026	*2025*	***2026***	*2025*	***2026***	*2025*
	⃁ *(Unaudited)*					
Types of customers						
Male centers	**248,966,766**	235,780,862	**31,360,375**	32,643,795	**-**	3,272,315
Female centers	**92,412,870**	75,296,331	**19,997,384**	17,760,537	**438,815**	1,336,518
Other Business	**1,350,405**	2,391,637	**5,923**	216,079	**10,383,469**	1,542,474
	342,730,041	313,468,830	**51,363,682**	50,620,411	**10,822,284**	6,151,307

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

7. COST OF REVENUE

	For the three month period ended 30 June		***For the six month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	⃁	⃁	**⃁**	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Salaries and related benefits	**109,950,420**	95,049,664	**207,798,737**	189,592,340
Depreciation	**85,538,301**	79,070,672	**170,318,815**	158,927,529
Cleaning and maintenance	**28,507,763**	29,084,561	**56,755,110**	57,671,438
Utilities	**25,887,581**	20,889,406	**48,257,727**	41,600,635
Others	**19,741,264**	16,916,788	**38,306,980**	32,478,321
	269,625,329	241,011,091	**521,437,369**	480,270,263

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent 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:

8. EARNINGS PER SHARE (continued)

Basic and diluted earnings per share

	For the three-month period ended 30 June		***For the Six-month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	⃁	⃁	⃁	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Net profit attributable to Equity holders of the parent company	**63,971,732**	73,109,201	**112,802,206**	143,996,433
Weighted average number of shares	**50,119,187**	52,241,582	**50,538,955**	52,253,327
Earnings per share	**1.28**	1.40	**2.23**	2.76

Basic and diluted earnings per share of continuing operations

	For the three-month period ended 30 June		***For the Six-month period ended 30 June***	
	2026	*2025*	***2026***	*2025*
	⃁	⃁	⃁	⃁
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Net profit attributable to Equity holders of the parent company	**63,971,732**	73,109,201	**112,802,206**	143,996,433
Weighted average number of shares	**50,119,187**	52,241,582	**50,538,955**	52,253,327
Earnings per share	**1.28**	1.40	**2.23**	2.76

The basic and diluted earnings per share from total operations and continuing operations are identical, as no profit attributable to the held-for-sale asset (Champs Sports and Fitness Club LLC Company) has been recognized in the calculation of earnings per share. In addition, management has recognized an impairment loss on the portion attributable to the Parent Company's interest, as a prudent measure, resulting in no impact from the held-for-sale asset on the earnings per share calculation.

9. PROPERTY AND EQUIPMENT

During the six-month period ended 30 June 2026, the Group has purchased assets with a cost of ⃁ 127.14 million (Six-month period ended 30 June 2025: ⃁ 206.37 million). Depreciation charge for the six-month period ended 30 June 2026 amounted to ⃁ 109.39 million (Six-month period ended 30 June 2025: ⃁ 101.13 million).

The borrowing costs capitalized under capital work in progress during the period amounted to ⃁ 3.3 million (Six-month period ended 30 June 2025: ⃁ 6.1 million).

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:

	For the six months period ended 30 June	
	2026	*2025*
	⃁	⃁
	(Unaudited)	*(Unaudited)*
Depreciation on right-of-use assets:		
Depreciation charge for the period	**65,099,591**	62,178,841
Interest expense on lease liabilities		
Interest expense for the period	**32,520,402**	34,954,626
Capitalized for under construction fitness centers	**(2,057,275)**	(10,090,098)
	30,463,127	24,864,528
Total amount recognized in profit or loss	**95,562,718**	87,043,369

11 PARTIAL DISPOSAL OF A SUBSIDIARY

During the six month period ended 30 June 2026, the Group partially disposed off its shareholding in Altathir Al-Riyadiyeh Company (the "subsidiary") for a cash and non-cash consideration of ⃁ 9.06 million in total. The Group has retained the control of the subsidiary. The assets and liabilities of the subsidiary on the date of disposal are as follows:

	1 April 2026
	⃁
Total Asset	24,129,208
Total Liabilities	(16,373,951)
	7,755,257
Cash consideration	9,000,000
Asset acquired	55,700
Total consideration	9,055,700
NCI arising on the date of acquisition	(3,545,565)
Gain to be recorded in equity	5,510,135

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:

Name of Related party	***Nature of relationship***	***Nature of transactions***	***For the three months periods ended 30 June***		***For the six months periods ended 30 June***	
			2026	*2025*	***2026***	*2025*
			⃁	⃁	**⃁**	⃁
			(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Key management personnel	Key management personnel	Salaries and other benefits	**3,216,858**	3,535,102	**6,457,042**	6,446,277
		Post-employment benefits	**134,143**	130,930	**272,376**	239,148
Board of Directors	Directors	Remuneration	**740,000**	836,000	**1,604,500**	1,624,500
Hamad Ali AlSagri	Shareholder	Lease rentals paid to a shareholder	**-**	-	**3,400,000**	3,400,000
AlSagri Holding	Shareholder affiliate	Subscriptions sold	**71,744**	49,784	**81,797**	91,116
		Management Services	**1,601,131**	-	**1,601,131**	-
Dhaoq Almanzel Trading Est	Shareholder affiliate	Purchase of furniture	**51,240**	154,778	**175,330**	375,948
Afaq Al-Anaqah Trading	Shareholder affiliate	Purchase of supplies	**2,596,612**	396,857	**2,990,081**	512,567
Saudi Telecom Company	Common directorship	Subscriptions sold	**-**	289,292	**-**	659,886
		Internet expenses	**361,814**	332,048	**772,668**	722,596

Amounts due from/ (due to) related parties are as follows:

	30 June 2026	*31 December 2025*
	⃁	⃁
	(Unaudited)	*(Audited)*
Trade receivables		
AlSagri Holding	**623,063**	228,927
Saudi Telecom Company	**-**	75,136
Trade payables, accrued and others		
Afaq Al-Anaqah Trading	**2,619,786**	17,864
AlSagri Holding	**1,515,093**	-
Dhaoq Almanzel Trading Est	**66,976**	61,180
Saudi Telecom Company	**335**	-

13. TRADE RECEIVABLES

	30 June 2026 ***⃁*** ***(Unaudited)***	*31 December 2025* *⃁* *(Audited)*
Subscriptions and membership receivables	**17,337,341**	17,760,548
Rental receivables	**17,394,540**	14,730,568
	34,731,881	32,491,116
Less: Allowance for expected credit losses		
- Subscriptions and membership receivables	**(135,498)**	(135,498)
- Rental receivables	**(9,114,433)**	(9,114,433)
	25,481,950	23,241,185

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:

	30 June 2026 ***⃁*** ***(Unaudited)***	*31 December2025* *⃁* *(Audited)*
Cash in hand	**167,184**	173,980
Cash at bank – current accounts	**91,829,018**	159,362,981
Short term Murabaha (note a)	**27,780,000**	10,200,000
	119,776,202	169,736,961
Cash at bank and in hand attributable to discontinued operations	**1,956,534**	1,701,334
	121,732,736	171,438,295

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

	30 June 2026 ***⃁*** ***(Unaudited)***	*31 December2025* *⃁* *(Audited)*
Non-current portion of long-term borrowings	**458,136,434**	426,101,700
Current portion of long-term borrowings	**147,866,728**	122,300,841
	606,003,162	548,402,541

15. BORROWINGS (continued)

As at 30 June 2026, the Group had unutilized bank financing facilities amounting to ⃁ 858.11 million (31 December 2025 ⃁ 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 30 June 2026, the Group is in compliance with borrowings covenants.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 June 2026 ⃁ ***(Unaudited)***	*31 December 2025* ⃁ *(Audited)*
Accrued expenses	**47,166,426**	72,462,473
Value added tax (VAT) payable	**13,116,613**	7,009,824
Advances from customers	**1,966,755**	-
	62,249,794	79,472,297

17. ZAKAT AND INCOME TAX

17.1 Charge for the period

During the period, net zakat and income tax charge of ⃁ 0.80 million (six-months period ended 30 June 2025: ⃁ 0.41 million) has been recognized in the interim condensed consolidated statement of profit or loss.

17.2 Status of assessments

The Group has submitted its zakat returns for the years up to 2025. The Group has received the zakat certificate from the Zakat, Tax and Customs Authority ("ZATCA") which is valid up to 30 April 2027. 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 ⃁ 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.

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 ⃁ 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 amount from the former shareholder.

The Group 's zakat assessments for the year 2024 and 2025 are currently under review by the ZATCA. ZATCA raised some queries related to 2024, 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 ⃁ 21.45 million as at 30 June 2026 (31 December 2025: ⃁ 23.31 million) against land lease and letter of credit amounting to ⃁ nil as at 30 June 2026 (31 December 2025: ⃁ 0.34 million).

18.2 Capital commitments

The Group has capital commitments on contracts for setting up fitness centers amounting to ⃁ 75.34 million as at 30 June 2026 (31 December 2025: ⃁ 100.4 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

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 2026 and 2025, respectively:

	Local Region – KSA		***International Region – UAE***		***Total***	
	2026	*2025*	***2026***	*2025*	***2026***	*2025*
			⃁ (Unaudited)			
Revenue	**756,908,094**	720,586,261	**23,254,995**	23,877,060	**780,163,089**	744,463,321
Depreciation	**(165,276,178)**	(154,044,551)	**(5,042,637)**	(4,882,978)	**(170,318,815)**	(158,927,529)
Other operating costs	**(337,891,854)**	(309,387,969)	**(13,226,700)**	(11,954,765)	**(351,118,554)**	(321,342,734)
Segment profit	**253,740,062**	257,153,741	**4,985,658**	7,039,317	**258,725,720**	264,193,058

The following tables present revenue and profit information for the operating segments for three-months period ended 30 June 2026 and 2025, respectively:

	Local Region – KSA		***International Region –UAE***		***Total***	
	2026	*2025*	***2026***	*2025*	***2026***	*2025*
			⃁ (Unaudited)			
Revenue	**398,507,457**	363,670,544	**12,293,566**	11,904,768	**410,801,023**	375,575,312
Depreciation	**(83,015,449)**	(76,638,013)	**(2,522,852)**	(2,432,659)	**(85,538,301)**	(79,070,672)
Other operating costs	**(177,498,938)**	(156,133,633)	**(6,588,090)**	(5,806,786)	**(184,087,028)**	(161,940,419)
Segment profit	**137,993,070**	130,898,898	**3,182,624**	3,665,323	**141,175,694**	134,564,221

19.2 Market segments

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

for six-months period ended 30 June 2026:

	Male	***Female***	***Other Business***	***Total***
		⃁ (Unaudited)		
Revenues	**537,136,686**	**216,119,653**	**26,906,750**	**780,163,089**
Depreciation	**(112,116,057)**	**(55,985,905)**	**(2,216,853)**	**(170,318,815)**
Other Operating costs	**(223,608,901)**	**(104,244,099)**	**(23,265,554)**	**(351,118,554)**
Segment profit	**201,411,728**	**55,889,649**	**1,424,343**	**258,725,720**

for six-months period ended 30 June 2025:

	Male	*Female*	*Other Business*	*Total*
		⃁ *(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

19. SEGMENTAL INFORMATION (continued)

19.2 Market segments (continued)

for three-months period ended 30 June 2026:

	Male	***Female***	***Other Business***	***Total***
		⃁ (Unaudited)		
Revenues	**282,116,551**	**113,516,570**	**15,167,902**	**410,801,023**
Depreciation	**(56,154,350)**	**(28,270,838)**	**(1,113,113)**	**(85,538,301)**
Other Operating costs	**(111,137,043)**	**(53,504,625)**	**(19,445,360)**	**(184,087,028)**
Segment profit	**114,825,158**	**31,741,107**	**(5,390,571)**	**141,175,694**

for three-months period ended 30 June 2025:

	Male	*Female*	*Other Business*	*Total*
		⃁ (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

During the period, the Group transferred its rental business to one of its subsidiaries. Accordingly, the rentals that were previously disclosed under male and female segments are part of other business in 2026.

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

	For the six months period ended 30 June	
	2026	*2025*
	⃁	*⃁*
	(Unaudited)	*(Unaudited)*
Segment profit	**258,725,720**	264,193,058
Advertising and marketing expenses	**(11,996,073)**	(11,356,549)
Finance costs	**(59,823,070)**	(46,323,256)
Profit from short term Murabaha	**1,296,410**	109,216
General and administration expenses	**(76,283,147)**	(70,290,679)
Share in net results of investment in an associate	**-**	(4,584,397)
Other income, net	**514,567**	11,248,314
Profit before zakat	**112,434,407**	142,995,707

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 recognized 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.

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:

	30 June 2026 ⃁ ***(Unaudited)***	*31 December 2025* ⃁ *(Audited)*
Equity	**1,127,481,601**	1,202,879,793
Debt (borrowings and lease liabilities)	**2,038,743,085**	2,031,859,208
Total capital structure	**3,166,224,686**	3,234,739,001
Gearing ratio	**1.81**	1.69
Current ratio (excluding deferred revenue)	**0.62**	0.84

The management also analyses the liquidity risk as follows:

	30 June 2026 ⃁ ***(Unaudited)***	*31 December 2025* ⃁ *(Audited)*
Current financial assets	**155,071,583**	225,689,501
Current liabilities excluding deferred revenue	**(393,292,057)**	(342,062,555)
Adjusted net current financial liability position	**(238,220,474)**	(116,373,054)

The Group manages its liquidity risk by ensuring sufficient un-availed credit facilities. As of 30 June 2026, unutilized bank credit facilities of ⃁ 858.11 million (31 December 2025: ⃁ 823 million) were available from multiple banks for managing the working capital requirements. Moreover, the Group generated ⃁ 305.5 million of cash flows from operating activities during the period ended 30 June 2026.

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 except for derivative liabilities.

22. 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.

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 2,558,103 of its outstanding shares as treasury shares.

The average price of treasury shares is ⃁ 103.55.

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.

On 10 Thul-Qi'dah 1447 (corresponding to 27 April 2026), the Board of Directors, resolved to distribute cash dividend of ⃁ 0.58 per share amounting to ⃁ 29.32 million for the first quarter of 2026.

On 29 Sha'ban 1447H (corresponding to 17 February 2026), the Board of Directors, resolved to distribute cash dividend of ⃁ 0.93 per share amounting to ⃁ 47.57 million for the fourth quarter of 2025.

On 27 Thul-Qi'dah 1446H (corresponding to 25 May 2025), the Board of Directors, resolved to distribute cash dividend of ⃁ 0.81 per share amounting to ⃁ 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 ⃁ 1.18 per share amounting to ⃁ 61.7 million for the fourth quarter of 2024.

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group has assessed that fair value of the financial instruments, comprising 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:

			30 June 2026 ***⃁***		
Financial liabilities at fair value	***Carrying Amount***	***Level 1***	***Level 2***	***Level 3***	***Total***
Derivative financial instruments – cross-currency swap	**2,681,584**	**-**	**2,681,584**	**-**	**2,681,584**

			31 December 2025 ⃁		
Financial liabilities at fair value	*Carrying Amount*	*Level 1*	*Level 2*	*Level 3*	*Total*
Derivative financial instruments – cross-currency swap	-	-	-	-	-

The fair value of financial assets and liabilities is recognized 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 categorized 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:

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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 13 Safar 1448H (corresponding to 27 July 2026), the Board of Directors, resolved to distribute interim cash dividend of ⃁ 0.77 per share amounting to ⃁ 38.25 million for the three months period ended 30 June 2026.

Other than disclosed above, there have been no further significant subsequent events since the period ended 30 June 2026 that would have a material impact on the financial position of the 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 six months period ended 30 June 2026 were authorized for issuance in accordance with the Board of Directors resolution on 13 Safar 1448H (corresponding to 27 July 2026).