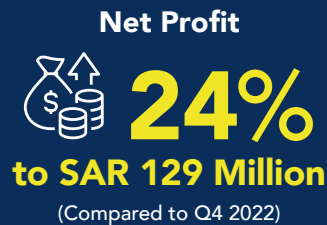
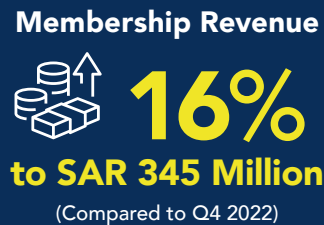
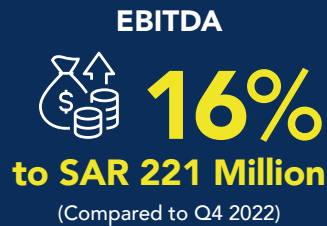




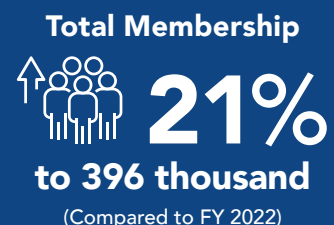
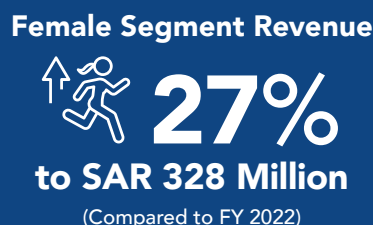
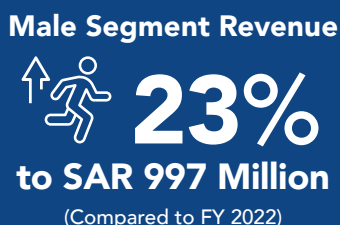
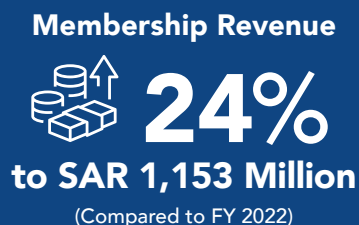
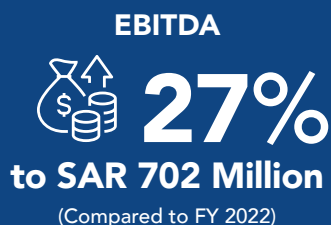
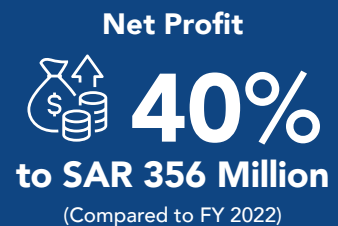
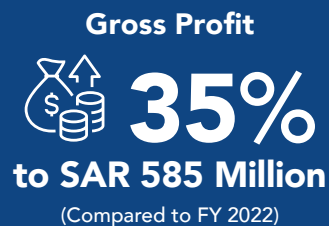
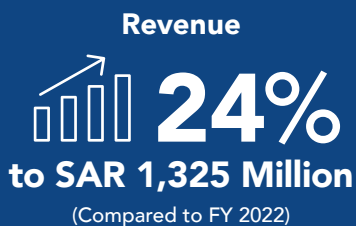
Q4 2023 Earnings Release

Leejam ended 2023 with Record Revenues and Profits as Memberships Soar

Q4 2023



FY 2023



Leejam ended 2023 with Record Revenues and Profits as Memberships Soar

Riyadh, Saudi Arabia, (date) 2024: Leejam Sports Company ('Leejam' or the 'Company') has reported record revenues and net profits for the financial year 2023, which reached SAR 1,325 million and SAR 356 million - an annual rise of 24% and 40%, respectively, when compared to 2022. The Company also recorded its highest-ever year-end number of members, with double-digit growth in both revenue & number of members across its male and female segments, and across KSA & UAE.

Leejam's end-of-year financial and operational results followed four consecutive quarters of growth, with Q4 2023 revenues rising by 18% year-on-year (YoY) to reach SAR 398 million. Q4 also delivered a net profit of SAR 129 million, an increase of 24% compared to the same period in 2022.

Membership and Revenue Growth

Revenue growth

Revenue increased by double-digits, driven by growth from the membership and subscription revenues, in addition to the paid programs such as personal training, HIIT, and swimming classes. Growth was also driven by an increase in the number of Fitness Time centres, taking the total to 174 during 2023. The strong results were also the result of ongoing investment in the member experience, access to classes, increased offering of classes, and additional refurbishment of centers throughout the year. Additionally, the Group extended the opening hours of select centers to provide members with greater access and convenience.

The Group also made it easier for potential members to join online with investments in customer-facing technologies and applications to smooth the joining process. The website was also enhanced, specifically to make the member journey easier – and faster for new members to join. Furthermore, additional centers across the country increased the footprint of the network, and growth was seen across every business segment and the entire membership base.

Cost and Margins

Costs

In 2023, the cost of revenue increased by virtue of a growing network and an increase in the cost of consumables, utilities, repairs, and preventative maintenance. These costs come as a result of a growing membership and a focus on maintaining the high quality of services, facilities, and technologies that we provide for our members. The Group's general and administrative expenses increase as well due to improvements in technologies and additional personnel costs.

Following the mandated closure of two of the Group's centers to make way for the Diriyah Gate development,

write-offs totaling SAR 11 million had to be made. The normalized net profit after excluding the write offs will be SAR 367 million. Although the two closed centers were amongst the Group's top-performing centers, the write-off cost was mitigated through increased membership numbers and new centres. Financing costs also increased as a direct result of the higher interest rate environment. However, this has been offset by greater use of operating cash throughout the year to minimize the Group's exposure.

Margins

In 2023, the Group achieved a gross profit of SAR 585 million, an EBITDA of SAR 702 million and net profits of SAR 356 million. This compares to SAR 434 million, SAR 554 million, and SAR 255 million, respectively, for FY 2022. This growth in margins was made possible – despite the increase in cost of revenue – because of the fixed-cost nature of the business model. While the cost of revenue may grow, the Group's strategy for investment is supported by exponential growth in member numbers and paid programs.

“

Through the successful implementation of its strategy to focus, transform and grow the business, Leejam delivered an exceptional set of financial and operational results in 2023. Soaring membership numbers and the highest net additional fitness time centers ever have driven higher revenues and margins. And through a series of new partnerships, the Group has expanded its geographic reach and entered several new sports and fitness segments. Furthermore, the addition of concept studios, training academies, and wellness facilities has further diversified the Group's business lines while boosting member engagement. Consequently, Leejam closed 2023 in an exceptionally strong operational and financial position that leaves it primed for continued success as it enters the second year of its three-year strategy.”

Adnan Al-Khalaf



Business Segments

Male Segment

The male segment grew by double-digits in 2023, rising by 23% increase in revenue, driven largely by continuous growth in membership numbers and an increase in the total number of centers throughout the year. This reflects the Group's focus on the digital member experience, operational maintenance and refurbishments, personalized sales campaigns and offers, and investments in activities and induction programs. The Group also continued to design its own classes to meet the digital and physical activity needs of membership demographics – a process aided by analytics and a strategy for personalization to increase engagement, retention, and attraction.

Female Segment

The female segment grew by 27% increase in revenue in 2023 as a result of an increase in the number of ladies' centers, rising membership numbers across the country and significantly greater participation in group classes. The latter comes as a result of the Group's addition of many more - and a greater variety - of classes. Analytics and the Group's investments in digital platforms have also helped the business to create personalised services for the ladies' segment, which personalised sales campaigns and tailored induction programmes have also supported.

Xpress Segment

The Xpress segment saw strong growth in 2023, demonstrating that the model is maturing over time. The Group is leading the development of the high-value, low-cost segment, which is attracting exponentially higher levels of interest from a different demographic segment. The provision of a more affordable experience has enabled the group to widen access to a significantly wider demographic, helping to drive business growth and increase sports participation across the Kingdom.

Leejam is leading the development of the emerging high-value, low-cost market segment, which is attracting exponentially higher levels of interest from a different target demographic.

Big Box

The Group delivered double-digit growth across its Big Box segment through rising membership levels and paid programs. Big Box also benefitted from longer opening hours and a refurbishment program specifically for Big Box centers.

Business Highlights

Growing the Core (Fitness Time)

New Centers

To grow the core (Fitness Time) of the business, the Group opened 9 new male and female Big Box centers and grew its footprint in its existing markets – including the UAE, where there is strong demand for the Group's unique ladies-only experience. Additionally, 11 new Xpress centers were opened in the Kingdom in 2023.

Member Growth

In 2023, the Group's total membership grew by 21% YoY, led by growth across all segments and both genders aided by an elevated experience, digital platforms, greater choice, and a general increase in market penetration.

Fitness Offerings

The paid programs and Group Exercise (GX) offerings grew in line with the growth in membership numbers. This demonstrates that through its strategy for investment, the Group is succeeding in its strategy for member engagement.

Paid training programs revenue increased to SAR 148 million, a YoY increase of 44%, due to growing membership and the introduction of a greater number of classes.

The new FT90 program trained more than 128,000 unique members in 2023. The program helps members become fully inducted into their centers, encourages participation, and adds value to the member experience – while encouraging take-up of further paid services.

Paid programs revenue increased to SAR 148 million, a YoY increase of 44%, due to growing membership and the introduction of a greater number of classes.

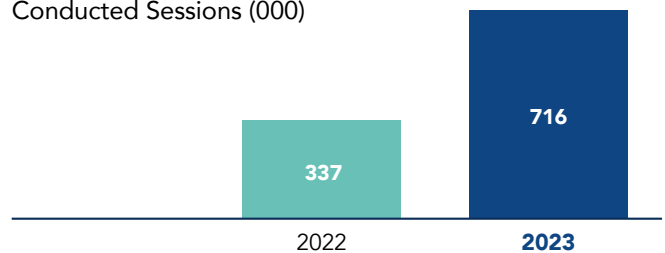
Corporate Segment

The Group's corporate wellness offering, which creates private gymnasiums inside both commercial office buildings and residential complexes, saw the Group sign a number of projects in 2023. Clients include government bodies, large corporations, and major real estate development companies. By year-end the total number of corporate gyms reached 13 (not counted with the total operating centers).

As for corporate membership also saw a growth which was driven by a better corporate member joining experience, enhanced through streamlined digital onboarding across multiple channels.

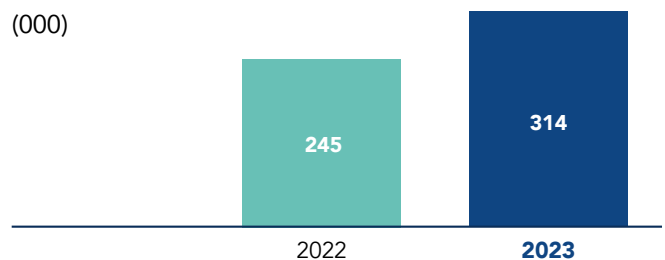
Paid Programs

Conducted Sessions (000)



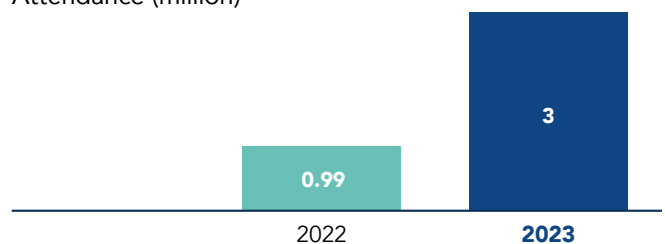
GX Classes

(000)



GX Classes

Attendance (million)



Business Highlights (continued)

New Segments

Concept Studios

According to its strategy, Leejam continued to expand in new segments, including its range of concept studios. Spearheading its concept studios, the Group acquired T-Sport KSA in 2023, which operates 8 CrossFit Studios under the brand 3Days and 2 standalone boxing concept boutiques under the brand Box12. The 3Days brand has offerings for men and women. The acquisition represents an important development for Leejam as it builds its presence in the fast-growing boutique concept fitness market. This represents the start of the group efforts in this market.

Other Sports

As it continues to build its other sports services and facilities at pace, Leejam entered multiple partnerships to invest in Padel sports in 2023. The Group also launched other sports academies within its Fitness Time centers in collaboration with local sports stars in the field of Football, Basketball, swimming, and other sports.

Physiotherapy

Entering a partnership with Burjeel Holdings, Leejam has now added the physiotherapy segment to its portfolio. Branches of PhysioTherabia represent an exciting new approach to advanced physiotherapy, rehabilitation, and wellness provision, with centers located in Riyadh. Flagship branches – including the Olaya branch - offer comprehensive physiotherapy services, including cryotherapy and oxygen chambers. By year-end 2023, physiotherapy operated additional in-club branches at Munsiya Men's and Munsiya Ladies. The in-club model offers 120m² of services designed for both members and non-members from the local community.

New Demographics & Academies

In 2023, the Group concluded an internal project to launch an exclusive swimming academy called the BLU Swimming Academy. Utilizing unused space, BLU utilized skill sets within the existing Leejam workforce to create a special academy exclusively for children – adding to the Group's existing network of swimming pools: the largest such network in Saudi Arabia. Leejam is targeted to roll out the BLU Swimming Academy across the nation, capitalizing on increased revenue opportunities that exist within its current assets. The acquired T-Sport KSA also operate two martial arts kids' academy under the brand 3Days Kids Academy.

Member satisfaction for group classes reached 4.8 out of 5 in 2023, while the satisfaction rating for paid programs achieved 4.87 out of 5.

Sustainable Growth

To maintain sustainable growth and value creation, Leejam continued to invest in enhancements to the member-facing digital platform in 2023. The Group's platforms and website have been enhanced to smooth members' experiences in buying, paying, booking, signing in to and rating their sessions. This has demonstrably elevated the personal training product customer experience and quality of services – borne out in customer satisfaction metrics and growth in paid products.

Furthermore, the enhanced digitization of the member experience and their interaction with personal trainers through the online platform now allows for better utilization of personal trainers' capacity, widening opportunities for employees to increase their activity and generate higher earnings for themselves and the company. Member satisfaction for GX reached 4.8 out of 5 in 2023. Paid programs achieved 4.9 out of 5.

Adding PhysioTherabia to its portfolio, Leejam is introducing an exciting new approach to advanced physiotherapy to the Kingdom.

P&L Summary

(SAR M)	Q4 2023	Q4 2022	Change %	FY 2023	FY 2022	Change %
Revenues	398	337	18% ▲	1,325	1,066	24% ▲
Gross Profit	192	163	18% ▲	585	434	35% ▲
Gross Profit Margin	48%	48%	- ▬	44%	41%	3% ▲
Operating Profit	154	131	18% ▲	450	327	38% ▲
Operating Profit margin	39%	39%	- ▬	34%	31%	3% ▲
EBITDA	221	191	16% ▲	702	554	27% ▲
EBITDA margin	56%	57%	-1% ▼	53%	52%	1% ▲
Net Profit	129	105	23% ▲	356	255	40% ▲
Net Profit margin	32%	31%	2% ▲	27%	24%	3% ▲
EPS (SAR)				6.80	4.86	

Balance Sheet Summary

(SAR M)	31-Dec-23	31-Dec-22	Change %
Cash & cash equivalents	277	301	-8% ▼
Total Assets	3,401	2,674	27% ▲
Deferred Revenue	444	396	12% ▲
Total liabilities	2,309	1,759	31% ▲
Total equity	1,092	915	19% ▲

Cash Flows Summary

(SAR M)	FY 2023	FY 2022	Change %
Operating Cash Flows	686	673	2% ▲
Investing Cash Flows	-379	-184	106% ▲
Financing Cash Flows	-331	-369	-10% ▼
Free Cash Flows	307	490	-37% ▼



About Leejam Sports Company

Listed on the Saudi Stock Exchange (Tadawul), Leejam Sports Company SJSC owns and operates Fitness Time chains in Saudi Arabia and the United Arab Emirates.

Leejam's facilities provide a modern, clean, and welcoming environment for the community, filled with the latest in fitness technology, highly trained professional staff, and an operating philosophy that exceeds international standards.

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