



شركة الأندية للرياضة
SPORT CLUBS COMPANY

Annual Report 2025

H1447 - 1446

With More Determination

Empowering the Future of Fitness in Saudi Arabia

بِسْمِ
اللَّهِ
الرَّحْمَنِ
الرَّحِيمِ



MY PRIMARY GOAL IS TO BE AN EXEMPLARY AND LEADING NATION IN ALL ASPECTS, AND I WILL WORK WITH YOU IN ACHIEVING THIS ENDEAVOUR.

Custodian of the Two Holy Mosques King
Salman Bin Abdulaziz Al-Saud



Our ambition is to build a more prosperous nation where every citizen finds what they wish for; the future of our nation, which we are building together, we will not accept but to make it at the forefront of the countries of the world

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Since our inception, we have set our sights on one goal: to be pioneers of transformation in the fitness industry and to redefine the standards of health and activity in the Kingdom.

We draw course that inspires the entire sector and put Saudi Arabia on the global fitness map.

Introduction

Sport Clubs Company (SCC) is pleased to launch its annual report for 2025, the first annual report after the successful listing of its shares on the Main Market, strongly affirming its journey of excellence that has extends for more than three decades. Thereby, it has transformed from a leading name in the fitness industry into a listed joint-stock company that embodies the ambition of Saudi Vision 2030 in promoting public health and a sporty lifestyle, reinforced by the market's confidence in its sustainable growth prospects and promising investment potential.



Chairman's Message

Dear Shareholders of SCC,

It's our pleasure to present our first annual report following the listing of our shares on the Main Market. This historic step has bolstered market confidence in our operational strength and investment growth prospects within the rapidly evolving fitness sector, directly supported by Saudi Vision 2030 goals of enhancing quality of life and promoting sports participation.

This Report marks a pivotal moment SCC's journey, which began over three decades ago, making it one of the pioneering entities specializing in the Kingdom's sports and fitness sector. Today, we have established ourselves as a key player in the market, building upon a long-standing brand, an extensive network of clubs across the Kingdom, and a growing membership base.

The sports and fitness sector in the Kingdom has witnessed exceptional activity recently. In this context, the Company continued to benefit from this growth by investing in its competitive strengths, namely its geographical reach, extended operational experience, loyal customer base, strategic real estate portfolio, and strong relationships with suppliers and partners.

During the year, the Company focused on improving operational efficiency and enhancing the subscriber experience in parallel with implementing well-thought-out expansion plans. This is reflected in the growth of the subscriber base and higher levels of satisfaction, in addition to enhancing the readiness of the institutional and organizational structure in line with the current phase witnessed by the Company as a listed company.

Based on its clear strategic vision, the Company has set ambitious yet measurable growth targets, most notably reaching 100 branches by 2030, i.e. opening an average of 10 clubs annually in the

coming years, expanding into densely populated cities, strengthening its presence in existing cities, and supporting regional expansion through franchising. This will be achieved while simultaneously increasing operational efficiency, improving asset quality, and maximizing return on investment.

The Company will continue to focus on maximizing shareholder value through sustainable business growth, improved operational efficiency, and diversified revenue streams, all while adhering to the highest standards of governance and transparency as a publicly listed company.

In conclusion, the Company's Management extends its sincere thanks and appreciation to the members of the Board of Directors for their continuous support and guidance, to the esteemed shareholders for their trust, and to all Company employees whose dedication is the cornerstone of SCC's success.

The Company's ambitions for the future are greater than its past achievements. With its strong operational capabilities, clear strategy, and supportive regulatory environment for the sports sector, SCC is, with Allah's help, embarking on a new phase of growth and expansion. This will strengthen its market position, attract more investors, and contribute to achieving the goals of Saudi Vision 2030 towards a healthier and more vibrant society.

Ammar Al-Khudairy
Chairman of the Board
of Directors



CEO's Message

Dear Shareholders, Partners, and Stakeholders,

As CEO of SCC, I am pleased to present this statement which reflects the transformation the Company underwent in 2025. During this period, we focused on building operational and organizational readiness in preparation for a phase of accelerated expansion commencing in 2026.

The Company has stable operational performance, with 59 clubs across 19 cities, the average number of members reached 167,000.

The Company also maintained a strong financial position, achieving 15% revenue growth compared to the previous year, a gross profit margin of 30%, and a net profit exceeding SAR 41 million for 2025, supported by diversified revenue streams and increased operational efficiency.

Throughout the year, the Executive Management focused on enhancing operational readiness. This involved developing human resources, strengthening supply chains, improving operational efficiency, and signing key operational contracts that improved supply quality and operational stability across the club network.

Building on this foundation, 2026 marks the beginning of the actual implementation of the growth strategy. The Company aims to open 10 new clubs per year. As part of our efforts to enhance asset quality and improve the customer experience, we reopened two branches after a comprehensive renovation. Continuing this trend, we plan to fully renovate three clubs and partially renovate three others during 2026. We also maintain revenue diversification and partnerships by expanding projects

through agreements with projects related to the sports solutions sector, and by building operational and training partnerships with domestic and international organizations.

The Company's listing on the Main Market marked a turning point in our journey, enhancing governance and transparency and enabling the Company to transition from its establishment phase to one of accelerated growth.

2025 was a year of laying the foundation, while 2026 marks the beginning of the full implementation of our expansion strategy. We are confident that the strength of our operating model, our financial discipline, and the power of our brand will lead the Company to achieve its objectives and maximize shareholder value.

In conclusion, I would like to thank the Board of Directors for their support and guidance, our shareholders for their trust, and all Company employees for their efforts, which are the cornerstone of our success. We look forward to a new phase of sustainable growth.

Sincerely,

Wael El Merhabi
CEO

Company Overview

SCC is a closed Saudi joint-stock company established by Ministerial Resolution No. (1260) dated 02/03/1444H (corresponding to 28/09/2022G) and registered under Commercial Registration No. 1010167892 dated 26/04/1422H (corresponding to 17/07/2001G) issued in Riyadh, Kingdom of Saudi Arabia. The Company's headquarters and registered office are located on Imam Saud Bin Faisal Road, Al Sahafa District, P.O. Box 79, Riyadh 13321, Kingdom of Saudi Arabia. The Company's capital is SAR 104,000,000 divided into 104,000,000 ordinary shares with a fully paid-up par value of SAR 1 per share. Following the offering (IPO), the Company's capital increased to SAR 114,400,000 divided into 114,400,000 ordinary shares with a par value of SAR 1 per share.

The Company's operations are divided into two main sections:

Establishing, Managing, and Operating Sports Clubs: The Company establishes, manages, and operates its own sports clubs, including men's sports clubs under the "Body Masters" brand and women's sports clubs under the "Body Motions" brand.

Integrated Sports Facility Services (Body Experts Services): The Company provides a range of integrated services under the "Body Experts" brand, including sports consulting, designing and constructing gyms, centers, and other sports facilities for its clients ("sports facilities"), either directly or through subcontractors, planning the placement of sports equipment, furnishing and supplying sports equipment, operating the sports facilities, and maintaining them.

SCC was established in 1994



SCC was established in 1994 and is considered the first chain of sports clubs in the Kingdom, through the launch of Body Masters clubs, which provide a wide range of sports, fitness, and health services for men within two main categories: "Body Masters Premium" and "Body Masters Express." Body Masters clubs are among the most widespread and renowned fitness clubs in the Kingdom.

Continuing its growth and expansion across the Kingdom, the company launched Body Motions in 2020, a chain specializing in the establishment, management, and operation of women's fitness clubs in Saudi Arabia. Body Motions has experienced rapid growth and expansion since its launch, opening 12 fitness clubs in its first two years alone.

Also in 2020, the Company launched an additional business sector under the "Body Experts" brand, providing comprehensive fitness solutions and a range of integrated services for its clients regarding their fitness facilities. This aligns with clients' preferences, who often choose to entrust these projects to the Company due to its qualitative and proven experience in managing and operating fitness facilities, eliminating the need to contract with and deal with multiple parties to implement relevant projects.

Company's Vision and Mission

Vision

Providing a welcoming and attractive environment for training and exercising, our clubs empower members of our community to improve their quality of life, maintain their overall health, and enhance their physical fitness in the easiest ways. Our centers serve as meeting places for those seeking to maintain a healthy and sustainable lifestyle, and as destinations for companies that support their employees in achieving this goal.

Mission

Urging members of our community to adopt a healthy lifestyle and encouraging them to exercise regularly, and to provide a distinctive and unique experience to the Company's clients – both beginners and professionals – in the fields of sports and fitness through a team that is passionate, efficient and experienced.

Values

Our values are a set of core principles that serve as a compass guiding our employees and management in conducting our business. These values are:

We prioritize the interests of our shareholders: by striving to maximize shareholder value through the sustainable growth of the Company's business, operations, and assets.

We serve our customers: through understanding and meeting their needs in a way that ensures their satisfaction and exceeds their expectations.

We care about employees: by appreciating and supporting our employees as our most valuable asset and the cornerstone of our success and growth.

We serve our community: by being committed to the principle of "Sports for All," providing an inclusive environment that fosters the overall health of our society.

We develop our services: through continuously improving our products and services by utilizing the latest sports technologies and attracting the most qualified talent.

We uphold the highest standards: by adhering to the highest quality standards in all our services and continuously improving them.

We engage with everyone: by listening to our shareholders, customers, employees, and the community, and responding to their feedback.

Key Strengths and Competitive Advantages

1- A well-established brand with multiple options

- Over 30 years of accumulated experience in operation and development.
- 59 sport clubs spread across most cities and governorates of the Kingdom.
- 147,500 active members.

2- Exceptional Services at Competitive Prices

3- The Company offers three categories of sports clubs:

Premium and Express for men's clubs under the Body Masters brand, and a category for women's clubs under the Body Motions brand.

4- Strategically located, easily accessible locations across a wide geographical area.

- A broad network of sports clubs extending across more than 19 different cities within the Kingdom.
- Abundant sites suitable for establishing sport clubs.

5- A passionate, efficient, and experienced management team.

6- Excellent relationships with suppliers.

7- Providing comprehensive sports solutions that fully meet the needs of clients' clubs, centers, and sports facilities.

Summary of the Company's Important Historical Events

| Date | Change Event |
|-------|--|
| 1994G | The Company's sports centers began operating, through six sports centers, including five centers named "Body Champions Fitness Center" and one sports center named "Al-Safwa Sports Center" under licenses issued by the General Presidency of Youth Welfare (currently the Ministry of Sports). |
| 2001G | The Company was established as a limited liability company under the name "Sport Clubs Company" with Commercial Registration No. 1010167892 dated 26/04/1422H (corresponding to 17/07/2001G) with a capital of SAR 500,000 divided into 100 in-kind shares with a nominal value of SAR 5,000 per share, through the merger and transfer of the aforementioned sports centers with their rights and obligations into the Company's capital at the time of its establishment. |
| 2006G | The Company's capital was increased from SAR 500,000 to SAR 10,000,000. |
| 2008G | The Company's capital was increased from SAR 10,000,000 to SAR 74,000,000. The Company's capital was increased from SAR 74,000,000 to SAR 104,000,000. The new identity for Body Masters clubs was launched, which included the introduction of the new logo and the adoption of a vision and direction towards comprehensive sports services. |
| 2013G | A restructuring of the Company's Executive Management resulted in greater administrative stability, with the restructured executive team remaining in place since 2013. |
| 2014G | A martial arts academy was opened, providing students with instruction and training in various martial arts. |
| 2016G | The Company entered a new geographic market with the opening of its first fitness club in the Western Province under the Body Masters brand. |
| 2020G | The Company launched a new chain, Body Motions Clubs, specializing in the establishment, management, and operation of women's fitness clubs in the Kingdom. The number of active memberships across the Company's clubs reached 100,000. The Company continued its geographical expansion, reaching 17 cities in the Kingdom. The Company also launched an additional business sector under the umbrella of the "Body Experts" brand, providing comprehensive fitness solutions and a range of integrated services for its clients' fitness facilities. |
| 2022G | The Company was transformed from a limited liability company to a closed joint-stock company. |
| 2024G | The nominal value of the Company's shares was reduced from SAR 10 per share to SAR 1 per share. The Extraordinary General Assembly approved increasing the Company's capital from SAR 104,000,000 to SAR 114,400,000, divided into 114,400,000 shares with a par value of SAR 1 per share, through the issuance of 10,400,000 ordinary shares and offering them for public subscription. |
| 2025G | An exceptional year in terms of achieving record numbers and profits. 2025 witnessed a historic achievement with the successful listing of the Company on the Main Market (Tadawul). SCC launched its new identity concurrently with the listing. Five branches opened in 2025 (Al-Arid for Men - Al-Arid for Women - Uhud - Al-Ula for Men - Al-Ula for Women). |

A sustainable Growth Story

SCC Brands



SCC - A Successful Transformation Story

In 2013, the Company implemented a comprehensive transformation program by phases as follows:

| From 2013 to 2015 Leading Transformation Towards Stability | From 2015 to 2019 Rebuilding Reliability | From 2019 to 2025 Start of the Growth Journey |
|--|---|---|
| <ul style="list-style-type: none"> Reduce costs. | <ul style="list-style-type: none"> Unifying the clubs' identity. | <ul style="list-style-type: none"> Launching the new identity for SCC |
| <ul style="list-style-type: none"> Focus on cash flow. | <ul style="list-style-type: none"> Building a suitable team for the current phase. | <ul style="list-style-type: none"> Listing the Company on the Saudi Stock Exchange |
| <ul style="list-style-type: none"> Sell loss-making assets. | <ul style="list-style-type: none"> Restructuring the sales and marketing department. | <ul style="list-style-type: none"> Introducing a new club model. |
| <ul style="list-style-type: none"> Temporarily pause expansion and focus on minimally upgrading existing clubs. | <ul style="list-style-type: none"> Boosting morale and re-motivating the group. | <ul style="list-style-type: none"> Opening 23 new clubs. |
| | <ul style="list-style-type: none"> Restoring trust with the banks. | <ul style="list-style-type: none"> Launching the Body Motions and Body Experts brands. |
| | | <ul style="list-style-type: none"> Investing in technology. |
| | | <ul style="list-style-type: none"> Launching a new app and new websites. |

Creating the Necessary Infrastructure for Future Growth

Updating the design to higher standards.

Facilities development.

Expanding the range of services offered.

Providing higher quality equipment.

Improving the use of space within clubs.

Site selection based on a strategic approach.

We Transformed Expansion
from an Idea
into an Approach

Company Overview in 2025



Strong business with a proven track record of achievements

Financially

41+ million SAR
net profit for 2025G

12%
compound annual growth rate (CAGR) over the last 3 years

39.4%
EBITDA margin for 2025G

Operationally

Opening **5**
new clubs

Complete renovation and rebranding of **2**
existing clubs

11.8 million visits
during the year

315.500
personal training sessions

147.500
average active members

1,346
employees

Digitally

620+
followers on social media platforms (Facebook, Instagram, X)

2+
million YouTube views

792+
mobile app downloads

89 million SAR
in subscription sales through the app

Investor Relations

At SCC, effective communication with shareholders is a top priority. The Investor Relations Department was established as the official channel for receiving shareholder inquiries, suggestions, and feedback regarding the Company and its performance. The Investor Relations Department compiles feedback and inquiries received through these approved communication channels to inform relevant parties, as well as any new developments, ensuring that board members, particularly non-executive board members, are informed of the most important shareholder feedback and suggestions.

Initial Public Offering and Listing

2025 witnessed a historic achievement with the successful listing of the Company's shares on the Main Market (Tadawul). A total of 34.32 million ordinary shares were offered (comprising 23.92 million existing shares sold proportionally to shareholders, and 10.4 million new shares issued through a capital increase), representing 33% of the capital before the increase (SAR 104 million / 104 million shares) and 30% after the increase (SAR 114.4 million / 114.4 million shares), with a par value of SAR 1 per share and a final offering price of SAR 7.5 per share.

The institutional offering closed 44.1 times oversubscribed, while the retail offering (6.86 million shares, representing 20% of the offering, closed on July 8, 2025G) was 533.6% oversubscribed, with 259,690 investors subscribing for SAR 247.7 million. The minimum allocation was 10 shares, with an average allocation factor of 12.5%, reducing the total allocation to participating categories to 27.46 million shares (80%).

The offering successfully enhanced transparency and governance, broadened the shareholder base, and provided capital for expansion, reinforcing the Company's attractiveness as an investment in the growing fitness sector.

The Company allocated 96% of the net proceeds from the IPO to fund its growth plans, through the construction, renovation, and equipping of new sports clubs, as well as the conversion of several existing clubs to the new model. The Company also strengthened its communication and transparency agenda through several investor relations initiatives, including:

- Holding more than 15 meetings with investors after the IPO.
- Organizing club tours/site visits to more than 10 entities after the IPO to enhance investor understanding of the Company's new operating model.
- Actively participating in investor conferences and events to expand engagement with institutional investors.
- Providing regular updates to investors and analysts through quarterly earnings conferences, supported by relevant materials.
- The Company has launched a dedicated investor relations page built to high standards to facilitate access to key information, including disclosures, reports, presentations, an investor relations calendar, and contact details, thus promoting transparency and accessibility for all stakeholders.

Listing Date

July 22, 2025G

Number of Listed Shares

34,320,000

Capital

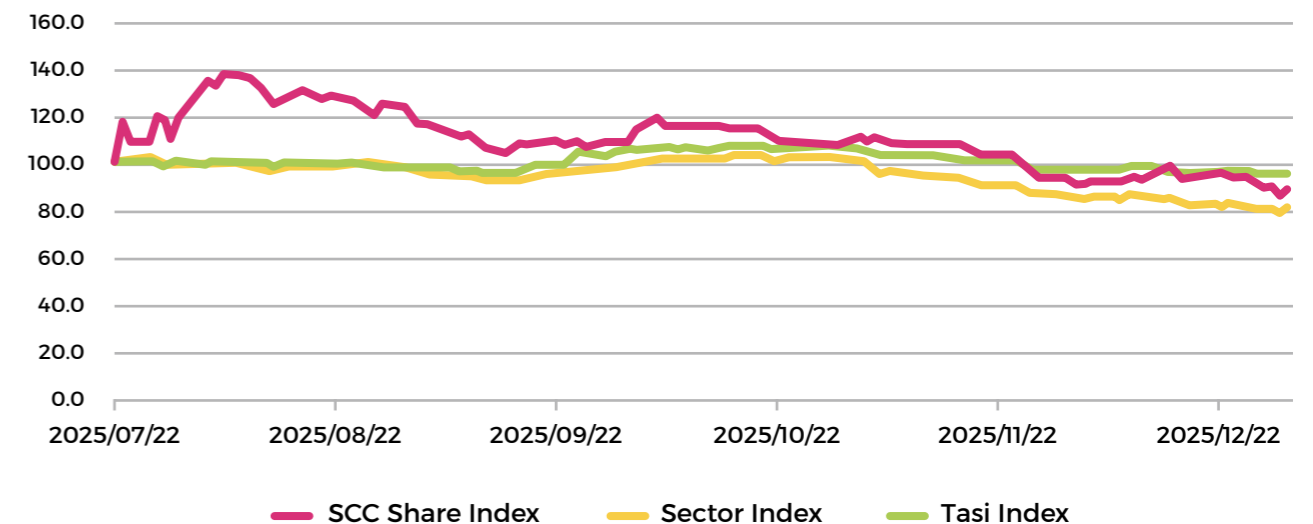
114,400,000

Share Price

SAR 7.5

Share Performance from Listing to December 31, 2025

The comparison was prepared on the basis of a relative index starting from 100 on the listing date, to measure and compare the performance of the Company's shares with both the market index and the sector index up to December 31, 2025G, reflecting the relative change in performance during the period under comparison.



Shareholder Information

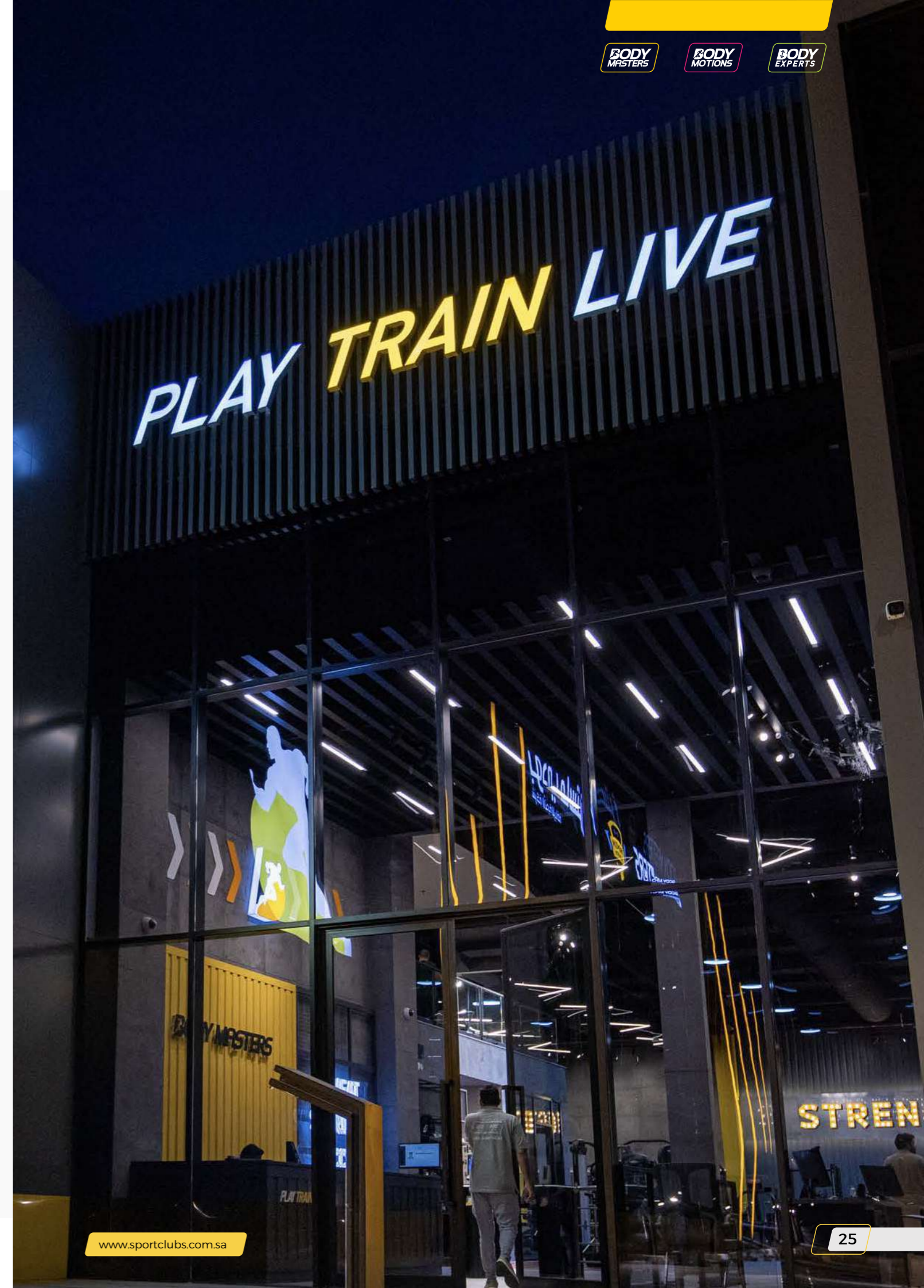
Substantial Shareholders Who Own 5% or More of the Company's Capital

| | Share Number | Shareholding (%) | Total Nominal Value (Saudi Riyal) |
|--|-------------------|------------------|-----------------------------------|
| Special Opportunities Investment Company | 32,032,000 | 28.0000% | 32,032,000 |
| Diamond Opportunities Sports Company | 27,626,830 | 24.1493% | 27,626,830 |
| Total | 59,658,830 | 55.9798% | 59,658,830 |

Shareholders' Distribution

| | Number | Ownership Percentage |
|-------------|--------|----------------------|
| Corporate | 31 | 56.0 |
| Individuals | 49,548 | 44.0 |
| Saudi | 46,345 | 97.2 |
| Non-Saudi | 3,234 | 2.8 |

We Continue to Build Steadily



Key Investment Features

A comprehensive investment opportunity with low risk for executing major projects through the adoption of a relatively safe development strategy and asset diversification, along with diversifying revenue streams and enhancing capital reinvestment capabilities.

The SCC's branches are spread throughout most of the Kingdom and are characterized by growing membership awareness of maintaining health and continuing to exercise.

Diversified revenue streams across three categories: (1) Sport clubs memberships (which are the group's main operations), (2) Health services, and (3) the sport solutions sector.

The Company is characterized by a strong financial position and a conservative debt ratio, which enables it to follow a flexible business model, with well-thought-out plans to cover debts and financial obligations, in addition to a high ability to cover any unexpected operating expenses, which contributes to reducing the risks associated with project implementation.

Company's Strategy

Customer First, Customer Experience

The Company continuously monitors the level of services it provides as part of its strategy to expand its customer base by retaining existing customers and attracting new ones. The Company measures service levels through various means, including:



(Net Promoter Score (NPS).



Measuring the satisfaction of new members.



Surveying the opinions of members whose subscriptions have expired.

Continued Growth and Expansion

This is achieved by establishing clubs in new regions and cities within the Kingdom and strengthening its presence therein, particularly densely populated cities. The Company has also recently adopted a strategy for expansion outside the Kingdom, aiming to enter new markets.

A-Domestic Expansion

The Company intends to open at least ten new clubs each year for the next five years, either through establishing new clubs or through acquiring other clubs or chains.

B-External Expansion

The company plans to expand into the GCC, MENA markets through franchise agreements. These agreements will grant franchisees access to the Company's practical, technical, and technological know-how and allow them to use its brand. Under these agreements, franchisees shall be responsible for the costs of investing in this know-how, pay the Company agreed-upon fees, maintain the confidentiality and privacy of the Company's brands, and adhere to the Company's operating model.

The Company views franchise agreements as a first step towards strengthening its regional presence, introducing its brand to new markets, and meeting the needs of diverse customer segments in different countries.

Technology Development and Innovation

This includes digital transformation across all its operations, such as the use of analytical tools, to ensure efficient resource management and operation. The Company has also adopted an Enterprise Resource Planning (ERP) system, which automates its human resources processes, including sales, procurement, warehousing, financial management, customer relationship management, and marketing.

Business development through strategic partnerships with leading domestic and international companies

A- Group sport classes and training programs with international standards

B- Programs for trainer and staff development and qualification.

Targeting Different Groups and Segments

1-Individual Segment

Individuals represent the majority of the Company's clientele, and the Company strives to earn their satisfaction and loyalty. To this end, it offers services tailored to their requirements and needs, providing them with membership tiers that vary in price and services, and offering different promotions to incentivize them to achieve their subscription goals. The Company also seeks to attract new customers from this segment by promoting subscriptions and personal training packages.

2-Government and Private Sector Entities Segment

This segment is divided into two categories: (1) Entities that agree with the Company to provide subscriptions for a specific number of employees of those entities in exchange for certain fees paid by those entities, and (2) Entities that agree with the Company to provide subscriptions for all employees of those entities in exchange for certain fees paid by those employees.

3-Special Business Segment (Body Experts Clients)

The Company leverages its strong brand presence and extensive experience in the sport and fitness sector to attract companies and organizations looking to establish, equip, or operate sports facilities. This aligns with its commitment to providing comprehensive services that meet the diverse needs of its clients. The company has successfully earned the trust of strategic clients from both the private and public sectors. It anticipates significant growth in the sector, in line with Saudi Vision 2030, particularly given its track record of successful projects. The Company aims to cater to the needs of this segment, thereby maximizing its revenue and growth.

Company's Business Overview

The Company's business is divided into two main sections:

1 Establishing, managing and operating sport clubs

2 Providing integrated services for sport facilities (Body Experts services).

Establishing, managing and operating sport clubs (Body Masters and Body Motions)

The Company owns

59

fully operational
sport clubs.



In 2024, we opened two new clubs (Al-Basateen for women and Al-Masiaf for men), and we had five branches under construction, which opened in 2025 (Al-Arid for men, Al-Arid for women, Uhud, Al-Ula for men, and Al-Ula for women), as detailed below:

| Club | Location | Gender | Area | Availability of Swimming Pool and Spa | Opening Year |
|-------------|----------|--------|------|---------------------------------------|--------------|
| Al-Basateen | Jeddah | Women | 2569 | ✓ | 2024 |
| Al-Masiaf | Riyadh | men | 2450 | ✓ | 2024 |
| Al-Arid | Riyadh | men | 3150 | ✓ | 2025 |
| Al-Arid | Riyadh | Women | 2537 | ✓ | 2025 |
| Al-Ula | Al-Ula | Women | 3000 | ✓ | 2025 |
| Al-Ula | Al-Ula | men | 3200 | ✓ | 2025 |
| Uhud | Dammam | men | 3150 | ✓ | 2025 |

The Company's sport clubs vary in size, with land areas ranging from 3,000 square meters to 10,000 square meters, and building areas excluding parking ranging from 2,300 square meters to 4,500 square meters. The average building area excluding parking is 2,750 square meters.

We are Determined to Increase Performance Level



Sport Clubs Categories

1- Body Masters Clubs

Body Masters clubs, owned by the Company, were launched in 1994G and are the first chain specializing in the establishment, management, and operation of sport clubs in the Kingdom. Body Masters clubs offer a wide range of sports, fitness, and health services for men within two main categories: "Body Masters Premium" and "Body Masters Express." Body Masters clubs are among the most widespread and well-known sport clubs in the Kingdom, with 42 clubs averaging approximately 2,500 square meters each, totaling over 100,000 square meters across multiple regions and cities, including Riyadh, Jeddah, Dammam, Makkah Al-Mukarramah, Buraidah, Unaizah, Ar Rass, Khobar, Al-Ahsa, Tabuk, Hafr Al-Batin, Najran, Khamis Mushait, Al-Madinah Al-Munawwarah, Al Hofuf, Al Ula, Al Mozahmiya, Hail, and Al Kharj.

Below is a description of the subcategories of Body Masters clubs:

Body Masters Premium Clubs:

It is the highest category of Body Masters clubs, as its membership holder has access to all Body Masters Premium clubs, in addition to Body Masters Express clubs in most parts of the Kingdom. Body Masters Premium clubs include a wide range of facilities and services, including basic services, such as a group class area, a barbell area, a cardio area, a cycling area, and a functional exercise area, in addition to other services and benefits such as a pool area, a wellness area (hot and cool jacuzzi, sauna and steam), a football field, and recreational services such as billiards and table tennis, in addition to providing luxury services such as towels, refreshments, hair and body washes. A number of Body Masters Premium clubs also offer other services such as Body Masters Martial Arts Academy, body index measurement, fat and muscle mass. In addition, the group session halls at Body Masters Premium clubs provide at least ten different fitness classes with the aim of meeting different workout needs, levels, and flexible personal training programs. The number of Body Masters Premium clubs has reached 35 sports clubs distributed across different regions and cities in the Kingdom.

Body Masters Express Clubs:

The Body Masters Express Club category is characterized by providing distinguished services at reasonable and competitive prices, where its members can save in terms of subscription value in general without compromising the quality of sports programs and training services provided. Body Masters Express Club membership provides its holders with access to Body Masters Express clubs only in some regions of the Kingdom. The number of Body Masters Express clubs has reached 7 sport clubs located in some regions of the Kingdom, including Body Masters Express Clubs with a range of facilities. The services include a group class area, a barbell area, a cardio area, a bicycle area, and a functional exercise area. Other services are also available at a number of Body Masters Express clubs, such as body indexes, fat and muscle mass measurements. Furthermore, the group classes at Body Masters Express Clubs provide at least ten different fitness classes to cater to different workout needs, levels and flexible personal training programs.

2- Body Motions Clubs

In 2020, the Company launched the Body Motions Club chain, which is specialized in the establishment, management and operation of women's sports clubs in the Kingdom. Body Motions Clubs have witnessed rapid growth and expansion since its launch, with 12 sports clubs opening in the first two years alone. The number of Body Motions clubs reaching 17 sport clubs with a total area of more than 35,000 square meters to include multiple regions and cities, including Riyadh, Jeddah, Dammam, Buraidah, Unaizah, Al-Ahsa, Tabuk, and Al-Ula. Body Motions Clubs include many facilities such as a barbell area, cardio area, group class area, functional exercise area, boxing hall, bicycle area, yoga and Pilates classes, running track, pool area and its accessories, and other services. Moreover, Body Motions Club group class halls offer a minimum of 14 different classes aimed at meeting different levels of exercise as well as flexible personal training programs, nutrition services, and measurements of body composition, fat, and muscle mass.

Sport Clubs by Sport Clubs Category in 2025

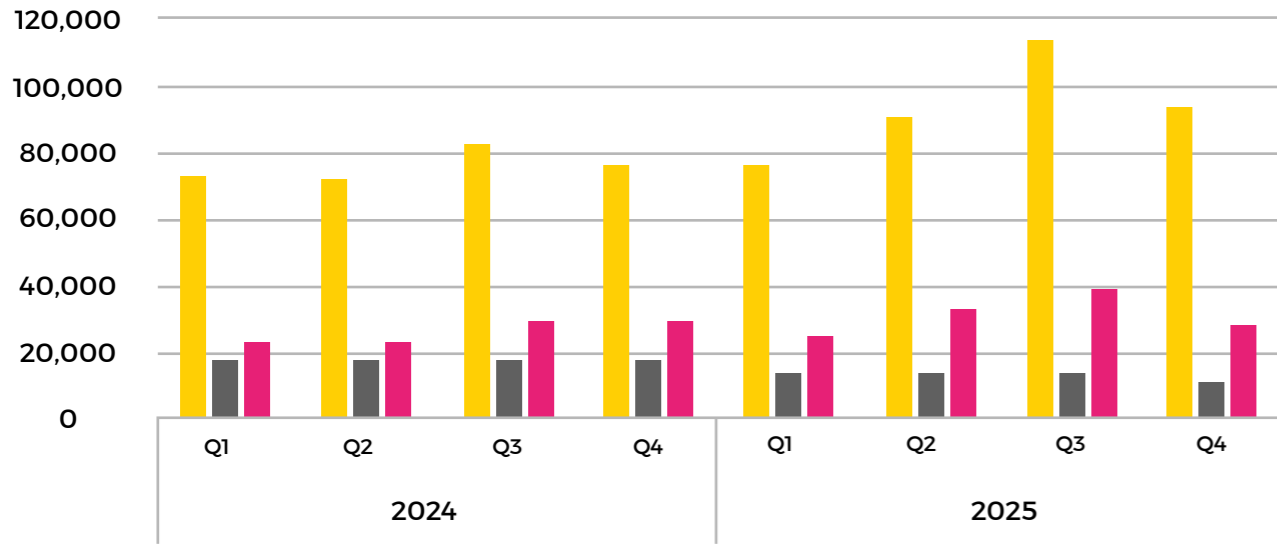
| Category | Number of Clubs |
|----------------------------|-----------------|
| Body Masters Premium Clubs | 35 |
| Body Masters Express Clubs | 7 |
| Body Motions Clubs | 17 |
| Total | 59 |

Number of Members per Category of Sport Clubs:

| | 2024G | | | | 2025G | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Average Number of Male Members (Premium) | 72,878 | 71,585 | 79,808 | 78,391 | 76,605 | 86,083 | 105,436 | 103,506 |
| Average Number of Male Members (Express) | 16,053 | 16,064 | 17,594 | 16,723 | 14,182 | 13,366 | 13,531 | 12,112 |
| Average Number of Male Members | 88,931 | 87,649 | 97,402 | 95,114 | 90,787 | 99,449 | 118,967 | 115,618 |
| Number of Male Members - End of Period (Premium) | 73,297 | 72,280 | 82,554 | 76,077 | 77,148 | 91,404 | 114,054 | 93,955 |
| Number of Male Members - End of Period (Express) | 16,421 | 16,312 | 18,023 | 16,300 | 13,700 | 13,158 | 13,555 | 11,061 |
| Total Number of Male Members - End of Period | 89,718 | 88,592 | 100,577 | 92,377 | 90,848 | 104,562 | 127,609 | 105,016 |
| Average Number of Female Members | 23,759 | 22,295 | 25,198 | 28,372 | 25,800 | 28,489 | 35,616 | 31,885 |
| Total Female Members - End of Period | 22,242 | 22,757 | 29,137 | 28,526 | 25,261 | 32,891 | 39,482 | 28,341 |
| Total Average Members | 112,690 | 109,944 | 122,600 | 123,486 | 116,587 | 127,938 | 154,583 | 147,503 |
| Total Members - End of Period | 111,960 | 111,349 | 129,714 | 120,903 | 116,109 | 137,453 | 167,091 | 133,357 |

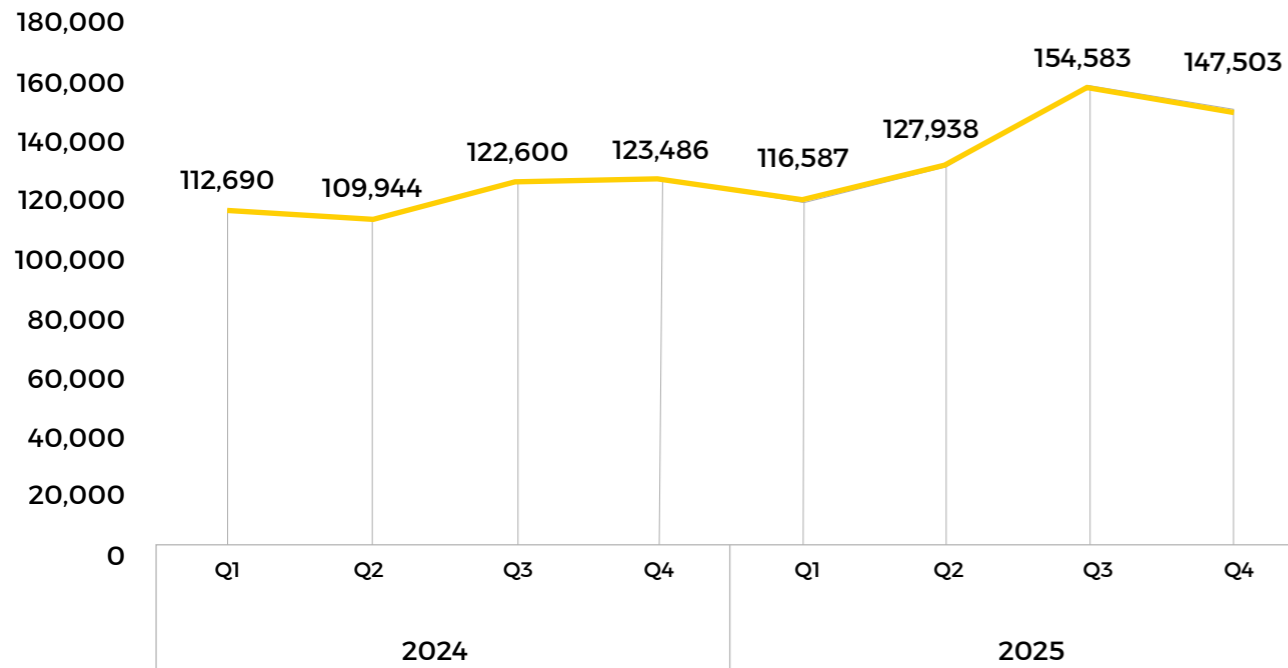


Number Of Members



Male Members (Premium) ■ Male Members (Express) ■ Total Female Members (Motions) ■

Average Total Members



Reliable Fitness Experience



Sport Clubs Environment

Sport Clubs Facilities

The Company's sport clubs generally combine architectural style, modern design, and providing amenities, with sports clubs with a unified design, as the Company has designed most of its sport clubs in the form of independent buildings with a distinctive architectural style. The sport clubs also contain modern interior designs and decorations with the aim of attracting, retaining and encouraging customers to visit sports clubs.

Sport Clubs Services and Devices

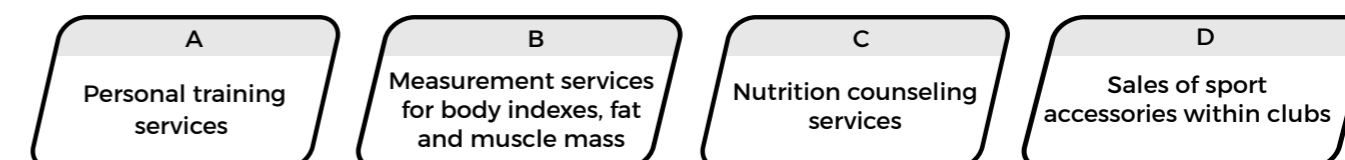
Features and services provided by categories of sports clubs

| Feature or Service | Body Masters Premium Clubs | Body Masters Express Clubs | Body Motions Clubs |
|---|----------------------------|----------------------------|--------------------|
| Group Classes Area | ✓ | ✓ | ✓ |
| Barbell Area | ✓ | ✓ | ✓ |
| Cardio Area | ✓ | ✓ | ✓ |
| Cycling Area | ✓ | ✓ | ✓ |
| Functional Exercise Area | ✓ | ✓ | ✓ |
| Pool Area | ✓ | X | ✓ |
| Health Area (hot and cold jacuzzi, sauna and steam) | ✓ | X | ✓ |
| Running Track | X | X | ✓ |
| Football Field | ✓ | X | X |
| Pilates Gym | X | X | ✓ |
| Boxing Hall | ✓ | X | ✓ |
| Yoga Classes | X | X | ✓ |
| Trampoline Classes | X | X | ✓ |
| Recreational Services (billiards and/or table tennis) | ✓ | X | ✓ |
| Accessories (e.g. towels, moisturizers, hair and body washes) | ✓ | X | ✓ |
| Personal Training | ✓ | ✓ | ✓ |
| Nutrition and/or measurement of body parameters, fat, and muscle mass | ✓ | ✓ | ✓ |

The feature or service is not required to be available in all sport clubs of the same category; there may be some features available in a limited number of clubs.

Paid Additional Services

The subscribers of the Company's sport clubs enjoy the use of all the sports services and benefits available according to the club category, as part of the subscription package, except for some additional services that are considered independent and not included in the membership subscriptions of sport clubs and are charged separately from the subscription fees. Additional services include:



Body Masters Martial Arts Academy

In 2014, the Company launched the Body Masters Martial Arts Academy, which is a gym within some Body Masters clubs dedicated to teaching martial arts and martial arts including Brazilian Jiu-Jitsu, Muay Thai, boxing, and mixed martial arts. The Academy is supervised by a group of professional trainers who specialize in training, evaluating and developing the performance of its participants, as well as preparing them to participate in local and international tournaments and competitions.

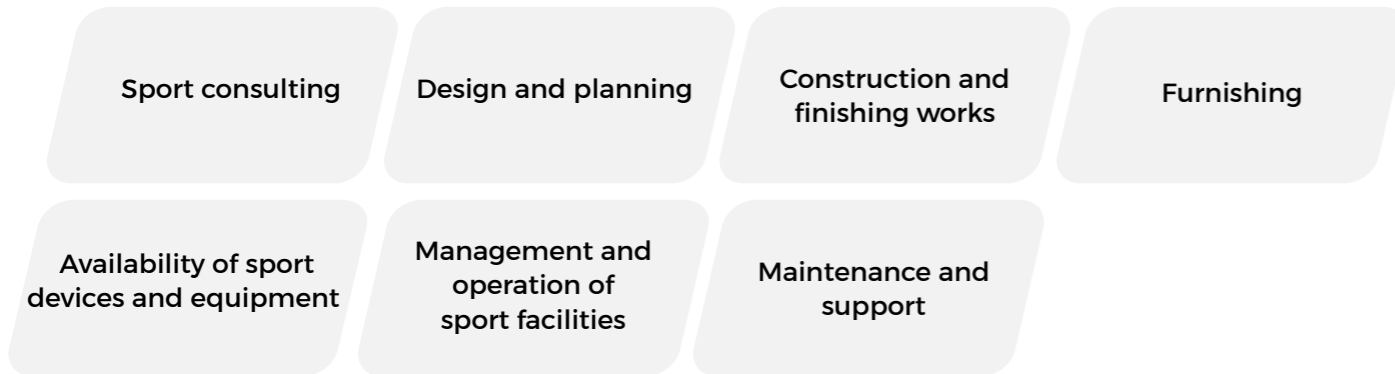
Membership in the Body Masters Martial Arts Academy requires a valid Body Masters Premium Club membership. However, additional fees are charged to receive one of the Body Masters Martial Arts Academy subscription packages.

Integrated Services for Sports Facilities (Body Experts Services)

In 2020, the Company launched an additional business segment under the umbrella of the "Body Experts" brand, through which it provides comprehensive sport solutions and a range of integrated services to its customers regarding their sports facilities, including sports consultancy, design and construction of halls, centers and other sports facilities affiliated to its customers, whether directly or through subcontractors, planning the distribution of sports equipment in them, furnishing them, supplying sports equipment, and operating and maintaining sports facilities.

The Company's business model and competitive advantage in relation to the services of Body Experts is based on providing the services that customers need for the purpose of establishing, equipping and operating their sports facilities. This is in line with the desire of customers to assign these projects to the Company due to its qualitative and well-established experience in the management and operation of sports facilities and the absence of the need to contract and deal with multiple parties to implement the relevant projects. Through Body Experts' services, the Company targets different categories of customers, including government entities, companies, hotels, residential complexes, specialized sports centers, health institutions, rehabilitation centers, private centers, and other customers.

The integrated services of the sport facilities provided by the Company within the services of Body Experts include:



Integrated Services Customers for Sport Facilities (Body Experts Services)

Through Body Experts' services, the Company targets different categories of customers, including government entities, companies, hotels, residential complexes, specialized sports centers, health institutions, rehabilitation centers, private centers, and other customers. The Company has three agreements with its clients from the government sector and state-owned companies to provide Body Experts services, specifically with the Royal Commission for Al-Ula, KAFD, and another government entity to implement sport facility projects for these clients.

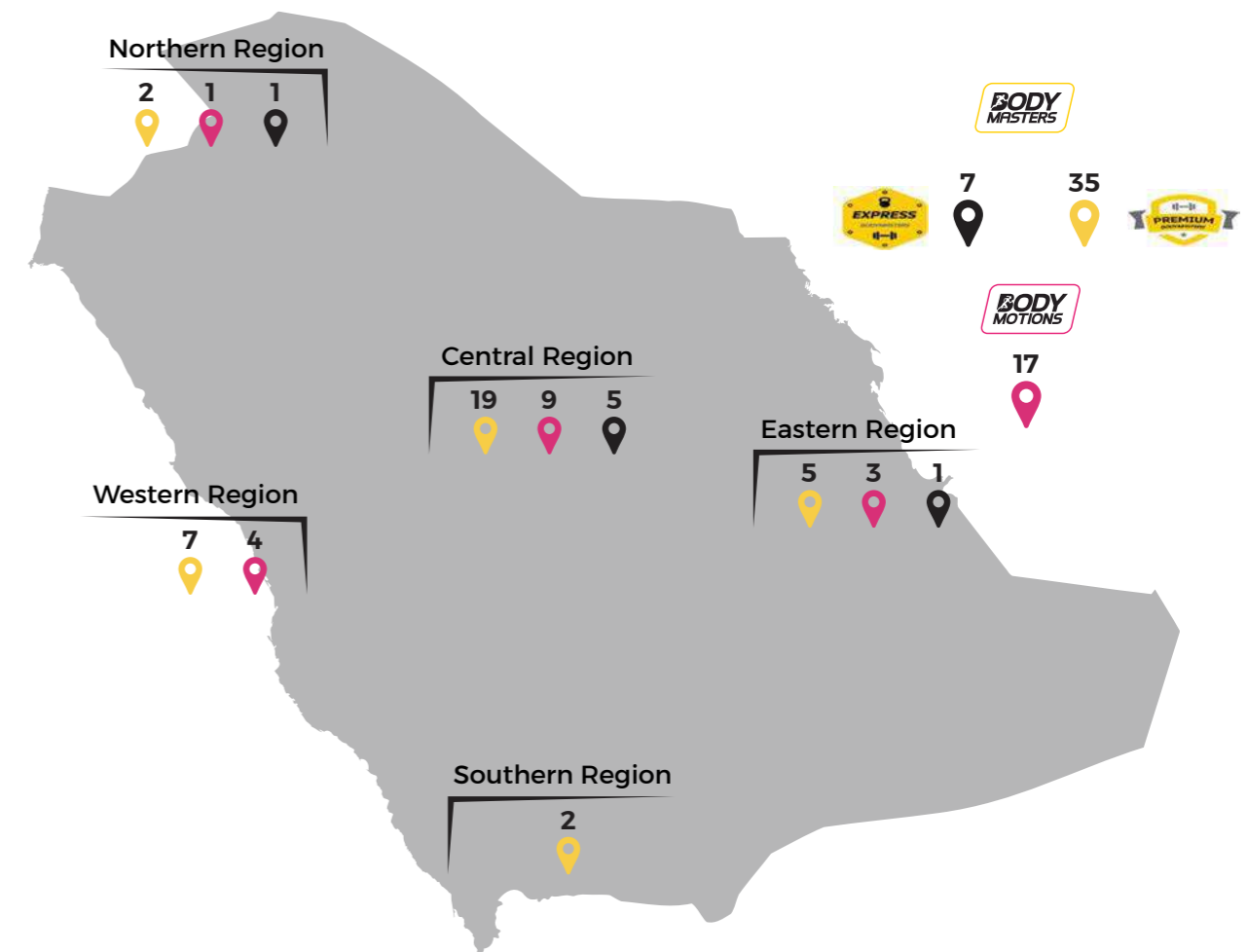
Focused Geographical Expansion

The company is headquartered in Riyadh, Kingdom, and all of the Company's sport clubs are located in the Kingdom. The following table shows the areas where the Company has opened sport clubs as of December 31, 2025G:

Details of the Company's geographical presence as of December 31, 2025G:

| Country | Area | Number of existing sports clubs |
|--------------|-----------------|---------------------------------|
| Saudi Arabia | Central Region | 33 |
| | Western Region | 11 |
| | Eastern Region | 9 |
| | Southern Region | 2 |
| | Northern Region | 4 |
| Total | | 59 |

The figure below shows the details of the Company's geographical presence as of September 30, 2025G according to the brand category:



Affiliates

The following table details the subsidiary and shows the Company's share in it.

| Subsidiary Name | Its Capital | Percentage of Company Ownership in It | Its main activity | The country that is the main location of its operations | Country of establishment |
|-----------------------------|-------------|---------------------------------------|---|---|--------------------------|
| Third Amaken Sports Company | 100,000 | % 100 | Building cleaning and maintenance services. | KSA | KSA |

The Subsidiary does not engage in any operational activities except for providing cleaning and maintenance services to the Company.

Sector Overview

According to a study conducted for us by the research company (CAA Portas), the sports and fitness sector in the Kingdom is expected to grow at an annual growth rate of 12.4% annually, from SAR 7.7 billion as in 2024 to SAR 15.5 billion by 2030, representing a slight increase above historical rates, with an annual growth rate of 11.5% from 2017 to 2024.

Essential Drivers of Growth

Increase of Health and Lifestyle Awareness

Increased awareness of health and fitness has led individuals to engage in more physical activities, supporting the demand for club and gym services.

Government Support through Saudi Vision 2030

As part of the "Quality of Life" program, the government is working to increase citizens' participation in physical activity, which supports the growth of individuals' demand for regular sport clubs and practices.

Increase Disposable Income

As income increases and the non-oil economic situation improves, individuals have the ability to invest more in sports subscriptions and value-added services (such as personal training and specialized programs).

Classification of Sport Clubs in the Market

The sport club market in the Kingdom can be categorized into two major segments:

Primary sport clubs that rely on membership fees.

Secondary sport clubs, which offer services similar to sport clubs, but with lower membership fees. Examples of secondary sport clubs include hotel sport clubs, university sport clubs, military sport clubs, and residential sport clubs.

Market Forecast

Primary Market Outlook

Demand for primary sport clubs is expected to increase by 9% per year, driven by three factors:

- The Kingdom's population is growing, as the population is expected to increase steadily annually.
- Increase in physical activity, requiring an annual growth rate of 8% from current levels to achieve the Kingdom's goals.
- Female use of sport clubs will increase to 41% by 2030, increasing at a CAGR of 13%. This would close the gap compared to the global average, where 51% of the sport clubs market is female.



Demographics - A Demographic Treasure

Saudi Arabia has a young demographic that is a key driver of demand for fitness services. In 2025, the population under 40 constituted the largest segment of the total population, and this group is the most associated with fitness services, providing a broad and growing customer base for the company. It is also expected to reach 40.5 million people in 2030, with the total population projected to reach approximately 38 million in 2025, so that the Company's potential market continues to expand normally.

According to UNFPA studies,

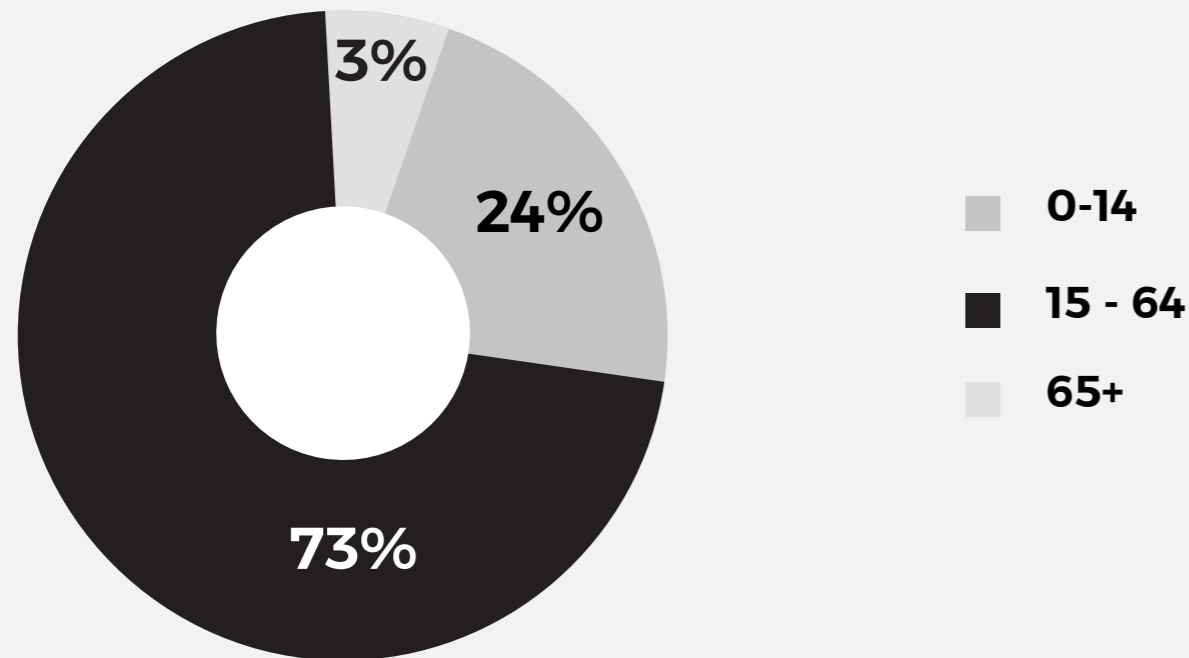
Percentage of population aged 10 to 19, in 2025:

15%

Percentage of population aged 10 to 24, in 2025:

23%

The figure below shows the percentage of age groups out of the total population of 34.6 million in 2025 in the Kingdom



Public Health from Challenge to Opportunity

Although the Kingdom's high rates of obesity and overweight are a national health challenge, it is also creating a growing demand for health solutions, especially fitness services. In 2025, the adult obesity rate reached 20.2% and the overweight rate reached 38.2%. These indicators, coupled with increasing community health awareness and strong government support for exercise through programs such as "Quality of Life", are shaping a growing market for fitness services and giving qualified companies a clear space to deliver sustainable health solutions.

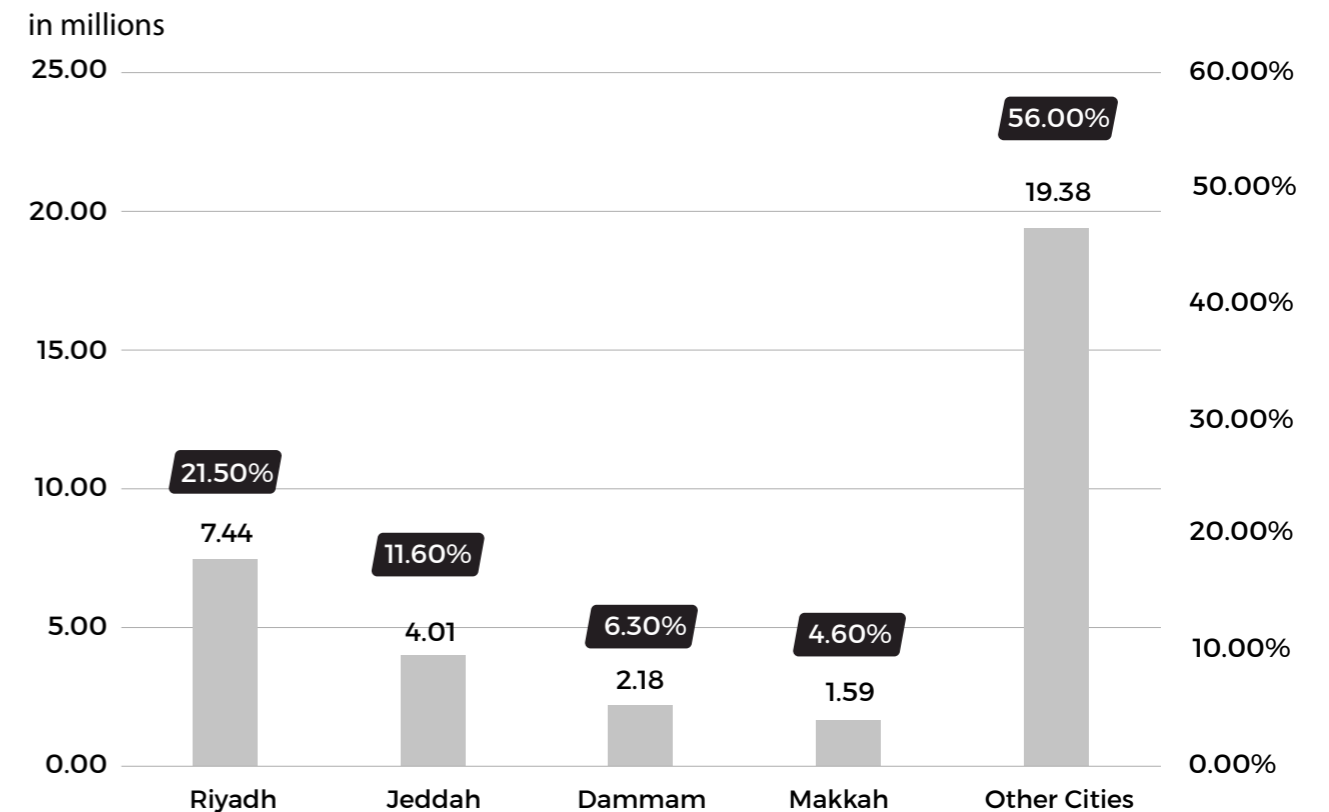
Growth in Contributing Markets

The fitness sector in the Kingdom is witnessing growth in complementary markets that contribute to a complete ecosystem. The market for sports equipment reached approximately SAR 434.3 million in 2025G (equivalent to USD 115.8 million), with projections indicating an increase to approximately SAR 1.10 billion by 2034G (equivalent to USD 292.2 million). The market for sports equipment connected to clubs and sports centers also recorded a compound annual growth rate of 23.3%. This trend reflects the expanding fitness culture and opens up opportunities for companies to integrate modern technologies into their services and offer a more advanced and innovative membership experience.

Geographical Distribution Strategy

The branches of SCC are currently heavily concentrated in Riyadh and Jeddah. Although these two cities account for a large percentage of the population, there are huge untapped opportunities in other cities such as Dammam and the Eastern Province, in addition to secondary cities that represent a promising market. In this context, the Company is focused on balancing the strengthening of its presence in major cities with the deliberate expansion of medium and small cities that are witnessing increasing population growth.

Population Distribution by Cities



Population Growth and the Race against Time

With a projected population growth rate of around 1.3% per year, the Kingdom's population is expected to increase to exceed 40 million by 2030. This growth means a potential market increase of 4.1 million people within 5 years, supporting the Company's expansion strategy and the opening of an average of 10 new clubs per year to meet increasing demand.

Important Strategic Indicators

Focus on Value, Not Just Size

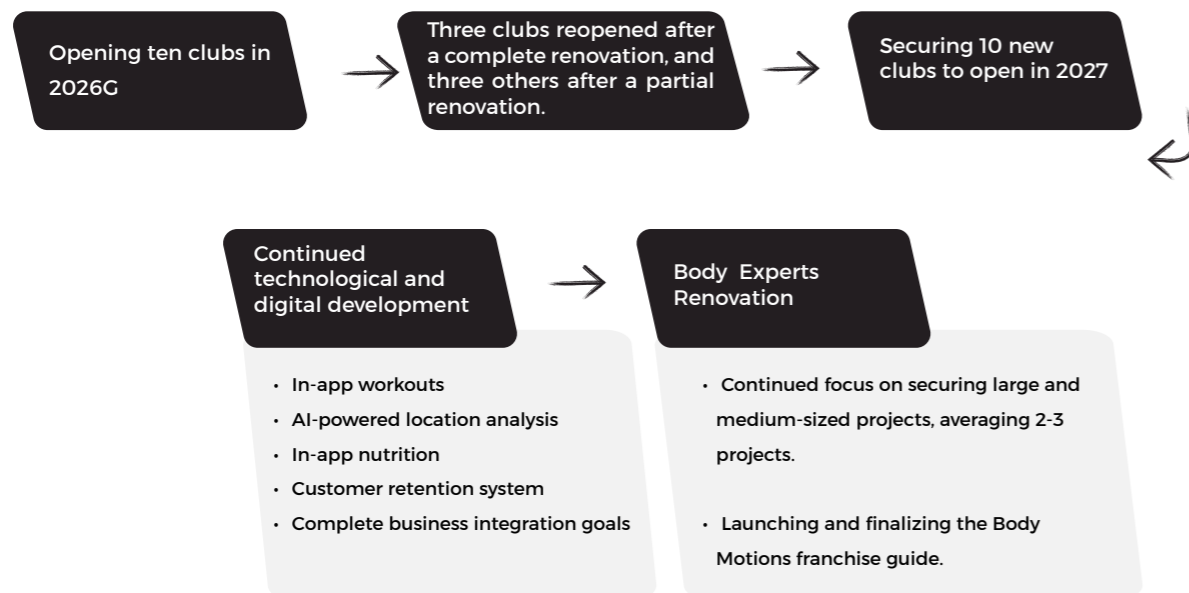
Increasing the number of clubs is not a goal, but the shift towards distinctive services, digital memberships, and personalization of the experience has become a key element in the competitiveness of the market.

Opportunities for Growth Through Personalized Training

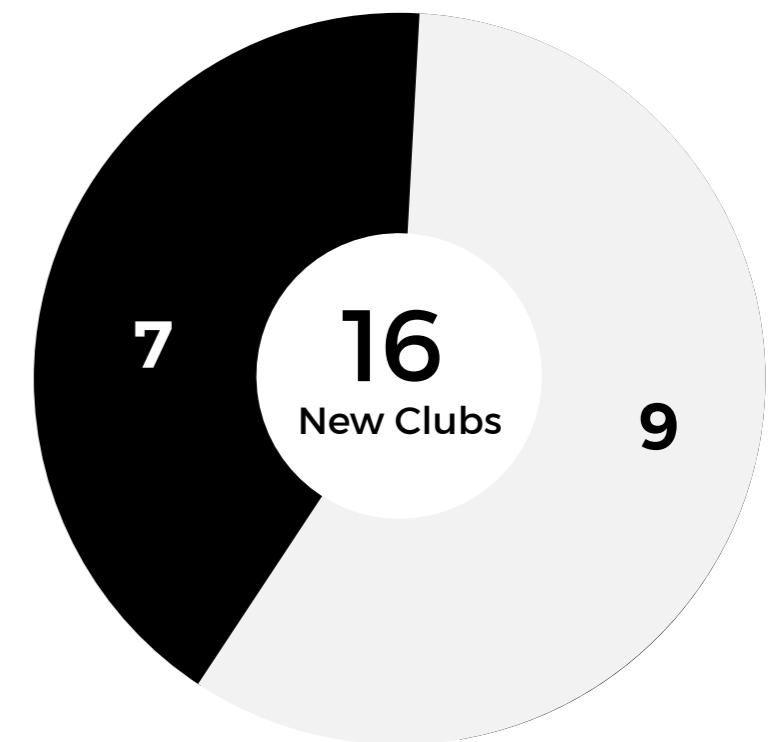
The demand for personal training services, and technical details such as advanced training applications, represent a high-growth area beyond the core category of club memberships.

Future Plans and Initiatives

Key Objectives and Projects

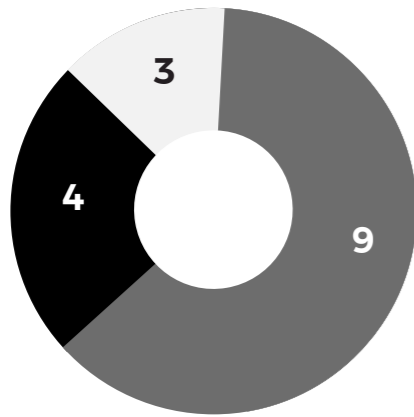


The Company currently has 59 existing clubs, in addition to 16 new clubs in the construction and design phases, including 9 in the Central Region, 4 in the Western Region and 3 in the Eastern Region, distributed as 8 Body Masters clubs and 8 Body Motions clubs, and are expected to open within 16 months.

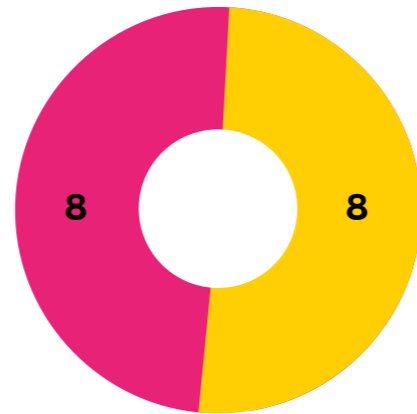


- Under Construction
- Waiting for Design and License

Club Openings by Geographic Region



Club Openings by Brand



■ Western Region ■ Eastern Region ■ Central Region

■ Body Masters ■ Body Motions

External Expansion and Franchise Contracts

The Company's expansion plans include expanding outside the Kingdom through the Franchise Law, with official implementation scheduled to begin in 2026G. The first phase of this expansion will focus on granting franchisees to operate the Body Motions brand, which specializes in women's fitness clubs, in several markets across the Gulf, the Middle East, and North Africa. These markets are experiencing growing demand for this type of club but remain underserved.

Under the franchise contracts, the Company will grant franchisees access to its operational, technical, and technological expertise, as well as the right to use its trademarks. In return, franchisees will commit to investing according to the approved operating model, paying the agreed-upon fees, adhering to the approved operating standards, and maintaining the confidentiality and privacy of the Company's brand.

This step is part of the Company's strategy to strengthen its regional presence and transfer its expertise in the sports and fitness sector to new markets. This will contribute to providing a distinctive operating model that meets the needs of diverse segments of members in various countries.



**A Year of Integrated
Achievements
Towards a
Promising Future
with the Efforts of
all Departments and
the Team**

BODY MASTERS
BODYMASTERS.COM.SA

الرياض
السعودية

In 2025, SCC continued its successful journey achieving qualitative achievements at all levels, confirming its position as one of the pioneers in the fitness sector in the Kingdom. The efforts of the various teams have joined hands to deliver exceptional and integrated performance.

Digital Transformation:

2025 saw a radical shift in the Company's digital business model, as it transitioned from traditional field sales to a sophisticated data-driven digital model, accelerating early revenue collection, lowering the cost of customer acquisition, and reducing reliance on field sales teams.

To enhance member loyalty, the Company launched a systematic early membership renewal program through CRM campaigns and renewal incentives. This contributed to a +14% increase in the early renewal rate and improved retention. Other initiatives included restructuring communication across platforms, enhancing brand tone and content strategy for Body Masters and Body Motions, launching three new websites and seamlessly integrating them with CRM systems, and activating the "Virtual Club Tour" to build trust before purchase. Additionally, two programs within group classes exercises (Mobility and Motiv-8) were launched to support engagement and service development. This coincided with the 2025 openings (two clubs in Riyadh Al-Arid, two clubs in Al-Ula, and one club in Dammam) and participation in Beyond Active 2025 and Cityscape 2025, fostering partnerships and generating business opportunities.

Operational Excellence

In the field of maintenance, the rate of closing reports was increased within the stipulated time, with the closure of More than 21,000 maintenance reports during 2025.

In terms of sports services, the Company achieved outstanding operational and developmental results at Body Masters and Body Motions, recording 11.8 million club visits during the year and scheduling 177,000 group classes, 99,000 of which were for Body Masters and 78,000 for Body Motions. Significant progress was also made in the centers' operational procedures manual, and a comprehensive performance management framework was launched to support accountability and employee development. Workshops and training courses were conducted with the participation of over 1,000 trainers. The Company adopted the Certified Trainers Program, supported by the Ministry of Sports as part of Saudi Vision 2030 objectives, and 128 trainers obtained LDI (Leadership Development Institute) certification from the Saudi and International Life Saving Federations. Regarding facility and service development, 126 pieces of equipment were added to nine centers, and five new centers were opened: three under the Body Masters brand and two under the Body Motions brand. The comprehensive development and transformation of two men's centers, and their conversion to the Company's new identity, resulted in an increase in memberships in the first branch by 35% and the other by 143% on an annual basis.

Body Motions' achievements also included the successful launch of two new branches (Al-Ula and Al-Arid), the group classes exercises project, the development of boxing programs and the allocation of boxing areas in select clubs, a focus on Pilates through indoor and outdoor training programs, and the launch of the "Assistant Trainer" program to support service quality and member satisfaction. Additionally, the Company implemented a comprehensive (360°) personal training program supported by advanced assessment tools (VALD/Therapy).

The Company made significant progress in procurement and supply chain management by ensuring the availability of essential operational materials, maintenance supplies, fitness equipment, and spare parts across its club network. This was achieved while enhancing purchasing discipline and improving supplier and contract management in accordance with approved policies and delegated authority.



Innovation and Strategic Partnerships

As part of its business expansion and service development, the Company rolled out its Fitness Therapy program across all Body Masters and Body Motions clubs. This structured assessment of body alignment and strength guides and personalizes individual training programs to meet each member's specific needs. The franchise package was also finalized, laying the foundation for scalable growth, with plans to officially launch the franchise model in 2026. New app features were developed in anticipation of additional benefits being introduced in 2026.

A strategic collaboration with the Boddy platform and its partners enabled international travelers to access the clubs via day passes during their visits to the Kingdom. Additionally, Chromecast functionality was activated across all Body Masters clubs to enhance the digital experience on in-club cardio equipment. At Body Experts, achievements included the efficient and stable operation of two government entities clubs, securing a second extension of an agreement with a government entity for two additional years (including club renovations and operation), generating revenue from equipment sales to bolster Body Experts' position as a provider of integrated fitness solutions.

A comprehensive and ambitious future outlook

The Company is preparing for a major expansion phase, aiming to open an average of 10 new clubs annually until 2030. This growth will be accompanied by ongoing digital development through the launch of a fully integrated app with new features in the second quarter of 2026, the enhancement of artificial intelligence for data analysis and service personalization, the expansion of Body Experts' operations in the government, private, and residential sectors, the attraction of qualified franchise partners in target markets during 2026, the validation of the operating model and the establishment of a replicable framework for international expansion, and the development of the digital ecosystem through the launch of scalable app features during 2026. This will increase member engagement, support data-driven service personalization, and serve multi-brand growth and future franchise expansion.

Men Clubs

Jeddah - Obhur

Riyadh -KFMC

Al Qassim - Buraidah

Riyadh - Al Munsiyah

Riyadh - Al Manar

Women Clubs

Jeddah - Obhur

Riyadh -KFMC

Al Qassim - Buraidah

Riyadh - Al Munsiyah

Dammam- Al Nada

Furthermore, the Company aims to increase its digital presence and visibility to support opportunity generation and, most importantly, to activate social media channels to build awareness and solidify its presence. This will be accompanied by expanding its project portfolio through agreements with the government, corporate, and residential sectors.

As for Body Motions, we aim to ensure the successful opening of 5 new clubs in 2026 with the excellence of group training and continuous improvement which includes increasing the attendance rate of group exercises to 45% (attendance/capacity and increasing the participation rate of group workouts to 39% (attendance of group workouts/club attendance).

As for personal training and nutrition, we aim to increase personal training and nutrition sales by 10% in the long term. Regarding the overall revenue and performance of clubs (KPIs), we are keen to increase cash sales and increase the number of active members. We will also adopt a plan for developing and accrediting trainers.



(Body Masters/ Body Motions) App

Flexible Digital Platform

The App and its Purpose

The app is a digital channel that connects the sport clubs with members and is designed to manage the membership experience of Body Masters and Body Motions through a unified interface that allows access to essential services quickly and clearly.

Key Features and Functions

Membership Management:

Join and renew your subscription electronically, update personal data, and request a temporary membership freeze.

Fitness Follow-up:

Follow personal training sessions with the trainer and view updated group class schedules.

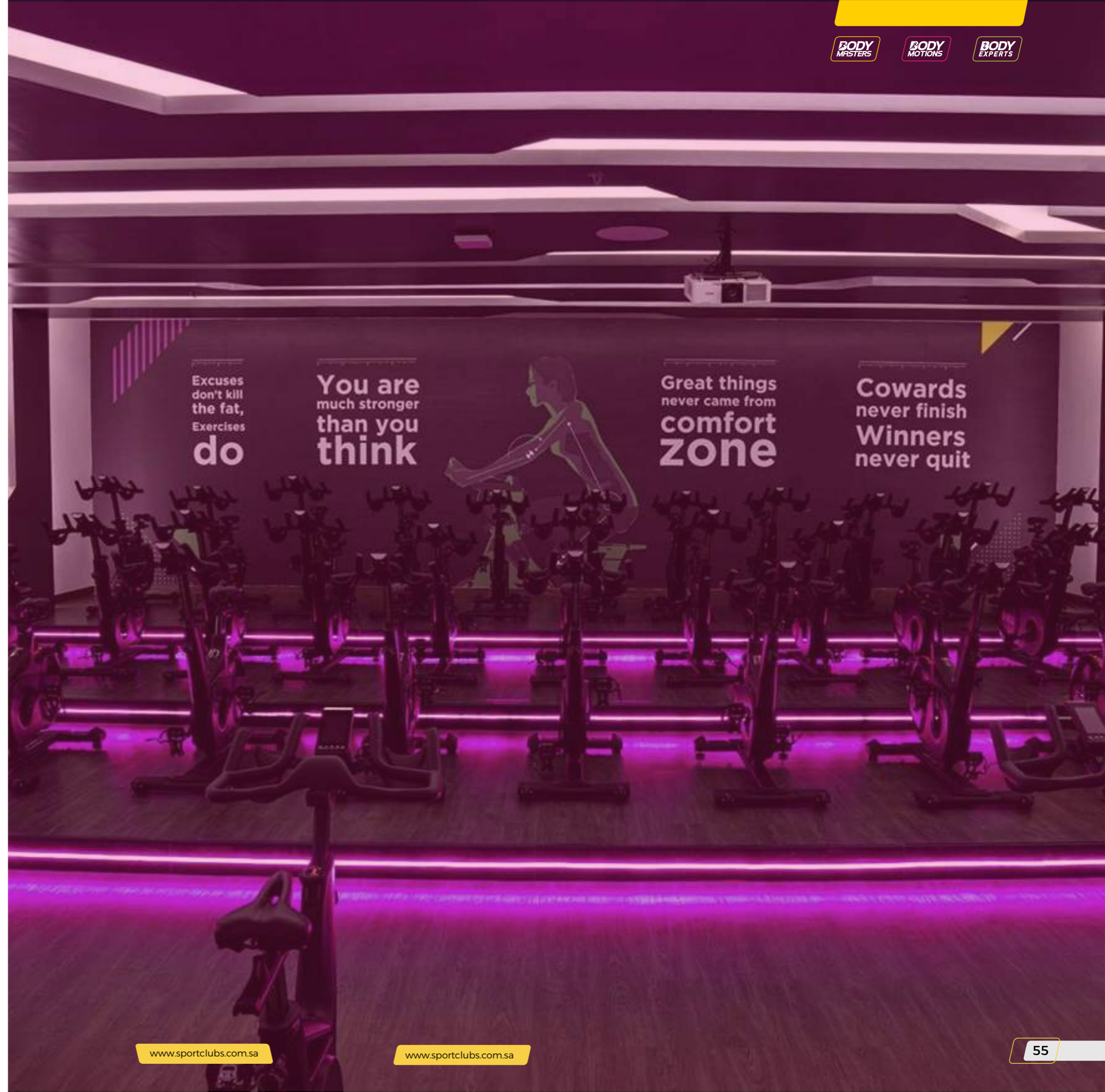
Communication and Notifications:

Receive news, offers, alerts and updates directly from the club.

Club and Facilities Manual:

Search for the nearest branch and browse the services and facilities available in each center (e.g. swimming pools, gyms, etc.) and make virtual visits withing the clubs.

| | 2024 | 2025 | % |
|--------------------------------------|------------|------------|---------|
| Number of subscriptions and services | 22,091 | 77,141 | 249.20% |
| Number of downloads | 106,057 | 792,094 | 646.90% |
| Active users | 79,705 | 104,100 | 30.60% |
| Subscription app-based sales | 24,134,315 | 88,806,315 | 267.97% |



Financial Performance



Finance Director's Comment on the 2025 Financial Results

2025G marked a pivotal year for SCC, not only in terms of its strong financial results, but also through the successful completion of its initial public offering (IPO) and listing on the Saudi Stock Exchange (Tadawul). This constituted a strategic turning point that strengthened the Company's capital base and enhanced its readiness for a new phase of growth. This step contributed to bolstering the company's financial position by increasing its capital to SAR 114.4 million, compared to SAR 104.0 million in the previous year, in addition to generating total proceeds of SAR 78 million from the issuance of new shares.

This, along with the company's strong operational performance during the year, was clearly reflected in the financial results. Revenues increased to SAR 376.2 million, representing a year-on-year growth of 14.9% compared to SAR 327.4 million in 2024. Gross profit also rose to SAR 112.5 million, a growth of 16.3%, and operating profit increased to SAR 74.4 million, a growth of 15.5%. The Company recorded a net profit of SAR 41.2 million, a year-on-year increase of 14.0%, reflecting our success in translating operational growth into tangible and sustainable financial results.

The Company continued to strengthen its financial position, with total assets reaching SAR 944.7 million compared to SAR 794.3 million in the previous year, representing an increase of 18.9%. Operating cash flow also rose to SAR 159.4 million compared to SAR 104.2 million in 2024, reflecting robust growth of 53.1%. This reflects the strength of the Company's core business performance and supports its ability to continue growing confidently and efficiently in the coming phase.

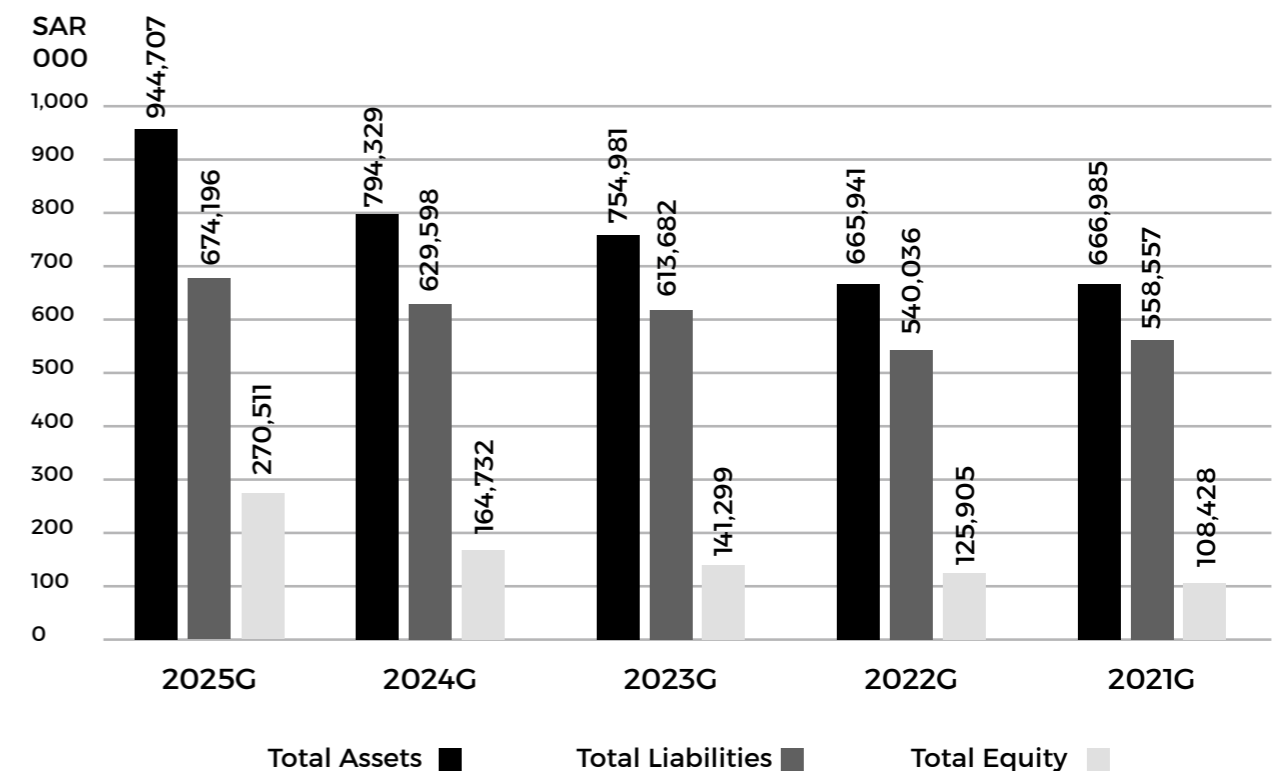
We view the achievements of 2025 as the foundation for a more mature phase in the Company's journey to build a more mature and sustainable business model. This is underpinned by the new club identity, which has proven effective in achieving balanced growth, a stronger financial structure, and greater discipline in resource management, all of which enhance our ability to create sustainable value for shareholders over the long term.



Abdullah Al-Tahhan
Director of Financial Department

Summary of the Financial Position for the Past Five Years (SAR 000)

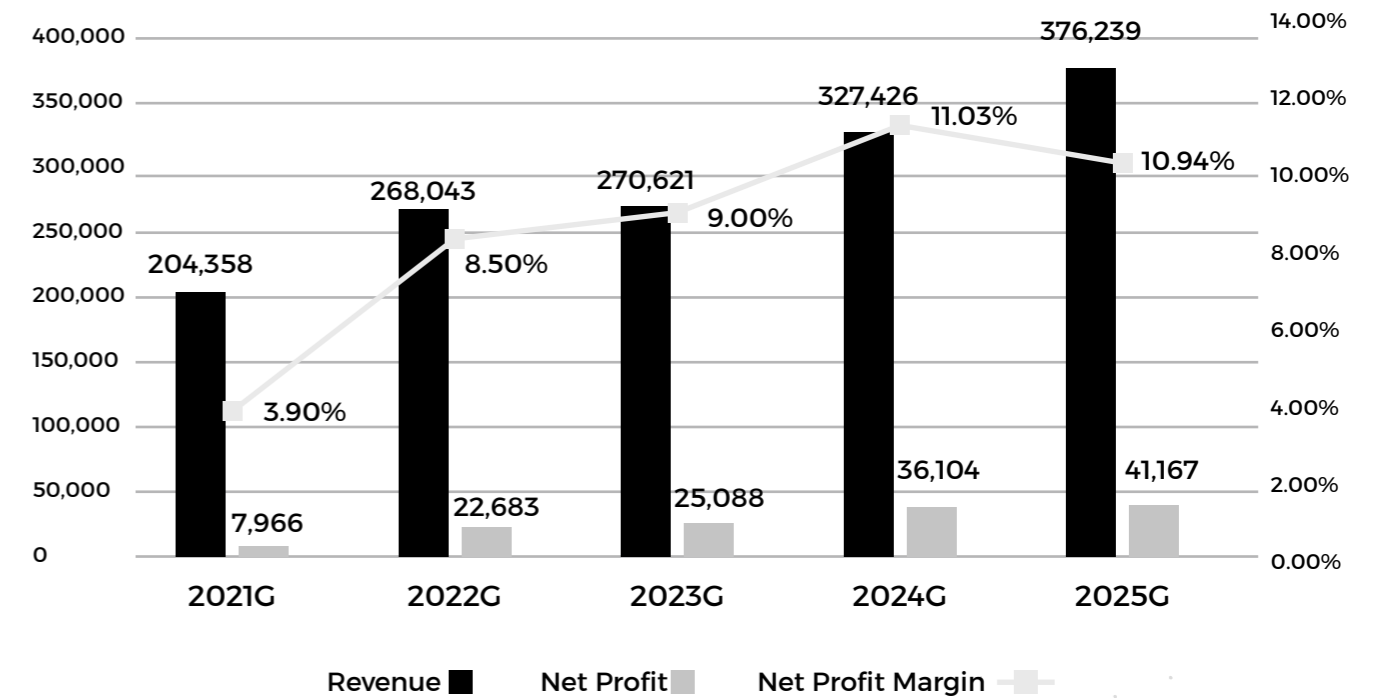
| | As of December 31 | | | | |
|-------------------------------|-------------------|---------|---------|---------|---------|
| | 2025G | 2024G | 2023G | 2022G | 2021G |
| Total Current Assets | 91,847 | 72,919 | 33,153 | 42,714 | 32,915 |
| Total Non-Current Assets | 852,859 | 721,410 | 721,828 | 623,227 | 634,070 |
| Total Assets | 944,707 | 794,329 | 754,981 | 665,941 | 666,985 |
| Total Current Liabilities | 207,877 | 240,485 | 197,059 | 154,217 | 132,327 |
| Total Non-Current Liabilities | 466,319 | 389,112 | 416,624 | 385,819 | 426,230 |
| Total Liabilities | 674,196 | 629,598 | 613,682 | 540,036 | 558,557 |
| Total Equity | 270,511 | 164,732 | 141,299 | 125,905 | 108,428 |
| Total Liabilities and Equity | 944,707 | 794,329 | 754,981 | 665,941 | 666,985 |



Summary of the profit or loss statement for the last five years (SAR '000)

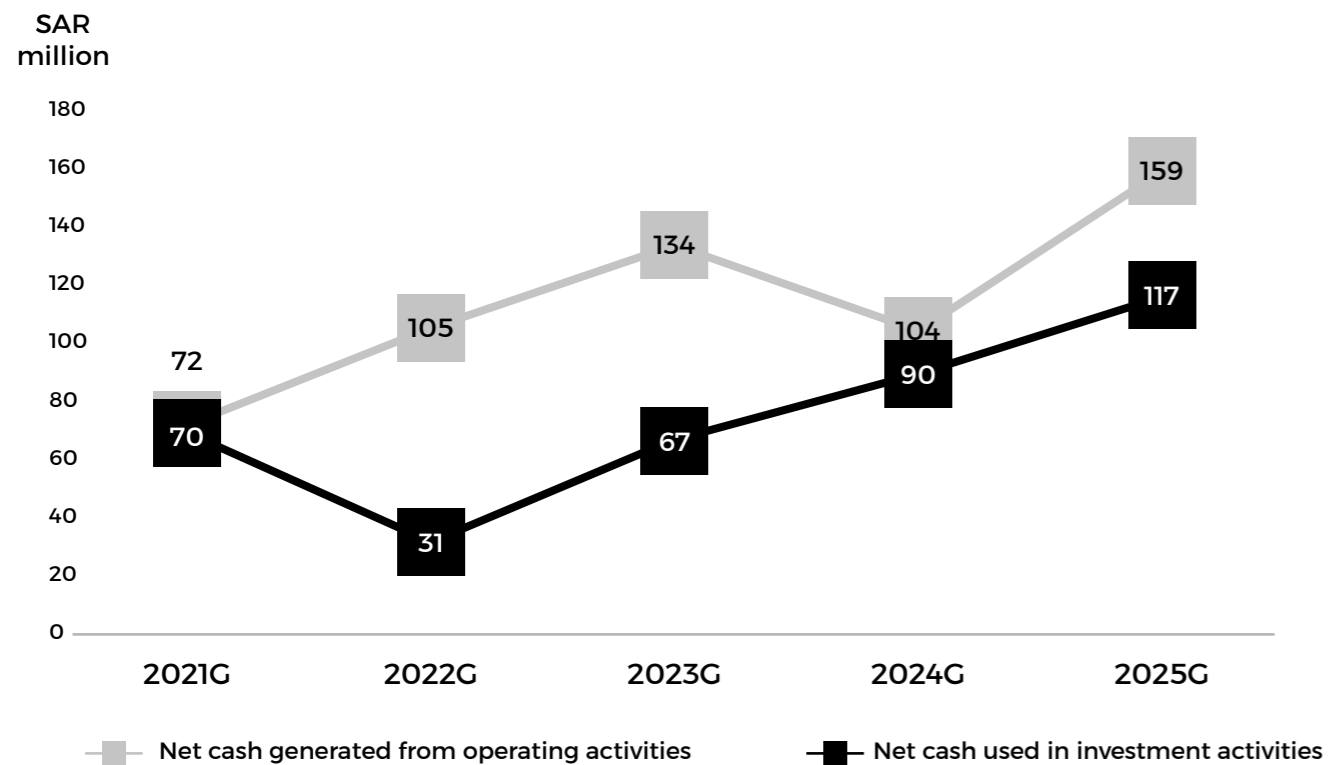
| | Fiscal year ended December 31 | | | | | | | | | |
|---------------------------------------|-------------------------------|------------------------------|-----------|------------------------------|-----------|------------------------------|-----------|-----------------------------|-----------|--|
| | 2025G | Annual change 2024G-2025G | 2024G | Annual change 2023G-2024G | 2023G | Annual change 2022G-2023G | 2022G | Annual change 2021-2022G | 2021G | |
| Comprehensive Income Statement | | | | | | | | | | |
| Revenue | 376,239 | 15% | 327,426 | 17% | 270,621 | 1% | 268,043 | 31% | 204,358 | |
| Cost of Revenue | (263,766) | 14% | (230,737) | 14% | (198,236) | 0% | (198,769) | 18% | (167,842) | |
| Total Profit | 112,473 | 16% | 96,688 | 25% | 72,385 | 4% | 69,274 | 90% | 36,517 | |
| General and Administrative Expenses | (10,784) | 32.61% | (8,132) | 4.28% | (8,067) | -15.08% | (9,183) | 77.83% | (5,164) | |
| Expected Credit Losses | (22,414) | 5% | (21,306) | 32% | (14,541) | 45% | (15,098) | 45% | (10,422) | |
| Other Revenue | (4,749) | 67% | (2,852) | N/A | - | N/A | - | N/A | - | |
| Initial Public Offering Expenses | 74,362 | 15% | 64,399 | 18% | 52,879 | 9% | 48,491 | 91% | 25,322 | |
| Profit from Operations | 2,978 | (27%) | 4,087 | 31% | 2,833 | -19% | 3,498 | -20% | 4,391 | |
| Financing Costs | (35,111) | 12% | (31,447) | 14% | (26,982) | 7% | (25,113) | 49% | (16,903) | |
| Profit before Zakat | 42,228 | 14% | 37,038 | 30% | 25,897 | 11% | 23,378 | 178% | 8,419 | |
| Zakat | (1,061) | 14% | (934) | 13% | (808) | 16% | (695) | 53% | (453) | |
| Net Profit | 41,167 | 14% | 36,104 | 31% | 25,088 | 11% | 22,683 | 185% | 7,966 | |
| Other Comprehensive Income / (Losses) | (8,782) | 56% | (5,645) | 72% | (1,583) | -29% | 794 | 59% | 1,915 | |
| Comprehensive Income for the Period | 32,385 | 6% | 30,459 | 23% | 23,505 | 0.12% | 23,477 | 138% | 9,881 | |

Sustainable Growth and Increasing Profitability (SAR 000)



Summary of the Company's Cash Flow Statement for the Last Five Years (SAR 000)

| SAR 000 | 2021G | 2022G | 2023G | 2024G | 2025G |
|---|----------|----------|----------|----------|-----------|
| Net cash generated from operating activities | 72,088 | 105,485 | 134,177 | 104,170 | 159,440 |
| Net cash generated from (used in) investment activities | (70,360) | (31,267) | (67,305) | (89,994) | (116,710) |
| Net cash generated from (used in) financing activities | 5,289 | (73,432) | (75,528) | (17,789) | (1,080) |
| Cash and cash equivalents at the beginning of the year | 9,495 | 16,512 | 17,297 | 8,641 | 5,026 |
| Cash and cash equivalents at the end of the year | 16,512 | 17,297 | 8,641 | 5,026 | 46,676 |



Company's KPIs for the Last Five Years

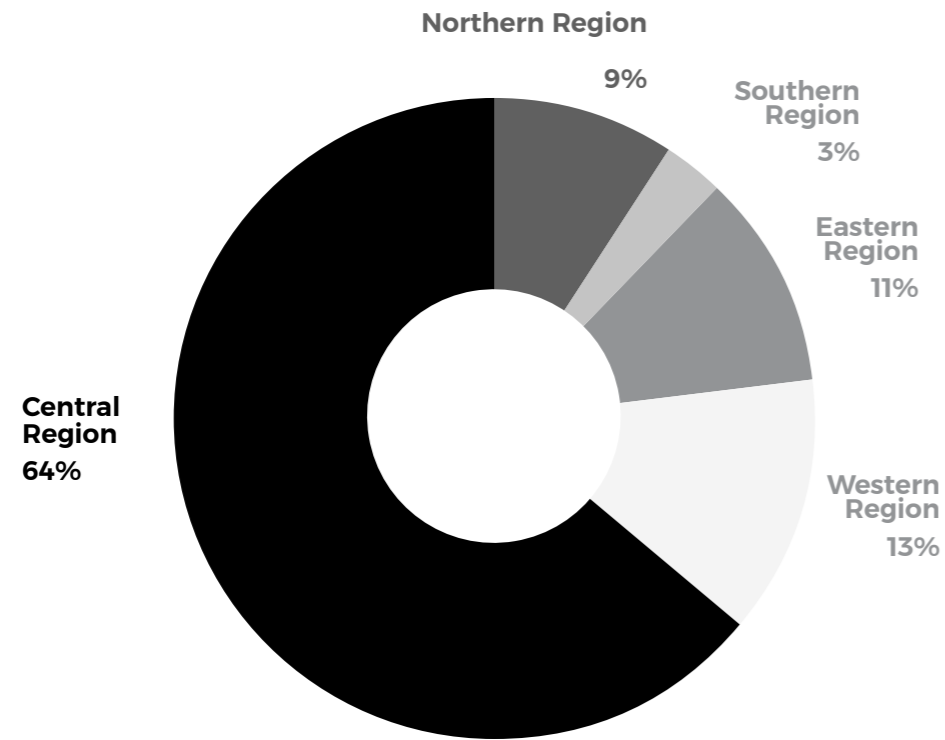
| | Fiscal year ended December 31 | | | | |
|--|-------------------------------|--------|---------|---------|---------|
| | 2021G | 2022G | 2023G | 2024G | 2025G |
| Gross Profit Margin (%) | 17.9% | 25.8% | 27% | 29.5% | 29.9% |
| Net Profit Margin (%) | 3.9% | 8.5% | 9% | 11.03% | 10.94% |
| Return on Assets (%) | 1.2% | 3.4% | 3.3% | 4.55% | 4.36% |
| Return on Equity (%) | 7.3% | 18.0% | 17.5% | 23.59% | 18.92% |
| Revenue Growth Rate (%) | 77.5% | 32.2% | 1.0% | 21% | 15% |
| Current Ratio | 0.2 | 0.3 | 0.17 | 0.3 | 0.44 |
| Total Assets to Total Loans | 4.6 | 5.3 | 7.4 | 5.56 | 6.75 |
| Total Assets to Total Liabilities | 1.2 | 1.2 | 1.2 | 1.26 | 1.4 |
| Number of Clubs in Operation - as of the End of the Year | 54 | 54 | 54 | 56 | 59 |
| Number of Active Members - as of the End of the Year | 103,009 | 97,947 | 113,602 | 120,903 | 133,357 |

Revenue Details by Geographical Distribution

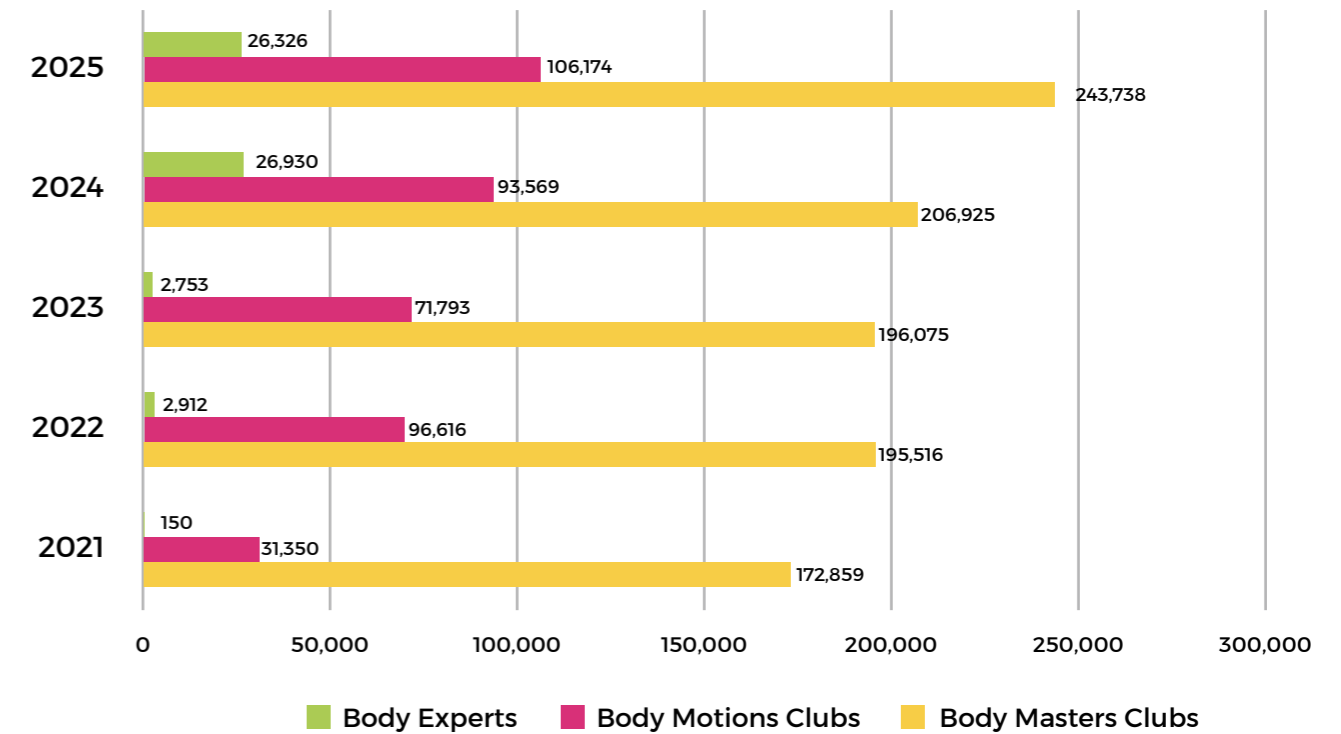
The table below shows the details of the Company's revenue according to the geographical distribution for the last five years (SAR 000)

| Geographic Area | 2021G | | 2022G | | 2023G | | 2024G | | 2025G | |
|-----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | Value (SAR) | Percentage (%) | Value (SAR) | Percentage (%) | Value (SAR) | Percentage (%) | Value (SAR) | Percentage (%) | Value (SAR) | Percentage (%) |
| Central Region | 121,561,852 | 13.37% | 35,654,801 | 62.96% | 36,556,672 | 63.8% | 220,807,019 | 67.4% | 242,213,819 | 64% |
| Western Region | 27,323,084 | 17.13% | 39,523,842 | 13.30% | 35,871,279 | 13.5% | 38,453,595 | 11.8% | 50,006,909 | 13% |
| Eastern Region | 35,013,373 | 4.16% | 9,243,928 | 14.75% | 9,772,461 | 13.3% | 37,649,594 | 11.4% | 43,230,723 | 11% |
| Southern Region | 8,491,312 | 5.86% | 14,846,392 | 3.45% | 15,634,487 | 3.6% | 10,367,345 | 3.2% | 9,482,586 | 3% |
| Northern Region | 11,968,642 | 100% | 268,043,244 | 5.54% | 270,620,715 | 5.8% | 20,148,403 | 6.1% | 31,304,963 | 9% |
| Total | 204,358,263 | | | 100% | | 100% | 327,425,956 | 100% | 376,239,000 | 100% |

Company revenue breakdown by geographic distribution for 2025G



Company Revenue by Brand Category

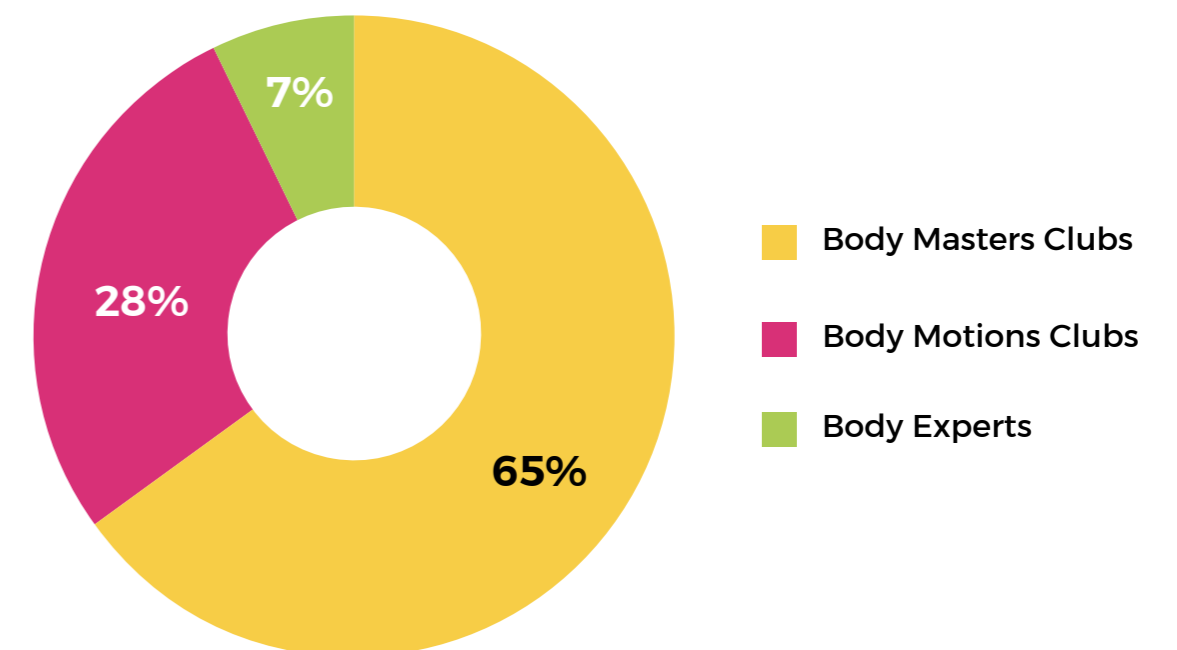


Company Revenue by Brand Category

Activity Revenues by Club Type for the Last Five Years (Thousands of Riyals)

| | Fiscal Year 2021G | Fiscal Year 2022G | Fiscal Year 2023G | Fiscal Year 2024G | Fiscal Year 2025G |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Body Masters Clubs | 172,859 | 195,516 | 196,075 | 206,925 | 243,738 |
| Body Motions Clubs | 31,350 | 69,616 | 71,793 | 93,569 | 106,174 |
| Body Experts | 150 | 2,912 | 2,753 | 26,930 | 26,326 |
| Total | 204,358 | 268,043 | 270,621 | 327,425 | 376,239 |
| As a percentage of the total activity revenue | | | | | |
| Body Masters Clubs | 65.7% | 58.7% | 61.3% | 63% | 65% |
| Body Motions Clubs | 15.3% | 26.0% | 26.5% | 29% | 28% |
| Body Experts | 0.1% | 1.1% | 1.0% | 8% | 7% |

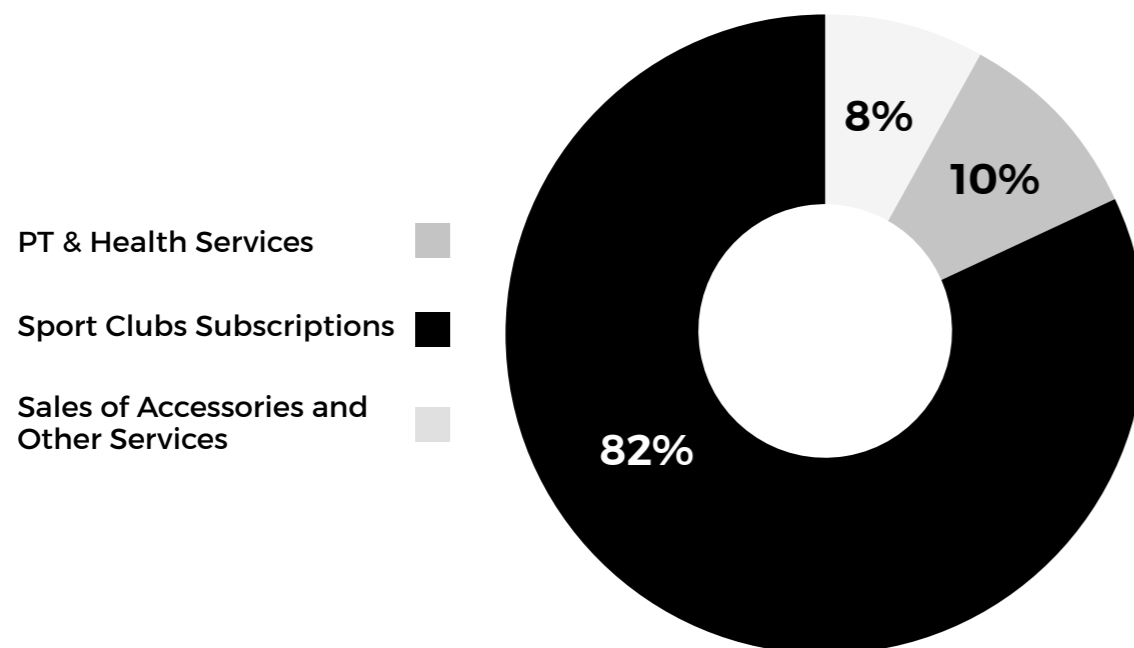
Percentages of Total Activity Revenue for 2025G



Revenue Distribution by Activity

| SAR 000 | 2021G | 2022G | 2023G | 2024G | 2025G |
|---|----------------|----------------|----------------|----------------|----------------|
| Sport Clubs Subscriptions | 184,396 | 233,637 | 237,874 | 260,417 | 309,586 |
| Personal Training and Health Services | 19,812 | 31,996 | 30,781 | 39,150 | 38,256 |
| Sales of Accessories and Other Services | 150 | 2,411 | 1,965 | 27,859 | 28,397 |
| Total | 204,358 | 268,043 | 270,621 | 327,426 | 376,239 |
| As a percentage of the total activity revenue | | | | | |
| Sport Clubs Subscriptions | 90.2% | 87.2% | 87.9% | 80% | 82% |
| Personal Training and Health Services | 9.7% | 11.9% | 11.4% | 12% | 10% |
| Sales of Accessories and Other Services | 0.1% | 0.9% | 0.7% | 9% | 8% |

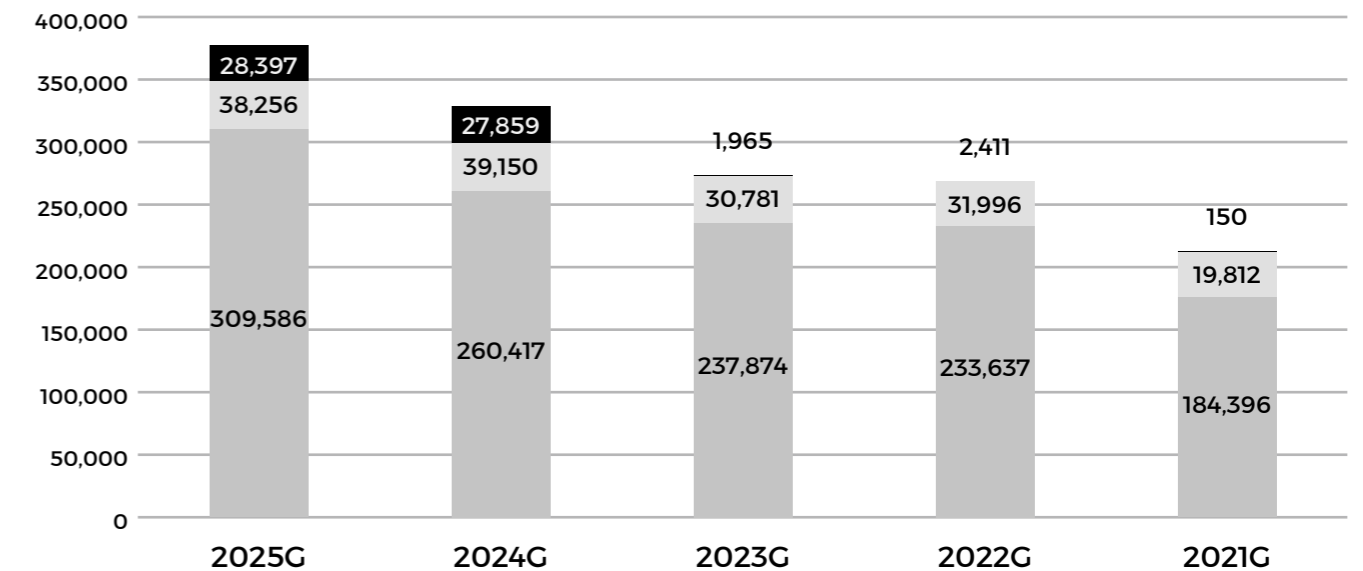
Sales



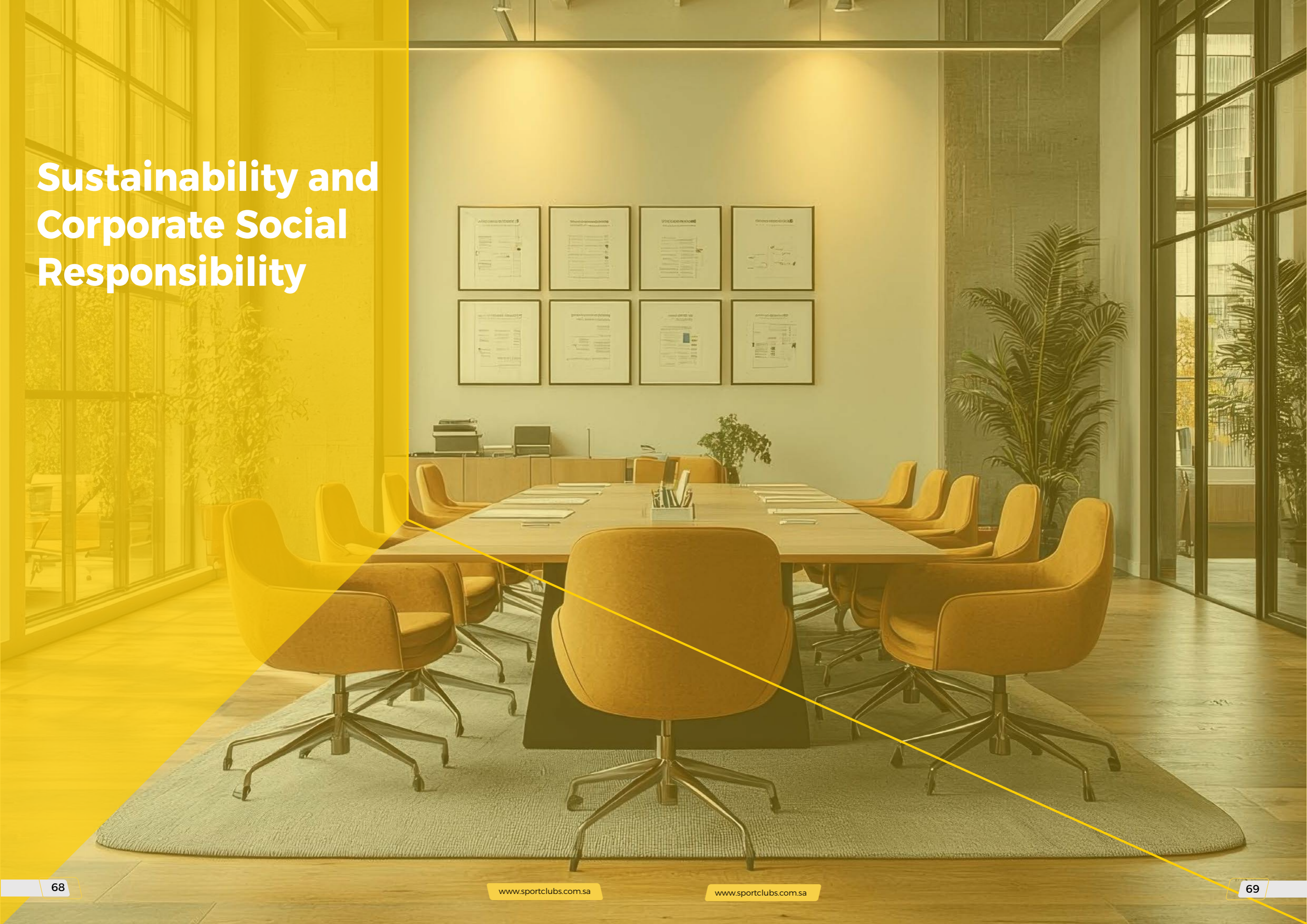
Annual Change in Revenue of Various Activities

| | Annual Change 2023-2024G | Annual Change 2024-2025G | CAGR 2023-2025G |
|--|--------------------------|--------------------------|-----------------|
| Sport Clubs Subscriptions | 9% | 19% | 14% |
| Personal Training and Health Services | 27% | -2% | 11% |
| Sale of Accessories and Other Services | 1318% | 2% | 280% |

Company revenue by activity (SAR 000)



Sustainability and Corporate Social Responsibility



SCC is committed to implementing a comprehensive sustainability framework aligned with Environmental, Social, and Governance (ESG) standards. This commitment stems from its firm belief that environmental and social responsibility is a key driver for achieving long-term sustainable growth and enhancing corporate value.

The Company systematically reduces its carbon footprint by improving resource efficiency, particularly in energy and water consumption. This is achieved through the adoption of advanced operational solutions, including highly efficient lighting systems, energy-saving air conditioning technologies, and a well-planned expansion of renewable energy sources, including the installation of solar panels at several of its facilities.

As part of its sustainable resource management, the Company develops approved material lists for project implementation, replacing conventional materials with those made from sustainable materials whenever possible. It also enhances its waste management system by implementing source separation practices, expanding recycling programs, and reducing reliance on single-use plastics, while fostering a responsible environmental culture among both members and employees. The Company also integrates sustainability principles into the member experience by offering specialized health and environmental awareness programs and adopting sustainable interior materials and finishes in the design and construction of its new clubs, reflecting its commitment to providing healthy and high-quality environments.

The Company affirms its commitment to high levels of transparency and disclosure regarding its environmental and social performance, in accordance with best practices and international standards, and in line with the goals of Saudi Vision 2030 in the areas of sustainability and quality of life.



Health and Wellbeing at the Heart of Our Work

The Company believes in operating with a spirit of responsibility and contributing to community development, stemming from its commitment to society and fulfilling the strategic goal of Saudi Vision 2030: "Enhancing Corporate Social Responsibility." Social responsibility and sustainability form the foundation of its development and investment plans, whether towards its employees, customers, or the local community. This is achieved through participation, sponsorship, and linking its role in developing sports and fitness with initiatives aimed at serving the community and promoting social responsibility.

Corporate social responsibility activities aim to achieve the following:

- Encouraging and motivating all Company employees to increase their passion for their work and showcase their best abilities, which in turn helps achieve the Company's goals. This includes providing diverse training opportunities for employees, enabling them to learn new skills that align with the latest technological trends and help them perform their jobs effectively.
- Ensuring fairness and equality among all employees, and working to provide a safe and healthy work environment that contributes to improving employee health and well-being.
- Protecting customer rights by ensuring clarity and transparency in procedures and safeguarding the interests of members of the Company's sports clubs. This also includes a commitment to respecting customer privacy through the application of strict standards that protect their personal data.
- Balancing the Company's objectives with the interests of the community at large, including building positive and reciprocal relationships with the local community, partners, and charitable, cultural, and educational associations, to serve the community, support employee volunteer activities, and encourage them to contribute more. The Company also provides free memberships to eligible groups in cooperation with non-profit organizations and participates in health and sports-related events and initiatives throughout the year to raise community awareness.
- Investing in the infrastructure of its sport clubs to promote environmental sustainability and ensure that its sports clubs meet the needs of most members of the community, rather than focusing solely on the needs of a limited number.
- Committing to respecting competitors, refraining from harming any of them, and adhering to all relevant regulations, bylaws, and instructions.

SCC adopts a range of social initiatives aimed at activating the role of sports and health in community development and increasing awareness of the importance of an active lifestyle. These initiatives include organizing free awareness campaigns offering fitness and nutrition checkups and on-site health consultations in public spaces and universities, as well as launching free training programs for young men and women in collaboration with educational and sports institutions. The Company also supports environmental initiatives by using energy-efficient technologies in its clubs and encouraging members to participate in tree planting and clean-up activities. Furthermore, the Company regularly launches internal volunteering initiatives among its employees, including visits to care homes and the organization of recreational sports activities for children and the elderly, promoting the values of giving and cooperation and reinforcing the team spirit that is a cornerstone of the Company's corporate culture.

Community initiatives were also activated at the club level internally, and Breast Cancer Day, World Health Day, and World Women's Health Development Day were implemented.

The table below shows the most important social responsibility events held during 2025

| | | |
|----------------------------------|---|--|
| Wellness Champions Event | In cooperation with several universities | This event is concerned with spreading and motivating the community to practice sports, and a special offer was presented to participate at preferential prices. |
| Effectiveness of Influencers | In cooperation with the Ministry of Sports | This event targets celebrities and influencers in the community to practice sports and healthy living and make it a way of life, and a special offer was made and free visits were offered to them. |
| Persons with Special Needs Offer | In cooperation with the Harakia Association | This initiative is concerned with providing social services to the association's members with special needs, and a special offer has been made for the holders of the special card whose condition allows them to benefit from the club. |
| Harley-Davidson Group | In collaboration with Harley Agency | A large group includes a large number of young people from different spectrums and work in an organized manner and constitute a great attraction for the youth category, their own show has been included to attract the largest number of their followers and motorcycle lovers to practice sports and enjoy a healthy and athletic life. |
| (Taqdeer) Website and App | In cooperation with GOSI | The team of coaches at SCC has made videos of special sports classes targeting the retirees through the website or the social insurance app. |
| Ataa Club | In cooperation with IMISU | The event was held at Gallery Mall and sports and health advice was provided by the team of coaches and medical students at IMISU. |

The Company has also implemented a number of events with major prestigious companies and partners in 2025

| | | |
|--|--|--|
| Health Forum Event | STC | The event targets the Company's employees and visitors to the forum and gathers the pioneers of sports and health in the Kingdom. The event featured participation of a number of coaches, responding to visitors' inquiries, and providing sports and health tips to reach their goal of bodybuilding or slimming. During the event, which lasted for two days, subscription prizes were presented, and the work of Scale-in-Body was provided. |
| Taqdeer Race - Riyadh | In cooperation with GOSI | The event targets retirees and social insurance affiliates. It is a large event in which prizes were presented to the winners of the race, and a group protective session from the training team participated, the session included a large number of attendees. |
| Sport Day | Al-Futtaim Company | An internal event targeting the company's employees and their first-class families, during which a special offer was made, making InBody scale checks, providing advice, and responding to inquiries. |
| AlSafi Event | AlSafi Danon Company | Actively participating in promoting sports, motivating the company's employees to a sports lifestyle, providing sports and health tips and guidelines, and making a balance in body for those wishing during the event period. |
| International Men's Day | In cooperation with the Municipality of Riyadh | The event was held in the Riyadh Municipality building, and participation in it was by providing subscription codes to attract visitors to the clubs and promote the Company. |
| Football League | National Company for Mechanical Systems | A large league that includes 11 teams from the youth category and is held at Sattam University, in which prizes were presented to the winners and in-kind gifts. This company is very concerned with sports and health, and it is one of the major companies contracted with us. |
| Hail Event | In cooperation with the Ministry of Health and the Municipality of Hail City | A large event was held in the city of Hail, and the team of trainees made a theatrical performance and provided in-kind gifts and symbolic subscriptions to the attendees. This event was important for the visit of the Governor of Hail and a large number of officials in the city. |
| Taqdeer Race - Eastern Province | In cooperation with GOSI | A full team of coaches participated in this event, providing sports advice, responding to inquiries, and conducting InBody scale checks. |
| Cityscape Event | In cooperation with the Special Projects Department | The event included participation, attendance, promotion of the Company, and introducing the clubs to visitors of the exhibition. |
| Beyond Active | In cooperation with the Special Projects Department | The event included participation, attendance, promotion of the Company, and introducing the clubs to visitors of the exhibition. |
| Osus Real Estate Company | Osus Real Estate Company | A special event for the company's employees in which a special offer and InBody scale checks were made for the visitors who were guided by sports advice by the coaches and the nutritionist. |
| Health Day - Eastern Province - Jeddah | Telecommunications Company - Zain | This event targeted employees in their departments and provided advice and provided some special exercises to avoid injuries resulting from sitting for long periods of time on desks. It played a great role in encouraging employees to register in our clubs and follow up on their exercises and draw their attention to the importance of sports in life. |

Health, Safety and Occupational Well-Being

Human capital is a key pillar of the Company's sustainability ecosystem, based on the firm conviction that the quality of the job experience, the provision of a safe and inclusive work environment, and the development of professional capabilities are factors that directly affect the continuity of performance and increasing operational efficiency through employee engagement, health and safety, learning and development, adaptation of the work environment for people with disabilities, as well as the institutional development of human resources systems, in line with the Company's direction towards organized and sustainable growth.

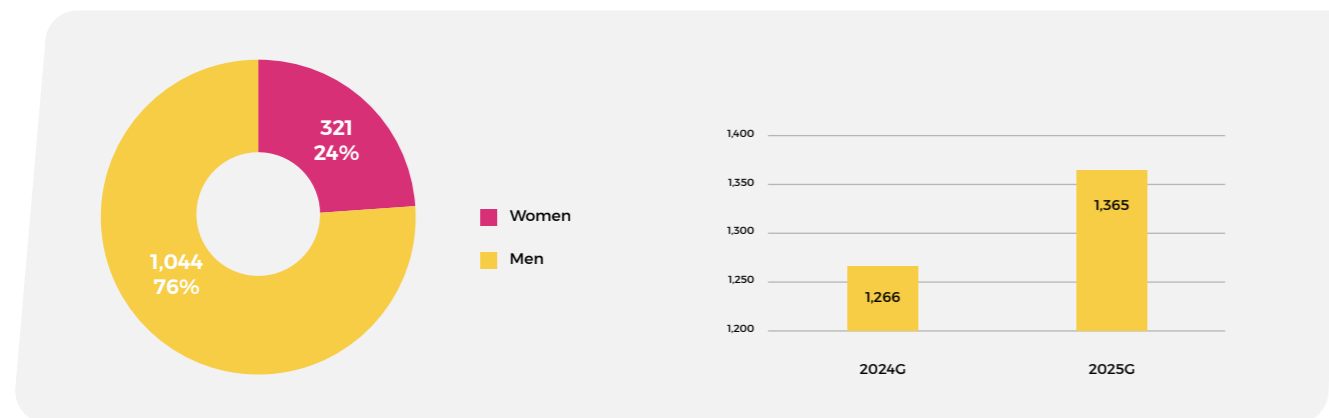
Employee Numbers Information

| | Company Headquarters | | Clubs | |
|--------------|----------------------|-----------|------------|------------|
| | Men | Female | Men | Female |
| Saudi | 46 | 27 | 306 | 142 |
| Non-Saudi | 79 | 6 | 613 | 146 |
| Total | 125 | 33 | 919 | 288 |

| | Middle Management and Above | |
|--------------|-----------------------------|----------|
| | Men | Female |
| Saudi | 8 | 2 |
| Non-Saudi | 15 | 3 |
| Total | 23 | 5 |

| Total number of employees by age | | |
|----------------------------------|-------|-----|
| 18-30 | 31-40 | 40+ |
| 526 | 499 | 340 |

Employees Numbers Comparison



Organizational Structure Development and Digital Transformation

- Updating the functional structure to clarify roles and responsibilities and raise the efficiency of institutional performance.
- Implementing the project of transitioning to a new technical system for human resources, which contributes to the development and acceleration of processes, raising the efficiency of performance, and improving the employee experience.

Employee Engagement and Internal Communication

- Keeping work with the open-door policy and strengthening internal communication channels and platforms to ensure transparency and interaction.
- The Company implemented an employee satisfaction and engagement survey to measure the level of job satisfaction, the extent to which the work environment is aligned with employee aspirations, in addition to identifying areas for future improvement.

The results of the survey showed positive indicators that reflect the corporate culture and the high level of trust and job affiliation, as the results came in terms of trust in the Senior Management and recommendation to work with the Company as follows:

- 86% of respondents expressed their willingness to recommend work for the Company to others, reflecting a high level of job satisfaction and pride in organizational belonging.

- 90% of respondents expressed confidence in the Senior Management and their ability to lead the Company towards achieving its strategic goals.

These results confirm the success of the Company's initiatives in fostering a positive work environment, building trust between leadership and employees, and establishing strategic direction.

Recognition and Rewards Programs

Implementing recognition and motivation programs to honor outstanding performance and enhance motivation, in a way that supports a culture of high performance and commitment to institutional values.

Health and Safety

Collaborate with a medical facility to provide consultations, medical examinations to employees, awareness sessions and nutritional advice from health and nutrition specialists within the Company's headquarters.

External Benefits and Partnerships

Partnering with selected third parties to offer employee benefits and discounts.

Enhancing Corporate Culture and Employee Experience

Organizing social and national events and entertainment events throughout the year, in a way that contributes to consolidating national values and enhancing national identity, in addition to enhancing the spirit of institutional belonging, strengthening relations between employees, and increasing the level of interaction and job satisfaction.

Disability-Friendly Work Environment

In order to provide an inclusive and supportive work environment for people with disabilities, the Company has been awarded Mowaamah Certificate - Bronze Level in 2025, reflecting its efforts to apply best practices in creating a work environment.

Talent Management and Promotions

To enhance an internal promotion policy to empower talent and support job stability; the Company has been keen to promote career growth opportunities and empower internal competencies when filling vacancies. During 2025, the total number of positions filled reached 91, distributed as follows:

- Internal promotions to vacant positions: 64, representing 70.3% of total positions filled.
- External appointments to vacant positions: 27, representing 29.7% of total positions filled.

These results reflect a clear focus on internal recruitment as a strategic option, supporting career development, enhancing career stability, and contributing to talent retention.

Training, Development and Capacity Building

- Conducting interactive workshops for managers and leaders on steps and mechanisms to improve the work environment, with the aim of promoting positive management practices and increasing the level of employee experience.
- Continuous investment in developing competencies and building careers.
- Supporting employees to obtain accredited professional certifications to enhance their job readiness.

Expanding the scope of training according to job needs.



training courses were conducted with

140

1,378

participants.

28

workshops were conducted with

180

participants.



Risk Management

MIND
MATTER

BODY MASTERS

The Company applies a structured risk management framework that aims to identify potential risks early, measure them, identify appropriate responses to them, and follow up on them periodically. This supports business continuity and the achievement of operational and expansion goals. Risk management is based on the integration of roles between the Board of Directors, the relevant committees and the Executive Management, with risks documented in an updated risk register, and reports submitted regularly according to clear mechanisms for escalation and review.

Risk Management Methodology

The Company adopts a sequential risk management methodology that includes:

- Identify risks and their sources (internal/external) and link them to activities and plans.
- Risk analysis and assessment according to two main criteria: the likelihood of occurrence and the magnitude of the impact, and then categorize them according to the priorities of process.
- Identify the appropriate risk response (e.g., avoid/reduce/move/accept) and link it to clear plans, responsibilities, and target dates.
- Documentation and follow-up through risk registers and periodic reports, with continuous review and improvement according to operational and organizational variables.

Types of Risks

Strategic Risks

Risks related to the concentration of the Company's business and the sector

The Company's strategic risks are related to the degree to which its business is concentrated within the fitness sector in the Kingdom, and the impact that may arise from changes in demand, intensity of competition, or organizational shifts on the pace of growth and profitability margins.

Risks related to the implementation of the Company's strategic plan and business expansion

Implementation of the expansion plan remains a critical factor for the success of the strategy. The expansion requires the selection of suitable locations, the delivery of projects within scheduled timelines, and the building of operational capability that maintains the quality of experience as the network expands, reducing the risk of unbalanced expansion or expansion at an inopportune time.

Operational Risks

Risks related to the maintenance and renovation of sport clubs

Operational risks relate to the Company's ability to maintain club readiness and increase asset efficiency through effective maintenance and renovation programs, while minimizing the impact of temporary closures on customer satisfaction and renovation rates, and ensuring continuity of service across the network.

Risks related to the capacity of sport clubs

Capacity is a significant factor influencing the quality of the experience, as operational pressure or variations in demand between clubs may affect the level of service and customer behavior, necessitating careful management of capacity, human resources, scheduling, and distribution within the club.

Financial Risks

Risks related to higher interest rates in loans

The Company's financial risk is related to the sensitivity of financing costs to changes in interest rates and commissions, especially in the case of variable-rate facilities, and the impact on profits, cash flows and financial resilience.

Risks related to access to facilities or financing

Risks may also arise from the need for future financing or facilities to support working capital or growth plans, as the terms for obtaining financing depend on the financial position, creditworthiness, market conditions, and credit availability. If the cost of financing becomes high or it may not be obtained on suitable terms, the timing of implementing some expansion initiatives or the ability to capitalize on opportunities may be affected.

Technical Risks

Risks related to IT systems

The Company relies on IT systems to manage operations, operate facilities, and customer service, making systems continuity and cybersecurity two effective elements in service quality and operational efficiency. Technical risks include the possibility of technical downtime or software malfunctions.

Risks of hacking into the Company's systems, cyber viruses, leakage of confidential data and information

Data breaches or unauthorized access to personal data, and the resulting impact on reputation, compliance, and regulatory requirements, may increase the operational costs associated with updating systems and data protection measures due to expansion or changing regulatory requirements, with the continued need for qualified human resources to operate and maintain these systems.

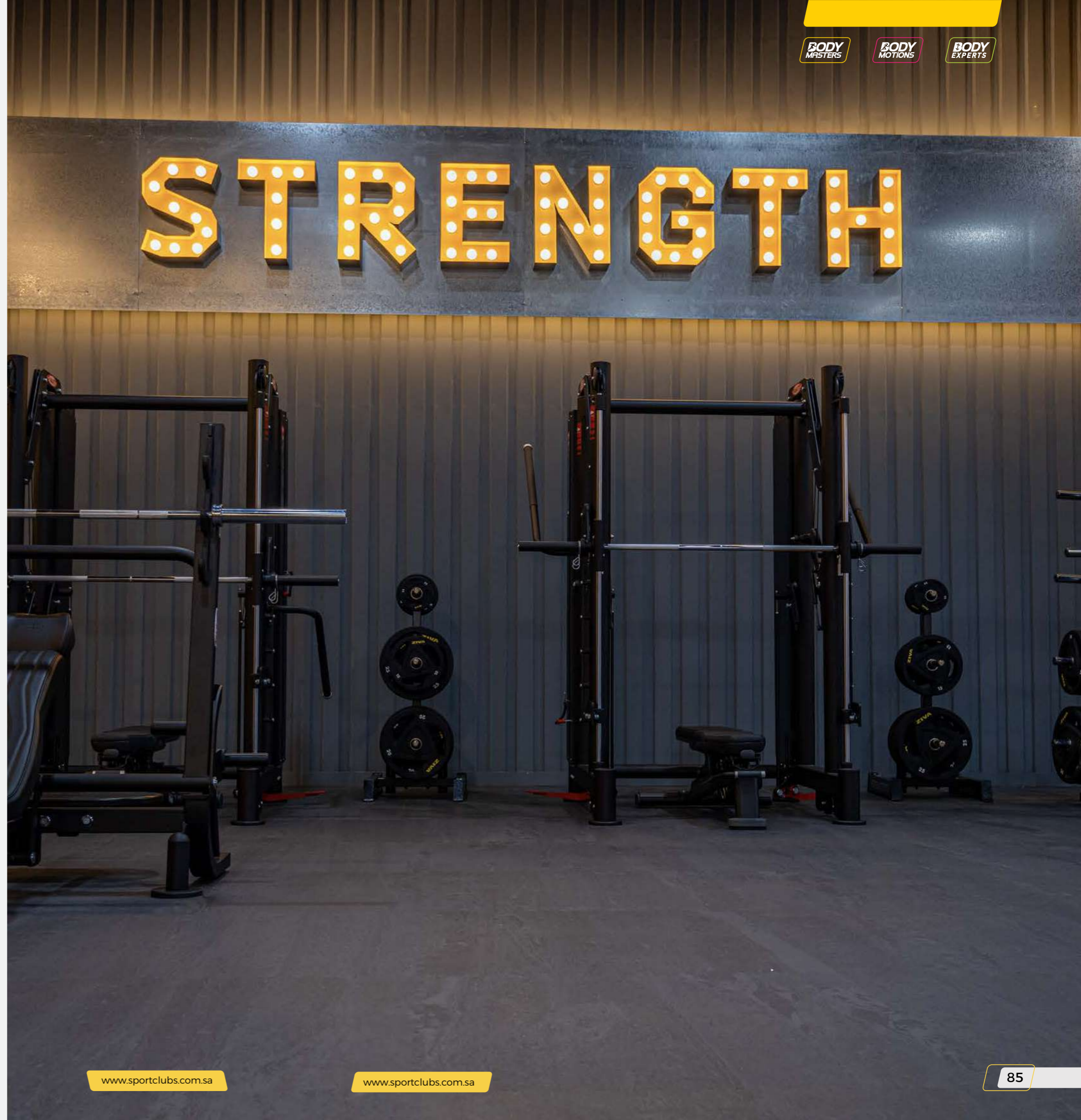
Governance



The Company has approved the internal governance regulations and policies in accordance with the Corporate Governance Regulations, the Companies Law and the Company's Bylaws, pursuant to the Board of Directors' Resolution dated 22/01/1446H (corresponding to 28/07/2024G). In addition, the General Assembly held on 18/02/1446H (corresponding to 22/08/2024G) approved the regulations and policies that require its approvals in accordance with the provisions of the Corporate Governance Regulations.

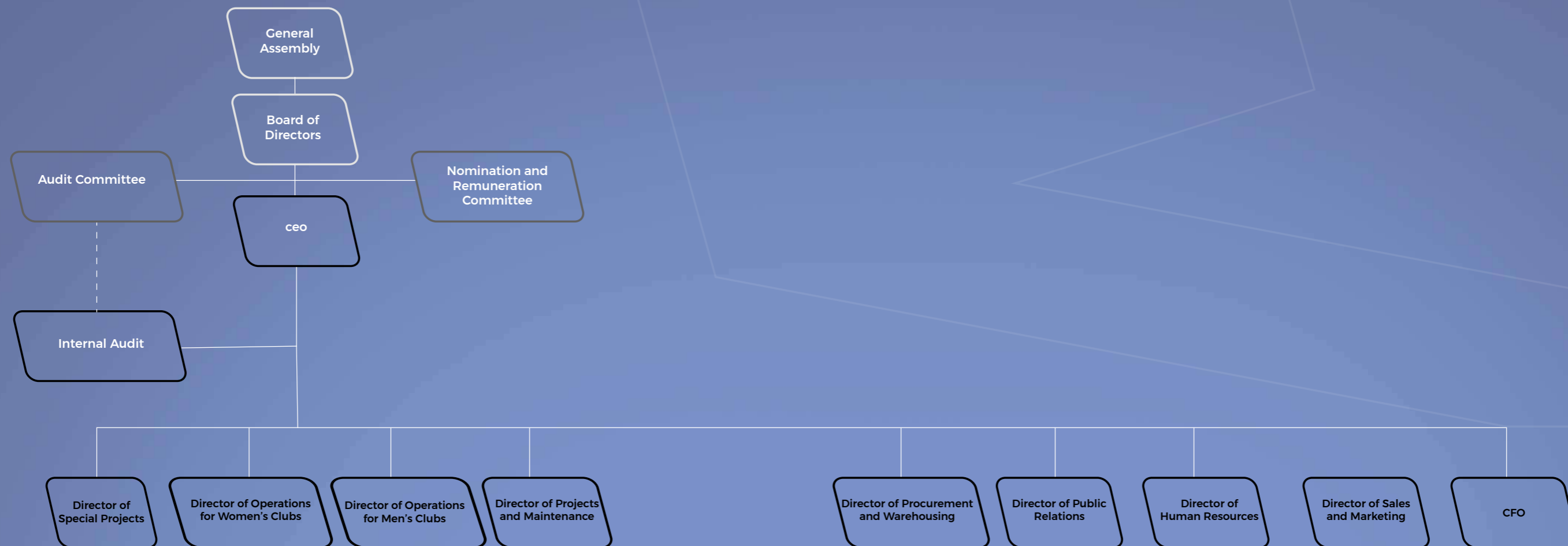
The Company's internal governance regulations and policies include:

- 1- The Company's Governance Regulations.
- 2- Board of Directors Regulations.
- 3- Board Membership Policy and Criteria.
- 4- Code of Professional Conduct.
- 5- Conflict of Interest Policy and Related Party Transactions.
- 6- Dividend Policy.
- 7- Procedures for Regulating the Relationship with Related Parties.
- 8- Regulations of the Nomination and Remuneration Committee.
- 9- Social Responsibility Policy.
- 10- Whistleblowing Policy.
- 11- Audit Committee Regulations
- 12- Remuneration Policy of the Board of Directors, its Committees and Executive Management.
- 13- Competition Standards and Controls.
- 14- Delegation of Powers Regulations.
- 15- Disclosure and Transparency Policy.
- 16- Internal Control Policy.



Organizational Structure of SCC

The following figure shows the organizational structure of the Company:



BODY MASTERS
BODYMASTERS.COM.SA



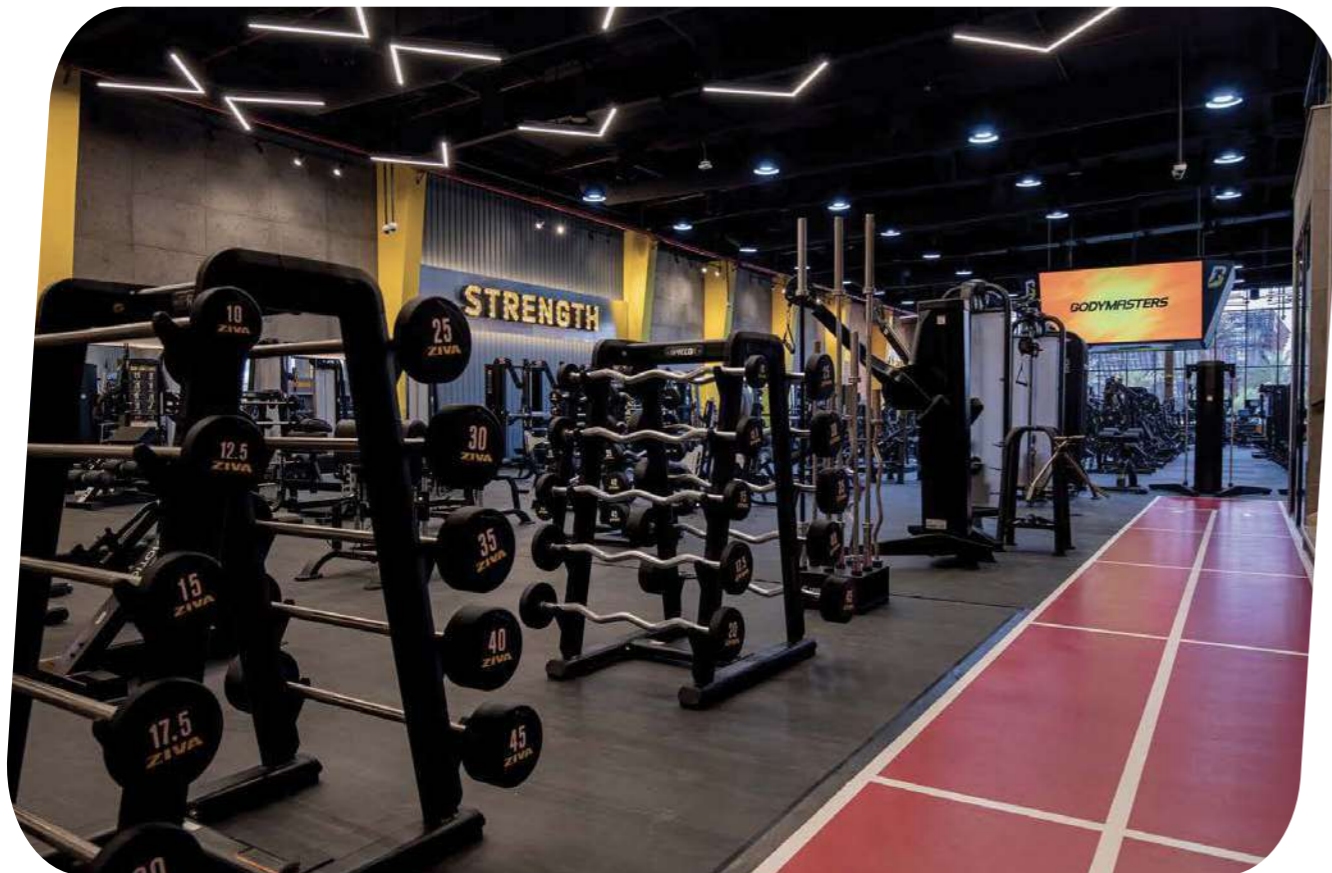
بودي ماسترز

Board Members, Committees and Executive Management

Board of Directors

| Name | Position | Membership Status | Date of Appointment |
|------------------------------------|------------------------------------|---------------------------------|---------------------|
| Ammar Abdulwahed Faleh Al-Khudairy | Chairman of the Board of Directors | Non-Executive / Non-Independent | 26/09/2022 |
| Abdul-Elah Saad Mohammed Al-Drees | Vice Chairman | Non-Executive / Non-Independent | 26/09/2022 |
| Fadi Farooq Arbid | Board Member | Non-Executive / Independent | 26/09/2022 |
| Raed bin Abdulaziz Alammari | Board Member | Non-Executive / Non-Independent | 13/02/2025 |
| Sager Ahmed Hammad Alblawi | Board Member | Non-Executive / Independent | 26/09/2022 |
| Mahmoud Emad Baban | Board Member | Non-Executive / Non-Independent | 03/11/2025 |

The Secretary of the Board of Directors and the Nomination and Remuneration Committee is Abdullah Mohammed Al-Tahhan, who has been assigned to this position by the Board of Directors pursuant to the Board of Directors' resolution dated 28/04/1444H (corresponding to 22/11/2022G), and the Secretary does not own any shares in the Company.



Board Responsibilities

The responsibilities of the Board of Directors, the Chairman of the Board and the Secretary of the Board include:

Board of Directors

Subject to the powers granted to the General Assembly in the Companies Law, its implementing regulations, and the company's articles of association, regarding actions or transactions that fall within the jurisdiction of the General Assembly, the Board of Directors shall have the broadest powers in managing the company and directing its business in a manner that achieves its objectives. The duties and powers of the Board of Directors include the following:

- **Developing, overseeing, and periodically reviewing the Company's main plans, policies, strategies, and objectives, and ensuring the availability of the necessary human and financial resources to achieve them. This includes:**
 - Developing, reviewing, and guiding the Company's overall strategy, main business plans, and risk management policies and procedures.
 - Determining the optimal capital structure for the company, its financial strategies and objectives, and approving all types of budgets.
 - Overseeing the Company's major capital expenditures, asset acquisition, and disposal.
 - Setting performance objectives and monitoring their implementation and overall performance within the Company.
 - Periodically reviewing and approving the Company's organizational and functional structures.
 - Verifying the availability of the necessary human and financial resources to achieve the Company's objectives and main plans.
- **Establishing and overseeing internal control systems and procedures, including:**
 - Developing a written policy for addressing actual and potential conflicts of interest for Board Members, Executive Management, and shareholders. This includes addressing misuse of Company assets and facilities, and misconduct arising from related-party transactions.
 - Ensuring the integrity of financial and accounting systems, including those related to financial reporting.
 - Ensuring the implementation of appropriate control systems for measuring and managing risks. This involves developing a comprehensive understanding of the risks the Company may come across, fostering a corporate risk management culture, and transparently communicating this understanding to stakeholders and Company relevant parties.
 - Conducting annual reviews of the effectiveness of the Company's internal control procedures.
- **Developing clear and specific policies, standards, and procedures for board membership, consistent with the mandatory provisions of the Corporate Governance Regulations, and implementing them after approval by the General Assembly.**
- **Establishing a written policy governing the relationship with stakeholders, in accordance with the provisions of the Corporate Governance Regulations.**
- **Developing policies and procedures to ensure the Company's compliance with regulations and its commitment to disclosing material information to shareholders and stakeholders, and verifying the Executive Management's adherence to these policies and procedures.**
- **Overseeing the Company's financial management, cash flows, and financial and credit relationships with third parties.**

- **Proposing to the Extraordinary General Assembly its views regarding the following:**

- Increasing or decreasing the Company's capital.
- Dissolving the Company before the term specified in its Bylaws or deciding on its continuation.
- **Proposing to the Ordinary General Assembly its views regarding the following:**
 - Utilizing the Company's reserves if they are not allocated for a specific purpose in the articles of association.
 - Establishing additional financial reserves or provisions for the Company.
 - The method of distributing the Company's net profits.
- **Preparing and approving the Company's preliminary and annual financial statements before publication.**
- **Preparing and approving the Board of Directors' report before publication.**
- **Ensuring the accuracy and integrity of the data and information that should be disclosed, in accordance with applicable disclosure and transparency policies and procedures.**
- **Establishing effective communication channels that allow shareholders to be continuously and periodically informed about the various aspects of the Company's activities and any material developments.**
- **Forming specialized committees emanating from it, by resolutions that specify the committee's term, powers, and responsibilities, and how the Board will oversee it. The formation resolution must include the appointment of members, defining their roles, rights, and duties, along with evaluating the performance and work of these committees and their members.**
- **Determining the types of bonuses granted to company employees, such as fixed bonuses, performance-based bonuses, and bonuses in the form of shares, in accordance with the Implementing Regulations of the Companies Law pertaining to listed joint-stock companies.**
- **Informing the Ordinary General Assembly, upon its convening, of any transactions or contracts in which a member of the Board of Directors has a direct or indirect interest. This notification must include the information provided by the member to the Board of Directors in accordance with the Corporate Governance Regulations, and must be accompanied by a special report from the Company's external auditor.**
- **Establishing the values and standards that govern the Company's operations.**
- **Distributing responsibilities and tasks, ensuring that the Company's organizational structure clearly defines responsibilities and tasks between the Board of Directors and the Executive Management. To this end, the Board must:**
 - Adopt and develop internal policies related to the Company's operations, including defining the tasks, responsibilities, and duties assigned to different organizational levels.
 - Adopt a written and detailed policy outlining the powers delegated to the executive management, along with a schedule detailing these powers, the method of implementation, and the duration of the delegation. The Board of Directors may request periodic reports from the Executive Management regarding its exercise of these delegated powers.
 - Define the matters over which the Board retains the authority to decide.

Chairman of the Board of Directors

Without prejudice to the powers of the Board of Directors, the Chairman of the Board leads the Board and oversees its operations and the effective performance of its duties. The Chairman's duties and responsibilities include, in particular:

- Ensuring that Board members receive timely, complete, clear, accurate, and non-misleading information.
- Ensuring that the Board of Directors discusses all essential matters effectively and in a timely manner.
- Representing the Company before third parties in accordance with the Companies Law, its Implementing Regulations, and the Bylaws.
- Encouraging Board members to perform their duties effectively and in a manner that serves the best interests of the Company.
- Ensuring effective communication channels with shareholders and conveying their views to the Board of Directors.
- Fostering constructive relationships and effective participation between the Board of Directors and the Executive Management, as well as between executive, non-executive, and independent members, and cultivating a culture that encourages constructive criticism.
- Preparing the agenda for Board meetings, taking into consideration any matter raised by a Board member or the auditor, and consulting with Board members and the CEO in preparing the agenda.
- Holding regular meetings with non-executive board members without the presence of any Company executives.

Board Secretary

The Board Secretary's responsibilities include the following:

- Documenting Board meetings and preparing minutes that include discussions and deliberations, the meeting location, date, and time, documenting Board decisions and voting results, maintaining a dedicated and organized register, recording the names of attending members and any reservations expressed, and obtaining the signatures of all attending members and the Secretary.
- Maintaining reports submitted to the Board and reports prepared by the Board.
- Providing Board members with the Board's agenda, working papers, documents, and information related to the Board meeting, as well as any additional documents or information requested by any Board member that pertains to the topics on the meeting agenda.
- Ensuring that Board members adhere to the procedures approved by the Board.
- Notifying Board members of Board meeting dates well in advance.
- Presenting draft minutes to board members for their feedback before signing.
- Ensuring that members of the Board of Directors receive, in full and promptly, a copy of the minutes of the Board meetings and information and documents relating to the Company.
- Coordinating among board members.
- Maintaining a record of disclosures by board members and Executive Management.
- Providing assistance and advice to board members.



Biographies of Board Members and Board Secretary

Ammar Abdulwahed Faleh Al-Khudairy, Chairman of the Board of Directors



| | |
|--|--|
| Nationality | Saudi. |
| Current Positions in the Company | Chairman of the Board of Directors, from 2009G to date. |
| Status | Non-Executive. |
| Independence | Non-Independent. |
| Academic and Professional Qualifications | <ul style="list-style-type: none"> • Bachelor's degree in Civil Engineering, George Washington University, USA, 1983G. • Master's degree in Engineering Management, George Washington University, USA, 1984G. |
| Other Current Positions and Memberships | <ul style="list-style-type: none"> • Vice Chairman, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO), a public joint-stock company operating in the field of health, from 2019G to 2025G. • Chairman, Saudi Venture Capital Company (SVC), a closed joint-stock company operating in the field of venture capital investments, from 2023G to date. • Director, Almarai, a public joint-stock company operating in the field of food, from 2019G to date • Director, SIDF Investment Company (SIC), a closed joint-stock company operating in the field of industrial investment, from 2023G to date. • Director, Alkhorayef Group, a closed joint-stock company operating in the field of industry, from 2023G to date. • Chairman, Thara Al Mostaqbal Investment Company, a limited liability company operating in the field of investment, from 2023G to date. • General Manager, Amwal AlKhaleej, a limited liability company operating in the field of investment, from 2014G to date. • Director, Tob Al Faraby Medical, a limited liability company operating in the field of health services, from 2010G to date. • Director, Dubai Saudi Arabian Contracting Company, a limited liability company operating in the field of contracting, from 2010G to date. • Director, Amwal AlKhaleej Commercial Investment Limited, a limited liability company operating in the field of investment, from 2004G to date. • Vice Chairman, Rakizat Al Siha Company, a limited liability company operating in health services, since 2024 until now • General Manager Alamwal Alkhaleejiah, a limited liability company operating in investments since 2014 until now |

Previous Professional Experience

- Chairman, Saudi National Bank, a public joint-stock company operating in the field of banking, from 2021G to 2023G.
- Chairman, Samba Financial Group (currently merged with the Saudi National Bank), a public joint-stock company operating in the field of banking, from 2019G to 2021G.
- Chairman, Goldman Sachs Saudi Arabia, a closed joint-stock company operating in the field of financial services, from 2018G to 2019G.
- Chairman, Morgan Stanley Saudi Arabia, a closed joint-stock company operating in the field of financial services, from 2008G to 2018G.
- Managing Director, Amwal AlKhaleej Commercial Investment Limited, a limited liability company operating in the field of investment, from 2004G to 2014G.
- Regional Manager - Central Province, Banque Saudi Fransi, a public joint-stock company operating in the field of banking, from 1999G to 2004G.
- Regional Manager - Central Province, United Saudi Commercial Bank (a former Saudi bank), a closed joint-stock company operating in the field of banking, from 1995G to 1999G.

Abdul-Elah Saad Mohammed Al-Drees, Vice Chairman



| | |
|--|---|
| Nationality | Saudi. |
| Current Positions in the Company | Vice Chairman of the Board of Directors, from February 2025G to date. |
| Status | Non-Executive. |
| Independence | Non-Independent. |
| Academic and Professional Qualifications | <p>Bachelor's degree in Civil Engineering, University of Texas, USA, 1978G.</p> <ul style="list-style-type: none"> • Chairman, Food Gate Trading Company, a public joint-stock company operating in the field of food, from 2021G to date. • CEO, Aldrees Petroleum and Transport Services Company, a public joint-stock company operating in the field of trading petroleum products and retail, from 2005G to date. • Director, Aldrees Petroleum and Transport Services Company, a public joint-stock company operating in the field of trading petroleum products and retail, from 2005G to date. • Member of the Audit Committee, Jarir Marketing Company, a public joint-stock company operating in the field of wholesale and retail trade, from 2010G to 2016G. |
| Other Current Positions and Memberships | |

Previous Professional Experience

- Director and CEO, Aldrees Petroleum and Transport Services Company, a public joint-stock company operating in the field of trading petroleum products and retail, from 1982G to 2003G.
- Deputy Director, Saudi American Glass Company, a limited liability company operating in the field of glass manufacturing, from 1982G to 2003G.
- Deputy General Manager, Mohamed Saad Aldrees & Sons Co., a limited liability company operating in the field of industry and general construction, from 1978G to 2004G.
- Director of the Automotive Department, Aldrees Petroleum and Transport Services Company, a public joint-stock company operating in the field of trading petroleum products and retail, from 1978G to 1985G.
- Deputy General Manager of Mohamed Saad Aldrees & Sons Company - a limited liability company, operating in many fields including: Industry in the manufacture of metallic and non-metallic products, lead ore products, iron products, waste sorting and utilization, general construction contracting, wholesale and retail trade in building materials, metals and equipment, rental of cars, machinery and equipment, commercial services, transportation of goods and supplies for hire on land routes, passenger transport within cities, establishment of workshops and car washes, and agriculture in the maintenance and repair of agricultural equipment and machinery and rental of agricultural equipment, from 1978G until 2004G.

Fadi Farooq Arbid, Board Member



Nationality

Lebanese.

Current Positions in the Company

Board Member, from 2009G to date.

Status

Non-Executive.

Independence

Independent.

Academic and Professional Qualifications

- Bachelor's degree in Strategic Marketing, Nantes University, French Republic, 1997G.
- Master's degree in Finance, Lancaster University, United Kingdom, 1998G.
- Master's degree in Business Administration, Wharton School, USA, 2003G.

Other Current Positions and Memberships

- Board member of Amwal Capital Partners - a limited liability company operating in the field of investment, since 2015G to date.

Previous Professional Experience

- Director, Seez, a limited liability company operating in the field of technology, from 2016G to 2025G.
- CEO, Amwal AlKhaleej Commercial Investment Limited, a limited liability company operating in the field of investment, from 2006G to 2015G.
- Business Development Manager, Booz Allen Hamilton, a limited liability company operating in the field of financial consultancy, from 2003G to 2006G.
- Brand Manager, Henkel, a limited liability company operating in the field of consumer goods, from 1998G to 2003G.

Raed bin Abdulaziz Alammari, Board Member



Nationality

Saudi.

Current Positions in the Company

Board Member, from 2025G to date.

Status

Non-Executive.

Independence

Non-Independent.

Academic and Professional Qualifications

- Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 2001G.

Other Current Positions and Memberships

- Director at several BoDs of private investment funds in private equity and real estate.
- Director of Business Development and Wealth Management, Middle East Financial Investment Company (MEFIC Capital), a closed joint-stock company operating in the field of financial services, from December 2024G to date.

Previous Professional Experience

- Head of Business Development, Jadwa Investment, a closed joint-stock company operating in the field of funds management and investment, from 2023G to 2024G.
- Founder and CEO, Rubber Future for Recycling Co., a limited liability company operating in the field of recycling, from 2019G to 2023G.
- Head of Business Development in the Asset Management Division, Jadwa Investment, a closed joint-stock company operating in the field of funds management and investment, from 2007G to 2018G.
- Director of Sales and Marketing in the Asset Management Division, Samba Financial Group (currently merged with the Saudi National Bank), a public joint-stock company operating in the field of banking, from 2001G to 2007G.

Sager Ahmed Hammad Alblawi, Board Member



Nationality

Saudi.

Current Positions in the Company

- Board Member, from 2022G to date.
- Chairman of the Audit Committee, from 2022G to date.

Status

Non-Executive.

Independence

Independent.

Academic and Professional Qualifications

- Master's degree in Finance, George Washington University, USA, 2015G.
- Bachelor's degree in Finance, Portland State University, USA, 2011G.

Other Current Positions and Memberships

- Board Member, Shar Company, a closed joint-stock company operating in the field of trade, building and construction, from 2023G to date.
- Member of the Nomination and Remuneration Committee, Shar Company, a closed joint-stock company operating in the field of trade, building and construction, from 2019G to date.
- Board Member, Shar Holding Company, a closed joint-stock company operating in the field of investment, from 2019G to date.
- Board Member, ESPAC, a closed joint-stock company operating in the field of building materials, from 2017G to date.
- Chairman of the Audit Committee, ESPAC, a closed joint-stock company operating in the field of building materials, from 2022G to date.
- Member of the Nomination and Remuneration Committee, ESPAC, a closed joint-stock company operating in the field of building materials, from 2023G to date.
- Deputy CEO, Shar Company, a closed joint-stock company operating in the field of trade, building and construction, from 2013G to date.

Previous Professional Experience

- Financial Analyst, Saudi Basic Industries Corporation (SABIC), a public joint-stock company operating in the field of petrochemicals, from 2012G to 2013G.

Mahmoud Emad Baban, Board Member



Nationality

Saudi.

Current Positions in the Company

- Board Member, from 03/11/2025 to 18/01/2026G.
- Chairman of the Audit Committee, from 2022G to date.

Status

Non-Executive.

Independence

Independent.

Academic and Professional Qualifications

- Bachelor of Science in International Relations and Business Administration from Boston University, 2003G.
- Master of Business Administration (MBA) from London Business School, 2014G.

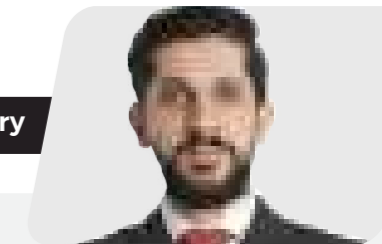
Other Current Positions and Memberships

- Head of Private Equity at Middle East Financial Investment Company (MEFIC Capital) - a closed joint-stock company operating in the financial services sector - since 2025G.
- Board Member of Solidere International - since 2025G.
- Board Member of the Saudi Film Fund (Riviera Content) - since 2025G.

Previous Professional Experience

- CEO of Dussur (Saudi Industrial Investment Company) from 2017G to 2025G.
- Head of Mergers and Acquisitions at Ernst & Young (EY) from 2014G to 2017G.

Abdullah Mohammed Al-Tahhan, Finance Director & Board Secretary



Nationality

Syrian.

Current Positions in the Company

- Secretary of the Board of Directors, from 2022G to date.
- Director of the Finance Department, from 2014G to date.

Academic and Professional Qualifications

- Master's degree in Financial Management, Arab Academy for Banking and Financial Sciences, Syrian Arab Republic, 2008G.
- Higher Diploma in Financial Markets, Arab Academy for Banking and Financial Sciences, Syrian Arab Republic, 2007G.
- Bachelor's degree in Accounting, University of Damascus, Syrian Arab Republic, 2005G.

Other Current Positions and Memberships

N/A

Previous Professional Experience

- Account Manager at the Company, from 2011G to 2014G.
- Senior Accountant at the Company, from 2008G to 2011G.
- Cost Accountant, Nestlé, a limited liability company operating in the field of food, from 2007G to 2008G.

Board Meetings

| Name | Membership Status | Number of Board Meetings | | | |
|--------------------------------------|-------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | | First Meeting 05/05/2025G | Second Meeting 07/24/2025G | Third Meeting 11/03/2025G | Fourth Meeting 12/18/2025G |
| 1 Ammar Abdulwahed Faleh Al-Khudairy | Chairman | ✓ | ✓ | ✓ | ✓ |
| 2 Abdul-Elah Saad Mohammed Al-Drees | Vice Chairman | ✓ | ✓ | ✓ | ✓ |
| 3 Fadi Farooq Arbid | Member | ✓ | ✓ | ✓ | ✓ |
| 4 Sager Ahmed Hammad Alblawi | Member | ✓ | ✓ | ✓ | ✓ |
| 5 Raed bin Abdulaziz Alammari | Member | ✓ | ✓ | ✓ | ✓ |
| 6 Yasser Ali Ibrahim Al-Hadithi | Member | ✓ | X | ✓ | |
| 7 Mahmoud Emad Jalal Baban | Member | | | | ✓ |

Mr. Yasser bin Ali Al-Hadithi resigned from his membership on the Board of Directors on 3/11/2025G, and Mr. Mahmoud Emad Baban was appointed to the Board of Directors on the same day. Mr. Mahmoud Emad Baban then resigned later on 18/1/2026G.



Names of Companies Inside and Outside the Kingdom whose Board Members are Members of their Boards of Directors or among their Directors

| Ammar Abdulwahed Faleh Al-Khudairy | | | |
|---|------------------|----------------------------|--------------------|
| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
| Saudi Venture Capital Company | 2023- to date | Inside the Kingdom | Closed Joint Stock |
| SIDF Investment Co. | 2023- to date | Inside the Kingdom | Closed Joint Stock |
| Almarai Group | 2019- to date | Inside the Kingdom | Public Joint Stock |
| Al Khorayf Group | 2023- to date | Inside the Kingdom | Closed Joint Stock |
| Sport Clubs Company | 2008- to date | Inside the Kingdom | Public Joint Stock |
| Tob Alfarabi Company | 2010- to date | Inside the Kingdom | Limited Liability |
| Thara Future Investment Company | 2023- to date | Inside the Kingdom | Limited Liability |
| Dubai Arabian Saudi Contracting Company | 2010- to date | Inside the Kingdom | Limited Liability |
| Amwal Al Khaleej Commercial Investment Co. Ltd. | 2004- to date | Inside the Kingdom | Limited Liability |
| Rakizat Al Saha Co., Ltd. | 2024- to date | Inside the Kingdom | Limited Liability |
| Saudi Pharmaceutical Industries & Medical Appliances Corporation (Spimaco) | 2019 - 2025 | Inside the Kingdom | Public Joint Stock |
| Saudi National Bank | 2021 - 2023 | Inside the Kingdom | Public Joint Stock |
| SNB capital | 2021 - 2023 | Inside the Kingdom | Closed Joint Stock |
| SAMBA Group | 2019 - 2021 | Inside the Kingdom | Public Joint Stock |
| Goldman Sachs Saudi Arabia | 2018 - 2019 | Inside the Kingdom | Closed Joint Stock |
| Amwal Capital Partners | 2013- to date | UAE | Limited Liability |
| Dubai Contracting Company | 2008- to date | UAE | Closed Joint Stock |
| Desten Company | 2023- to date | USA | Limited Liability |
| Gulf Capital Company | 2025- to date | UAE | Limited Liability |

Eng. Abdul-Elah Bin Saad Bin Mohammed Al-Drees

| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
|---|------------------|----------------------------|--------------------|
| Aldrees Petroleum & Transport Services Company (Aldrees) Chief Executive Officer - Board Member Member of the Executive Committee | to date -2005 | Inside the Kingdom | Public Joint Stock |
| Gateway Foods Company Chairman of the Board of Directors | to date -2021 | Inside the Kingdom | Public Joint Stock |
| Foods Gates Company Vice Chairman | to date -2025 | Inside the Kingdom | Public Joint Stock |
| Jarir Marketing Company | to 2016 2010 | Inside the Kingdom | Public Joint Stock |

Fadi Farooq Arbid

| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
|---|------------------|----------------------------|-------------------|
| Amwal Capital Partners | 2015 to date. | Outside the Kingdom | Limited Liability |
| Member of the Board of Directors of Seez Company, operating in the technical field | 2016 - 2025 | Outside the Kingdom | Limited Liability |
| CEO, Amwal AlKhaleej | 2006 - 2015. | Inside the Kingdom | Limited Liability |
| SCC Board Member | 2009 to date | Inside the Kingdom | Joint Stock |

Raed bin Abdulaziz Alammari

| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
|-----------------------------|------------------|----------------------------|--------------------|
| Future Environmental Co | 2017- to date | Inside the Kingdom | Limited Liability |
| Rubber Future for Recycling | 2019- to date | Inside the Kingdom | Limited Liability |
| Prudence Dimensions | 2015- to date | Inside the Kingdom | Limited Liability |
| Sport Clubs Company | 2025- to date | Inside the Kingdom | Public Joint Stock |
| Ecowise Co | 2016- to date | Inside the Kingdom | Limited Liability |
| Tamkeen Water Co | 2019- to date | Inside the Kingdom | Limited Liability |
| Darb Altajar Financial | 2018 to 2023 | Inside the Kingdom | Limited Liability |

Sager Ahmed Hammad Alblawi

| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
|----------------------|------------------|----------------------------|--------------------|
| Shar Company | to date - 2023 | Inside the Kingdom | Closed Joint Stock |
| Shar Holding Company | to date - 2019 | Inside the Kingdom | Closed Joint Stock |
| ESPAC Company | to date - 2017 | Inside the Kingdom | Closed Joint Stock |
| Sport Clubs Company | to date - 2022 | Inside the Kingdom | Public Joint Stock |

Mahmoud Emad Baban

| Company Name | Date (from - to) | Inside/Outside the Kingdom | Legal Entity |
|--|---------------------------|----------------------------|---|
| Middle East Financial Investment Company | March 2025 to date | Inside the Kingdom | Saudi Closed Joint Stock |
| SCC (owner of the "Body Masters" and "Body Motions" brands) | March 2025 to date | Inside the Kingdom | Saudi Listed Joint Stock |
| Saudi Film Fund (Riviera Content) | March 2025 to date | Inside the Kingdom | A closed-end private investment fund |
| Solidere International | March 2025 to date | Outside the Kingdom | A legal entity that is a real estate developer |
| Saudi Strategic Industries Company "Dussur" | May 2017 to February 2025 | Inside the Kingdom | Public Investment Fund Company |
| Saudi Petrolite Chemicals Facility | May 2017 to February 2025 | Inside the Kingdom | Saudi Closed Joint Stock |
| SeAH Gulf Special Steel Industries | May 2017 to February 2025 | Inside the Kingdom | JV |

Conflict of Interest

The Company's bylaws or the Company's regulations and policies do not provide any powers that enable a member of the Board of Directors to vote on a contract, business or offer in which he has a direct or indirect interest, in accordance with the provisions of Article 71 of the Companies Law and Article 27 of the Companies Law, which also stipulates that a member of the Board of Directors may not have a direct or indirect interest in the works and contracts made for the Company's account except with the authorization of the Ordinary General Assembly, or who it delegates. In addition, Article 27 of the Companies Law prohibits the members of the Board of Directors from participating in any business that would compete with the Company, or that would compete with the Company in one of the branches of the activity it conducts, except with the license of the General Assembly or who it delegates. The members of the Company's Board of Directors shall not engage in any business that competes with the Company's business or any business that competes with the Company in one of the branches of activity that it conducts.

According to Article 71 of the Companies Law, a member of the Board of Directors is required to disclose and inform the Board of Directors of his direct or indirect interests in the business and contracts carried out on behalf of the Company. This report shall be recorded in the minutes of the Board meeting at the time of its convening. The Board of Directors shall notify the Ordinary General Assembly at the time of its convening of the business and contracts in which a Board member has a direct or indirect interest. Such a notification shall be accompanied by a special report from the Company's auditor prepared in accordance with the auditing standards adopted in the Kingdom.

A member who has a direct or indirect interest in the business and contracts made on behalf of the Company may not participate in the deliberations or vote on the decisions made on such contracts and business.

The Company has prepared and implemented a written and clear policy to deal with cases of conflicts of interest and transactions with related parties, taking into account the appropriateness of this policy to the size of the Company, the nature of its business and its organizational structure, in order to ensure that there is a clear mechanism to be applied to identify cases of conflicts of interest, the Company's competition standards, and cases that require the approval of the General Assembly. The Conflict of Interest and Related Party Transactions Policy establish strict procedures aimed at complying with the general rules under the Companies Law, the Corporate Governance Regulations, the Companies Law Implementing Regulations for listed joint stock companies and other relevant requirements.

The Board of Directors approved the Conflict of Interest and Transactions with Related Parties Policy on 22/01/1446H (corresponding to 28/07/2024G). In addition, the General Assembly approved the Competition Standards and Controls on 18/02/1446H (corresponding to 22/08/2024G).

Interests of the Board of Directors, Senior Executives and the Secretary of the Board of Directors in the Company's Shares or Debt Instruments

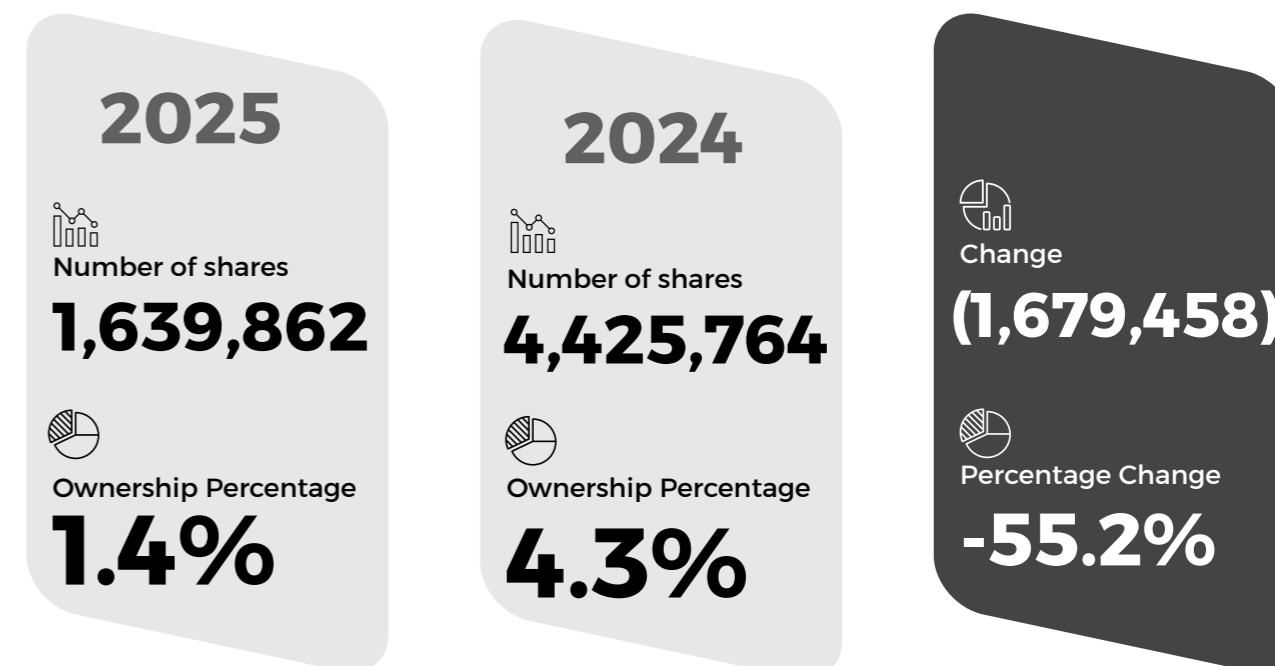
Change in the Ownership Percentage of Board Members and Senior Executives

The members of the Board of Directors, senior executives or the Secretary of the Board of Directors do not own any shares or debt instruments in the Company except for the Board members listed below:

Direct Ownership

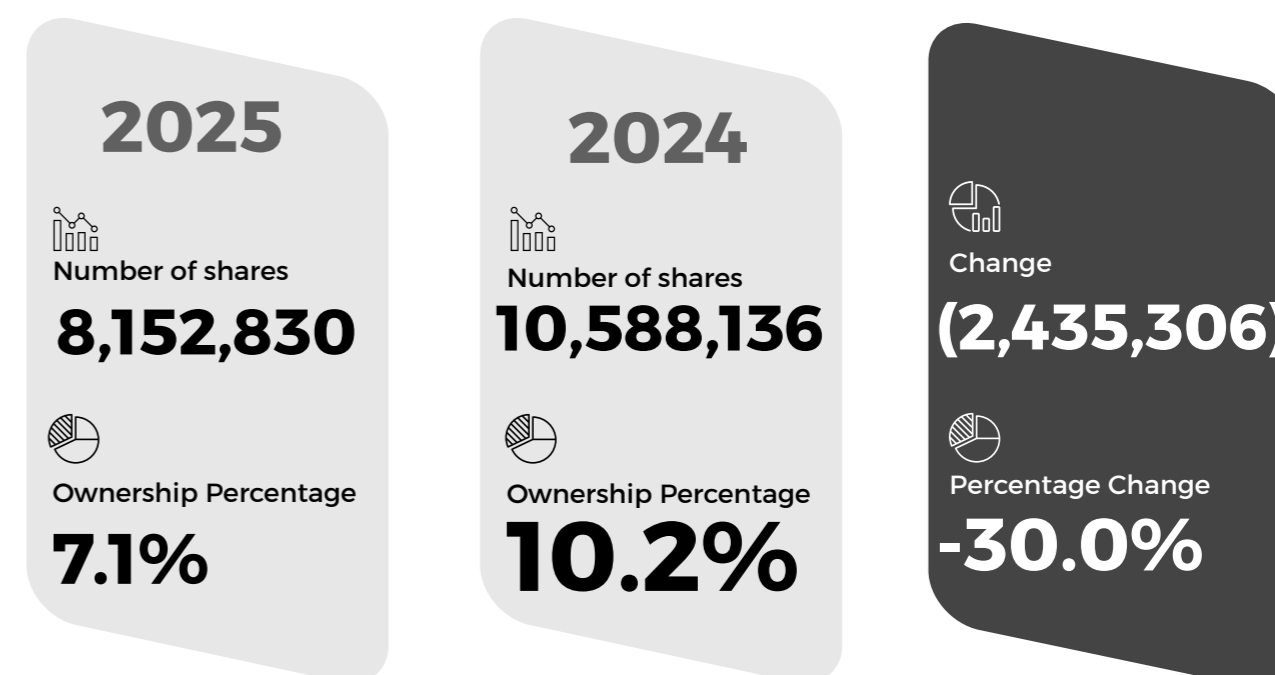
Board of Directors

Ammar Al Khudairy



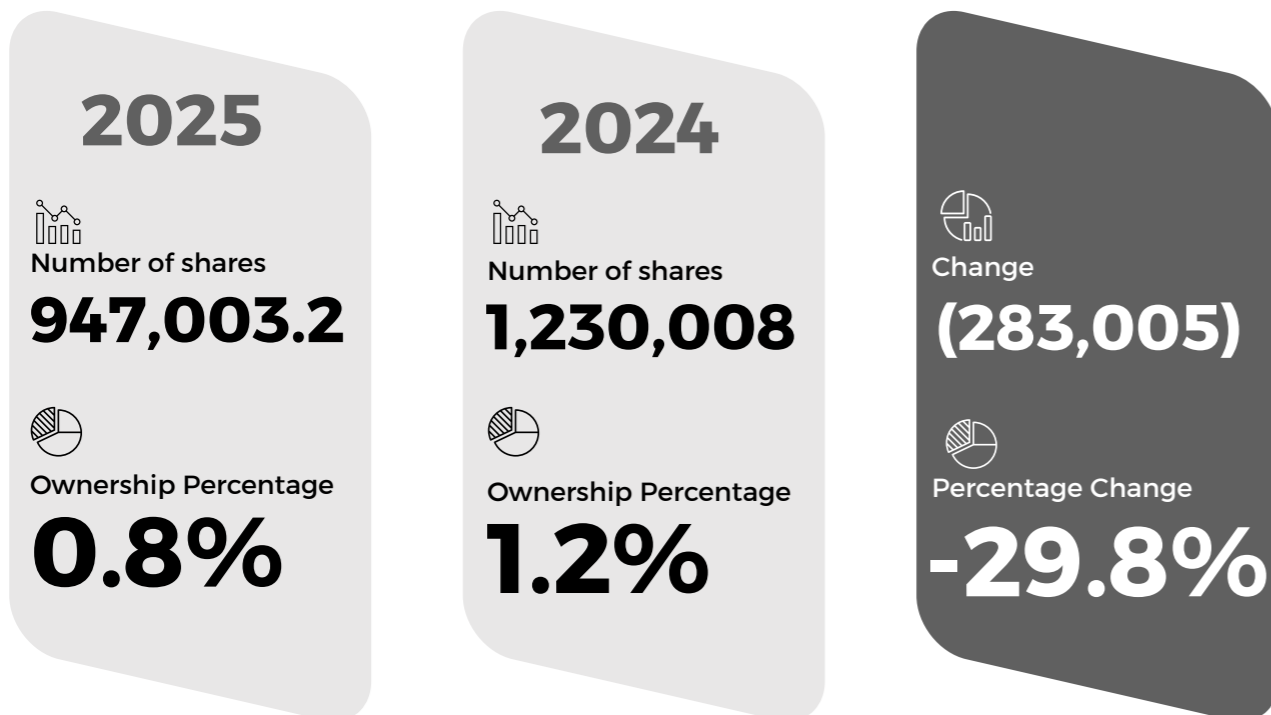
Indirect Ownership

Ammar Al Khudairy



Indirect Ownership

Abdul-Elah Al-Drees



Details of the agreements and transactions in force in which the members of the Board of Directors have an interest

| 2025 | | | | | |
|--|---------------------------------------|--|---|---|-------------------------------------|
| Parties | Nature of the contract or transaction | The person who has an interest in the agreement or dealing | Reason for interest | Signing Date, Contract Duration and Expiry Date | Fiscal year ended 31 December 2025G |
| Company (as the Customer) and Aldrees Petroleum & Transport Services Company (as the Service Provider) | Framework Agreement for Fueling Cars | Abdulah Saad Mohammed Aldrees | Abdulah Saad Mohammed Aldrees is the Chief Executive Officer and Board Member of Aldrees Petroleum & Transport Services | The agreement was concluded on 22/10/1445H (corresponding to 01/05/2024G) and the duration of the agreement is one year and may be automatically renewed unless one of the parties informs the other party of its desire to terminate at least thirty days before the expiry date of its term | 660,000 |

Upon the foregoing, the Board of Directors acknowledges and confirms that each member of the Board of Directors shall:

- Comply with Articles 27 and 71 of the Companies Law and Articles 40 to 45 of the Corporate Governance Regulations.
- Refrain from voting on the resolutions of the Board of Directors or the General Assembly related to the business, contracts concluded or transactions concluded on behalf of the Company if they have a direct or indirect interest in such business and contracts.
- Not participate in any business that would compete with the Company or compete with the Company in one of the branches of the activity it conducts, except with a license from the Ordinary General Assembly in accordance with the text of Article 27 of the Companies Law.



Board Committees

The Board of Directors has formed the committees mentioned in this section in order to improve the management of the Company and in order to meet the relevant statutory requirements. Each committee shall have clear rules defining its role, powers, and responsibilities. Minutes of all meetings of each committee shall be prepared (and submitted to the Board for review and approval). The Audit, Nomination and Remuneration Committees were approved in the General Assembly meeting on 18/02/1446H (corresponding to 22/08/2024G), the following is a description of the committees formed in the Company:

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be formed by a resolution of the Company's Board of Directors, consisting of at least three and a maximum of five members from among the Shareholders or others, provided that at least one of the members is independent and none of the members are executive Directors. The chairman of the Nomination and Remuneration Committee shall be an independent Director. Responsibility of the Nomination and Remuneration Committee

Remuneration:

- Preparing a clear policy for the remuneration of the Directors, Board Committee members and the Executive Management, and presenting such policy to the Board for consideration in preparation for approval by the General Assembly, provided that such policy follows performance-based standards, as well as disclosing and ensuring the implementation of such policy, along with reviewing the remunerations and making recommendations to the Board on an annual basis or at the request of the Board.
- Clarifying the relationship between the remunerations granted and the applicable remuneration policy, highlighting any material deviation from such policy.
- Determining the various bonus pools based on the performance of the Company and of each unit and department, and recommending such pools to the Board for review and approval.
- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
- Proposing recommendations to the Board in respect of the remuneration of the Directors, Committee members and Senior Executives in accordance with the approved policy.
- Following up on the disclosure of remuneration included in the annual report issued by the Board of Directors.

Nominations:

- Preparing recommendations for the Board of Directors regarding the establishment of criteria for candidates for the position of CEO, as well as recommending contract terms, preparing job descriptions and nominating candidates to the Board for the positions of CEO, CFO and other Senior Executives.
- Proposing clear policies and standards for membership of the Board and the Executive Management.
- Proposing recommendations to the Board for the nomination or re-nomination of Directors in accordance with the approved policies and standards, while ensuring that no candidates have been convicted of a crime involving moral turpitude or dishonesty.
- Preparing a description of the capabilities and qualifications required for membership of the Board and for holding Executive Management positions.
- Determining the amount of time that Directors must allocate to the activities of the Board.
- Conducting an annual review of the skills and expertise required for membership of the Board and for holding Executive Management positions.
- Reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made thereto.
- Ensuring the independence of independent Directors on an annual basis and the absence of any conflicts of interest if a director also serves on the board of directors of another company.
- Providing job descriptions for the executive, non-executive and independent Directors and the Senior Executives.
- Setting special procedures to be followed if the position of a director or a Senior Executive becomes vacant.
- Determining the strengths and weaknesses of the Board and recommending solutions that serve the Company's interests.

Formation of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed pursuant to the General Assembly resolution issued on 11/05/1444 H (corresponding to 04/12/2022G), with the session of the Nomination and Remuneration Committee commencing from the date of the General Assembly's approval and ending on 24/06/1448H (corresponding to 04/12/2026G). On 05/11/1445H (corresponding to 13/05/2024G) and 14/08/1446H (corresponding to 13/02/2025G) the Board decided to reconfigure the Nomination and Remuneration Committee as follows:

Members of the Nomination and Remuneration Committee

| Name | Position | Status |
|------------------------------------|---------------------------|---------------|
| Fadi Farooq Arbid | Chairman of the Committee | Independent |
| Raed Abdulaziz Alammari | Member | Non-Executive |
| Ammar Abdulwahed Faleh Al-Khudairy | Member | Non-Executive |

Biographies of Nomination and Remuneration Committee Members

The following are summary biographies of the members of the Nomination and Remuneration Committee:

Fadi Farooq Arbid, Chairman of the Nomination and Remuneration Committee
The biography was mentioned among the members of the Board of Directors

Raed bin Abdulaziz Alammari, Member of the Nomination and Remuneration Committee
The biography was mentioned among the members of the Board of Directors

Ammar Abdulwahed Faleh Al-Khudairy, Member of the Nomination and Remuneration Committee
The biography was mentioned among the members of the Board of Directors

Remuneration and Nomination Committee Meetings

| Name | Membership Status | Number of Remuneration and Nomination Committee Meetings | |
|--------------------------------------|---------------------------|--|-------------------------------|
| | | First Meeting 05/05/2025G | Second Meeting 12/18/2025G |
| 1 Fadi Farooq Arbid | Chairman of the Committee | ✓ | ✓ |
| 2 Ammar Abdulwahed Faleh Al-Khudairy | Member | ✓ | ✓ |
| 3 Raed Abdulaziz Abdullah Alammari | Member | ✓ | ✓ |

Audit Committee

An audit committee shall be formed pursuant to a resolution of the Company's Board of Directors consisting of Shareholders or others, provided that none of its members are executive Directors and at least one of its members is independent. The number of members of the Audit Committee shall not be less than three and not more than five, and one of them shall have experience in financial and accounting affairs.

Formation of the Audit Committee

SCC announced on December 4, 2025 that the Audit Committee will be reconstituted on December 3, 2025. The Committee shall continue to operate until the end of the current Board of Directors session on September 25, 2027, while maintaining the same committee structure that existed until December 4, 2025.

Audit Committee Members

| Name | Position | Adjective |
|---------------------------------|---------------------------|-------------|
| Sager Ahmed Hammad Alblawi | Chairman of the Committee | Independent |
| Badr Ibrahim Brahim Al Suwailem | Member | Independent |
| Hassan Ahmed Maati Daabas | Member | Independent |

Mr. Badr Ibrahim Brahim Al Suwailem resigned on 14/1/2025 and Mr. Fadi Farooq Arbid was appointed in his place on the same date.

Responsibilities of the Audit Committee

The Audit Committee shall be responsible for monitoring the Company's activities and ensuring the integrity and effectiveness of its reports, financial statements and internal control systems. The duties of the Audit Committee shall include the following in particular:

Financial Reporting:

- Examining and reviewing the interim and annual financial statements of the Company before presenting them to the Board to ensure their integrity, fairness and transparency, as well as offering an opinion and recommendations thereon.
- Examining the accounting policies adopted by the Company and providing advice regarding recommendations to the Board thereon.
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable and contain information that allows Shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Examining any significant or unusual issues included in the financial statements or accounts, and investigating any matters raised by the Company's CFO or any person assuming their duties or the Company's compliance officer or auditor.
- Examining accounting estimates with respect to material matters contained in the financial reports.

Internal Audit:

- Monitoring and supervising the performance and activities of the Company's internal auditor and Internal Audit Department to ensure the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned thereto.
- Reviewing the internal control, financial and risk management systems and preparing a written report thereon, including making recommendations and providing its opinion regarding the adequacy of such systems and the work it has performed that falls under its purview, as well as submitting such report to the General Assembly.
- Analyzing the internal audit reports and following up on the implementation of the corrective measures in respect of the remarks made in such reports.
- Reviewing, along with the Company's internal auditor, any issues or difficulties related to the internal audit and the responsiveness of the various departments within the Company, including: (1) any restrictions affecting the scope of the internal auditor's activities; (2) any restrictions hindering the work of the internal audit with regard to access to the required information and materials; (3) any major disputes with the Company's departments; and (4) any material differences related to the audit that were detected or observed by the internal auditor and were not acted upon.
- Settling any disputes between the internal auditor and the Company's Management with respect to preparing reports on internal audit operations and the observations resulting therefrom.

- Discussing with the Company's Management and the Internal Audit Department the appropriateness of the Company's internal accounting and financial and operational controls.
- Reviewing all reports submitted by the Company's Internal Audit Department and the responses of the various departments thereto.
- Recommending to the Board the appointment of a director for the Internal Audit Unit or Department and proposing their remuneration.
- Evaluating the performance and qualifications of the personnel within the Internal Audit Department.
- Reviewing the appointment and replacement of the Director of the Internal Audit Department and the annual action plan for the internal audit.
- Submitting reports to the Board with respect to the above-mentioned tasks.

Auditor:

Providing recommendations to the Board regarding the nomination and dismissal of the auditor and determination of their remuneration after verifying their independence and taking into consideration the relevant rules and standards.

Supervising the auditor's activities and approving any activity which falls outside the scope of their work that they may be entrusted with while carrying out their tasks.

Reviewing the audit plan with the auditor and ensuring that they do not provide technical or administrative work which falls outside the scope of the audit work as well as expressing any observations in this regard.

- Examining the auditor's reports and observations on the financial statements and following up on the actions taken with respect thereto.
- Responding to the inquiries of the Auditor.

Compliance:

- Reviewing the reports of the regulatory authorities and ensuring that the Company has taken the necessary measures with regard thereto.
- Ensuring the Company's compliance with the relevant laws, regulations, policies and directives, as well as reviewing the effectiveness of the Company's approved regulations regarding ethical conduct.
- Reviewing contracts and transactions proposed to be conducted by the Company with Related Parties, and providing its opinion thereon to the Board.
- Submitting any issues it deems necessary to the Board to take action on and expressing its recommendations as to the steps to be taken.
- Monitoring operations related to risk management.
- Reviewing the adequacy of the Company's internal control system, including the control mechanisms for the computer information and security system.

Biographies of Audit Committee Members

The following are summary biographies of the members of the Audit Committee:
Sager Ahmed Hammad Alblawi, Chairman of the Audit Committee

The biography was mentioned among the members of the Board of Directors

Badr Ibrahim Al Suwailem, Audit Committee Member

| | |
|---|---|
| Nationality | Saudi |
| Current Positions in the Company | Member of the Audit Committee since 2023 until now. |
| Academic and Scientific Qualifications | <ul style="list-style-type: none"> • Bachelor of Accounting, King Saud University, Saudi Arabia, 1990. • Fellowship of the American Institute of Certified Public Accountants (AICPA), USA, in 1999. • Fellowship of the Saudi Organization for Chartered and Professional Accountants (SOCPA), Saudi Arabia, in 1995. |
| Other Current Positions and Memberships | <ul style="list-style-type: none"> • Member of the Board of Directors of MEFIC REIT – a closed-end real estate investment fund engaged in investing in income-generating real estate assets in the Kingdom and the GCC, since 2023 to date. • Member of the Board of Directors of Liva Insurance Company – a public shareholding company operating in the field of insurance, from 2023 to 2024. • Chairman of the Audit Committee of Liva Insurance Company – a public shareholding company operating in the field of insurance, since 2025 to date. • Chairman of the Audit Committee of Vision Bank – a closed joint stock company, operating in the field of banking, since 2023 to date. • Chairman of the Audit Committee of United Automobiles Group – a closed joint stock company, operating in the field of commercial automotive dealerships, since 2022 to date. • Chairman of the Audit Committee at Care Shield Holding Company – a closed joint stock company, operating in the field of private hospitals and medical centers management, since 2021 to date. • Member of the Board of Directors of the Electrical Industries Company – a public joint stock company, operating in the field of electrical industries, since 2015 to date. • Member of the Nomination and Remuneration Committee at the Electrical Industries Company a public joint stock company, operating in the field of electrical industries, since 2025 to date. • Chairman of the Audit Committee of Arsan Company – a limited liability company, operating in the field of investment, since 2023 to date. • Member of the Audit Committee of FEDCO Investment Company – a closed joint stock company, operating in the field of feed industry, since 2022 to date. • Member of the Audit and Risk Committee at New Murabba Company – a closed joint stock company, operating in the field of real estate development – since 2023 to date. • Member of the Audit Committee of Saudi Eksab Company – a closed joint stock company operating in the field of investment, since 2023 to date. |
| Previous Work Experience | <ul style="list-style-type: none"> • Chief Executive Officer of Yanal Finance Company – a closed joint stock company operating in finance, from 2015 to 2022. • Chief Executive Officer of Electronics & Systems Holding Company – a limited liability company engaged in the field of electronics, from 2009 to 2014. • General Manager at Modern Electronics Company (Sony) – a limited liability company working in the field of electronics, from 2006 to 2009. • Financial Controller at Al Faisaliah Group Holding Company – a closed joint stock company, operating in investment and subsidiary management, from 2002 to 2006. |

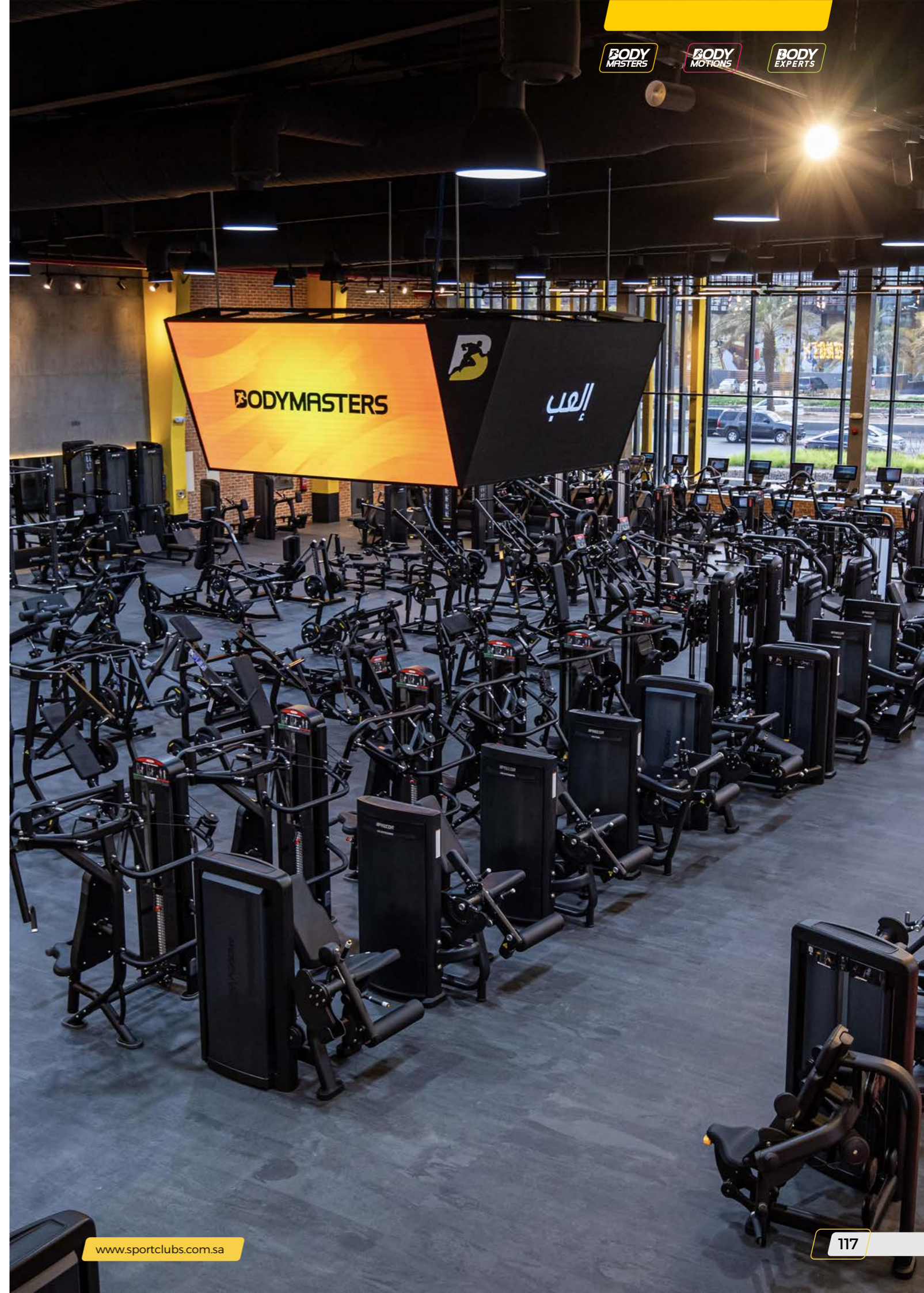
Hassan Ahmed Maati Daabas, Audit Committee Member

| | |
|---|--|
| Nationality | Egyptian |
| Current Positions in the Company | <ul style="list-style-type: none"> • Member of the Audit Committee since 2022 until the date of this Prospectus. |
| Academic and Scientific Qualifications | <ul style="list-style-type: none"> • B.Sc. in Accounting, Mansoura University, Egypt, 2007. • Certified Public Accountant (CPA) from the American Institute of Certified Public Accountants (AICPA), USA, in 2017. • Certified Public Accountant (CPA) – Australia, valid 2024. • Fellow of Chartered Chartered Accountants (FCPA) – Australia, effective 2024. • Certified Professional Accountant (CPA) – Canada (CPA Ontario), effective 2024. • Certified Oracle Professional (OCP) – SQL, PL/SQL, and Oracle Forms & Reports, 2008. • Oracle Certified Associate (OCA) – SQL, PL/SQL, and Oracle Forms & Reports, 2008. |
| Other Current Positions and Memberships | <ul style="list-style-type: none"> • Member of the Audit Committee, ESPAC (Closed Joint Stock Company in the field of building materials), from 2023 to date. • Member of the Audit Committee, Shar Company (a closed joint stock company operating in the fields of trade, building and construction), from 2023 to date. • Chief Audit Officer and Secretary of the Audit Committee, Bawan Listed Company, April 2024 to date. |
| Previous Work Experience | <ul style="list-style-type: none"> • Chief Internal Audit Officer, Al Jeri Transportation Company (a closed joint stock company engaged in the fields of logistics, fuel sales and other activities), from 2021 to 2024. • Chief Executive Officer, Safety Office (a sole proprietorship in the field of financial services), 2020 to 2021. • Chief Audit Officer, Awqaf Mohammed Abdulaziz Al Rajhi Group (a sole proprietorship operating in hotel operation: Mövenpick Hotel Qassim and Tulip Inn Batha, Property Management, Commerce, Al Rajhi Agriculture, and Charity), from 2017 to 2020. • Assistant Audit Manager, PWC (a closed joint stock company operating in the field of financial services), 2015 to 2017. • Audit Manager at RSM International - Sabti & Banqa Chartered Accountants (a professional firm providing auditing, auditing and accounting consulting services), from 2010 to 2015. • Principal Auditor at Abdulkader Sindi & Mazen Batterjee (Chartered Accountants & Consultants) – a professional firm engaged in the provision of auditing, auditing and accounting consultancy services – from 2009 to 2010. |

Fadi Farooq Arbid, members of the Audit Committee
The biography was mentioned among the members of the Board of Directors

Audit Committee Meetings

| Name | Nature of Membership | First Meeting 05/02/2025 | Second Meeting 12/02/2025 | Third Meeting 26/03/2025 | Fourth Meeting 29/04/2025 | Fifth Meeting 27/05/2025 | Sixth Meeting 28/07/2025 | Seventh Meeting 30/10/2025 | Eighth Meeting 16/12/2025 |
|-------------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|
| Sager Ahmed Hammad Alblawi | Chairman of the Committee | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Badr Ibrahim Ibrahim Al Suwailem | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Hassan Ahmed Maati Daabas | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



Senior Executives

The Executive Management consists of qualified members who have the necessary knowledge and experience to manage the Company's business in line with the objectives and directives of the Board

Biographies of the Senior Executives

The following is a summary of the biographies of the senior executives:



Wael Riad Mohammed El Merhabi, CEO

Nationality

- French.

Current Positions in the Company

- CEO, from 2013G to date.

Academic and Scientific Qualifications

- Master's degree in Accounting and Finance, Lancaster University, United Kingdom, 2000G.
- Bachelor's degree in Business Administration, University of Balamand, Republic of Lebanon, 1999G.
- Certified Financial Manager (CFM), Institute of Management Accountants (IMA), USA, 2005G.

Previous Professional Experience

- General Manager, AFIA International (a subsidiary of Savola Group), a closed joint-stock company operating in the field of food, from 2009G to 2013G.
- Development Manager, Savola Foods (a subsidiary of Savola Group), a closed joint-stock company operating in the field of food, from 2008G to 2009G.
- Director of Special Projects, Savola Group, a public joint-stock company operating in the field of food, from 2007G to 2008G.
- Director of Development, Al Batool (a subsidiary of Savola Group), a closed joint-stock company operating in the field of commercial agencies, from 2005G to 2007G.
- Category Manager, Panda Retail Company (a subsidiary of Savola Group), a closed joint-stock company operating in the field of food, from 2002G to 2005G.
- Administrative Auditor, Arthur Andersen, a limited liability company operating in the field of chartered accountancy, from 2001G to 2002G.



Jamil Mohammed Jamil Al Zayat, Director of Sales and Marketing

Nationality

- Lebanese.

Current Positions in the Company

- Director of Sales and Marketing, from 2013G to date.

Academic and Scientific Qualifications

- Bachelor's degree in Business Administration, Lebanese American University, Republic of Lebanon, 2005G.

Previous Professional Experience

- Marketing and Sales Manager, Al Jomaih Automotive Company (AAC), Riyadh, a limited liability company operating in the field of automotive sales, from 2010G to 2013G.
- Senior Marketing and Sales Specialist, Al Jazirah Vehicles Agencies Co., a limited liability company operating in the field of automotive sales, from 2008G to 2010G.



Musaed Mansour Ali Al-Baytar, Director of Human Resources

Nationality

- Saudi.

Current Positions in the Company

- Director of Human Resources, from 2016G to date.

Academic and Scientific Qualifications

- Diploma in Computing, College of Technology, Kingdom of Saudi Arabia, 2010G.
- Diploma in Human Resources, King Saud University, Kingdom of Saudi Arabia, 2020G.
- Bachelor's degree in Business Administration, King Faisal University, Kingdom of Saudi Arabia, 2019G.

Previous Professional Experience

- Head of the Human Resources Department at the Company, from 2014G to 2015G.
- Human Resources Officer at the Company, 2013G.
- Recruitment Officer at the Company, 2012G.



Tariq Ahmed Abdulfattah Salem, Director of Projects and Maintenance

Nationality

- Egyptian.

Current Positions in the Company

- Director of Projects and Maintenance, from 2022G to date.

Academic and Scientific Qualifications

- Projects Management Studies, 2012G.
- Risk Management Studies, 2012G.
- Bachelor's degree in Civil Engineering, Benha University, Arab Republic of Egypt, 2010G.

Previous Professional Experience

- Director of the Maintenance Department at the Company, from 2021G to 2022G.
- Head of the Civil Works Department at the Company, from 2014G to 2021G.
- Engineer at the Company, from 2011G to 2013G.
- Structural Engineer, General Nile Company for Desert Roads, an Egyptian public



Meshari Abdullah Mohammed Al-Wallan, Director of Public Relations

Nationality

- Saudi.

Current Positions in the Company

- Director of Public Relations, from 2009G to date.

Academic and Scientific Qualifications

- Intermediate Education Certificate, Kingdom of Saudi Arabia, 1987G.

Previous Professional Experience

- Designated General Manager for Human Resource Department at the Company, from 2015G to 2014G.
- Representative before Government Agencies, Mohammed Al-Rayes Company, a limited liability company operating in the field of contracting, from 2004G to 2008G.
- Representative before Government Agencies, Wallan Company, a limited liability company operating in the sale of automobiles, from 1997G to 2003G.



Abdulrahman bin Mohammed bin Ahmad Ismail, Director of Operations for Men's Clubs

Nationality

- Saudi.

Current Positions in the Company

- Director of Operations for Men's Clubs, from February 2025G to date.

Academic and Scientific Qualifications

- Bachelor's degree in Business Management, Saudi Electronic University, Kingdom of Saudi Arabia, 2022G.

Previous Professional Experience

- Central Region Operations Manager for the Central Province, Landmark Arabia, a limited liability company operating in the field of retail, from 2023G to 2025G.
- Director of Sales Department, Miqdam Sports, a limited liability company operating in the field of fitness clubs, from 2022G to 2023G.
- National Sales Manager, Leejam Sports Company, a listed joint-stock company operating in the field of fitness clubs, from 2013G to 2022G.

Abdullah Mohammed Al-Tahhan, Finance Director & Board Secretary

The biography was mentioned among the members of the Board of Directors



Christine George Jalil Mallouk, Director of Operations for Women's Clubs

| | |
|--|--|
| Nationality | • Jordanian. |
| Current Positions in the Company | • Director of Operations for Women's Clubs, from 2020G to date. |
| Academic and Scientific Qualifications | • Bachelor's degree in Industrial Engineering, University of Jordan, Hashemite Kingdom of Jordan, 2010G. |
| Previous Professional Experience | • Club Manager, Fit Zone Club Company, a limited liability company operating in the field of sports services, from 2017G to 2019G. • Business Relations Officer, HyperPay Jordan, a Jordanian limited liability company operating in the field of financial services, from 2013G to 2014G. • Project Analyst, Orange Jordan, a Jordanian public joint-stock company operating in the field of telecommunications and electronics, from 2010G to 2013G. |



Dina Mohammed Maher Al-Shihabi, Director of Special Projects

| | |
|--|---|
| Nationality | • Jordanian. |
| Current Positions in the Company | • Director of Special Projects, from 2024G to date. |
| Academic and Scientific Qualifications | • Certificate in Project Management, University of Toronto, Canada, 2024G. • Master's degree in Business Administration, New York Institute of Science and Technology, USA (Hashemite Kingdom of Jordan branch), 2009G. • Bachelor's degree in Hospitality Management, Applied Science Private University, Hashemite Kingdom of Jordan, 2002G. |
| Previous Professional Experience | • Senior Manager, Education Hosting for Europe, Middle East, and Africa, Merrithew International Inc., a limited liability company specializing in Pilates equipment and training, from 2021G to 2024G. • Business Development Manager for Women's Clubs at the Company, from 2018G to 2020G. • Senior Consultant, ImpaOta, a private company operating in the field of management studies and consulting, from 2011G to 2018G. |

Ahmed Sayed Ibrahim Abdel-M, Manager of Internal Audit and Secretary of the Audit Committee

| | |
|--|---|
| Nationality | • Egyptian. |
| Current Positions in the Company | • Internal Auditor, from 2024G to date. • Secretary of the Audit Committee, from 2024G to date. |
| Academic and Scientific Qualifications | • Bachelor's degree in Commerce, Cairo University, Arab Republic of Egypt, 2004G. GRCP (Governance, Risk Management, and Compliance Professional) from OCEG & GRC, 2024 IAP (Internal Audit Practitioner) from the IIA, 2025. |
| Previous Professional Experience | • Director of Regulatory Compliance and Reporting at TPAY Mobile Group, an Egyptian joint-stock company operating in the digital payment services sector in the Middle East and Africa, from 2023G to 2024G. • Senior Internal Auditor at Future Pipe Industries, an Egyptian joint-stock company operating in the development and manufacture of fiberglass piping systems, from 2015G to 2023G. • Internal Auditor at Future Pipe Industries, an Egyptian joint-stock company operating in the development and manufacture of fiberglass piping systems, from 2012G to 2015G. • Senior Accountant at Future Pipe Industries, an Egyptian joint-stock company operating in the development and manufacture of fiberglass piping systems, from 2009G to 2012G. • Client Accountant at Future Pipe Industries, an Egyptian joint-stock company operating in the development and manufacture of fiberglass piping systems, from 2004G to 2009G. |

Board of Directors Performance Evaluation

No external evaluation of the Board of Directors has been carried out at present, with consideration given to doing so in the future.

Remuneration of the Board of Directors, Committees and Executive Management

To ensure fairness and transparency, and to link the variable component of rewards to performance and goal achievement, thereby attracting and retaining talent, the Board of Directors' remuneration is determined in accordance with relevant regulations, the Company's Bylaws, and as approved by shareholders at the General Assembly. This includes an annual bonus, meeting attendance allowances, committee membership bonuses, and other legally approved benefits. The Executive Management's remuneration consists of a fixed component and a variable component linked to performance. Objectives and performance indicators are predetermined and evaluated periodically. Furthermore, the arrangements are subject to review and recommendations by the Nominations and Remuneration Committee and approval by the Board of Directors, as per the prescribed powers. The Company confirms that there is no material deviation in the remuneration granted from the approved and applicable policies.

Board of Directors Remuneration (SAR)

| Name | Fixed Remuneration | | | | | | Variable Remuneration | | | | | | | | |
|------|-------------------------------|------------------------------------|---|---|---|---|-----------------------|-----------------------|------------------|----------------------------|---------------------------|-------------------------|-------|------------------------|-------|
| | Certain amount (annual bonus) | Board meeting Attendance Allowance | Total Attendance Allowance for Sub-Committees | Membership Bonus in Subsidiaries and Committees | Attendance Allowance in Subsidiaries and committees | Remuneration of the Chairman of the Board | Total | Percentage of Profits | Periodic Bonuses | Short-term Incentive Plans | Long-term Incentive Plans | Value of Shares Granted | Total | End of Service Benefit | Total |

First: Independent Members:

| | | | | | | | | | | | | | | | | |
|----------------------------|---|---|--------|---|---|---|--------|---|---------|---|---|---|---------|---|---------|---|
| Fadi Farooq Arbid | - | - | 12,000 | - | - | - | 12,000 | - | 150,000 | - | - | - | 150,000 | - | 162,000 | - |
| Sager Ahmed Hammad Alblawi | - | - | 12,000 | - | - | - | 12,000 | - | 150,000 | - | - | - | 150,000 | - | 162,000 | - |

Second: Non-Executive Members:

| | | | | | | | | | | | | | | | | |
|------------------------------------|---|---|---------------|---|---|---|---------------|---|----------------|---|---|---|----------------|---|------------------|---|
| Ammar Abdulwahed Faleh Al-Khudairy | - | - | 12,000 | - | - | - | 12,000 | - | 200,000 | - | - | - | 200,000 | - | 212,000 | - |
| Abdul-Elah Saad Mohammed Al-Drees | - | - | 12,000 | - | - | - | 12,000 | - | 150,000 | - | - | - | 150,000 | - | 162,000 | - |
| Raed bin Abdulaziz Alammari | - | - | 12,000 | - | - | - | 12,000 | - | 131,918 | - | - | - | 131,918 | - | 143,918 | - |
| Turki Al-Fawzan * | - | - | - | - | - | - | - | - | 17,260 | - | - | - | 17,260 | - | 17,260 | - |
| Ibrahim Al-Hadithi * | - | - | - | - | - | - | - | - | 17,260 | - | - | - | 17,260 | - | 17,260 | - |
| Yasser Ali Ibrahim Al-Hadithi** | - | - | 6,000 | - | - | - | 6,000 | - | 108,082 | - | - | - | 108,082 | - | 114,082 | - |
| Mahmoud Emad Jalal Baban** | - | - | 3,000 | - | - | - | 3,000 | - | 23,836 | - | - | - | 23,836 | - | 26,836 | - |
| Total | - | - | 69,000 | - | - | - | 69,000 | - | 948,356 | - | - | - | 948,356 | - | 1,017,356 | - |

Members Turki Al-Fawzan and Ibrahim Al-Hadithi resigned on 12/2/2025, and Yasser Al-Hadithi and Raed Alammari were appointed in their place on 13/2/2025.

Member Yasser Al-Hadithi later resigned on 3/11/2025 and was replaced by Mahmoud Baban on the same day, who later resigned on 18/01/2026

Remuneration of Audit Committee Members (SAR)

| Name | Total Annual Remuneration | Total Attendance Allowance | Total |
|-------------------------------|---------------------------|----------------------------|----------------|
| Sager Ahmed Hammad Alblawi | 100,000 | 24,000 | 124,000 |
| Badr Ibrahim Badr Al Suwailem | 100,000 | 24,000 | 124,000 |
| Hassan Ahmed Maati Daabas | 100,000 | 24,000 | 124,000 |
| Total | 300,000 | 72,000 | 372,000 |

Remuneration of Members of the Nomination and Remuneration Committee (SAR)

| Name | Total Annual Remuneration | Total Attendance Allowance | Total |
|------------------------------------|---------------------------|----------------------------|----------------|
| Fadi Farooq Arbid | 50,000 | 6,000 | 56,000 |
| Ammar Abdulwahed Falih Al-Khudairy | 50,000 | 6,000 | 56,000 |
| Raed Abdulaziz Alammari | 43,973 | 6,000 | 49,973 |
| Ibrahim Al-Hadithi* | 5,753 | - | 5,753 |
| Total | 149,726 | 18,000 | 167,726 |

Mr. Ibrahim Al-Hadithi resigned on 3/11/2025 and Mr. Raed Alammari was appointed in his place on 13/2/2025

Senior Executive Remuneration (SAR)

Top Five Senior Executives, including the CEO and Finance Director

| | | |
|-------------------------|----------------------------|------------------|
| Fixed Remuneration | Salaries | 2,874,871 |
| | Allowances | 1,175,266 |
| | In-Kind Benefits | - |
| | Total | 4,050,136 |
| Variable Remuneration | Periodic Remuneration | 2,209,032 |
| | Dividends | - |
| | Short-Term Incentive Plans | - |
| | Long-Term Incentive Plans | - |
| | Share Awarded | 2,209,032 |
| End-of-Service Benefits | 407,662 | |
| Total | 6,666,830 | |

The Company committed to disclosing the details of the bonuses of senior executives in aggregate, in accordance with the regulatory requirements stipulated in paragraph (b) of paragraph (4) of Article (90) of the Corporate Governance Regulations, with the aim of protecting the interests of the Company, its shareholders and employees, and to avoid causing any harm that may result to the company as a result of human capital competition due to detailed disclosure.

General Assemblies of Shareholders Held during 2025G

Until the end of the fiscal year on 12/31/2025G, we held only one general assembly at SCC, and it was before the listing on 6/15/2025G, corresponding to 12/19/1446H, where only the Chairman of the Board of Directors, Ammar Abdulwahed Al-Khudairy, attended.

| Name | Meeting Number | Date |
|------------------------------------|------------------------------------|------------|
| Ammar Abdulwahed Faleh Al-Khudairy | 1 - Extraordinary General Assembly | 15/6/2025G |

Governance: Which provisions of the Corporate Governance Regulations were implemented and which were not, and the reasons for this.

| Article No. | Par. No. | Reasons for non-compliance | ملاحظات |
|-------------|----------|---|---|
| 8 | A | The Company was not yet listed. | The Article will be adhered to and implemented when the next session begins. |
| 8 | B | The Company was not yet listed. | The Article will be adhered to and implemented when the next session begins. |
| 13 | D | The Company's shares were not yet listed, as it could not publish the invitation on its own website or the stock exchange's website. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 13 | E | The Company's shares were not yet listed, as it could not publish the invitation on its own website or the stock exchange's website. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 13 | H | The Company's shares were not yet listed, as it could not publish the invitation on its own website or the stock exchange's website. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 14 | C | The Company's shares were not yet listed, as it could not publish information about the items on the General Assembly's agenda or any reports on its website or the stock exchange's website. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 15 | D | The Company's shares were not yet listed, as it was not possible to notify the authority and announce the results of the Assembly to the | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 15 | E | The Company's shares were not yet listed, as it was not possible to notify CMA and announce the results of the Assembly to the public. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 27 | - | Because it is a guiding article. | The company adheres to the mandatory appointment and independence regulations for board members in general. |
| 37 | - | Because it is a guiding article. | The company relies on providing new members with a practical and direct understanding of their roles and the Company's activities, and ensuring they have access to relevant information. |
| 39 | - | Because it is a guiding article. | |
| 47 | 5 | The Company's shares were not listed at the time of the previous general assemblies. | The Article will be adhered to and implemented at the next meeting of the Assembly. |
| 63 | B | Because it is a guiding article. | |
| 65 | - | The Company's shares were not yet listed, so the nomination announcement could not be published and the requirements of the Article could not be applied. | The article will be adhered to and applied when appointing members of the Board of Directors in the next session. |
| 67 | - | Because it is a guiding article. | |
| 68 | - | Because it is a guiding article. | |
| 69 | - | Because it is a guiding article. | |
| 82 | - | Because it is a guiding article. | |
| 84 | - | Because it is a guiding article. | |
| 85 | - | Because it is a guiding article. | |
| 88 | B | The Company's shares were not yet listed. | It will be applied when the next audit committee report is prepared and the General Assembly is held. |
| 90 | B | The reason for not applying this is the high level of competition in the sector for attracting talent, which leads the Company to refrain from disclosing the detailed remuneration granted to each of the five executives, as per the tables accompanying the corporate governance regulations. Therefore, the Company only discloses the total remuneration, striking a balance between transparency requirements and maintaining its competitive edge. | |
| 92 | - | Because it is a guiding article. | |

Company Requests for Shareholders' Register

| Request Number | Request Date | Request Reasons |
|----------------|--------------|-------------------|
| 1 | 29/07/2025 | Corporate Actions |
| 2 | 08/09/2025 | Corporate Actions |
| 3 | 02/10/2025 | Corporate Actions |
| 4 | 17/11/2025 | Corporate Actions |
| 5 | 17/12/2025 | Corporate Actions |

Dividend Policy

According to Article 107 of the Companies Law, each shareholder is entitled to all rights associated with their shares, and in particular, the right to receive a share of the profits to be distributed. The Board of Directors generally recommends the distribution of any profits before their approval by the shareholders at the General Assembly meeting. The Company is not obligated to declare any profits, and any decision to distribute profits depends on several factors, including the Company's past and projected profits, cash flows, financing and capital requirements, market conditions and general economic factors, Zakat, as well as other legal and regulatory considerations. The distribution of profits is subject to the restrictions stipulated in financing agreements concluded with entities, as well as the restrictions stipulated in the Bylaws. Profits are distributed in SAR.

The process of distributing profits is subject to the provisions of the Company's Bylaws, where Article 41 of the Articles of Association stipulates the following:

- When determining the share of net profits, the Ordinary General Assembly may decide to establish reserves to the extent that serves the Company's interests or ensures the distribution of profits to shareholders as consistently as possible. The Assembly may also allocate amounts from net profits for social purposes for the benefit of the Company's employees.
- The General Assembly shall determine the percentage of net profits, after deducting any reserves, to be distributed to shareholders.
- The Board of Directors may declare and distribute interim dividends to shareholders, in accordance with applicable laws and regulations.

It stipulates that the shareholders are entitled to their share of the profits that the General Assembly decides to distribute. The Board of Directors is responsible for recommending the distribution of profits before its approval by the General Assembly.

The Company is not obligated to declare or distribute dividends on a regular or fixed basis. Any decision to distribute dividends depends on several factors, including: past and projected results, cash flows, financing and capital requirements, market data and economic conditions, zakat, other regulatory and legal considerations, and any restrictions stipulated in financing agreements, if any, or the Company's Bylaws.

According to the Bylaws, the General Assembly, when determining the distribution of net profits to shareholders, may decide to establish reserves to the extent that serves the company's best interests or ensures a consistent dividend distribution to the greatest extent possible. It may also allocate amounts from net profits for social purposes for the Company's employees. The General Assembly determines the percentage of net profits, after deducting reserves (if any), to be distributed to shareholders.

The Board of Directors may declare and distribute interim dividends to shareholders in accordance with applicable regulations and bylaws, and in line with the approved policy and the authorization granted by the General Assembly (if any).

Dividends are distributed in SAR. The entitlement date, the register of eligible shareholders, and the payment mechanism shall be determined by a resolution of the General Assembly or the Board of Directors, depending on the type of distribution. In addition, the distribution process shall be carried out within the statutory periods specified in the approved policy.

Furthermore, no dividends were distributed or a dividend distribution declaration was issued for the year 2025G.

Company Loans Outstanding until the End of Fiscal Year 2025G

| S. No. | Name of the lender | Principal Amount of the Loan | Loan Term | Payments Loan repayment During the year | Remaining amount of the loan |
|--------------|-------------------------|------------------------------|-----------|---|------------------------------|
| 1 | Riyad Bank | 57,000,000 | 5 Years | 11,943,782 | 3,597,366 |
| 2 | Alinma Bank | 175,000,000 | 5 Years | 100,320,655 | 116,335,793 |
| 3 | SAB Bank | 19,995,830 | 7 Years | - | 19,995,830 |
| 4 | Social Development Bank | 10,000,000 | 5 Years | 3,750,000 | Fully paid |
| Total | | | | 116,014,437 | 139,928,991 |

Regular Payments Paid and Due

| Statement | 2025G | | Brief description of it | Reasons |
|-------------------|------------|--|---|--|
| | Paid | Due until the end of the annual financial period and has not been paid | | |
| Zakat | 1,008,151 | 1,105,859 | Zakat until the end of 2025G | The rest of the Zakat dues will be paid in 2026G |
| Tax | 23,363,676 | 1,284,262 | Tax until the end of 2025G | The rest of the 2025G tax dues will be paid during 2026G. |
| GOSI | 8,002,957 | 701,978 | Insurances until the end of 2025G | The rest of the 2025G insurance dues will be paid during 2026G |
| Labor Office Fees | 8,362,841 | - | Residency and Passport Fees | - |
| Government Fees | 2,050,616 | - | Municipal Licenses and Commercial Records | - |

Investments or reserves for the benefit of the Company's employees.

As at 31/12/2025, all employee provisions were related to end-of-service benefit and other entitlements in accordance with the Company's policies. During the financial year, the Company does not have any separate fund/investments allocated for employee benefits and reserves related to the Company's employees as follows:

| Provision Name | Amount |
|----------------------------------|----------------|
| Annual Leave Provision | SAR 5,496,000 |
| Annual Ticket Provision | SAR 1,154,144 |
| End of Service Benefit Provision | SAR 24,596,000 |

Penalties and Violations Imposed on the Company

| Violation | Reasons for the Violation | Issuer of the Violation | Future Treatment Options |
|--|---|--|---|
| Failure to remove demolition and construction waste resulting from restoration, construction or demolition works | The implementation of the restoration or construction works is linked to external contractors, and the resulting temporary delay in completing the waste removal procedures according to the approved | Ministry of Municipal and Rural Affairs. | Strengthening control over contractors, and linking the delivery of the final works to the full commitment to the removal of construction wastes, including this in the terms of the contract and periodic follow-up. |
| Practicing an additional activity that is not added to the license | Having a vending machine requires fulfilling certain regulatory and diagnostic requirements before full operation | Ministry of Municipal and Rural Affairs | Not to operate any additional equipment or activities until the necessary licenses have been completed, and to coordinate with the competent authorities in advance before introducing any new operational activity. |
| Practicing an additional activity that is not added to the license | Having a vending machine requires fulfilling certain regulatory and diagnostic requirements before full operation | Ministry of Municipal and Rural Affairs | Not to operate any additional equipment or activities until the necessary licenses have been completed, and to coordinate with the competent authorities in advance before introducing any new operational activity. |
| Practicing an additional activity that is not added to the license | Having a vending machine requires fulfilling certain regulatory and diagnostic requirements before full operation | Ministry of Municipal and Rural Affairs | Not to operate any additional equipment or activities until the necessary licenses have been completed, and to coordinate with the competent authorities in advance before introducing any new operational activity. |
| Having extensions (electrical, sanitary, and mechanical) visible on the building's front facade. (Commercial Streets) | Implementation of some spotlights or technical additions in previous periods according to old standards that do not comply with the current requirements | Ministry of Municipal and Rural Affairs | Removing or modifying non-conforming spotlights, and ensuring that all future technical works comply with the requirements approved by the competent authorities. |
| Violating water, sewage, electricity, or gas extensions requirements | Oldness of the building and some external connections that resulted in regulatory observations during inspection tours | Ministry of Municipal and Rural Affairs | Carrying out comprehensive periodic maintenance works and updating the connections in accordance with the approved technical standards, within an approved maintenance plan. |
| Water droppage or leakage from air conditioners, refrigerators, steam extensions, or water collection in open containers | Due to some external extensions or temporary technical malfunctions caused by continuous use | Ministry of Municipal and Rural Affairs | Promptly addressing technical failures, replacing obsolete extensions, and ensuring preventive maintenance to prevent recurrence of future observations. |
| Failure to submit the annual financial statements on the regular date of the subsidiary | The reason for not filing the financial statements is due to the delay in completing some of the final accounting data by the Chartered Accountant | Ministry of Commerce | Commit to uploading the financial statements on the statutory dates set in the future, with a clear timetable for the preparation and approval of the financial statements, and early coordination with the Chartered Accountant to ensure their readiness and upload them without delay, and take the necessary control measures to prevent the recurrence of the violation. |

Recommendation of the Audit Committee regarding the extent of the need to appoint internal auditors in the Company in case of absence.

The Company has a specialized internal audit department, and a contract has been signed with a specialized firm to support the department in its operations.

The results of the annual audit of the effectiveness of the Company's internal control procedures, as well as the opinion of the audit committee on the adequacy of the Company's internal control system.

Based on the limited reports received from the executive management, the Internal Audit Department, and the External Auditor, the Committee did not identify any material weaknesses in the Company's internal control system during the fiscal year ending December 31, 2025G. However, given the recent establishment and development of the internal audit function within the Company, the committee believes that the assessment of the effectiveness of the internal control system is still incomplete. This necessitates maintaining a precautionary reservation until the internal audit system development plan is fully implemented and the comprehensive technical evaluation is completed. It is important to emphasize that this reservation does not imply a confirmed weakness, but rather reflects the need for more time to finalize the control procedures and fully activate the activities.

The Audit Committee performs its duties within the scope of the powers granted to it under the Corporate Governance Regulations issued by the Capital Market Authority. Its role is limited to oversight, evaluation, and monitoring, without direct involvement in any operational or control processes. The Committee bases its findings and recommendations on the information presented by the Executive Management, the Internal Audit Unit, and the external Auditor, including periodic reports and technical analyses. It also relies on internal audit work based on sample testing, which provides a reasonable degree of assurance, according to professional standards, without constituting a comprehensive review of all Company operations. The Committee operates with a risk-based methodology, aiming to focus the review on activities and areas of the highest priority in terms of risk, while acknowledging that no control system - however accurate - can provide absolute assurance that operations are free from error or transgression.

Board of Directors' Declarations

1. The Board of Directors declares that the accounting records have been properly prepared.
2. The Board of Directors declares that the internal control system has been properly established and is effectively implemented.
3. The Board of Directors declares that there is no reasonable doubt as to the Company's ability to continue as a going concern.
4. The Board of Directors declares that there is no competing business with the company or any of its branches of business, or that it has ever operated. This can be done by any member of the Board of Directors.
5. The Board of Directors declares there are no transactions or dealings with related parties, except for those mentioned in this report.

Board of Directors Acknowledgements

1. There is no difference from the accounting standards adopted by SOCPA.
2. There is no debt owed to subsidiaries.
3. There is no transaction between the company and any related party.
4. There is no interest in the voting shares held by any persons (other than members of the Board of Directors, senior executives, and their relatives) who have disclosed such rights to the Company pursuant to Article 85 of the Rules on the Offering of Securities and Continuing Obligations, nor has there been any change in such interests during the last fiscal year.
5. There are no debts, convertible instruments, subscription rights, or similar financial instruments issued by the company during the last financial year.
6. There are no convertible rights, subscription rights, or similar financial instruments held by board members, executives, or those granted by the company.
7. There are no buyback, purchase, or cancellation of any company debt by the company.
8. There are no arrangements or agreements by which any board member or senior executive of the company waives any compensation.
9. There are no arrangements or agreements by which a shareholder waives any rights to profits.
10. There are no reservations on the annual financial statements regarding the auditors' review report.
11. There is no recommendation to the Board of Directors to replace the auditors before the end of the term for which they were appointed.
12. There are no treasury shares held by the company.
13. There are no recommendations from the audit committee that conflict with the Board of Directors' decisions.
14. There is no authority given to any board member or CEO to vote on bonuses granted to them.

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بودي موشنز
شركة الأندية للرياضة



Final Statement

In closing this Annual Report, SCC affirms its pride in its achievements, which have strengthened its presence in the sports and fitness sector. The Company has successfully expanded its membership base, enhanced the customer experience, advanced its digital transformation, and improved operational efficiency. Its listing on the Main Market marked a pivotal moment, reflecting investor confidence in its business model and future growth prospects.

SCC looks to the future with optimism, relying on the strength of its brand, its geographic reach, its expansion plans both within the Kingdom and internationally, and its role in supporting the goals of Saudi Vision 2030. In the next phase, it will focus on achieving sustainable growth that maximizes shareholder value and reinforces its impact on promoting a healthy lifestyle within the community.

SCC reiterates its commitment to the highest standards of governance, transparency, and disclosure, and its full compliance with all relevant regulations. It expresses its gratitude to its Board members, shareholders, partners, club members, and customers for their support and trust.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT**

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Sport Clubs Company
(A Listed Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Sport Clubs Company** (the "Company") and its subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the key audit matter |
|--|--|
| <p>Revenue Recognition</p> <p>The Group reported revenue of ﷲ 376 million for the year ended 31 December 2025 (31 December 2025 : ﷲ 327 million)</p> <p>We considered revenue recognition to be a key audit matter due to the significant judgment involved in applying IFRS 15, as revenue in the fitness training sector is required to be recognized over the subscription period rather than at the point of sale.</p> <p>The Group recognizes revenue upon satisfaction of performance obligations in line with its policies, which typically results in revenue from subscriptions and membership fees for sports training centers and related activities being recognized over the subscription period rather than at a specific point in time in accordance with the requirements of International Financial Reporting Standard No. (15) Revenue from Contracts with Customers.</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue streams, subscription arrangements, and revenue recognition processes, including how subscription revenue is deferred and recognized over the subscription period.. • Evaluated the appropriateness of the Group's revenue recognition accounting policies and assessed their consistency with the requirements of IFRS 15. • Reviewed the design, implementation, of the Group's controls, related to revenue recognition. • Performed sample-based testing for revenue transactions, including testing the accuracy of customer invoice generation, subscription pricing, and subscription start and end dates. |

Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Sport Clubs Company for the year ended 31 December 2025 (continued)

Key Audit Matters (continued)

| <i>Key Audit Matter</i> | <i>How our audit addressed the key audit matter</i> |
|--|--|
| Revenue Recognition (continued) | |
| We identified the revenue as a key audit matter because of considering the revenue as a critical performance measure, which includes an inherent risk of potential revenue overstatement. Refer to the accounting policy relating to revenue recognition in Note 3.14 and the related disclosures in Note 19 to the consolidated financial statements. | <ul style="list-style-type: none"> Performed sample-based testing for discounts, promotions, contract amendments, and subscription cancellations applied to customer invoices and assessed their impact on recognized revenue. Recalculated deferred revenue balances and tested the subsequent recognition of revenue over the subscription period, including agreement to underlying subscription contracts and customer records. Performed cut-off testing around year-end to assess whether revenue was recognized in the appropriate accounting period. Performed substantive analytical procedures, including developing independent expectations of revenue based on subscriber numbers, subscription terms, and average pricing, and investigating significant variances. Assessed the adequacy and completeness of the related disclosures in the consolidated financial statements. |

Other Information

Management is responsible for the other information. The other information consists of the information included in the annual report of the Group for the year ended 31 December 2025, other than the consolidated financial statements and our auditor's report thereon. In its annual report. The annual report of the Group for the year ended 31 December 2025 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we don't express any form of assurance conclusion thereon

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Sport Clubs Company for the year ended 31 December 2025 (continued)

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.,



Gihad Mohamed Al-Amri
Certified Public Accountant
License Number 362
Riyadh on: 23 Ramadan 1447 (H)
Corresponding to: 12 March 2026 (G)



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(In Saudi Riyals ﷻ)

| | <u>Note</u> | <u>2025</u> | 2024 Restated (Note 35) | 2023 Restated (Note 35) |
|--|-------------|--------------------|----------------------------|----------------------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | (6) | 539,778,851 | 463,355,727 | 407,306,143 |
| Right of use assets | (7.1) | 304,690,564 | 252,668,719 | 309,180,796 |
| Intangible assets | (8) | 8,389,832 | 5,385,723 | 5,341,104 |
| TOTAL NON-CURRENT ASSETS | | 852,859,247 | 721,410,169 | 721,828,043 |
| CURRENT ASSETS | | | | |
| Inventory | (9) | 8,071,523 | 9,927,245 | 8,209,467 |
| Trade receivables | (10) | 11,991,775 | 28,769,607 | 4,407,617 |
| Prepayments and other current assets | (11) | 25,107,772 | 29,195,968 | 11,894,836 |
| Cash and cash equivalents | (12) | 46,676,425 | 5,026,406 | 8,641,035 |
| TOTAL CURRENT ASSETS | | 91,847,495 | 72,919,226 | 33,152,955 |
| TOTAL ASSETS | | 944,706,742 | 794,329,395 | 754,980,998 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Share capital | (13) | 114,400,000 | 104,000,000 | 104,000,000 |
| Share premium | (13) | 61,967,518 | (1,026,540) | - |
| Statutory Reserve | (32) | - | - | 15,904,683 |
| Retained earnings | | 94,143,323 | 61,758,198 | 21,393,941 |
| TOTAL EQUITY | | 270,510,841 | 164,731,658 | 141,298,624 |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities – non – current portion | (7.2) | 328,002,495 | 279,672,885 | 333,420,462 |
| Long term loans – non – current portion | (14) | 107,530,540 | 84,031,227 | 60,677,133 |
| Employees’ defined benefits obligations | (15) | 30,122,179 | 24,676,110 | 21,825,791 |
| Contracts liabilities – non – current portion | (16) | 663,439 | 731,953 | 700,324 |
| TOTAL NON-CURRENT LIABILITIES | | 466,318,653 | 389,112,175 | 416,623,710 |
| CURRENT LIABILITIES | | | | |
| Lease liabilities – current portion | (7.2) | 45,433,906 | 42,249,645 | 36,029,454 |
| Long term loans – current portion | (14) | 32,398,451 | 58,942,123 | 41,948,849 |
| Trade payables | | 10,641,905 | 26,096,224 | 29,118,347 |
| Accrued expenses and other current liabilities | (17) | 16,781,734 | 18,532,482 | 13,531,095 |
| Provision for Zakat | (18) | 1,061,368 | 1,008,151 | 802,549 |
| Contracts liabilities – current portion | (16) | 101,559,884 | 93,656,937 | 75,628,370 |
| TOTAL CURRENT LIABILITIES | | 207,877,248 | 240,485,562 | 197,058,664 |
| TOTAL LIABILITIES | | 674,195,901 | 629,597,737 | 613,682,374 |
| TOTAL EQUITY AND LIABILITIES | | 944,706,742 | 794,329,395 | 754,980,998 |

The accompanying notes from (1) to (37) form an integral part of these consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al Khudairy

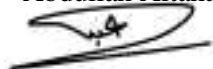


SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Saudi Riyals ﷻ)

| | <u>Note</u> | <u>2025</u> | 2024 Restated (Note 35) |
|--|-------------|----------------------|----------------------------|
| Revenue | (19) | 376,239,000 | 327,425,956 |
| Cost of revenue | (20) | (263,766,303) | (230,737,456) |
| GROSS PROFIT | | 112,472,697 | 96,688,500 |
| Marketing expenses | (21) | (10,783,830) | (8,131,932) |
| General and administrative expenses | (22) | (22,414,457) | (21,305,674) |
| Impairment of other current assets | (11) | (164,000) | - |
| Listing and Initial Public Offering Expenses | (34) | (4,748,788) | (2,851,615) |
| OPERATING PROFIT | | 74,361,622 | 64,399,279 |
| Other income – net | (23) | 2,978,064 | 4,086,603 |
| Finance costs | (24) | (35,111,453) | (31,447,381) |
| PROFIT BEFORE ZAKAT FOR THE YEAR | | 42,228,233 | 37,038,501 |
| Zakat expense | (18) | (1,061,368) | (934,132) |
| PROFIT FOR THE YEAR | | 41,166,865 | 36,104,369 |
| OTHER COMPREHENSIVE INCOME: | | | |
| <i>Items that will not be subsequently reclassified to profit or loss:</i> | | | |
| Re-measurement loss on employees' defined benefits obligations | (15) | (8,781,740) | (5,644,795) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | (8,781,740) | (5,644,795) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 32,385,125 | 30,459,574 |
| BASIC AND DILUTED EARNINGS PER SHARE (ﷻ) | (33) | 0.38 | 0.35 |

The accompanying notes (1) to (37) form an integral part of these consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al Khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

(In Saudi Riyals ٬)

| | <u>Note</u> | <u>Share capital</u> | <u>Share Premium</u> | <u>Statutory Reserve</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|-------------|----------------------|----------------------|--------------------------|--------------------------|--------------|
| For the year ended 31 December 2025 | | | | | | |
| Balance at 1 January 2025 (As previously issued) | | 104,000,000 | (1,026,540) | - | 65,835,410 | 168,808,870 |
| Adjustments | (35) | - | - | - | (4,077,212) | (4,077,212) |
| Balance as at 1 January 2025 (Restated) | | 104,000,000 | (1,026,540) | - | 61,758,198 | 164,731,658 |
| Profit for the year | | - | - | - | 41,166,865 | 41,166,865 |
| Other comprehensive income for the year | | - | - | - | (8,781,740) | (8,781,740) |
| Total comprehensive income for the year | | - | - | - | 32,385,125 | 32,385,125 |
| Share issuance costs for capital increase | (34) | - | (4,605,942) | - | - | (4,605,942) |
| Increase in share capital | (13) | 10,400,000 | 67,600,000 | - | - | 78,000,000 |
| Balance as at 31 December 2025 | | 114,400,000 | 61,967,518 | - | 94,143,323 | 270,510,841 |
| For the year ended 31 December 2024 | | | | | | |
| Balance at 1 January 2024 (As previously issued) | | 104,000,000 | - | 15,904,683 | 23,505,781 | 143,410,464 |
| Adjustments | (35) | - | - | - | (2,111,840) | (2,111,840) |
| Balance as at 1 January 2024 (Restated) | | 104,000,000 | - | 15,904,683 | 21,393,941 | 141,298,624 |
| Profit for the year (Restated) | | - | - | - | 36,104,369 | 36,104,369 |
| Other comprehensive income for the year | | - | - | - | (5,644,795) | (5,644,795) |
| Total comprehensive income for the year | | - | - | - | 30,459,574 | 30,459,574 |
| Dividends paid | (31) | - | - | - | (6,000,000) | (6,000,000) |
| Share issuance costs for capital increase | (34) | - | (1,026,540) | - | - | (1,026,540) |
| Transferred from statutory reserve to retained earnings | (32) | - | - | (15,904,683) | 15,904,683 | - |
| Balance as at 31 December 2024 | | 104,000,000 | (1,026,540) | - | 61,758,198 | 164,731,658 |

The accompanying notes (1) to (37) form an integral part of these consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al Khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

(In Saudi Riyals ﷻ)

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|--|-------------|----------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | <u>Restated (Note35)</u> |
| Profit before zakat for the year | | 42,228,233 | 37,038,501 |
| Adjustments for: | | | |
| Depreciation of property plant and equipment and right of use assets | (6, 7.1) | 72,949,188 | 65,055,905 |
| Loss / (Gain) from disposal of property and equipment and intangible assets | (23) | 668,063 | (18,044) |
| Amortization of intangible assets | (8) | 962,121 | 755,023 |
| Provision for slow-moving and obsolete inventory | (9) | 42,315 | 521,060 |
| Impairment of other current assets | (11) | 164,000 | - |
| Employees' defined benefits obligations | (15) | 5,577,000 | 3,927,000 |
| Finance cost | (24) | 35,111,453 | 31,447,381 |
| Termination of lease contracts | (7) | (711,220) | (2,643,538) |
| Discounts on rent expenses | (23) | (774,824) | (600,699) |
| | | <u>156,216,329</u> | <u>135,482,589</u> |
| CHANGES IN OPERATING ASSETS AND LIABILITIES: | | | |
| Inventory | | 1,813,407 | (2,238,838) |
| Trade receivables | | 16,777,832 | (24,361,990) |
| Prepayments and other current assets | | 3,924,196 | (17,301,132) |
| Contracts liabilities – net | | 7,834,433 | 18,060,196 |
| Trade payables | | (15,454,319) | (3,022,123) |
| Accrued expenses and other current liabilities | | (2,900,679) | 6,020,706 |
| Zakat paid | (18) | (1,008,151) | (728,530) |
| Employees' defined benefits obligations paid | (15) | (7,762,740) | (7,740,795) |
| Net cash generated from operating activities | | <u>159,440,308</u> | <u>104,170,083</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment to purchase property, plant, and equipment | | (113,590,101) | (91,437,508) |
| Payment to purchase intangible assets | | (3,967,041) | (878,328) |
| Proceeds from disposal of property, plant, and equipment and intangible assets | | 846,959 | 2,320,919 |
| Net cash used in investing activities | | <u>(116,710,183)</u> | <u>(89,994,917)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from the issuance of shares | (13) | 78,000,000 | - |
| Share issuance costs for capital increase | (13) | (4,605,942) | (1,026,540) |
| Payment of lease liabilities – net | (7) | (50,180,017) | (34,747,597) |
| Payments of loans | (14) | (116,014,436) | (109,388,648) |
| Proceeds from loans | (14) | 112,970,077 | 149,736,016 |
| Payment of finance costs | | (21,249,788) | (16,363,026) |
| Dividends paid | (31) | - | (6,000,000) |
| Net cash used in financing activities | | <u>(1,080,106)</u> | <u>(17,789,795)</u> |
| Net change in cash and cash equivalents | | <u>41,650,019</u> | <u>(3,614,629)</u> |
| Cash and cash equivalents at the beginning of the year | (12) | 5,026,406 | 8,641,035 |
| Cash and cash equivalents at the end of the year | (12) | <u>46,676,425</u> | <u>5,026,406</u> |
| Significant non-cash transactions; | | | |
| Capitalized during the year of financing costs on lease contract liabilities | (24) | (4,270,839) | (4,081,536) |
| Capitalized during the year of financing costs on loans | (24) | (6,546,922) | (3,108,715) |
| Additions to right-of-use assets | (7) | (82,159,517) | (2,036,848) |
| Remeasurement of employees defined benefits obligations | (15) | (8,781,740) | (5,644,795) |
| Transferred of statutory reserve to retained earnings | (32) | - | (15,904,683) |

The accompanying notes (1) to (37) form an integral part of these consolidated financial statements.

Finance Director
Abdullah Altahan



Chief Executive Officer
Wael El Merhabi



Chairman of the board
Ammar Al Khudairy



SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Saudi Riyals ﷲ)

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Sport Clubs Company (“the Company”) is a Saudi Joint Stock Company listed on the Saudi Stock Exchange Market. The Company was established as a limited liability Company in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, operating under Commercial Registration No. 1010167892 dated 26 Rabi-Al-Thani 1422 H (corresponding to 18 July 2001 G) in Riyadh.

On 1 Rabi’ Al-Awwal 1444 H, corresponding to (26 September 2022 G), the shareholders unanimously resolved to convert the legal status of the Company from a limited liability Company to a Saudi closed joint stock company while retaining the number, name and date of the commercial registration of the Company and its branches. On 2 Rabi’ Al-Awwal 1444 H corresponding to (27 September 2022 G), the legal procedures to amend the Company's Articles of Association have been completed.

The General Assembly of Shareholders, in its meeting held on 22 August 2024, approved the offering of 30% of the Company’s post-issue share capital through an Initial Public Offering (IPO). The IPO included 23.92 million existing shares sold by the current shareholders on a pro-rata basis according to their respective ownership ratios and 10.4 million new shares issued at a nominal value of SAR 1 per share, fully paid. As a result, the Company’s share capital increased by ﷲ 10.4 million, from ﷲ 104 million to ﷲ 114.4 million. The Company was successfully listed on the Saudi Stock Exchange (Tadawul) and commenced trading on 27 Muharram 1447H (22 July 2025G) under the trading symbol 6018.

The principal activities of the Group are wholesale and retail trade in sports equipment, tools, and clothing, purchase of lands for the construction of buildings and investing in them by sale or lease for the benefit of the Group, the establishment, management and maintenance of gymnasiums, general contracting for buildings, and electrical, mechanical and electronic works.

The head office of the Group is as follows:

P.O. Box 270079 - Riyadh 11352 - Kingdom of Saudi Arabia

The following are the details of the Subsidiary included in these consolidated financial statements:

| <u>Name of Subsidiary</u> | <u>Commercial Registration</u> | <u>Country of Incorporation</u> | <u>Direct ownership percentage as at</u> | | <u>Activity</u> |
|-----------------------------|--------------------------------|---------------------------------|--|-------------|-----------------------------------|
| | | | <u>2025</u> | <u>2024</u> | |
| Third Amaken Sports Company | 1010334139 | Kingdom of Saudi Arabia | 100% | 100% | Building cleaning and maintenance |

The Group also exercises its activities through branches of sports clubs that operate under the following commercial registrations for regions or for each individually as follows:

| <u>Serial Number</u> | <u>City / Region</u> | <u>Commercial Registration Number</u> | <u>Commercial Registration Date</u> |
|----------------------|-----------------------|---------------------------------------|-------------------------------------|
| 1 | Riyadh | 1010167892 | 26/4/1422 |
| 2 | Al-Qassim | 1131028467 | 27/3/1430 |
| 3 | Khamis Mushait | 5855346579 | 26/4/1422 |
| 4 | Hail | 3350147174 | 18/5/1441 |
| 5 | Jeddah | 4030295107 | 4/9/1438 |
| 6 | Hafar Al Batin | 2511108063 | 4/6/1439 |
| 7 | Tabuk | 3550122370 | 4/6/1439 |
| 8 | Al Badi'ah “ females” | 1010460120 | 1/9/1440 |
| 9 | Madinah | 4650209419 | 2/8/1440 |
| 10 | Makkah | 4031235157 | 18/5/1441 |

The Group's fiscal year begins at the beginning of January and ends at the end of December of each calendar year.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Saudi Riyals ﷻ)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements include the financial statements of the Company and its subsidiary (together referred to as the “Group”).

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and professional Accountants (“SOCPA”) (here and after referred to as “IFRSs”).

The preparation of these consolidated financial statements in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5 of the consolidated financial statements.

2.2 Basis of measurement

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for employees' end of service benefits and vacation allowances which are measured using the projected unit credit method and lease liabilities which are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation of financial statements

The consolidated financial statements include the financial statements of the company and its subsidiaries as at the reporting date. Control is achieved when the company:

- Power over the investee.
- Exposure to risks and have the right to obtain variable returns as a result of its participation in the investee company.
- The ability to use its influence over the investee company to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee.

The Company considers all relevant facts and circumstances when assessing whether the voting rights it has in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of the voting rights of other owners;
- Potential voting rights held by the Company, other voting rights holders or third parties;
- Rights arising from other contractual arrangements; and
- Any other facts and circumstances indicating that the Company has or does not have the current ability to direct the relevant activities at the time the decisions are made, including voting patterns at previous shareholder meetings.
- Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Saudi Riyals ﷻ)

3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.1 Basis of consolidation of financial statements (continued)

- A change in the subsidiary's ownership interest, without loss of control, is recorded in the consolidated statement of changes in equity.
- Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is distributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- If the Company loses control of its subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment held is carried at fair value. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the accounting policies of the Group.
- All assets, liabilities, equity, revenues, expenses and cash flows relating to operations between members of the Group are eliminated in their entirety on consolidation.

The subsidiary Company, Third Amaken Sports Company, which is referred to later with the Company as the Group, has been consolidated from the date of the parent Company's control of the subsidiary and until such control ceases. The consolidated financial statements were prepared on the basis of the financial statements of the parent Company and its subsidiary.

3.2 Property, plant and equipment

Property, plant and equipment, excluding land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work-in-progress are stated at cost less impairment losses, if any.

Historical cost includes expenditures directly attributable to the acquisition of an asset, and subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, and only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost can be measured reliably.

Depreciation is recognized to write off the cost of assets after deducting their residual value over their useful lives using the straight-line method. The estimated useful lives, residual values and method of depreciation are reviewed at the end of each reporting period, and any changes are accounted for on a prospective basis.

The Group applies the following estimated useful lives to property, plant and equipment:

| Assets | Years |
|-------------------------------------|--|
| Buildings, Buildings on leased land | 30 (or the lease period, whichever is less, for buildings over rented lands) |
| Improvements to rented buildings | The rental period or the estimated useful life, whichever is shorter |
| Machines and equipment | 10 |
| Furniture | 10 |
| Electrical hardware and software | 5 - 6.67 |
| Vehicles | 5 |

Land and capital work in progress are not depreciated.

Stored materials and spare parts with a useful life more than one year are depreciated over their estimated useful lives.

An item of property, plant and equipment is derecognized when it is sold or when no future economic benefits are expected from its continued use or sale. Any gain or loss arising on disposal of an item of property, plant and equipment, which is determined as the difference between the net sales proceeds and the carrying amount of the asset, is recognized in profit or loss.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Saudi Riyals ﷻ)

3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.2 Property, plant and equipment (continued)

Capital work in progress

Capital work-in-progress is stated at cost and is not depreciated. Depreciation of capital work-in-progress begins when the assets are ready for their intended use, at that time they will be transferred to property, equipment or investment property. Finance costs incurred on borrowings to finance the construction of a qualifying asset are capitalized over the time period required to complete and prepare the asset for its intended use. Finance costs related to right-of-use assets for land leased primarily for the purpose of constructing buildings are also capitalized during the period necessary to construct and complete the building and prepare the asset for its intended use. Depreciation related to such right-of-use land assets is not capitalized.

3.3 Lease contracts

The Group assesses whether a contract is a lease, or contains a lease, at the inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which the lessee is, except for short-term leases (defined as leases of 12 months or less) and leases of low-value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term unless there is another systematic basis for the time plan in which the economic benefits from the leased asset are exhausted.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be easily determined, the Group uses an incremental borrowing rate.

The lease payments included in the measurement of the lease liability include:

- Fixed lease payments (including fixed payments), less any lease incentives.
- Variable lease payments that are dependent on an index or a price, initially measured using the index or price at the commencement date,
- The amount expected to be paid by the lessee under residual value guarantees,
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payment of fines for terminating the lease, if the lease reflects the exercise of the option to terminate the lease.

The lease liability is presented separately in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments.

The Group re-measures the lease liability (and adjusts against the related right-of-use assets) if:

- The terms of the lease have changed or there has been a change in the assessment of the exercise of the purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The lease payments have changed due to changes in an index or rate or a change in the expected payment according to the guaranteed residual value, in which case the lease liability is remeasured by discounting the adjusted lease payments using the initial discount rate (unless the lease payments change due to a change in the prevailing interest rate). In this case, a modified discount rate is used.
- The lease is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the modified lease payments using a modified discount rate.

The right-of-use asset includes the initial measurement of the corresponding lease liability, lease payments made on or before the commencement day and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use asset is amortized over the lease term and the specified useful life, whichever is shorter. If the lease transfers ownership of an identified asset or the cost of the right to use the asset, it reflects that the Group expects to exercise the purchase option, the related right to use asset is amortized over the asset's useful life. Depreciation begins on the start date of the lease.

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(A LISTED SAUDI JOINT STOCK COMPANY)
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(In Saudi Riyals ﷻ)

3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.3 Lease contracts (continued)

Right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies International Accounting Standard No. (36) "Impairment of Assets" to determine whether there has been any impairment in the value of right-of-use assets.

3.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis based on the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, and any changes in estimates are accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually or at the reporting date when there is an indication of impairment, either individually or at the cash-generating unit level. The calendar of indefinite lives is reviewed annually to determine whether indefinite lives are still possible. If not, the useful life is changed from indefinite to finite on a prospective basis.

The Group applies the following useful years of amortization to its intangible assets:

Computer Software 5 Years

3.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss (if any). If it is not possible to estimate the recoverable amount of a specific asset, the Group estimates the recoverable amount of the cash-generating unit to which the same asset belongs. When reasonable and consistent bases of distribution can be determined, the common assets are also allocated to cash-generating units, or they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of distribution can be determined. The cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication of impairment by comparing the unit's carrying value, including goodwill, with the unit's recoverable amount. Intangible assets with an indefinite useful life are not amortized. Instead, the asset is tested for impairment annually, and whenever there is an indication that the asset is impaired.

The recoverable amount is the asset's fair value less cost to sell or value in use, whichever is higher. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the assessment of future cash flows has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized directly in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to its revalued recoverable amount, so that the revised carrying amount does not exceed the value of the asset (or cash-generating unit) had no impairment loss been calculated for it in previous years. The reversal of an impairment loss is recognized immediately in profit or loss. An impairment loss recognized in prior periods for goodwill is not reversed in a subsequent period.

3.6 Inventory

Inventory is stated at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price less all estimated costs of completion and any further costs involved in making the sale. The cost of raw materials and spare parts is determined on a weighted average basis. Spare parts are items that may result in fixed capital expenditures but are not discernible. They are stated at cost and determined on a weighted average basis.

SPORT CLUBS COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.7 Trade receivables

Accounts receivable are recorded at the original invoice amount less impairment losses at an amount equal to the estimated lifetime credit loss. When the receivable is uncollectible, it is written off against the impairment loss. Any subsequent recoveries of amounts previously written off against “impairment losses on trade receivables” are credited to profit or loss.

3.8 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and deposits with banks which are all available for use by the Group unless otherwise stated, and whose maturities are three months or less, and which are subject to an insignificant risk of change in value.

3.9 Statutory reserve

In accordance with the Company's bylaw before the amendment, the Company was required to transfer 10% of its net profit to the statutory reserve until it reached 30% of the paid-up capital. However, following amendments to the Companies Law in the Kingdom of Saudi Arabia, there is no longer an obligation to maintain the statutory reserve.

3.10 Employees' defined benefits obligations

Defined employee benefit obligations

End-of-service benefit obligations are measured using the projected unit credit method at the end of each reporting period. An actuarial valuation is performed periodically to determine the present value of the obligation.

Remeasurements of defined benefit obligations, which include actuarial gains and losses and changes in financial assumptions, are recognized immediately in other comprehensive income in the period in which they arise. These amounts are transferred directly to retained earnings and are not reclassified to profit or loss in subsequent periods.

Past service costs arising from plan amendments or curtailments are recognized immediately in profit or loss when they occur.

Net interest on the net defined benefit obligations is calculated using the discount rate at the beginning of the reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service costs and past service costs, plus gains and losses from cutbacks and adjustments);
- Cost of interest; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the related items.

Short-term employee benefits

The obligation is recognized for benefits related to wages, salaries, annual leave, travel tickets and sick leaves and is expected to be settled in full during the twelve-month period following the end of the period in which the service is provided. The obligation is recorded at the undiscounted amount of benefits expected to be paid in exchange for those services.

3.11 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When provisions are deducted, the increase in the provision due to the passage of time is recognized as a finance cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.12 Zakat

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia, and the entitlement to zakat is recognized and charged to the consolidated statement of profit or loss and other comprehensive income. Additional zakat liabilities, if any, relating to assessments on prior years are calculated by the Authority for Zakat, Tax and Customs in the year in which the final assessments are issued.

3.13 Financial instruments

The Group recognizes financial assets or financial liabilities in the consolidated statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

Financial assets

Initial recognition

Financial assets are classified, on initial recognition, and subsequently measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The classification of financial assets on initial recognition depends on the contractual cash flow characteristics of the financial asset and the Group's business model for managing it.

For a financial asset to be classified and measured at amortized cost or FVOCI, that asset must generate cash flows that are "payments from the asset and proceeds only" on the original amount receivable. This evaluation is referred to as the (Payments from Principal and Returns Only) test (SPPI) and is performed at the financial instrument level. Financial assets with cash flows that are not 'Payments from Principal and Returns Only' are classified as FVTPL, regardless of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, from the sale of financial assets, or from both. Financial assets classified and measured at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model whose objective is to collect contractual cash flows and sell.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

A) Debt instruments at amortized cost.

Financial assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

B) Equity instruments at fair value through other comprehensive income with no possibility of rolling back to profit or loss.

Gains and losses on valuation of these financial assets are not recycled to profit or loss. Dividends are recognized as income in the statement of profit or loss when the right to receive is established, except when the Group benefits from these returns as a recovery of part of the cost of the financial asset, in which case, these revenues are recognized in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to impairment testing.

C) Equity instruments at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated profit or loss.

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(In Saudi Riyals ﷻ)

3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.13 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group applies the simplified approach in calculating impairment. Expected credit losses on financial assets are estimated using the Group's historical credit loss experience, adjusted for general economic conditions and an assessment of both the current trend as well as expectations of conditions at the reporting date, including the time value of money where it is. That is appropriate.

The expected credit loss measurement is an indication of the probability of default, or a given loss (meaning the magnitude of the loss if there is a default). The assessment of the probability of default is based on historical data that is modified by information that predicts the future as described above.

The Group recognizes impairment gains or losses separately in the consolidated statement of profit or loss and other comprehensive income, and provisions for losses measured at amortized cost are deducted from the total carrying amount of the financial assets.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the risks and rewards of ownership to another party. If the

Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, the Group will continue to recognize its retained interest in the assets and liabilities associated with the financial asset for amounts it may have to pay.

Financial liabilities

Financial liabilities are classified either at amortized cost or at fair value through profit or loss.

All financial liabilities of the Group have been classified and measured at amortized cost using the effective yield method. The Group has no financial liabilities at fair value through profit or loss.

Financial liabilities at amortized cost

Bank loans are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. These interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the repayment period is at a constant rate on the liability balance recognized in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable.

Derecognition of financial liabilities

The Group derecognizes financial liabilities only when the obligations are discharged, canceled or expire.

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3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.14 Revenue recognition

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers using a five-steps method as mentioned in IFRS 15:

- Step 1: Determine the contract(s) with the customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and clarifies the foundations and criteria that must be fulfilled for each contract.
- Step 2: Determine the performance obligations in the contract. A performance obligation is an undertaking under the contract with the customer to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations stipulated in the contract. For contracts that have more than one performance obligation, the Group will allocate a transaction price to each performance obligation in the amount to which the Group expects to be entitled in exchange for meeting each performance obligation.
- Step 5: Recognize revenue when the entity fulfills the performance obligation.

The Group satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

- A. The performance of the group does not create an asset with an alternative use of the group, and the group has an enforceable right to payment for performance completed to date.
- B. Group performance creates or improves a customer-controlled asset at the same time as the asset is being constructed or improved.
- C. The customer simultaneously receives and consumes the benefits provided by the entity's performance once the Group has performed.

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Group fulfills the performance obligation by providing the promised services, this creates a contract-based asset in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and that revenue and costs, where applicable, can be measured reliably.

Subscription and membership revenue

Subscription and membership fees are recognized as revenue on a regular basis over the subscription period. Revenue fees received in advance are initially recognized as contract liability and amortized over the subscription period.

Health club revenue

Health club fees are recognized as revenue when the related services are provided and performance obligations are fulfilled. Fees received in advance are initially recognized as contract liability and are subsequently recognized when personal training sessions are conducted or the training period ends, whichever comes first.

Revenue for sale of equipment and accessories

For the transactions entered into with customers where the sale of equipment and accessories is generally expected to be the sole performance obligation by the Group, revenue from the sale is recognized at the time when control of the asset is transferred to the customer at a specified point in time, which is usually on delivery.

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3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.14 Revenue recognition (continued)

Revenue from construction and development contracts

The Group undertakes construction and development contracts for the development of sports clubs and related facilities for the benefit of the customer, in accordance with designs and specifications approved by the customer. Projects are typically executed on land owned and controlled by the customer, and progress is verified through certified work stages and completion certificates.

Revenue is recognized over time as the Group's performance creates or enhances an asset controlled by the customer and the Group has an enforceable right to payment for work performed to date.

Satisfaction of performance obligations is measured using the input method, based on costs incurred to date relative to total estimated contract costs, as this method best reflects the transfer of control of services to the customer.

Variations and change orders are included in contract revenue when approval by the customer is highly probable and the amounts can be measured reliably. Advance payments received are recognized as contract liabilities and recognized as revenue based on point of completion method as the related performance obligations are satisfied. Retention amounts are recognized as a contract assets.

Any expected contract losses are recognized immediately in the consolidated statement of profit or loss and other comprehensive income for the period.

Revenue from maintenance contracts

The Group generates revenue from providing gym operation, maintenance, and facility management services, including equipment maintenance, staffing, and related outsourced services, to corporate customers and organizations. Revenue from gym maintenance and facility management contracts with customers is recognized over time as the services are rendered, as the customer simultaneously receives and consumes the benefits of the services in accordance with IFRS 15.

Revenue is recognized on a straight-line basis over the contract term unless another method better reflects the pattern of service delivery.

3.15 Cost of revenues

The cost of revenue includes all direct costs of the activity, including direct labor, direct materials, and expenses related to the activity.

3.16 Expenses

Marketing expenses principally consist of costs incurred in the distribution and sale of the Group's services. All other expenses are classified as general and administrative expenses.

3.17 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that are assets that require a significant period of time to be ready for their expected use or sale are added to the cost of those assets until they are substantially ready for use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.18 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Group, and they are recorded in the financial statements in the period that is approved by the shareholders of the Group.

Dividends are recorded in the period that is approved by the Partners.

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3. MATERIAL ACCOUNTING POLICY INFORMATION[(CONTINUED)

3.19 Earnings per share

The group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS, if any is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

4.1 New standards, interpretations, and amendments not yet effective

There are several standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board (“IASB”) that are effective in future accounting periods that the Group has decided not to adopt early.

| <u>IFRS</u> | <u>Summary</u> | <u>Effective date</u> |
|--|--|-----------------------|
| IFRS 9 and IFRS 7 | Amendments regarding the classification and measurement of financial instruments | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards | Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 | 1 January 2026 |
| IFRS 18 | Presentation and Disclosures in Financial Statements | 1 January 2027 |
| IFRS 19 | Disclosures – Subsidiaries without Public Accountability | 1 January 2027 |
| IAS 21 | Translation into the presentation currency in a hyperinflationary economy | 1 January 2027 |

4.2 New standards, interpretations, and amendments effective in the current year

The following are the new standards, interpretations and amendments to standards that are effective in the current year, but they have no impact on these financial statements.

| <u>IFRS</u> | <u>Summary</u> | <u>Effective date</u> |
|-------------|-------------------------------------|-----------------------|
| IAS 21 | Amendment – Lack of Exchangeability | 1 January 2025 |

Early adoption of standards

During the financial year ended 31 December 2025, the Group did not implement early application of any of the new standards or amendments issued by the International Accounting Standards Board

5. SIGNIFICANT ACCOUNTING ESTIMATES, AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires management to use judgments, estimates and assumptions that may affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on current information and events available to management, final actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, and the effect of the revision of accounting estimates is reflected in the review period and the future periods affected.

The following is information about significant areas of estimation, uncertainties and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements:

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5. SIGNIFICANT ACCOUNTING ESTIMATES, AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.1 Useful lives of property, plant and equipment

The useful lives of property, plant and equipment are estimated according to the new information available to the Group's management. The management determines the estimated useful lives of property, plant and equipment for the purpose of calculating depreciation. This estimate is determined after considering the expected use of the assets and physical damage to these assets. The management reviews the residual value and useful lives annually, and the change in depreciation expenses (if any) is adjusted in the current and future periods.

5.2 Determining the lease term with extension and termination options - Group as lessee

The Group determines the lease term as non-cancellable for any periods covered by an option to extend the contract if the Group is reasonably certain that it will be able to exercise that option, or for any periods covered by an option to terminate the contract if the Group is reasonably certain that it will not be able to exercise this option. The Group exercises judgment in assessing the reasonableness of ensuring that the option to extend or terminate the contract is exercised. For this purpose, the Group considers all relevant factors that constitute an economic incentive to exercise the option to extend or terminate. After the commencement date of the lease, the Group reassesses the term of the lease if there is a significant event or change in circumstances within its control that affects the Group's ability to exercise or not to exercise the option to renew or terminate the lease.

5.3 Estimate the incremental borrowing rate

The Group cannot easily determine the interest rate implicit in the lease contracts, and therefore it uses the incremental borrowing rate to measure the lease commitments, the incremental borrowing rate represents the interest rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, over a similar period and with a similar guarantee, the incremental borrowing rate therefore reflects what the Group has to pay, which requires an estimate when observable rates are not available (such as for subsidiaries that do not conduct financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease, The group estimates the incremental borrowing rate using observable inputs (e.g. market commission rates) when available, and is required to make some judgment of the entity (e.g. independent credit assessment).

5.4 Intangible assets

Management reviews the period and method of amortization of tangible assets with a finite useful life at least at the end of each financial year. If the expected useful lives of the assets are different from the previous estimates, the Group changes the amortization period accordingly. If there is a change in the expected pattern of consumption of future economic benefits embodied in the asset, the Group changes the amortization method to reflect the changed pattern.

5.5 Impairment of non-financial assets

Impairment occurs when the amount of an asset or cash-generating unit exceeds its recoverable amount as fair value less costs of disposal or its value in use - whichever is higher. The fair value minus costs of disposal is based on available data from binding arm's length sales of similar assets or observable market prices minus incremental costs of disposal of the asset. The value in use calculation is based on the discounted cash flow model. Cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that could enhance the asset performance of the cash-generating unit being tested.

The recoverable amount is sensitive to the discount rate used in the discounted cash flow model as well as to the expected future cash inflows and the growth rate used for the purposes of extrapolating the future.

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5. SIGNIFICANT ACCOUNTING ESTIMATES, AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.6 Employees' benefits

The cost of the defined benefit obligation relating to employees' end-of-service benefits is determined using actuarial valuations. These valuations require the use of various assumptions that may differ from actual future developments. The assumptions include the determination of the discount rate, future salary increases, and mortality rates.

Due to the long-term nature of these obligations and the complexity of the valuation process, the present value of the defined benefit obligation is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at each annual reporting date.

The discount rate is one of the most significant assumptions. In determining the appropriate discount rate, management considers yields on high-quality corporate bonds or government bonds denominated in the same currency as the defined benefit obligation, with maturities approximating the duration of the obligation.

Mortality rates are based on publicly available mortality tables for the relevant jurisdictions, adjusted where appropriate to reflect expected demographic trends.

Future salary increases are determined based on expected inflation rates, market trends, and the Group's compensation and promotion policies.

5.7 Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include, amongst other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

5.8 Going concern

As of 31 December 2025, the Group's current liabilities exceeded its current assets by ﷻ116 million (ﷻ 167.6 million as of 31 December 2024).

Management has assessed the Group's ability to continue as a going concern taking into consideration the expected positive cash flows from operating activities, the availability of existing financing facilities, and the continued ability to obtain additional funding when required.

During the year ended 31 December 2025, the Group generated positive cash flows from operating activities amounting to approximately ﷻ 159 million (ﷻ104 million in 2024), which supports the Group's ability to fund its operations and meet its obligations as they fall due.

Based on this assessment, management concluded that the Group has sufficient resources to continue its operations for the foreseeable future and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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5. PROPERTY, PLANT AND EQUIPMENT

| <u>For the year ending on</u> | | | Buildings on | Improvements | Machinery | | | | Capital | |
|--|------------|--------------|---------------|--------------|--------------|--------------|-------------|-------------|--------------|---------------|
| <u>31 December 2025</u> | Lands | Buildings | Leased Lands | on Leased | and | Furniture | Electrical | Vehicles | work in | Total |
| | | | | Building | equipment | and fixtures | hardware | | progress | |
| Cost: | | | | | | | | | | |
| Balance as at 01 January 2025 as previously issued | 38,527,800 | 32,686,960 | 387,537,495 | 39,674,356 | 116,896,572 | 41,832,856 | 12,107,157 | 5,359,151 | 61,335,570 | 735,957,917 |
| Adjustment (Note 35) | - | - | (1,867,239) | - | - | - | - | - | - | (1,867,239) |
| Balance as at 01 January 2025 - Restated | 38,527,800 | 32,686,960 | 385,670,256 | 39,674,356 | 116,896,572 | 41,832,856 | 12,107,157 | 5,359,151 | 61,335,570 | 734,090,678 |
| Additions during the year | - | - | - | 896,393 | 19,975,951 | 4,855,425 | 1,422,135 | 2,075,200 | 95,182,758 | 124,407,862 |
| Transferred from capital work-in-progress | - | - | 63,837,956 | 6,290,816 | - | 280,805 | - | - | (70,409,577) | - |
| Disposals | - | - | - | (3,079,993) | (4,321,123) | (3,302,086) | (2,533,057) | (521,300) | - | (13,757,559) |
| Balance as at 31 December 2025 | 38,527,800 | 32,686,960 | 449,508,212 | 43,781,572 | 132,551,400 | 43,667,000 | 10,996,235 | 6,913,051 | 86,108,751 | 844,740,981 |
| Accumulated depreciation: | | | | | | | | | | |
| Balance as at 01 January 2025 as previously issued | - | (11,755,722) | (166,145,989) | (18,079,391) | (46,227,014) | (19,047,194) | (6,031,250) | (3,521,394) | - | (270,807,954) |
| Adjustment (Note 35) | | | 73,003 | | | | | | | 73,003 |
| Balance as at 01 January 2025 - Restated | - | (11,755,722) | (166,072,986) | (18,079,391) | (46,227,014) | (19,047,194) | (6,031,250) | (3,521,394) | - | (270,734,951) |
| Depreciation charged during the year | - | (1,140,808) | (23,921,233) | (4,034,628) | (11,158,101) | (3,890,759) | (1,439,834) | (885,164) | - | (46,470,527) |
| Disposals | - | - | - | 2,306,616 | 3,726,172 | 3,225,514 | 2,463,755 | 521,291 | - | 12,243,348 |
| Balance as at 31 December 2025 | - | (12,896,530) | (189,994,219) | (19,807,403) | (53,658,943) | (19,712,439) | (5,007,329) | (3,885,267) | - | (304,962,130) |
| Net book value: | | | | | | | | | | |
| Balance as at 31 December 2025 | 38,527,800 | 19,790,430 | 259,513,993 | 23,974,169 | 78,892,457 | 23,954,561 | 5,988,906 | 3,027,784 | 86,108,751 | 539,778,851 |
| Balance as at 31 December 2024 - Restated | 38,527,800 | 20,931,238 | 219,597,270 | 21,594,965 | 70,669,558 | 22,785,662 | 6,075,907 | 1,837,757 | 61,335,570 | 463,355,727 |

- All lands are mortgaged to local banks as security for the loan obtained by the group as shown in Note No. (14).
- During the year ended December 31, 2025, the Group capitalized a borrowing cost related to qualifying assets of ﷲ 10,817,761 using a capitalization rate ranging from **6.78%** to **8.72%** per annum (December 31, 2024: ﷲ 7,190,251 using a capitalization rate ranging from **7.22%** to **9.10%** annually) (Note 24).
- The capital work in progress as of December 31, 2025 mainly represents the costs incurred in establishing new branches that are still under construction.

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| <u>For the year ending on</u> 31 December 2024 | Lands | Buildings | Buildings on Leased Lands | Improvements on Leased Building | Machinery and equipment | Furniture and fixtures | Electrical hardware and software | Vehicles | Capital work in progress | Total |
|--|------------|--------------|------------------------------|---------------------------------------|----------------------------|---------------------------|---|-------------|-----------------------------|---------------|
| <u>Cost:</u> | | | | | | | | | | |
| Balance as at 01 January 2024 as previously issued | 38,527,800 | 17,811,134 | 384,773,905 | 51,702,009 | 99,744,092 | 38,513,814 | 10,374,650 | 5,235,090 | 32,538,936 | 679,221,430 |
| Adjustment (Note 35) | - | - | (774,670) | - | - | - | - | - | - | (774,670) |
| Balance as at 01 January 2024 - Restated | 38,527,800 | 17,811,134 | 383,999,235 | 51,702,009 | 99,744,092 | 38,513,814 | 10,374,650 | 5,235,090 | 32,538,936 | 678,446,760 |
| Additions during the year | - | - | - | - | 27,583,725 | 4,367,690 | 2,379,361 | 220,061 | 64,076,922 | 98,627,759 |
| Transferred from capital work-in-progress | - | - | 29,287,037 | 5,751,159 | - | 242,092 | - | - | (35,280,288) | - |
| Transferred from leased buildings | - | 14,875,826 | (14,875,826) | - | - | - | - | - | - | - |
| Disposals | - | - | (12,740,191) | (17,778,812) | (10,431,245) | (1,290,740) | (646,854) | (96,000) | - | (42,983,842) |
| Balance as at 31 December 2024 Restated | 38,527,800 | 32,686,960 | 385,670,255 | 39,674,356 | 116,896,572 | 41,832,856 | 12,107,157 | 5,359,151 | 61,335,570 | 734,090,677 |
| <u>Accumulated depreciation:</u> | | | | | | | | | | |
| Balance as at 01 January 2024 as previously issued | - | (8,836,071) | (158,839,343) | (32,853,192) | (45,749,566) | (16,741,266) | (5,429,499) | (2,698,973) | - | (271,147,910) |
| Adjustment (Note 35) | - | - | 7,293 | - | - | - | - | - | - | 7,293 |
| Balance as at 01 January 2024 - Restated | - | (8,836,071) | (158,832,050) | (32,853,192) | (45,749,566) | (16,741,266) | (5,429,499) | (2,698,973) | - | (271,140,617) |
| Charges for the year | - | (1,134,980) | (21,765,793) | (3,005,001) | (8,741,364) | (3,582,249) | (1,238,178) | (886,421) | - | (40,353,986) |
| Transferred from leased buildings | - | (1,784,671) | 1,784,671 | - | - | - | - | - | - | - |
| Disposals | - | - | 12,740,187 | 17,778,802 | 8,263,916 | 1,276,321 | 636,427 | 64,000 | - | 40,759,653 |
| Balance as at 31 December 2024 - Restated | - | (11,755,722) | (166,072,985) | (18,079,391) | (46,227,014) | (19,047,194) | (6,031,250) | (3,521,394) | - | (270,734,950) |
| Net book value | | | | | | | | | | |
| Balance as at 31 December 2024 - Restated | 38,527,800 | 20,931,238 | 219,597,270 | 21,594,965 | 70,669,558 | 22,785,662 | 6,075,907 | 1,837,757 | 61,335,570 | 463,355,727 |
| Balance as at 31 December 2023 – Restated | 38,527,800 | 8,975,063 | 225,167,185 | 18,848,817 | 53,994,526 | 21,772,548 | 4,945,151 | 2,536,117 | 32,538,936 | 407,306,143 |

- All lands are mortgaged to local banks as security for the loan obtained by the group as shown in Note No. (14).
- During the year ended December 31, 2024, the Group capitalized a borrowing cost related to qualifying assets of ﷻ 7,190,251 using a capitalization rate ranging from **7.22%** to **9.10%** per annum (December 31, 2023: ﷻ 5,339,723 using a capitalization rate ranging from **7.22%** to **8.59%** per annum) (Note 24).
- The capital work in progress as of December 31, 2024 is mainly represented by the costs incurred in establishing new branches that are still under construction

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge was distributed over the year as follows:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Cost of revenue (note 20) | 45,141,208 | 38,974,548 |
| Marketing expenses (note 21) | 62,404 | 150,396 |
| General and administrative expenses (note 22) | 1,266,915 | 1,229,042 |
| | <u>46,470,527</u> | <u>40,353,986</u> |

7. LEASE CONTRACTS

7.1 Right of use assets

The Group leases sports clubs on lease contracts ranging from five to twenty years, with an option to renew the lease contract after that date (Note 3.3).

| | <u>2025</u> | <u>2024</u> |
|---|----------------------|----------------------|
| <u>Cost:</u> | | |
| Balance as at 01 January | 367,358,465 | 399,168,623 |
| Additions during the year | 82,159,517 | 2,036,848 |
| Termination of leases during the year | (2,001,465) | (33,847,006) |
| Lease modification during the year | (1,657,546) | - |
| Balance as at 31 December | <u>445,858,971</u> | <u>367,358,465</u> |
| <u>Accumulated depreciation:</u> | | |
| Balance as at 01 January | (114,689,746) | (89,987,827) |
| Depreciation charged during year | (26,478,661) | (24,701,919) |
| Balance as at 31 December | <u>(141,168,407)</u> | <u>(114,689,746)</u> |
| <u>Net book value:</u> | <u>304,690,564</u> | <u>252,668,719</u> |

The depreciation charge was distributed over the year as follows:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Cost of revenue (note 20) | 26,273,029 | 24,492,132 |
| General and administrative expenses (note 22) | 205,632 | 209,787 |
| | <u>26,478,661</u> | <u>24,701,919</u> |

7.2 Lease liabilities

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|--------------------|--------------------|
| Balance as at 01 January | 321,922,530 | 369,449,916 |
| Additions during the year | 82,159,517 | 2,036,848 |
| Termination of leases during the year | (2,712,685) | (36,490,544) |
| Lease modification during the year | (1,657,546) | - |
| Finance costs | 24,679,426 | 22,274,606 |
| Paid during the year | (50,954,841) | (35,348,296) |
| Balance as at 31 December | <u>373,436,401</u> | <u>321,922,530</u> |

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7. LEASE CONTRACTS (CONTINUED)

The lease contract obligations are presented in the statement of financial position as follows:

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|--------------------|-------------|
| Lease liabilities current portion | 45,433,906 | 42,249,645 |
| Lease liabilities non-current portion | 328,002,495 | 279,672,885 |
| Total lease liabilities | 373,436,401 | 321,922,530 |

7.3 Amounts recognized in the consolidated statement of profit or loss and other comprehensive income related to lease contracts as follows :

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-------------|
| Depreciation expense of right-of-use assets | 26,478,661 | 24,701,919 |
| Interests of lease liabilities | 24,679,426 | 22,274,606 |
| Rental expenses for short-term contracts (Note 20) | 4,345,351 | 3,511,601 |
| | 55,503,438 | 50,488,126 |

8. INTANGIBLE ASSETS

Intangible assets include the value of goodwill resulting from the acquisition of a business (martial arts business) during 2017, in addition to automated programs and systems to serve the business. The movement in intangible assets was as follows:

| | <u>Programs</u> | <u>Projects under implementation (A)</u> | <u>Goodwill (B)</u> | <u>Total</u> |
|--|------------------|--|---------------------|-------------------|
| <u>Cost:</u> | | | | |
| Balance as at 01 January 2024 | 1,410,614 | 3,944,712 | 937,460 | 6,292,786 |
| Additions during the year | 105,366 | 772,962 | - | 878,328 |
| Transfers from project under implementation during the year | 3,656,086 | (3,656,086) | - | - |
| Disposals | (534,042) | - | - | (534,042) |
| Balance as at 31 December 2024 | 4,638,024 | 1,061,588 | 937,460 | 6,637,072 |
| Additions during the year | 1,546,953 | 2,420,088 | - | 3,967,041 |
| Transferred from project under implementation during the year | 3,481,676 | (3,481,676) | - | - |
| Disposals | (451,498) | - | - | (451,498) |
| Balance as at 31 December 2025 | 9,215,155 | - | 937,460 | 10,152,615 |
| <u>Accumulated Amortization:</u> | | | | |
| Balance as at 01 January 2024 | 951,682 | - | - | 951,682 |
| Charges for the year | 755,023 | - | - | 755,023 |
| Disposals | (455,356) | - | - | (455,356) |
| Balance as at 31 December 2024 | 1,251,349 | - | - | 1,251,349 |
| Charges for the year | 962,121 | - | - | 962,121 |
| Disposals | (450,687) | - | - | (450,687) |
| Balance as at 31 December 2025 | 1,762,783 | - | - | 1,762,783 |
| <u>Net book value</u> | | | | |
| Balance as at 31 December 2025 | 7,452,372 | - | 937,460 | 8,389,832 |
| Balance as at 31 December 2024 | 3,386,675 | 1,061,588 | 937,460 | 5,385,723 |

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8. INTANGIBLE ASSETS (CONTINUED)

A. Projects under implementation represent programs and automated systems under development to serve the capital work in progress.

B. Goodwill:

As a result of the Group's acquisition of the martial arts project shares during 2017, this is in addition to automated programs and systems to serve the activity.

Impairment of goodwill

The Group's management has appointed an external expert to perform the annual impairment test for goodwill on December 31, 2025 and the recoverable amount was determined based on the value in use calculation. The use of this method requires estimating the future cash flows and determining the discount rate in order to calculate the present value of the cash flows over a period of time.

As at December 31, 2025, the Group determined the recoverable amount based on the discounted future cash flows, and the recoverable amount was greater than the carrying amount of the cash-generating unit. The recoverable amount of the value in use calculation has been determined based on cash flow projections from officially approved budgets covering a period of five years to December 31, 2030. Other major assumptions are as follows:

| | <u>2025</u> | <u>2024</u> |
|-----------------|--------------|-------------|
| Discount Rate | 15.1% | 13.73% |
| Growth Rate (*) | 2% | 2% |

* Growth rate assumptions apply only to the period beyond the period of the financial statements with value in use calculated based on extrapolating budgeted cash flows for the fifth year.

Operating margins were based on past experiences and future expectations in light of expected economic and market conditions. The discount rates are based on the Group's beta adjusted to reflect management's assessment of the specific risks specific to the cash-generating unit. Growth rates after the first five years are based on economic data related to the respective region.

C. The Amortization charge was distributed over the year as follows:

| | <u>2025</u> | <u>2024</u> |
|---|----------------|-------------|
| Cost of revenue (note 20) | 75,756 | 119,404 |
| Marketing expenses (note 21) | 6,800 | 7,206 |
| General and administrative expenses (note 22) | 879,565 | 628,413 |
| | 962,121 | 755,023 |

9. INVENTORY

| | <u>2025</u> | <u>2024</u> |
|--|------------------|-------------|
| Spare parts | 3,026,729 | 3,670,746 |
| Operating and maintenance materials | 3,450,859 | 3,469,943 |
| Traded goods | 2,157,310 | 3,307,616 |
| | 8,634,898 | 10,448,305 |
| Less: Provision for slow-moving and obsolete inventory | (563,375) | (521,060) |
| | 8,071,523 | 9,927,245 |

Below is the movement of the provision for slow-moving and obsolete inventory for the year ended:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|----------------|-------------|
| Balance as at 01 January | 521,060 | - |
| Charged to the year (Note 20) | 42,315 | 521,060 |
| Balance as at 31 December | 563,375 | 521,060 |

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10. TRADE RECEIVABLE

| | <u>2025</u> | <u>2024</u> |
|----------------------------|--------------------|-------------|
| Trade Receivable | 13,956,947 | 30,734,779 |
| Less: Expected credit loss | (1,965,172) | (1,965,172) |
| | 11,991,775 | 28,769,607 |

The following is an analysis of the aging of trade receivables and credit risks:

| | Total | Less than 30 days | 31 - 90 days | 91 – 180 days | 181 – 270 days | 271 – 365 days | More than 365 days |
|-------------|-------------------|----------------------|-----------------|------------------|-------------------|-------------------|-----------------------|
| 2025 | 13,956,947 | 5,833,146 | 728,308 | 5,227,809 | 202,355 | 157 | 1,965,172 |
| 2024 | 30,734,779 | 28,464,616 | 279,994 | 24,997 | - | - | 1,965,172 |

The major balance within the total trade receivables includes ﷻ 6.2 million as an outstanding amount due from a government entity.

11. PREPAYMENTS AND OTHER CURRENT ASSETS

| | <u>2025</u> | <u>2024 Restated (Note 35)</u> | <u>2023 Restated (Note 35)</u> |
|---|-------------------|------------------------------------|------------------------------------|
| Prepaid expenses | 16,516,910 | 17,103,978 | 7,090,269 |
| Margin of letters of guarantee | 5,310,399 | 5,443,191 | 111,330 |
| Staff advances | 1,724,850 | 1,865,537 | 1,927,369 |
| Advance to suppliers | 883,118 | 1,456,215 | 1,421,246 |
| Refundable deposits | 836,495 | 822,495 | 1,079,260 |
| Due from related parties (shareholders) (note 28) | - | 2,053,079 | - |
| Accrued revenue | - | 451,473 | 265,362 |
| | 25,271,772 | 29,195,968 | 11,894,836 |
| Less: Impairment of other current assets | (164,000) | - | - |
| | 25,107,772 | 29,195,968 | 11,894,836 |

Movement of Impairment of other current assets

| | | | |
|--------------------------------------|----------------|---|-------------|
| Balance at the beginning of the year | - | - | 1,350,000 |
| Charged to profit or loss | 164,000 | - | (1,350,000) |
| Balance at the end of the year | 164,000 | - | - |

12. CASH AND CASH EQUIVALENTS

| | <u>2025</u> | <u>2024</u> |
|--------------------------|-------------------|-------------|
| Banks - Current accounts | 46,468,209 | 4,940,868 |
| Cash on hand | 208,216 | 85,538 |
| | 46,676,425 | 5,026,406 |

13. SHARE CAPITAL

The Company's share capital as of 31 December 2025 amounted to ﷻ 114.4 million (31 December 2024: ﷻ 104 million), divided into 114.4 million (31 December 2024: 104 million) fully paid shares of ﷻ 1 each.

The Company was listed on the Saudi Stock Exchange (Tadawul) on 22 July 2025 (27 Muharram 1447 H) under the trading symbol 6018.

Following the initial public offering, the Company issued 10.4 million new shares at a price of ﷻ 7.5 per share, generating gross proceeds of ﷻ 78 million. Of this amount, ﷻ 10.4 million was allocated to the nominal value of newly issued shares, ﷻ 5.63 million was used to cover offering costs directly attributable to the capital increase shares offered for public subscription (Note 34), and ﷻ 61.97 million was recognized as share premium. The initial public offering resulted in a corresponding increase in the Company's share capital and share premium.

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14. LONG TERM LOANS

- On September 15, 2025 (corresponding to 23 Rabi' Al-Awwal 4 1447 AH), the Group signed a credit facility renewal agreement with a local bank to update data on credit facilities previously drawn by the Group during previous years. The agreement, which includes variable interest rates and a total value of ﷻ 57 million, is repayable in quarterly installments over five years, with a one-year grace period. The last installment will be paid on December 1, 2026. The loan balance as of December 31, 2025, amounted to ﷻ 3,597,367 (December 31, 2024: ﷻ 15,541,150).

The aforementioned loan is secured against a mortgage on lands (note 6). The following details pertain to the mortgage on the titles of the mortgaged land (note 6):

| <u>Date</u> | <u>Deed Number</u> |
|-------------|--------------------|
| 22-3-1441 H | 814006005053 |
| 17-6-1441 H | 314006005791 |
| 17-6-1441 H | 914006005790 |

- On February 15, 2025 (corresponding to Sha'ban 16, 1446 AH), the Group signed a credit facility agreement with another local bank to obtain facilities in the amount of 175 million. A commission is calculated on these facilities at variable rates. The last installment will be paid on June 1, 2030. The loan balance on December 31, 2025 amounted to: ﷻ 116,335,793 (December 31, 2024: ﷻ 103,686,370)

The loan is secured against a land mortgage (note 6). The following are the details of the mortgaged land title deed (note 6):

| <u>Date</u> | <u>Deed Number</u> |
|-------------|--------------------|
| 5-8-1445 | 718507000568 |

- On December 21, 2020 (corresponding to Jumada Al-Awwal 6, 1442 AH), the Group signed a credit facility agreement with a government bank to obtain financing in the amount of ﷻ 10 million, in exchange for an annual administrative service fee of ﷻ 400,000. The loan is repayable in semi-annual installments over a period of five years, starting from the date of receipt of the first payment, with a grace period of one year. The loan balance as of December 31, 2025 amounted to nil (December 31, 2024: ﷻ 3,750,000).

- On December 15, 2025 (corresponding to Jumada Al-Akhirah 24, 1447 AH), the Group signed a credit facility agreement with a local bank to obtain financing in the amount of ﷻ 20 million. This loan is repayable in quarterly installments over a period of seven years, starting from the date of the first withdrawal for each installment, with a grace period of two years. The loan balance as of December 31, 2025 amounted to ﷻ 19,995,830 (December 31, 2024: ﷻ 19,995,830).

All loans obtained by the Group are in compliance with Islamic Sharia principles.

The following is a statement of the movement of loans:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|--------------------|--------------------|
| Balance as at 01 January | 142,973,350 | 102,625,982 |
| Loans obtained during the year | 112,970,077 | 149,736,016 |
| Payments made during the year | (116,014,436) | (109,388,648) |
| Balance as at 31 December | <u>139,928,991</u> | <u>142,973,350</u> |

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14. LONG TERM LOANS (CONTINUED)

A. The total loan amounts were presented according to the agreed upon maturity dates of the repayment installments, after they were classified into current and non-current liabilities, minus the deferred financing costs, as follows:

| | <u>2025</u> | <u>2024</u> |
|---|--------------------|-------------|
| Long term loans – non – current portion | 107,530,540 | 84,031,227 |
| Long term loans – current portion | 32,398,451 | 58,942,123 |
| Total | 139,928,991 | 142,973,350 |

B. The table below shows the maturity dates of the loans referred to in accordance with the maturity dates referred to in the loan contracts:

| | <u>2025</u> | <u>2024</u> |
|--------------------|--------------------|-------------|
| Less than one year | 32,398,451 | 58,942,123 |
| Between 1-2 years | 36,594,210 | 29,310,813 |
| Between 2- 5 years | 70,936,330 | 54,720,414 |
| | 139,928,991 | 142,973,350 |

15. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The employee defined benefits obligations include end-of-service benefits and vacation allowances, where the group grants end-of-service benefits to employees in accordance with the Saudi Labor Law and the social insurance regulations in force in the Kingdom of Saudi Arabia.

Movement of employees' defined benefits obligation:

| | <u>2025</u> | <u>2024</u> |
|--|--------------------|-------------|
| Balance as at 01 January | 27,183,000 | 25,352,000 |
| Current service cost and return cost | 4,019,000 | 2,792,000 |
| Interest cost | 1,558,000 | 1,135,000 |
| Benefits paid | (7,762,740) | (7,740,795) |
| Remeasurement of actuarial liabilities | 8,781,740 | 5,644,795 |
| Balance as at 31 December | 33,779,000 | 27,183,000 |

Employee benefits are presented in the statement of financial position as follows:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------|-------------------|-------------|
| Long term benefits | 30,122,179 | 24,676,110 |
| Short term benefits (note 17) | 3,656,821 | 2,506,890 |
| Balance as at 31 December | 33,779,000 | 27,183,000 |

Main actuarial assumptions:

The important actuarial assumptions used in calculating the defined benefit obligation are as follows:

| | <u>2025</u> | <u>2024</u> |
|------------------------------|-------------|-------------|
| Financial assumptions | | |
| Discount rate | 5.2% | 5.7% |
| Salary increase rate | 2.7% | 0.75% |

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15. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (CONTINUED)

Sensitivity analysis:

The results are affected by the assumptions used, especially the discount rate assumption and the salary increase rate due to the short duration of the program liabilities. The table below shows the change in the defined benefit obligation based on the increase or decrease in the value of the underlying assumptions as follows:

| | 2025 | | 2024 | |
|----------------------|-------------------|-------------------|-----------------|-----------------|
| | 1% | 1% | 1% | 1% |
| | <u>Increase</u> | <u>Decrease</u> | <u>Increase</u> | <u>Decrease</u> |
| Discount rate | 31,638,000 | 36,239,000 | 25,737,000 | 28,818,000 |
| Salary increase rate | 36,278,000 | 31,571,000 | 28,887,000 | 25,656,000 |

16. CONTRACTS LIABILITIES

| | 2025 | 2024 |
|--|----------------------|---------------|
| Balance as at 01 January | 94,388,890 | 76,328,694 |
| Additions during the year | 385,558,089 | 346,845,083 |
| Recognized during the year as subscription revenue (note 19) | (309,585,935) | (260,417,358) |
| Recognized during the year as revenue from Personal training and other health services (note 19) | (38,255,938) | (39,149,843) |
| Recognized during the year as sale of accessories (note 19) | (2,070,333) | (927,867) |
| Recognized during the year as revenue from sports solutions (note 19) | (26,326,794) | (26,930,888) |
| Recognized during the year as other income (note 23) | (1,484,656) | (1,358,931) |
| Balance as at 31 December | 102,223,323 | 94,388,890 |

Contract liabilities are presented in the statement of financial position as follows:

| | 2025 | 2024 |
|---|--------------------|------------|
| Contracts liabilities – current portion | 101,559,884 | 93,656,937 |
| Contracts liabilities – non – current portion | 663,439 | 731,953 |
| Balance at the end of the year | 102,223,323 | 94,388,890 |

17. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | 2025 | 2024 |
|------------------------|-------------------|------------|
| Employees accruals (*) | 14,472,495 | 12,387,389 |
| Accrued expenses | 1,671,977 | 4,829,105 |
| Value added tax | 637,262 | 1,315,988 |
| | 16,781,734 | 18,532,482 |

* The above balance of employee accruals includes a balance of employees accrued leaves with the amount of ﷻ 3,656,821 as at 31 December 2025 (31 December 2024: ﷻ 2,506,890). A policy was developed to carry over the balances of these leaves, and this policy was approved during the year ended 31 December 2023. Accordingly, the leave allowance has been calculated by a qualified actuary using the projected credit unit method and using the same assumptions used to provide employee end-of-service benefits (note 15).

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18. ZAKAT

A. Zakat and Tax position:

Zakat:

- The Group received the last final assessment for the years from 2016 AD to 2018 AD, amounting to 84,017 Saudi Riyals, on 03/14/2022 AD, and accordingly, the full zakat differences due were paid. The main reason for the zakat differences in the above years is in the compensation and incentives expense item because there is no work regulation approved by the Ministry of Labor for the Company, and accordingly the Company prepared a work regulation and approved it from the Ministry of Labor.
- Regarding the years from 2019 AD to 2024 AD, the Group submitted its zakat declarations, paid the amounts due, and obtained a zakat certificate for those years, and the examination has not been conducted by the Authority for any of the mentioned years to date.

Value Added Tax (VAT):

- The Group has not been inspected by the Zakat, Tax & Customs Authority to date.
- The Group regularly submits value added tax returns on time.

Withholding Tax:

- The Group has not been inspected by the Zakat, Tax & Customs Authority to date.
- The Group regularly submits withholding tax returns on time.

Customs:

- On September 24, 2025, a decision was issued by the Zakat, Tax & Customs Authority to collect the differences in customs data for the years 2020 to 2024 with the amount of 16,641. The Group has paid the differences in full during the year.

B. The significant components of the zakat base for the fiscal year ending on December 31 are as follows:

| | 2025 | 2024 |
|---|----------------------|---------------|
| 1. Adjusted net income | | |
| Profit for the year before zakat | 42,228,233 | 37,038,501 |
| Added: Non-deductible costs | 25,547 | - |
| Adjusted Profit (A) | 42,253,780 | 37,038,501 |
| 2. Additions | | |
| Equity before Zakat | 271,572,209 | 165,739,809 |
| Liabilities | 581,287,038 | 555,670,359 |
| Adjustments | 25,547 | - |
| | 852,884,794 | 721,410,168 |
| Total non-current assets | (852,859,247) | (721,410,168) |
| Zakat base (B) | 25,547 | - |
| Zakat provision: (a) or (b), whichever is greater x (2.5%/354×366) | 1,061,368 | 934,132 |

C. The movement in the provision for zakat payable is as follows:

| | 2025 | 2024 |
|----------------------------|--------------------|-------------|
| Balance as at 01 January | 1,008,151 | 802,549 |
| Zakat paid during the year | (1,008,151) | (728,530) |
| Zakat charged for the year | 1,061,368 | 934,132 |
| Balance as at 31 December | 1,061,368 | 1,008,151 |

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19. REVENUE

Revenue from the operation classified as below:

| 19-1 Revenue classification by product/service type | 2025 | 2024 |
|--|--------------------|-------------|
| Subscriptions and membership | 309,585,935 | 260,417,358 |
| Personal training and other health services | 38,255,938 | 39,149,843 |
| Sale of accessories and other services (A) | 2,070,333 | 927,867 |
| Sport solutions | | |
| Construction and development contracts | 18,361,698 | 24,838,302 |
| Sale of equipment (B) | 5,583,913 | 810,710 |
| Revenue from maintenance contracts | 2,381,183 | 1,281,876 |
| | 26,326,794 | 26,930,888 |
| | 376,239,000 | 327,425,956 |
| 19-2 Revenue classification based on the timing of revenue recognition | 2025 | 2024 |
| Over time | 368,584,754 | 325,687,378 |
| At a point in time (A+B) | 7,654,246 | 1,738,578 |
| | 376,239,000 | 327,425,956 |

20. COST OF REVENUE

| | 2025 | 2024 Restated (Note 35) |
|--|--------------------|----------------------------|
| Salaries, wages and other benefits | 115,500,437 | 103,729,644 |
| Depreciation of property, plant and equipment (note 6) | 45,141,208 | 38,974,548 |
| Depreciation of right-of-use assets (note 7) | 26,273,029 | 24,492,132 |
| Electricity and water | 24,189,571 | 19,244,469 |
| The cost of construction and development contracts | 14,796,447 | 15,063,970 |
| Maintenance, supplies and hygiene | 15,184,747 | 13,314,849 |
| Fuels and oils | 5,358,679 | 3,524,648 |
| The cost of selling sports equipment | 4,417,731 | 851,887 |
| Rent expenses | 4,345,351 | 3,511,601 |
| Government fees and subscriptions | 1,953,273 | 1,835,012 |
| Phone and mail | 1,289,191 | 1,207,553 |
| Amortization of intangible assets (note 8) | 75,756 | 119,404 |
| Provision for slow-moving and obsolete inventory | 42,315 | 521,060 |
| Other | 5,198,568 | 4,346,679 |
| | 263,766,303 | 230,737,456 |

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21. MARKETING EXPENSES

| | 2025 | 2024 Restated (Note 35) |
|--|-------------------|----------------------------|
| Advertising | 7,401,837 | 4,978,608 |
| Salaries, wages and other benefits | 2,630,530 | 2,658,188 |
| Depreciation of property, plant and equipment (note 6) | 62,404 | 150,396 |
| Amortization of intangible assets (note 8) | 6,800 | 7,206 |
| Other | 682,259 | 337,534 |
| | 10,783,830 | 8,131,932 |

22. GENERAL AND ADMINISTRATIVE EXPENSES

| | 2025 | 2024 Restated (Note 35) |
|--|-------------------|----------------------------|
| Salaries, wages and other benefits | 16,794,817 | 16,283,319 |
| Depreciation of property, plant and equipment (note 6) | 1,266,915 | 1,229,042 |
| Amortization of intangible assets (note 8) | 879,565 | 628,413 |
| Maintenance and cleaning | 660,377 | 668,276 |
| Phone and mail | 311,332 | 238,037 |
| Depreciation of right-of-use assets (note 6) | 205,632 | 209,787 |
| Other | 2,295,819 | 2,048,800 |
| | 22,414,457 | 21,305,674 |

23. OTHER INCOME, NET

Other income consists of the following:

| | 2025 | 2024 |
|---|------------------|-----------|
| Rent income | 1,484,656 | 1,358,931 |
| Discounts on rent expenses | 774,824 | 600,699 |
| Lease adjustments | 711,220 | 2,108,929 |
| Profit on bank deposits | 675,427 | - |
| (Loss) / profit from disposal of assets | (668,063) | 18,044 |
| | 2,978,064 | 4,086,603 |

24. FINANCE COSTS

| | 2025 | 2024 |
|---|--------------------|-------------|
| Interests on lease contracts (note 7) | 24,679,426 | 22,274,606 |
| Interest on long term loans | 11,347,823 | 9,932,728 |
| Bank charges | 9,901,965 | 6,430,298 |
| Interest on lease contracts capitalized during the year | (4,270,839) | (4,081,536) |
| Interest on long term loans capitalized during the year | (6,546,922) | (3,108,715) |
| Charged to the consolidated statement of profit or loss | 35,111,453 | 31,447,381 |

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25. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As on December 31, 2025, the group has capital commitments amounting to ﷻ 30,740,714 (31 December 2024: ﷻ 23,144,496) for contracts for the establishment of new sports clubs included in the capital work in progress.

26. FAIR VALUE

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur in one of the following cases:

- In the main market for the asset or liability, or
- In the most favorable market for the assets or liabilities in the absence of the main market.

The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that dealers would use to price the asset or liability, on the assumption that the dealers seek the best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation methods that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities that are measured or disclosed at fair value in the financial statements are categorized within the fair value hierarchy. Shown as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices (without adjustment) in active markets for similar assets and liabilities.

Level 2: Fair value measurement using inputs other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3: Valuation techniques that use the minimum inputs needed to measure fair value (unobservable inputs).

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, using the Level 1 and Level 2 indicators, the Group determines whether a transfer has occurred between levels in the hierarchy by re-assessing classification (based on the lowest level input that is significant to the fair value measurement). Generally, at the end date of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

The financial instruments are classified as follows:

26.1 Financial Assets

| | <u>2025</u> | <u>2024</u> |
|---|--------------------------|--------------------------|
| Financial assets at amortized cost: | | |
| Trade receivables | 11,991,775 | 28,769,607 |
| Banks - Current accounts | 46,468,209 | 4,940,868 |
| Margin of letters of guarantee | 5,310,399 | 5,443,191 |
| Staff advances | 1,724,850 | 1,865,537 |
| Refundable deposits | 836,495 | 822,495 |
| Due from related parties (shareholders) (note 28) | - | 2,053,079 |
| Total financial assets at amortized cost | <u>66,331,728</u> | <u>43,894,777</u> |

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26. FAIR VALUE (CONTINUED)

26.2 Financial Liabilities

| | 2025 | 2024 |
|---|--------------------|--------------------|
| Financial liabilities at amortized cost: | | |
| Long term loans | 139,928,991 | 142,973,350 |
| Lease Liabilities | 373,436,401 | 321,922,530 |
| Trade payables | 10,641,905 | 26,096,224 |
| Accrued expenses and other current liabilities Except VAT | 16,144,472 | 17,216,494 |
| Total financial liabilities at amortized cost | 540,151,769 | 508,208,598 |
| | | |
| Non – current portion of financial liabilities | 435,533,035 | 363,704,112 |
| Current portion of financial liabilities | 104,618,734 | 144,504,486 |
| Total financial liabilities | 540,151,769 | 508,208,598 |

The fair values of financial assets and financial liabilities measured at amortized cost are not materially different from their carrying values.

27. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks through its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign exchange risk
- Interest rate risk
- Capital Management Risk

Risk management is carried out by senior management in accordance with policies approved by the Board of Directors. Senior management identifies and assesses financial risks, when appropriate, in close cooperation with the Group's operating units.

27-1 CREDIT RISK

Credit risk is the risk that the Group will incur a financial loss in the event that a customer or counterparty fails to meet its contractual obligations, and arises primarily from the Group's dues from customers. The fair value of the financial assets represents the maximum exposure to credit risk.

The Group's exposure to credit risk is influenced primarily by the individual characteristics of each customer. Management also considers factors that may affect the credit risk of the customer base, including default risk associated with the customer's industry and the countries in which customers operate.

Management evaluates the creditworthiness of each new customer individually before offering the Group's standard payment terms. The Group's review process includes consideration of external credit ratings, where available, and, in certain cases, obtaining bank references.

The Group maintains an allowance for expected credit losses representing management's estimate of lifetime losses on trade receivables (Note 10) and recognizes an allowance for expected credit losses on other financial assets measured at amortized cost where applicable.

Cash balances and margins of letters of guarantee are maintained with reputable financial institutions. Accordingly, the associated credit risk is considered low.

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27-1 CREDIT RISK (CONTINUED)

Financial assets exposed to credit risk are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Trade receivables | 11,991,775 | 28,769,607 |
| Banks - Current accounts | 46,468,209 | 4,940,868 |
| Margin of letters of guarantee | 5,310,399 | 5,443,191 |
| Staff advances | 1,724,850 | 1,865,537 |
| Refundable deposits | 836,495 | 822,495 |
| Due from related parties (shareholders) (note 28) | - | 2,053,079 |
| | <u>66,331,728</u> | <u>43,894,777</u> |

27-2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by paying cash or through other financial assets. The Group's approach is to manage liquidity risk by ensuring, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due, under both normal and abnormal conditions, without incurring unacceptable losses or being exposed to risks to the Group's reputation.

The following is an analysis of the undiscounted contractual maturities of the Group's financial liabilities:

| <u>As at 31 December 2025</u> | <u>Less than a year</u> | <u>From 1 to 5 years</u> | <u>More than 5 years</u> | <u>Total contractual flows</u> | <u>Book Value</u> |
|---|-------------------------|--------------------------|--------------------------|--------------------------------|--------------------|
| Loans | 37,285,757 | 121,216,748 | 2,544,724 | 161,047,229 | 139,928,991 |
| Lease Liabilities | 45,433,906 | 197,192,606 | 366,631,362 | 609,257,874 | 373,436,401 |
| Trade Payable | 10,641,905 | - | - | 10,641,905 | 10,641,905 |
| Accrued expenses and other current liabilities except VAT | 16,144,472 | - | - | 16,144,472 | 16,144,472 |
| Total | <u>109,506,040</u> | <u>318,409,354</u> | <u>369,176,086</u> | <u>797,091,480</u> | <u>540,151,769</u> |
| As at 31 December 2024 | Less than a year | From 1 to 5 years | More than 5 years | Total contractual flows | Book Value |
| Loans | 66,470,404 | 84,979,978 | 6,543,892 | 157,994,274 | 142,973,350 |
| Lease Liabilities | 42,249,645 | 172,217,531 | 281,930,515 | 496,397,691 | 321,922,530 |
| Trade Payable | 26,096,222 | - | - | 26,096,222 | 26,096,222 |
| Accrued expenses and other current liabilities except VAT | 17,216,494 | - | - | 17,216,494 | 17,216,494 |
| Total | <u>152,032,765</u> | <u>257,197,509</u> | <u>288,474,407</u> | <u>697,704,681</u> | <u>508,208,596</u> |

27-3 MARKET RISK

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates, interest rates and equity prices on the Group's revenue or the value of its financial instruments. Market risk management aims to manage and control risk exposures within acceptable limits while achieving optimum return.

Market risk consists of three types of risk: currency risk, interest rate risk and other price risk.

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27. FINANCIAL RISK MANAGEMENT (CONTINUED)

27-3 MARKET RISK (CONTINUED)

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Group is not exposed to fluctuations in foreign exchange rates in the normal course of business as the Group's significant transactions during the period are stated in Saudi Riyals and US Dollars. Since the Saudi riyal exchange rate is pegged to the US dollar, there are no significant risks associated with transactions and balances listed in US dollars.

Interest Rate Risk

Interest rate risk is the fluctuation in the fair value of future cash flows of financial instruments due to changes in market interest rates.

The Group's interest rate risk arises from its long-term borrowings. The approved floating rate loans expose the Group to cash flow interest rate risk as follow:

| | <i>Increase / decrease in basis points related to currency rates</i> | <i>Impact on profit for the year</i> |
|-------------------------|--|--------------------------------------|
| 31 December 2025 | 100+ | 1,399,290 |
| | 100- | (1,399,290) |
| 31 December 2024 | 100+ | 1,429,734 |
| | 100- | (1,429,734) |

27-4 CAPITAL MANAGEMENT RISK

The primary objective of the Group's capital management is to ensure that it maintains strong capital ratios, support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. There have been no changes in the Group's objectives, policies and procedures during the period ending on December 31, 2025 compared with the year ending on December 31, 2024.

The Equity comprises share capital and retained earnings and amounted to ﷻ 273,514,677 as on December 31, 2025 (December 31, 2024 ﷻ 168,808,870).

The Group's policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business. The Group monitors its capital base using a ratio of net debt to equity. Net debt is calculated as borrowings less cash and cash equivalents.

The following is the net debt to equity ratio of the Group at the end of the year:

| | 2025 | 2024 Restated (Note 35) | 2023 Restated (Note 35) |
|-------------------------------------|---------------------|----------------------------|----------------------------|
| Loans | 139,928,991 | 142,973,350 | 102,625,982 |
| Subtract: Cash and cash equivalents | (46,676,425) | (5,026,406) | (8,641,035) |
| Net debt | 93,252,566 | 137,946,944 | 93,984,947 |
| Total equity | 270,510,841 | 164,731,658 | 141,298,624 |
| Net debt to equity ratio | 34% | 84% | 67% |

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28. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties generally consist of payments on behalf of the Group to cover certain operating expenses and consulting and management services. These transactions were carried out in accordance with the terms specified in the agreements concluded with the related parties and approved by the management. The following is a statement of the balances and transactions with related parties:

28.1 Due from related parties:

| Related party name | Nature of relationship | Nature of transaction | For the year ended 31 December | | Balances as at 31 December | |
|--|----------------------------|---|--------------------------------|-----------|----------------------------|-----------|
| | | | 2025 | 2024 | 2025 | 2024 |
| Shareholders (Note 11) | Shareholders | IPO expense paid on behalf of the shareholders (Note 34) | 9,843,182 | 2,053,079 | - | 2,053,079 |
| | | Deducting the IPO expenses from the offering proceeds (note 34) | (11,896,261) | - | | |
| Aldrees Petroleum and Transport Services Company | Under Common Directorship* | Purchases | 660,000 | 490,000 | 20,275 | 20,275 |
| | | Payments | (660,000) | (490,000) | - | - |

28.2 Key management benefits:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors of the Group.

The following is the details of remuneration and compensation of directors and executives:

| | 2025 | 2024 |
|--|-------------------|------------|
| Salary & other short-term benefits | 10,240,993 | 9,586,380 |
| Long term benefits (end of service benefits) | 577,446 | 687,645 |
| | 10,818,439 | 10,274,025 |

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29. SEGMENT REPORTING

The Group discloses segment information in accordance with IFRS 8 Operating Segments.

Operating segments are identified based on internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and performance assessment.

The CODM monitors the performance of the Group using two dimensions of segmentation (Geographical segments and Market segments)

29-1 Geographical segments

For management purposes, the Company consists of business units based on geographical distribution, and it has five operating segments on which reports are submitted as follows:

- Central Region
- Eastern Province
- The northern area
- Southern area
- Western Region

The following tables present information on revenue and profit for the geographical segments at the end of the year:

For the year ending 31 December 2025:

| | <u>Central Region</u> | <u>Eastern Region</u> | <u>Northern Region</u> | <u>Southern Region</u> | <u>Western Region</u> | <u>Total</u> |
|--|---------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------|
| Revenues | 242,213,819 | 43,230,723 | 31,304,963 | 9,482,586 | 50,006,909 | 376,239,000 |
| Depreciation of property, plant and equipment | (25,733,753) | (6,527,208) | (2,999,865) | (2,671,066) | (7,209,316) | (45,141,208) |
| Depreciation of right of use assets | (12,606,844) | (4,550,302) | (1,464,539) | (468,835) | (7,182,509) | (26,273,029) |
| Amortization of intangible assets | (30,194) | (11,175) | (3,285) | (1,779) | (29,323) | (75,756) |
| Other operating expenses | (119,309,546) | (25,394,493) | (14,107,161) | (5,418,294) | (28,046,816) | (192,276,310) |
| Segment Profit | 84,533,482 | 6,747,545 | 12,730,113 | 922,612 | 7,538,945 | 112,472,697 |

For the year ending 31 December 2024:

| | <u>Central Region</u> | <u>Eastern Region</u> | <u>Northern Region</u> | <u>Southern Region</u> | <u>Western Region</u> | <u>Total</u> |
|---|-----------------------|---------------------------|----------------------------|----------------------------|---------------------------|---------------|
| Revenues | 220,807,019 | 37,649,594 | 20,148,403 | 10,367,345 | 38,453,595 | 327,425,956 |
| Depreciation of property, plant and equipment | (23,559,967) | (5,493,275) | (2,438,584) | (2,661,790) | (4,820,932) | (38,974,548) |
| Depreciation of right of use assets | (13,172,550) | (4,733,151) | (1,119,841) | (388,941) | (5,077,649) | (24,492,132) |
| Amortization of intangible assets | (91,701) | (11,909) | (7,520) | (2,171) | (6,103) | (119,404) |
| Other operating expenses | (112,901,455) | (22,067,259) | (8,289,525) | (5,118,196) | (18,774,937) | (167,151,372) |
| Segment Profit | 71,081,346 | 5,344,000 | 8,292,933 | 2,196,247 | 9,773,974 | 96,688,500 |

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29. SEGMENT REPORTING (CONTINUED)

29-2 Market segments

For operational and performance monitoring purposes the Group also analyzes its activities based on the following market segments.

- Men's fitness centers
- Women's fitness centers
- Sport solutions

Segment performance is evaluated based on **segment profit**.

Certain corporate costs and income are not allocated to operating segments as they are managed centrally at the Company level as disclosed in 29.3

The following tables present information on revenue and profit / (loss) for the market segments:

| | Men's fitness centers | | Women's fitness centers | | Sport solutions | | Total | |
|---|-----------------------|---------------|-------------------------|--------------|---------------------|--------------|----------------------|----------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 Restated (Note 35) |
| Revenues | 243,738,069 | 206,925,663 | 106,174,137 | 93,569,405 | 26,326,794 | 26,930,888 | 376,239,000 | 327,425,956 |
| Depreciation of property, plant and equipment | (31,498,234) | (26,739,306) | (13,598,591) | (12,119,380) | (44,383) | (115,862) | (45,141,208) | (38,974,548) |
| Depreciation of right of use assets | (19,580,300) | (18,425,941) | (6,692,729) | (6,066,191) | - | - | (26,273,029) | (24,492,132) |
| Amortization of intangible assets | (23,755) | (34,120) | (52,001) | (85,284) | - | - | (75,756) | (119,404) |
| Other operating expenses | (115,496,287) | (102,718,547) | (57,445,974) | (48,424,514) | (19,334,049) | (16,008,311) | (192,276,310) | (167,151,372) |
| Segment profit | 77,139,493 | 59,007,749 | 28,384,842 | 26,874,036 | 6,948,362 | 10,806,715 | 112,472,697 | 96,688,500 |

The following table present information on assets and liabilities for the market segments:

| | Head Office | | Men's fitness centers | | Women's fitness centers | | Sport solutions | | Total | |
|-----------------------------|--------------------|-------------|-----------------------|-------------|-------------------------|-------------|-----------------|-----------|--------------------|----------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 Restated (Note 35) |
| Property, plant & equipment | 11,241,201 | 14,094,362 | 357,780,582 | 293,490,095 | 170,621,140 | 157,426,696 | 135,928 | 138,809 | 539,778,851 | 465,149,962 |
| Right of use assets | - | - | 194,429,508 | 161,473,655 | 110,261,056 | 91,195,064 | - | - | 304,690,564 | 252,668,719 |
| Other assets | 100,237,327 | 80,587,925 | - | - | - | - | - | - | 100,237,327 | 80,587,925 |
| Total assets | 111,478,528 | 94,682,287 | 552,210,090 | 454,963,750 | 280,882,196 | 248,621,760 | 135,928 | 138,809 | 944,706,742 | 798,406,606 |
| Lease liabilities | - | - | 239,843,592 | 244,238,069 | 133,592,809 | 77,684,461 | - | - | 373,436,401 | 321,922,530 |
| Contract liabilities | 158,660 | (132,294) | 74,753,355 | 68,252,956 | 27,311,308 | 21,762,370 | - | 4,505,858 | 102,223,323 | 94,388,890 |
| Other liabilities | 198,536,177 | 213,286,317 | - | - | - | - | - | - | 198,536,177 | 213,286,317 |
| Total liabilities | 198,694,837 | 213,154,023 | 314,596,947 | 312,491,025 | 160,904,117 | 99,446,831 | - | 4,505,858 | 674,195,901 | 629,597,737 |

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29. SEGMENT REPORTING (CONTINUED)

29-3 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

During the current year, management reassessed the presentation of segment information to align with the internal reports reviewed by the Chief Operating Decision Maker. The Head Office does not meet the definition of an operating segment under IFRS 8, as it does not generate revenues and its performance is not evaluated separately. Accordingly, Head Office is not presented as a separate segment and related costs are treated as unallocated corporate expenses, which are included in the reconciliation of segment profit to profit before zakat. Comparative information has been presented consistently with the current year presentation.

Below is the reconciliation.

| | 2025 | 2024 Restated (Note 35) |
|--|---------------------|----------------------------|
| Segment profit | 112,472,697 | 96,688,500 |
| Marketing expenses | (10,783,830) | (8,131,932) |
| General and administrative expenses | (22,414,457) | (21,305,674) |
| Impairment of other current assets | (164,000) | - |
| Listing and Initial Public Offering Expenses | (4,748,788) | (2,851,615) |
| Other income – net | 2,978,064 | 4,086,603 |
| Finance costs | (35,111,453) | (31,447,381) |
| Profit before zakat | 42,228,233 | 37,038,501 |

30. SEASONALITY OF THE COMPANY'S BUSINESS

The Group's business is subject to seasonal fluctuations. Operating activity and customer demand typically increase during the fourth quarter compared with other periods of the year.

This improvement is driven by more favorable weather conditions and promotional campaigns, including offers associated with the Saudi National Day on 23 September, which contribute to higher customer traffic.

As a result, revenues and profitability are generally stronger in the fourth quarter, positively impacting the Company's overall financial performance for the year.

31. DIVIDENDS

On 22 August 2024, the Extraordinary General Assembly approved the distribution of cash dividends to shareholders in the total amount of ﷲ 6 million, at a rate of ﷲ 0.577 per share.

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32. STATUTORY RESERVE

Under the previous Company’s bylaw, the Company was obligated to transfer 10% of net income to the statutory reserve until it reached 30% of the share capital. According to the amendments made to the Companies Law in the Kingdom of Saudi Arabia, there is no longer an obligation to maintain the statutory reserve. Accordingly, the shareholders decided at the Extraordinary General Assembly held on 22 August 2024, to amend the Company’s Company bylaw. According to the decision, the statutory reserve amounting to ﷻ 15,904,683 was transferred to retained earnings. Under the amended Articles of Association, the General Assembly of Shareholders has the right, when determining the share of profits, to decide to form new reserves to the extent that serves the interest of the Company or ensures the distribution of fixed profits to shareholders as much as possible.

33. EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing income for the year attributable to the Group’s ordinary shareholders by the number of ordinary shares outstanding during the year.

| | 2025 | 2024 Restated (Note 35) |
|--|--------------------|----------------------------|
| Profit for the year | 41,166,865 | 36,104,369 |
| Weighted average number of outstanding ordinary shares | 108,644,384 | 104,000,000 |
| Basic and diluted earnings per share (ﷻ)* | 0.38 | 0.35 |

* Basic and diluted earnings per share for the year ended 31 December 2025 and 31 December 2024 have been calculated by dividing net income after zakat attributable to the shareholders for the period by the weighted average number of ordinary shares issued and outstanding at the end of the period. Basic and diluted earnings per share are same as there are no instruments which will dilute the basic earnings per share.

33. LISTING AND INITIAL PUBLIC OFFERING EXPENSES

The General Assembly of Shareholders, in its meeting held on August 22, 2024, approved the offering of 30% of the Company’s shares in an Initial Public Offering (IPO). Of this, 20% of the existing shares were sold by current shareholders on a pro-rata basis according to their ownership ratios, in addition to the issuance of 10% of new shares at a nominal value of ﷻ 1 per share, fully paid. This resulted in an increase in the Group’s share capital by ﷻ 10.4 million, bringing it to ﷻ 114.4 million from ﷻ 104 million. This was carried out through the submission of a registration and offering request to the Saudi Capital Market Authority, as well as a request for listing on the Saudi Stock Exchange (Tadawul). The Board of Directors have been authorized to take all necessary legal actions to complete the application.

The Group has contracted legal and financial advisors to conduct studies and prepare the necessary requirements for the registration and offering process. Under the Assembly’s decision, shareholders agreed to bear these expenses. Since the start of the registration and offering process till the end, the Group paid a cumulative amount of ﷻ 25.1 million (31 December 2024: ﷻ 5.9 million) related to this process.

The Costs have been classified and treated according to the nature of the transaction associated with each of these costs is related , based on the clarification issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) on March 23, 2023, regarding the treatment of listing costs on the capital market when the listing coincides with the sale of a portion of the founders’ share to the public.

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33. LISTING AND INITIAL PUBLIC OFFERING EXPENSES (continued)

These costs were classified into;

- Costs related to selling and initial public offering, and were borne by the existing shareholders outside the company's accounts.
- Costs related to the listing process, which were charged to the consolidated statement of profit or loss and other comprehensive income.
- Costs related to the listing transaction that are difficult to attribute directly to both the sale process and the listing process have been allocated using the guidance of paragraph 38 of International Accounting Standard No. 32 "Financial Instruments: Presentations" between the company and the old shareholders pro-rata to the basis of the number of shares sold to the shares held, and the Group's share was charged to the consolidated statement of profit or loss and other comprehensive income.

| | Basis of allocation | Amount recognized | |
|--|---------------------|-------------------|------------------|
| | | 31 December 2025 | 31 December 2024 |
| Allocated to the existing shareholders (related party account) | 20.91% | 11,896,261 | 2,053,079 |
| Allocated to the new shares (equity) | 9.90% | 5,632,482 | 1,026,540 |
| Allocated to listing the existing shareholders (expenses in the consolidated statement of profit or loss and other comprehensive income) | 70% | 7,600,405 | 2,851,617 |
| | 100% | 25,129,148 | 5,931,236 |

The financial impact of the amounts borne by the old shareholders for the listing and initial public offering costs has been charged to equity in accordance with the requirements of IAS 32.

Impact on consolidated financial statements is as follows:

| Item | Amounts recognized | |
|--|--------------------|------------------|
| | 31 December 2025 | 31 December 2024 |
| Due from related parties (Note 28) | - | 2,053,079 |
| Share premium (Note 13) | 61,967,518 | (1,026,540) |
| Initial Public Offering cost (expenses in the consolidated statement of profit or loss and other comprehensive income) | 4,748,788 | 2,851,615 |

34. RESTATEMENT OF PRIOR PERIOD COMPARATIVE INFORMATION

During the year ended 31 December 2025, the Group reassessed certain accounting treatments in light of recently issued regulatory clarifications and interpretations, as follows:

1. Work permits and residency fees

As part of its normal operations, the Group incurs certain government fees related to the issuance and renewal of work permits and residency permits for foreign employees. In prior periods, these fees were capitalized and amortized over the validity period of the related permits, based on management's previous assumption that the unused portion of such fees could be recovered if the permits were not utilized.

During the current year, the competent government authority issued a clarification confirming that these fees are non-refundable if unused. Based on this clarification, management reassessed the accounting treatment of these costs and concluded that certain amounts previously recognized as current assets no longer meet the definition of an asset under the Conceptual Framework for Financial Reporting, as there is no legally enforceable right to recover these costs and no independent future economic benefits are expected to arise from them.

Accordingly, these amounts were recognized as expenses in the relevant periods.

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34. RESTATEMENT OF PRIOR PERIOD COMPARATIVE INFORMATION (continued)

2. Depreciation of right-of-use assets related to buildings constructed on leased land

The Group also reassessed the accounting treatment for the depreciation of right-of-use assets relating to buildings constructed on leased land. This reassessment was performed in accordance with the interpretation issued by the Saudi Organization for Chartered and Professional Accountants on 30 October 2025 regarding the accounting treatment of improvements and buildings constructed on leased land under IFRS 16 – Leases.

As a result of this reassessment, the Group derecognized certain depreciation amounts that had previously been capitalized and recognized them as additional depreciation relating to right-of-use assets in respect of prior periods.

Accordingly, the comparative financial statements have been restated in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

A summary of the impact of the restatement on the consolidated financial statements is presented below.

Year Ended 31 December 2023

| | <u>As Issued Previously</u> | <u>Adjustments</u> | <u>Restated</u> |
|--|-----------------------------|--------------------|---------------------|
| <u>Consolidated Statement of Financial Position</u> | | | |
| Property, plant and equipment | 408,073,520 | (767,377) | 407,306,143 |
| Prepayments and other receivables | 13,239,299 | (1,344,463) | 11,894,836 |
| Retained earnings | (23,505,781) | 2,111,840 | (21,393,941) |

Year Ended 31 December 2024

| | <u>As Issued Previously</u> | <u>Adjustments</u> | <u>Restated</u> |
|--|-----------------------------|--------------------|---------------------|
| <u>Consolidated Statement of Financial Position</u> | | | |
| Property, plant and equipment | 465,149,962 | (1,794,235) | 463,355,727 |
| Prepayments and other receivables | 31,478,944 | (2,282,976) | 29,195,968 |
| Retained earnings | (65,835,409) | 4,077,211 | (61,758,198) |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | | | |
|--|---------------|-------------|----------------------|
| Costs of revenue | (228,880,727) | (1,856,729) | (230,737,456) |
| Marketing expenses | (8,119,254) | (12,678) | (8,131,932) |
| General and administrative expenses | (21,209,710) | (95,964) | (21,305,674) |
| Profit for the year | 38,069,740 | (1,965,371) | 36,104,369 |
| Basic and diluted earnings per share (ﷻ) | 0.37 | (0.02) | 0.35 |

In addition, certain comparative figures have been reclassified to conform with the presentation of the current year. These reclassifications did not have any material impact on the consolidated financial statements, results of operations, or equity.

The above adjustments did not have a material impact on the net cash flows from operating, investing, or financing activities in the consolidated statement of cash flows.

35. SUBSEQUENT EVENTS

The Group's management believes that no subsequent events have occurred after the year ended December 31, 2025, that would have a material impact on the Group's consolidated financial statements or its results of operations for the year.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 18 Ramadan 1447 H (Corresponding to 7 March 2026 G).



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