





DISCLAIMER

Leejam Sports Company makes no representation or warranty of any kind, express, implied or statutory regarding this document or the materials and information contained or referred to on each page associated with this document. The material and information contained on this document is provided for general information only and should not be used as a basis for making business decisions. Any advice or information received via this document should not be relied upon without consulting primary or more accurate or more up-to-date sources of information or specific professional advice. You are recommended to obtain such professional advice where appropriate.

Leejam Sports Company accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of contents in the document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document.



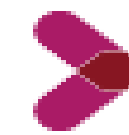
Leejam's Profile & Overview



Financial Performance



Strategic Report



Outlook FY 2021



Q&A

Leejam's Profile & Overview





Our Vision

To be the people's favourite and most accessible wellness club.

Our Mission

To steer society towards a healthy lifestyle and encourage people to exercise daily.

“More than just a gym”

From its humble beginnings, Leejam has continued in its path of evolution, fast becoming the region's largest operator of sports and fitness centers. Under the tutelage of the Company's vibrant, dynamic, and energetic core of key management personnel, with extensive experience in the industry, Leejam has been able to further diversify its offerings to create a so-called “One Stop Fitness Shop”, offering state-of-the-art facilities for all users, leading apparel lines and locations that people want to spend time in, in all corners of the Country.

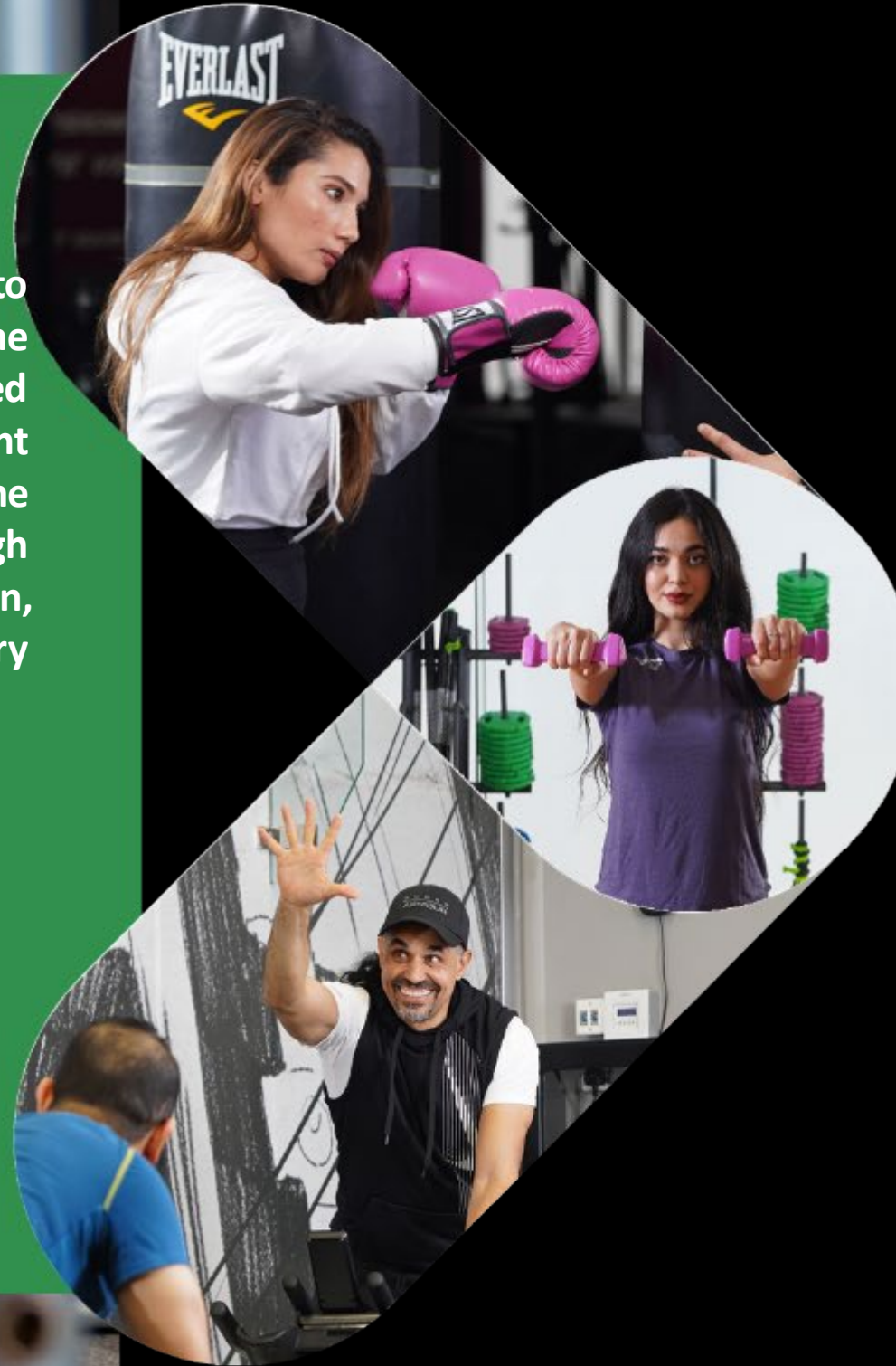
In addition, the leadership team pride themselves in knowing that the evolution of the brand under their guidance aligns directly with Saudi Arabia's Vision 2030; to get people exercising daily and to lead a healthier life.

Our Values

- Customer service excellence
- Integrity
- Responsibility
- Collaboration
- Innovation

Leejam Brands

Situated in strategically selected locations to provide an accessible fitness centre to the fitness communities, all centres are equipped with the latest in state-of-the-art equipment and facilities and are complimented by the Company's diverse range of offerings, through its tactically astute brand differentiation, incorporating choice offerings to suit every budget.



Leejam prides itself on its international and professional Fitness Team, designed to make Fitness Time the gym of choice. Leejam currently operates the following fitness brands:



Key Highlights

Item (SAR M)	Q2 2021	Q2 2020	Change %	Q2 2019	Change %
Revenue	221.9	24.4	810.9%	219.0	1.3%
Gross profit	85.7	(62.7)	-	81.5	5.2%
Operating Profit	64.1	(77.6)	-	65.5	(2.2%)
EBITDA	115.4	(25.2)	-	113.7	1.4%
Net Profit (Loss)	50.9	(91.0)	-	49.6	2.6%
Cash and cash equivalents	186.1	177.8	4.7%	25.5	629.8%

Item (SAR M)	1H 2021	1H 2020	Change %	1H 2019	Change %
Revenue	370.4	222.0	66.8%	436.3	(15.1%)
Gross profit	113.1	(10.7)	-	156.6	(27.8%)
Operating Profit	68.7	(56.7)	-	119.1	(42.3%)
EBITDA	170.5	45.6	273.4%	213	(19.9%)
Net Profit (Loss)	43.9	(84.8)	-	89.2	(50.8%)
Cash and cash equivalents	186.2	177.8	4.7%	25.5	629.8%



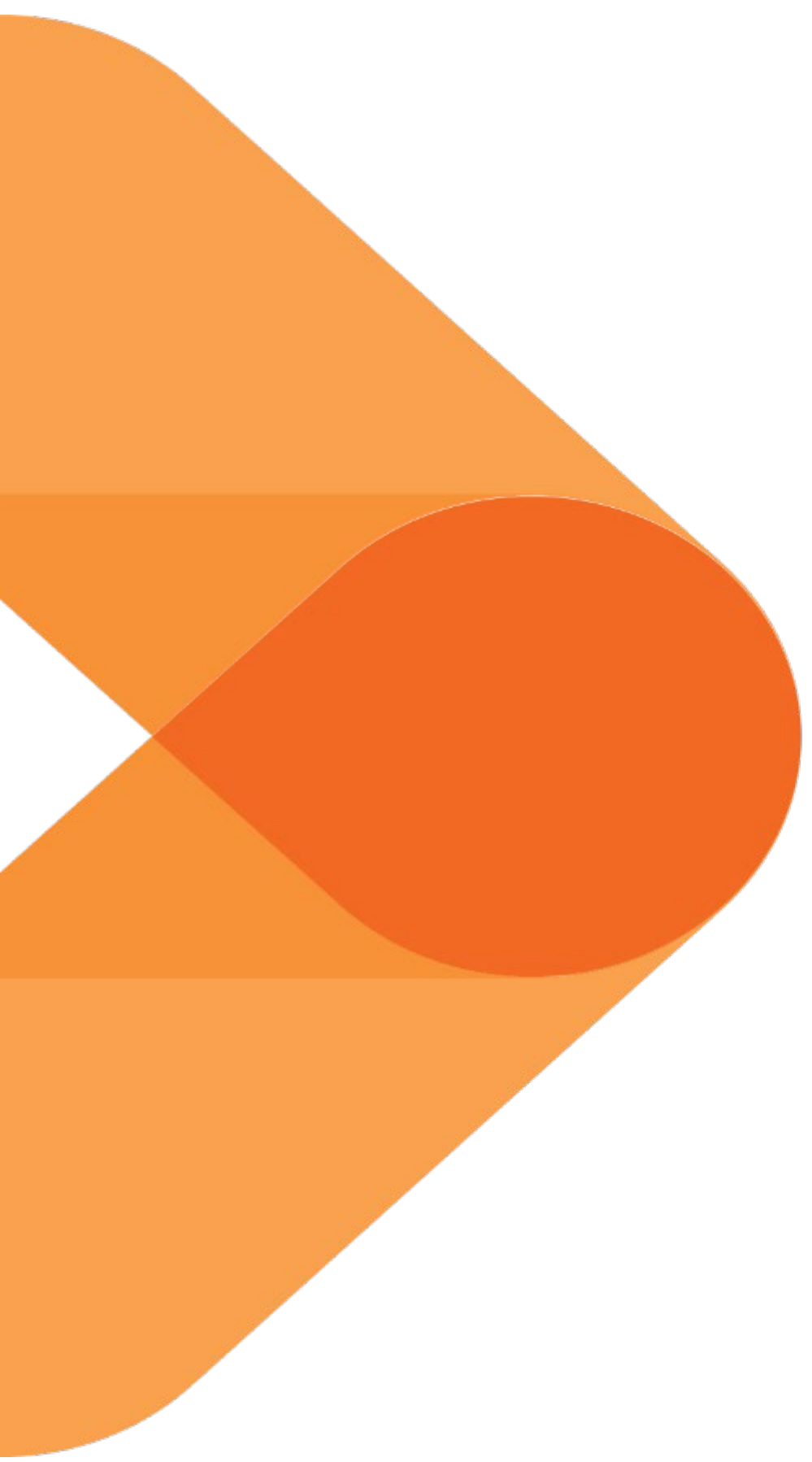
Staff and members from 37 different nationalities

Q2 2020 | Q2 2021



Q2 2020 | Q2 2021





Strategic Report

Business Model

Leejam's business model looks at the ways in which the Company is able to generate value for its stakeholders, along with the resources used to achieve all strategic objectives.

These are built taking consideration towards the Company's vision to be the people's favourite and most accessible wellness club, and the Company's mission to steer society towards a healthy lifestyle and encourage people to exercise daily.



The Approach

- Diligent and risk-based decision making
- Customer centricity
- Innovative and diverse range of products and services tailored to meet customer needs
- Focus on quality and efficiency



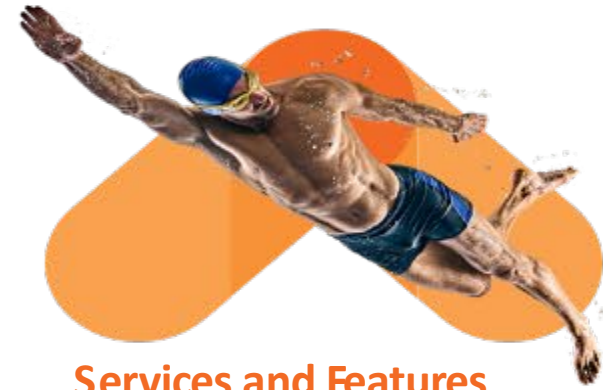
Value Proposition

- Long term lease of land and construction of state-of-the-art and technologically superior facilities
- High value membership
- Strategic locations
- Certified trainers and experts
- Brands catering to various KSA demographics
- Internationally certified training programs
- Provision of opportunities for women.



Inputs

- Finance
- Customer Service
- People
- Operational Efficiencies
- Represented Brands



Services and Features

- Cardio
- Strength
- Personal Training
- CrossFit Style
- High Intensity Interval Training (HIIT)
- Extreme Boxing
- Swimming



The Facilities

- Half Olympic Sized Pools
- Jacuzzi
- Sauna
- Steam
- Soccer, Basketball and Volleyball Courts
- Squash
- Lounges
- Business centres
- Showers
- Lockers
- Towels
- Slippers



Leejam's Value Creation

- Membership growth, retention and loyalty
- Sustainable returns for shareholders
- Steering society towards a healthy lifestyle
- Consistency in increasing market share.



Strategy

Leejam has carefully crafted its 3-year strategy to enable the Company to continue its upwards trajectory built on rapid growth, expansion, diversification and evolution. Every step of the Company's strategic pillars will support the Company in achieving its vision of becoming the people's favourite and most accessible wellness club. By aligning its daily activities with its strategy, the Company is determined to further create significant and sustainable value for its members, employees, shareholders and the Nation.

Strategy Pillars

➔ Unrivalled Customer Experience

To be recognized for unrivalled customer experience by exceeding expectations and providing industry leading communication channels, with a special focus on being easy-to-use and providing extensive access to Fitness Time Support. To provide an outstanding new member onboarding process (FT90), to maximize enjoyment and results in the club. To be proactive in listening to members through frequent customer satisfaction surveys. To instil in staff members a culture of customer focus through thorough and extensive recruitment practices, training, e-learning and regular testing and assessment.

➔ Class leading technology

To be a digital leader; The Neom of the Fitness sector. To deliver a "Best in Class" consumer App that enhances the Company's relationship with members and prospects and is enabled for all wearable integrations. To adopt "Smart Gym" through a connected experience for members providing a cashless and convenient environment. To complete the integration of automated business processes through Oracle and all other connected systems. To move to a cloud based office system, creating efficiency and collaboration. To create a unique Employee app that improves communication, supports training and provides a hub for all useful information. To be a leader in ESG through adoption of sustainable and renewable energy sources.

➔ Focusing on people

To become the Employer of choice through reputation and inspirational leadership. To provide clear, effective structures, rewarding hard work through shared success and creating a dynamic, positive, motivational working culture. To attract the best, retain the best and to grow from within through career development, succession planning and caring staff facilities. To develop a Leejam Academy to provide the best training and development for employees. To create a strong communication led culture with team building and goal achievement at its core by harnessing staff sentiment to the brand through organized and measured listening exercises. To become the 'Employer of Choice' that offers a positive and motivated working culture.



➔ Growth

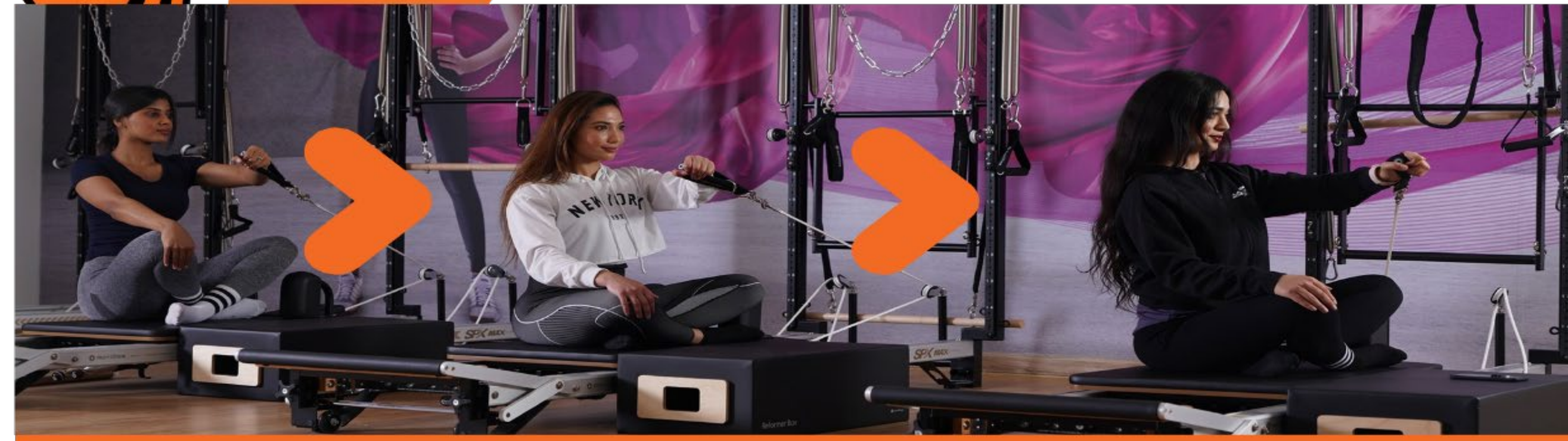
To increase the rate of expansion of fitness centres through:

- Traditional new clubs
- Corporate Wellness partnerships
- Small Gym concepts for males and females.

To balance expansion with maintaining brand quality/investment/operational excellence. To diversify and develop additional, secondary income lines e.g. Spa, Coffee, Retail, Protein, online such as Online Nutrition and Squat Wolf. To analyse pricing policies to ensure no loss-making clubs and to maximize on income opportunities. To increase membership to achieve 500k members by 2025. To use research and logic to ensure land acquisition targets have the highest prospects of success. To blend the Company's business focus on sales and adding considerable focus on retention.

➔ Quality

To build systems that guarantee a high degree of quality standards throughout the business (Total Quality Management). To introduce quality control measures audited by third parties, including mystery shop, NPS; which are linked to Company management development and rewards. To continually innovate with the latest Sports Equipment, trend setting group exercise, indoor cycling and HIIT Studios to strengthen Leejam's position as the market leader. To partner with winning brands that add kudos and value to all members. To preserve Leejam's exemplary reputation for having the highest hygiene standards. To provide the Company's operation with cutting edge data analytics in order to make sophisticated decisions that benefit both members and the business.



Strategy Framework

For Leejam to achieve on its strategic objectives, a clear and concise framework is required outlining the way in which the Company plans to execute its strategy and achieve its goals.



To lead by example

- Portray the core values of Leejam in all company activities starting with leadership and cascaded down to the entire organization.
- Coaching theme must be embraced for direct reports and mentoring the great talents in all teams to create a pool of outperformer.
- Conduct a well-planned meetings internally, scheduled one-on-one and team meetings regularly.
- Project the right image for the Company throughout the company and centres. Leadership image will reflect on Company's image.



To manage business performance

- Ensure all Financial KPIs are cascaded and distributed to departmental teams. Monitor approved KPIs on a monthly basis and immediate action plan for any deviation is required.
- Ensure all other KPIs (customers, regulatory, processes) are also cascaded down to all teams.
- As for Strategic projects and expansions, stakeholders must be accountable and responsible for execution within their allocated timeframes.



To ensure structure and process

- Driving improvement and enhancements across the organization. Without limitations, to set the strategy but continually scan the market locally and internationally, to adopt what is beneficial for future growth.
- Focus on evolution, diversification, innovation and digitalisation.

Risk Management

Leejam strives to ensure that its stakeholders, its reputation and the value of its assets are protected through effective risk assessment, identification and mitigation. The Company is committed to continually developing a risk management culture through its Risk Management Policy, framework and continual team development.



Risk Management Policy

The Company's risk management policy is to identify, assess, analyse and respond appropriately to all risks based on priority level defined by likelihood and impact. The risk management process is continuous and aligns with the Company's strategy, business objectives and operational goals. The Company has a system of policies, procedures and integrated operations through which risks are continuously identified, reported and managed in an organised, proactive and coordinated manner.



Risk Management Process

The Company's risk management policy is to identify, assess, analyse and respond appropriately to all risks based on priority level defined by likelihood and impact. The risk management process is continuous and aligns with the Company's strategy, business objectives and operational goals.

The Company has a system of policies, procedures and integrated operations through which risks are continuously identified, reported and managed in an organised, proactive and coordinated manner.



Risk Management and Controls

The Company, therefore, streamlines the actions of all staff, individually and collectively, towards achieving its business objectives. This entails the alignment of the objectives, risks and controls throughout the enterprise. It encompasses the respective business processes and operational activities undertaken by all levels of staff.



Risk Management Framework



Risk Management

Strategic Risk

Strategic Risks are those that failed business decisions pose to a company.

By continuing to diversify its customer base, the Company has negated this risk by continually adding new customers, both locally and internationally in different segments, thus eliminating concentration and spreading the Company's revenue income across a larger pool.

New competitors in the market and a change in the partnerships of existing competitors may affect The Company's market share. Failure to provide members with high quality products and services. To mitigate such risks, the Company maintains price discipline and leadership and maintains focus on choosing the best sites in a given geographical area. Leejam continues to invest in the member proposition and monitor utilisation and member satisfaction scores. Ongoing review of equipment usage is carried out to ensure timely replacements and the Company continuously explores further innovations to improve the member experience.

Financial Risk

1

Credit Risk

Failure of one party to fulfil its financial obligations as they fall due, causing financial losses to the other party.

To minimise the impact of credit risk, the Company sets a credit limit for individual customers and continuously monitors existing receivables.

2

Liquidity Risk

The inability to provide the funds necessary to fulfil its obligations with respect to financial instruments, which arises when it is not possible to sell a financial asset quickly at an amount close to its fair value.

The Company mitigates liquidity risk by engaging multiple banking institutions to ensure the best possible rates when sourcing the various, available financing options, and fully utilizes all available sources.

3

Currency Risk

The fluctuation of the financial value of the assets and financial liabilities due to the change in the foreign exchange rates.

Currency risk is mitigated by ensuring all the material transactions of the company are made in either Saudi Arabian Riyals or in US Dollars.

The Company also always agrees in advance on a fixed exchange rate with suppliers for all goods, equipment or material which are purchased from abroad, prior to import, mainly carried out in US Dollars, owing to the Saudi Arabian Riyal being pegged to the US Dollar, which negates this risk.

Operational Risk

The failure to maintain adequate security and safety environment as well as regulatory non-compliance causing interruptions in business.

Leejam mitigates operational risk through maintaining appropriate security equipment and tracking systems at club level, as well as through training and development of staff and carrying out regular audit checks.

To minimise the risk of non-compliance with regulatory bodies, the Company ensures oversight of management on regulatory compliances and seeks appropriate legal and expert advice for complex matters. This is complemented by the recruitment of suitably qualified staff and the provision of their continuous professional development through training.

To ensure minimal interruption to service, the Company has prepared a fully qualified maintenance department that employ highly skilled and specialized technicians in addition to stocking of critical spare parts for the production lines to ensure minimal disruption and downtime in the event of a breakdown.

Information Technology Risk

The threat to a Company's business data, critical systems and business processes, and the lack of a Company's IT performance/

The ability to enrol members, carry out online marketing activity, process payments and control gym access is dependent on the performance of our IT systems. The IT risks are mitigated by ensuring primary IT infrastructure is fully managed by specialist IT companies with best practice architecture and support. Backing up all membership and business information, ensuring all sensitive information is encrypted and ensuring a robust disaster recovery and business continuity plans is also essential in minimising the risk to Leejam.

People Risk

The risk that staff either leave or that they do not follow company procedure or practices.

The Company mitigates this risk through various initiatives to be the employer of choice in its sector, by implementing individual personal development programs and by ensuring the highest level of ongoing training, as well as utilising a full and clear succession planning process.

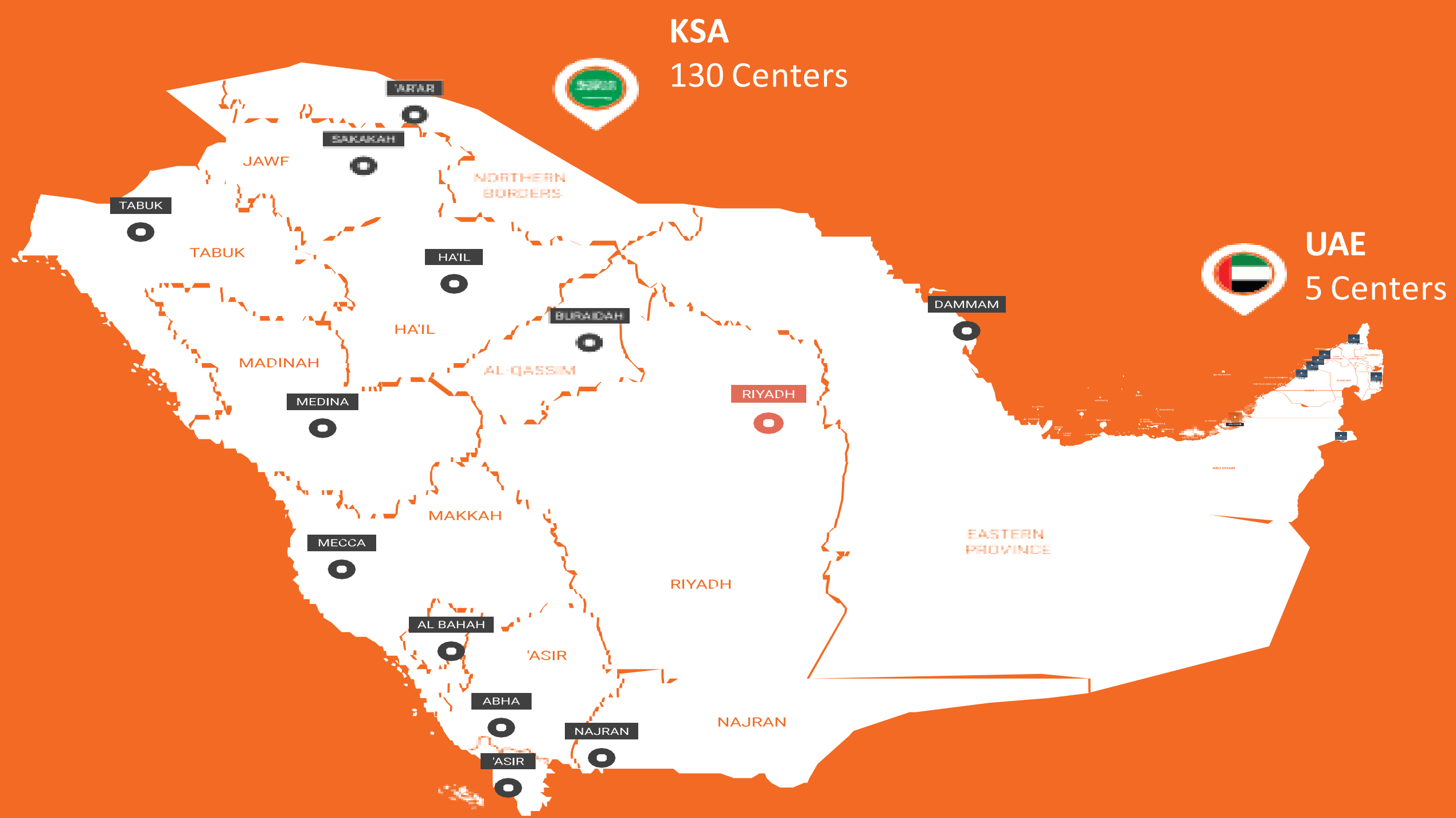
Insurance Risk

The risk of an outcome that an insurance company has agreed to insure against in the policy wordings, which has the potential to cause financial loss, property damage or bodily harm were it to occur.

To ensure there is no risk to the Company, its property or any of its stakeholders, the Company continuously reviews and updates its insurance policies and ensures the adequacy of these policies for their requirements.



Locations



Key Features



Targeted at age

Males 25 yrs+ Males 16 yrs+ Males 16 yrs+ Males 16 yrs+ Females 25 yrs+ Females 16 yrs+ Females 16 yrs+ Females 16 yrs+

No. of Centers

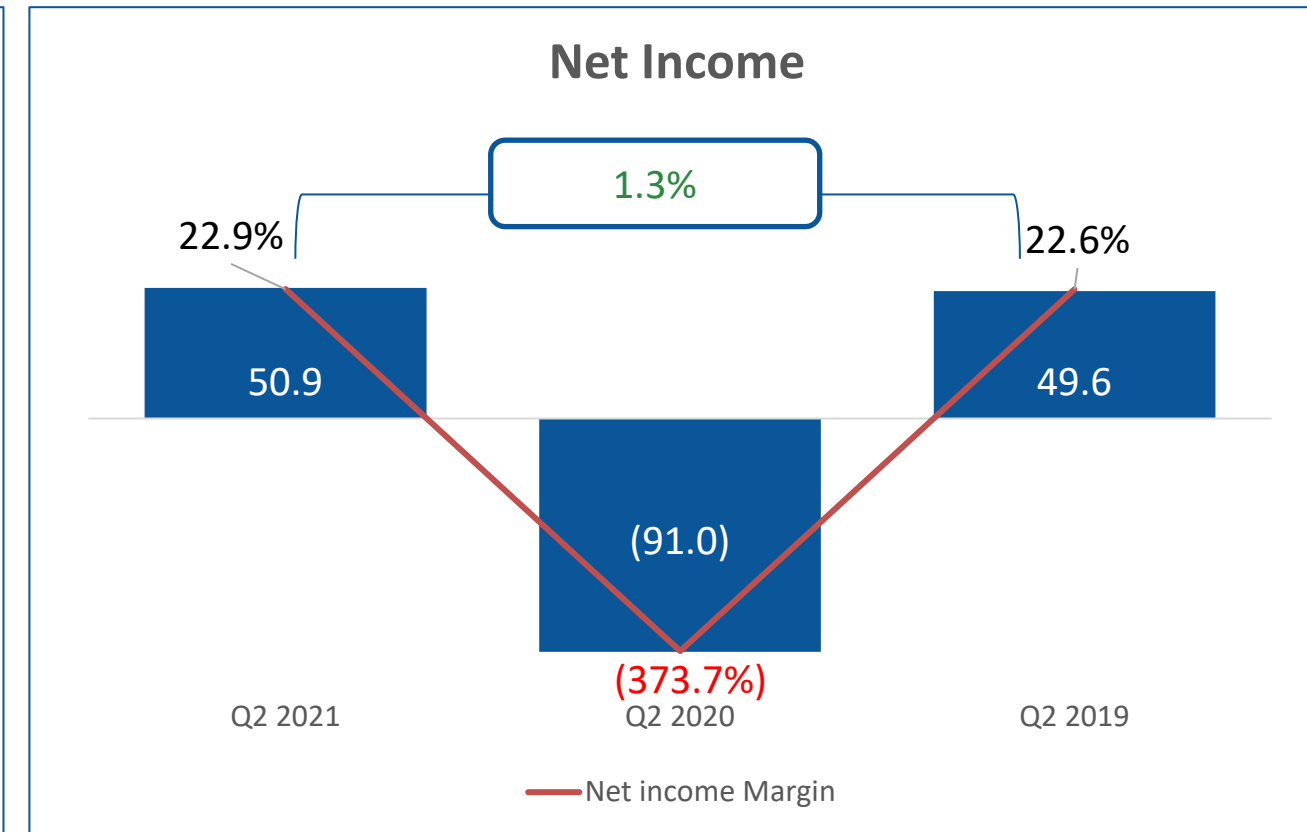
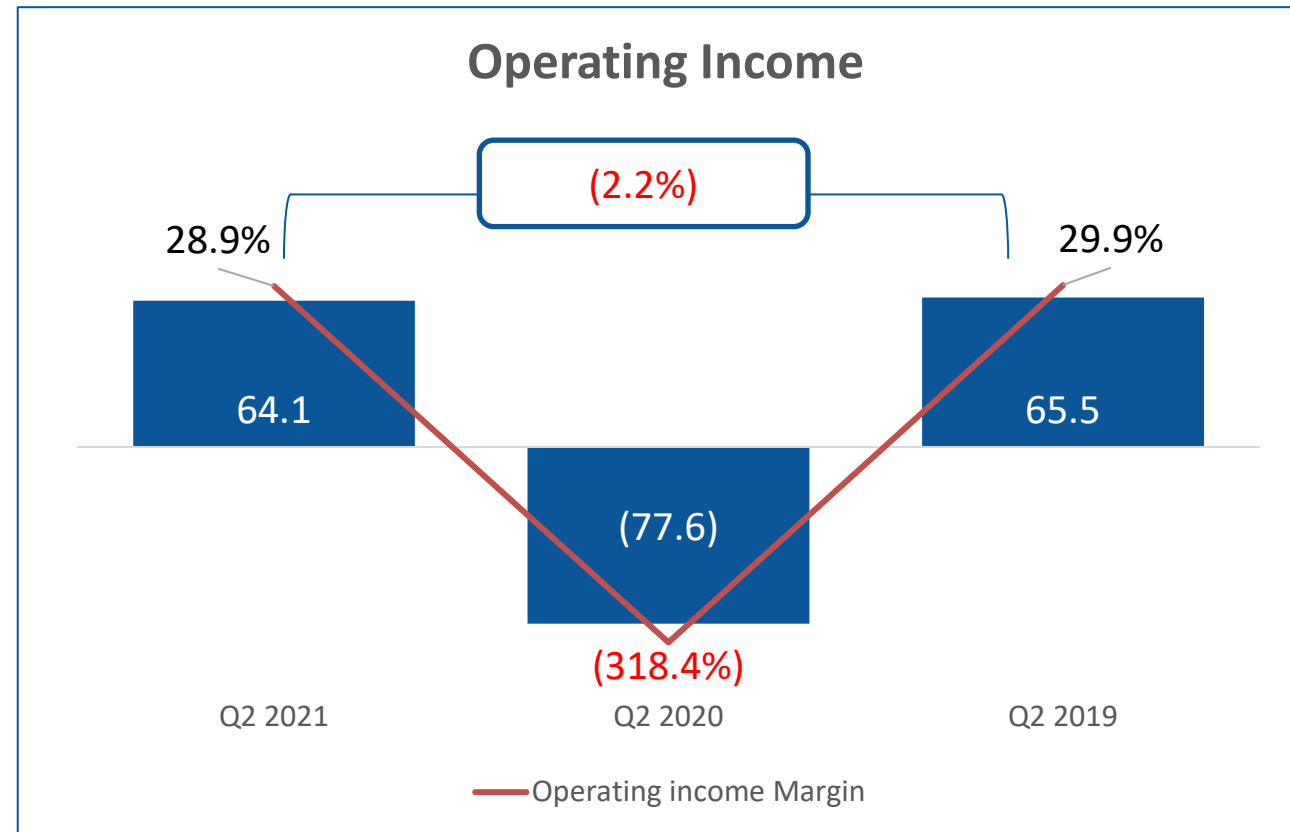
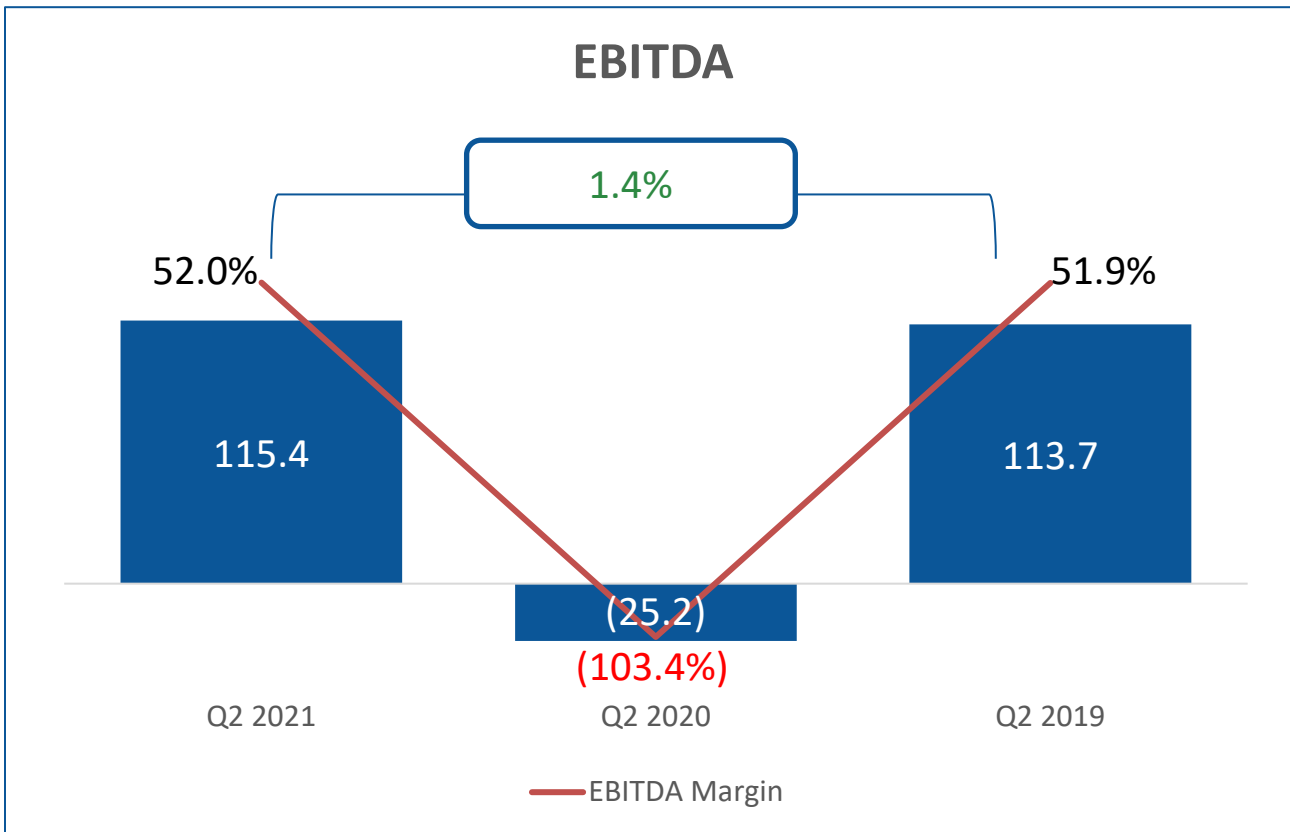
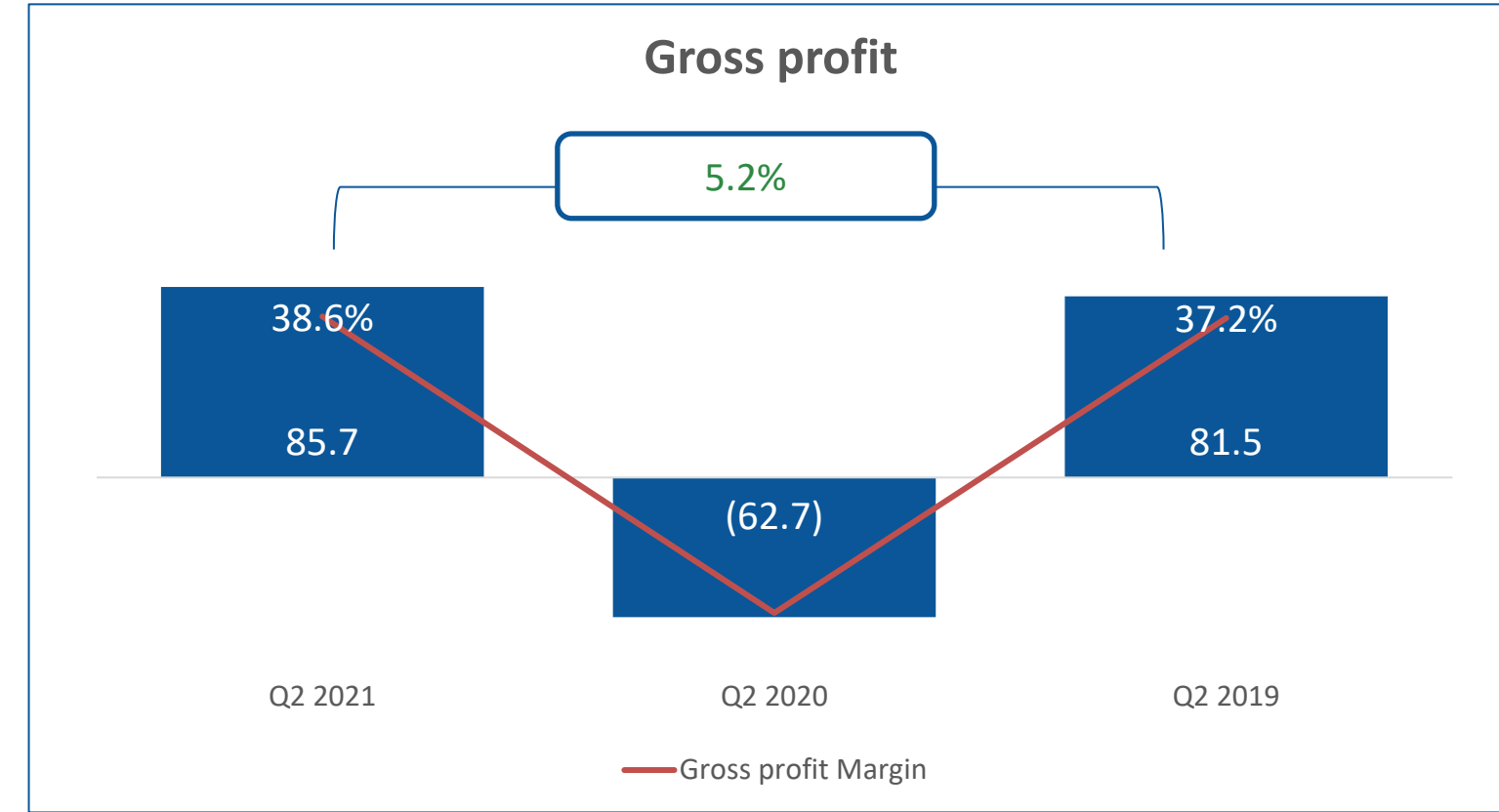
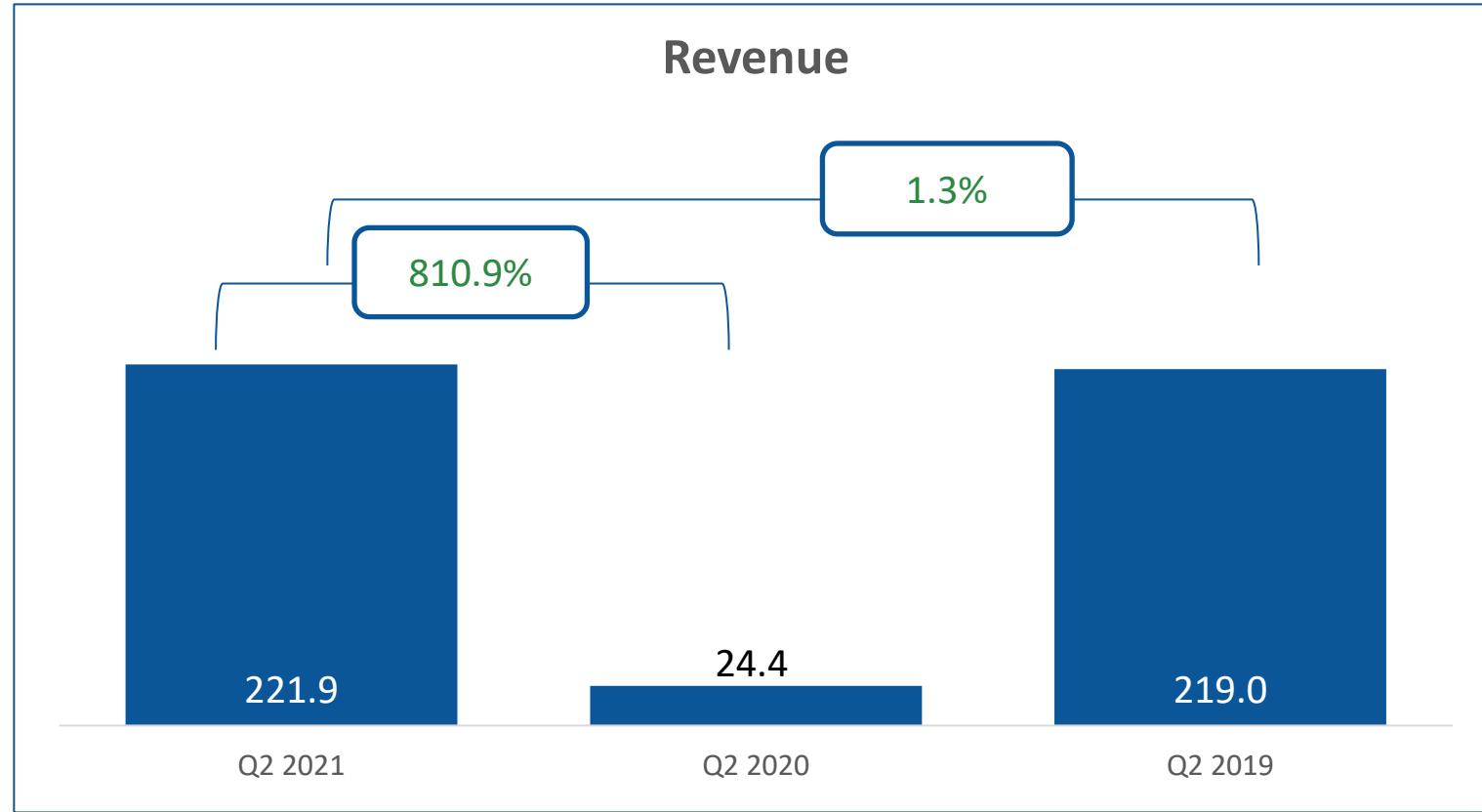
3 52 35 7 0 31 5 2

Financial Performance

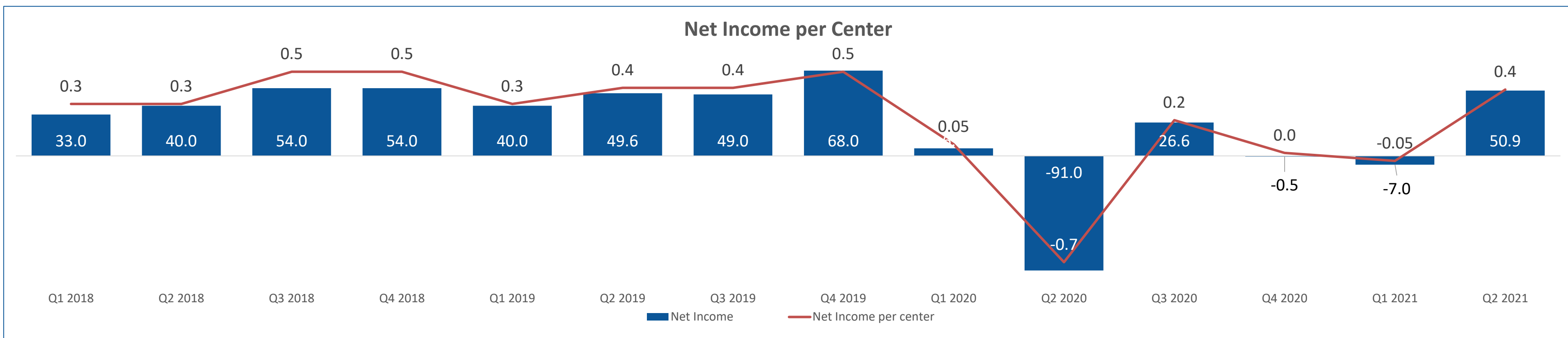
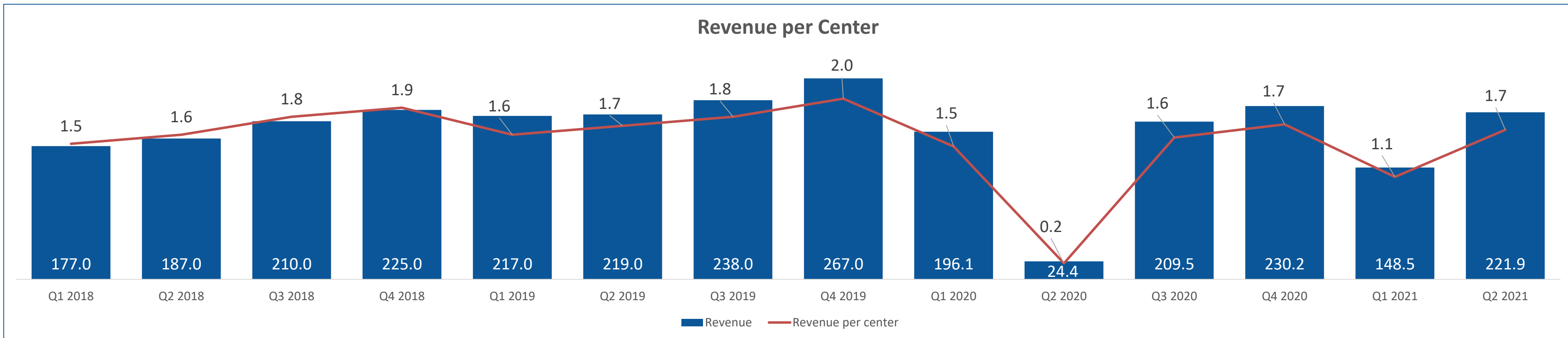


Profitability – Q2 2021

Amounts in million (SAR)



Amounts in million (SAR)

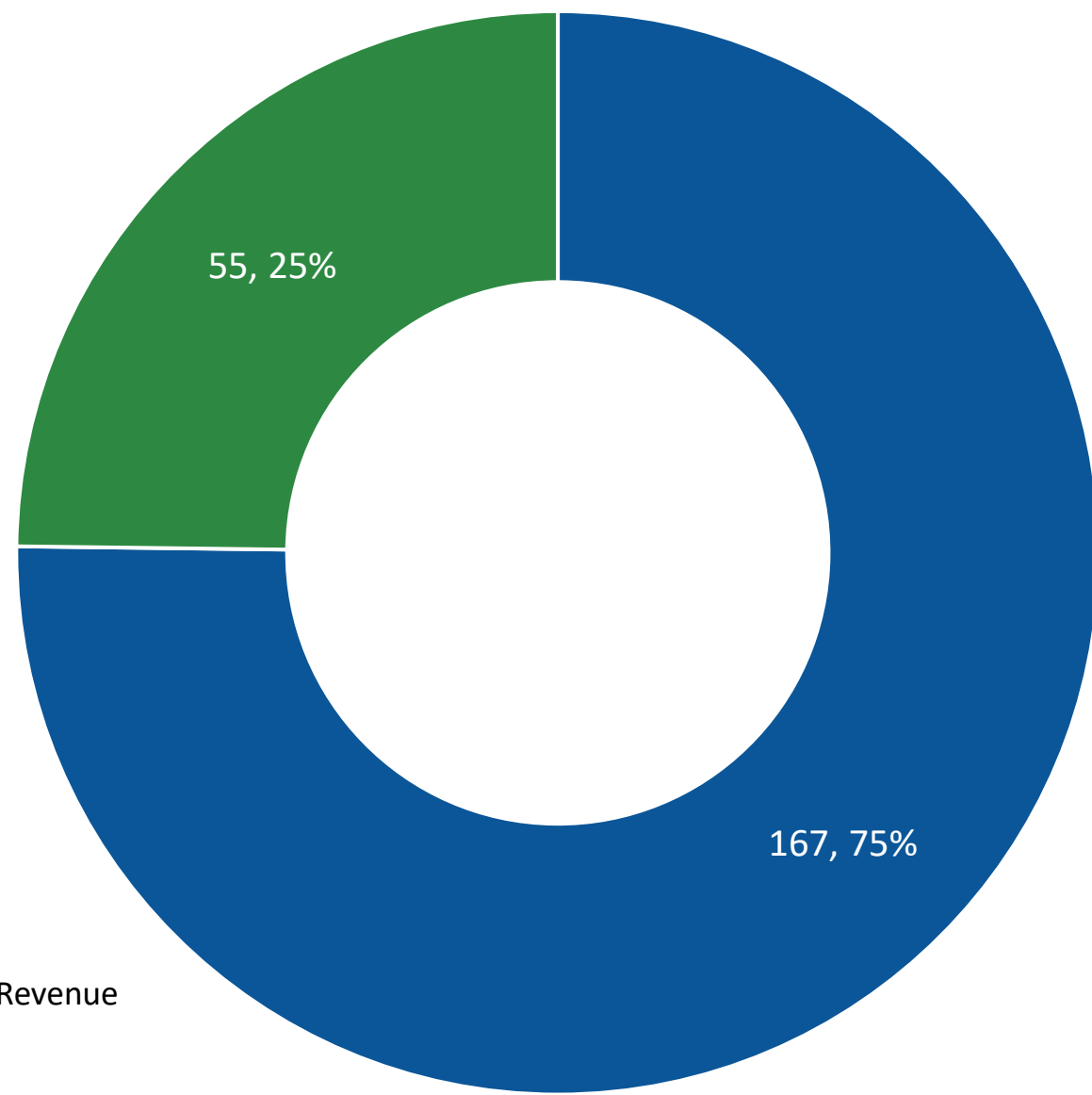




Revenue Break-Down Q2 2021

Amounts in million (SAR)

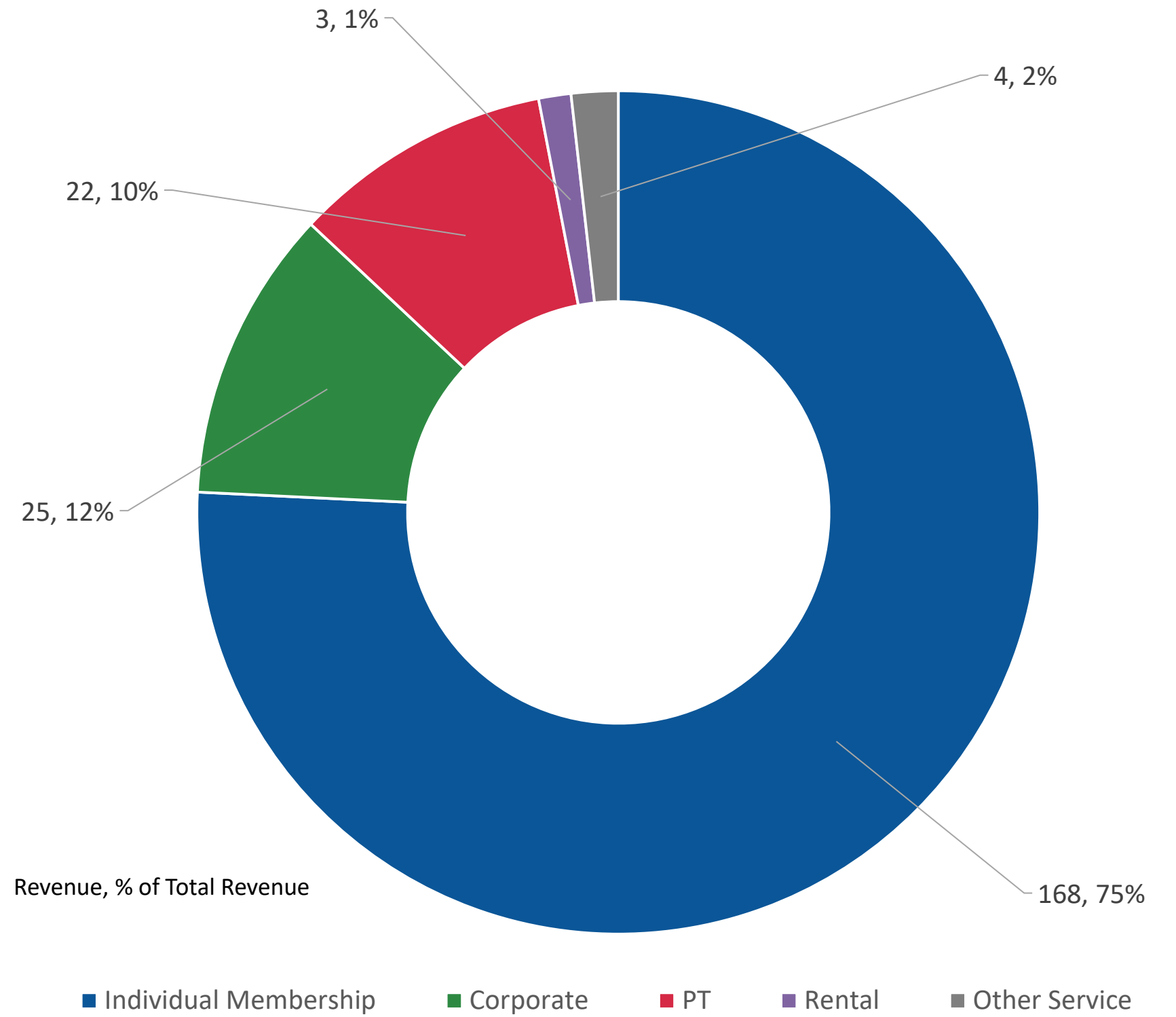
Q2 2021



■ Male
Revenue, % of Total Revenue

■ Female

Q2 2021



Revenue, % of Total Revenue

■ Individual Membership

■ Corporate

■ PT

■ Rental

■ Other Service

Q2 2021 P&L

Amounts in million (SAR)

SR M	Q2 2021	Q2 2020	Δ	Δ%	Q2 2019	Δ	Δ%
Revenue	221.9	24.4	197.5	810.9%	219.0	2.8	1.3%
Cost of revenue	(136.1)	(87.0)	(49.1)	56.4%	(137.5)	1.4	(1.0%)
Gross profit	85.7	(62.7)	148.4	236.8%	81.5	4.2	5.2%
Gross profit Margin	38.6%	(257.3%)	295.9%	115.0%	37.2%	1.43%	3.8%
General and administrative expenses	(19.9)	(13.2)	(6.6)	50.0%	(14.3)	(5.6)	38.9%
Advertising and marketing expenses	(4.4)	(1.0)	(3.3)	320.7%	(3.5)	(0.9)	25.5%
Impairment reversal/(loss) on financial assets	0.4	(0.9)	1.3	143.9%	(0.8)	1.2	(145.9%)
Impairment loss on fixed assets and advances to suppliers	(0.8)	0.0	(0.8)	-	0.0	(0.8)	0.0%
Other (expenses) / income, net	3.0	0.3	2.7	1075.9%	2.6	0.4	13.5%
Operating income	64.1	(77.6)	141.7	182.7%	65.5	(1.4)	(2.2%)
Operating income Margin	28.9%	(318.4%)	347.3%	109.1%	29.9%	(1.02%)	(3.4%)
Finance charges	(12.0)	(13.6)	1.6	12.1%	(14.6)	2.6	(18.1%)
Net income before Zakat	52.1	(91.2)	143.3	157.2%	50.9	1.2	2.4%
Zakat	(1.2)	0.2	(1.4)	(825.7%)	(1.3)	0.1	(6.2%)
Net income	50.9	(91.0)	141.9	155.9%	49.6	1.3	2.6%
Net income Margin	22.9%	(373.7%)	396.6%	106.1%	22.6%	0.30%	1.3%
Basic earnings per shares	0.97	(1.74)	2.7	155.7%	0.95	0.02	2.1%
EBITDA	115.4	(25.2)	140.5	558.2%	113.7	1.6	1.4%
EBITDA Margin	52.0%	(103.4%)	155.3%	150.3%	51.9%	0.07%	0.1%

Key Messages:

- ❖ Revenue increased by SR 197.5M representing 810.9% due to:
 - Membership revenue Increased by SR 171.5M due to high subscription Income
 - Personal Training (PT) revenue Increased by SR 20.9M due to more session conducted
 - Rental income and other income increased by SR 5.1M due to new real estate contracts and high sales of other services.
- ❖ Overall Cost of revenue increased by 56.4% mainly due to more operating days (91 days in current quarter Vs 10 days in similar quarter of the previous year). In similar quarter of the previous year the Gym was closed for 81 Day by the government to prevent the Covid pandemic.
- ❖ General & administrative and Advertising & marketing cost increased mainly due to more operating days in current quarter.
- ❖ Other income increased by SR 2.7M mainly due to discount taken from landlords against the lease payment.
- ❖ Finance cost decreased by SR 1.7M mainly due to less loans and low interest rate compared to similar quarter of the previous year.

1H 2021 P&L

Amounts in million (SAR)

SR M	1H 2021	1H 2020	Δ	Δ%	1H 2019	Δ	Δ%
Revenue	370.4	222.0	148.4	66.8%	436.3	(65.9)	(15.1%)
Cost of revenue	(257.3)	(232.7)	(24.6)	10.6%	(279.7)	22.4	(8.0%)
Gross profit	113.1	(10.7)	123.8	(1160.6%)	156.6	(43.5)	(27.8%)
Gross profit Margin	30.5%	(2.9%)	33.4%	(1160.6%)	35.9%	(5.4%)	(14.9%)
General and administrative expenses	(40.9)	(35.4)	(5.5)	15.4%	(34.5)	(6.4)	18.6%
Advertising and marketing expenses	(8.1)	(9.7)	1.6	(16.4%)	(7.1)	(1.0)	14.3%
Impairment reversal/(loss) on financial assets	0.5	(1.2)	1.6	(140.3%)	(1.0)	1.5	(147.5%)
Impairment loss on fixed assets and advances to suppliers	(2.0)	0.0	(2.0)	-	0.0	(2.0)	-
Other (expenses) / income, net	6.1	0.3	5.9	2300.4%	5.0	1.1	21.8%
Operating income	68.7	(56.7)	125.4	(221.2%)	119.1	(50.4)	(42.3%)
Operating income Margin	18.5%	(25.5%)	44.1%	(172.7%)	27.3%	(8.7%)	(32.1%)
Finance charges	(23.5)	(28.1)	4.6	(16.3%)	(27.6)	4.1	(14.7%)
Net income before Zakat	45.2	(84.8)	129.9	(153.3%)	91.5	(46.3)	(50.7%)
Zakat	(1.2)	0.0	(1.2)	-	(2.3)	1.1	(46.7%)
Net income	43.9	(84.8)	128.7	(151.8%)	89.2	(45.3)	(50.8%)
Net income Margin	11.9%	(38.2%)	50.0%	(131.1%)	20.4%	(8.6%)	(42.0%)
Basic earnings per shares	0.8	(1.6)	2.5	(151.9%)	1.7	(0.0)	(50.6%)
EBITDA	170.5	45.6	124.8	273.5%	213.0	(42.6)	(20.0%)
EBITDA Margin	46.0%	20.6%	25.5%	123.9%	48.8%	(2.8%)	(5.7%)

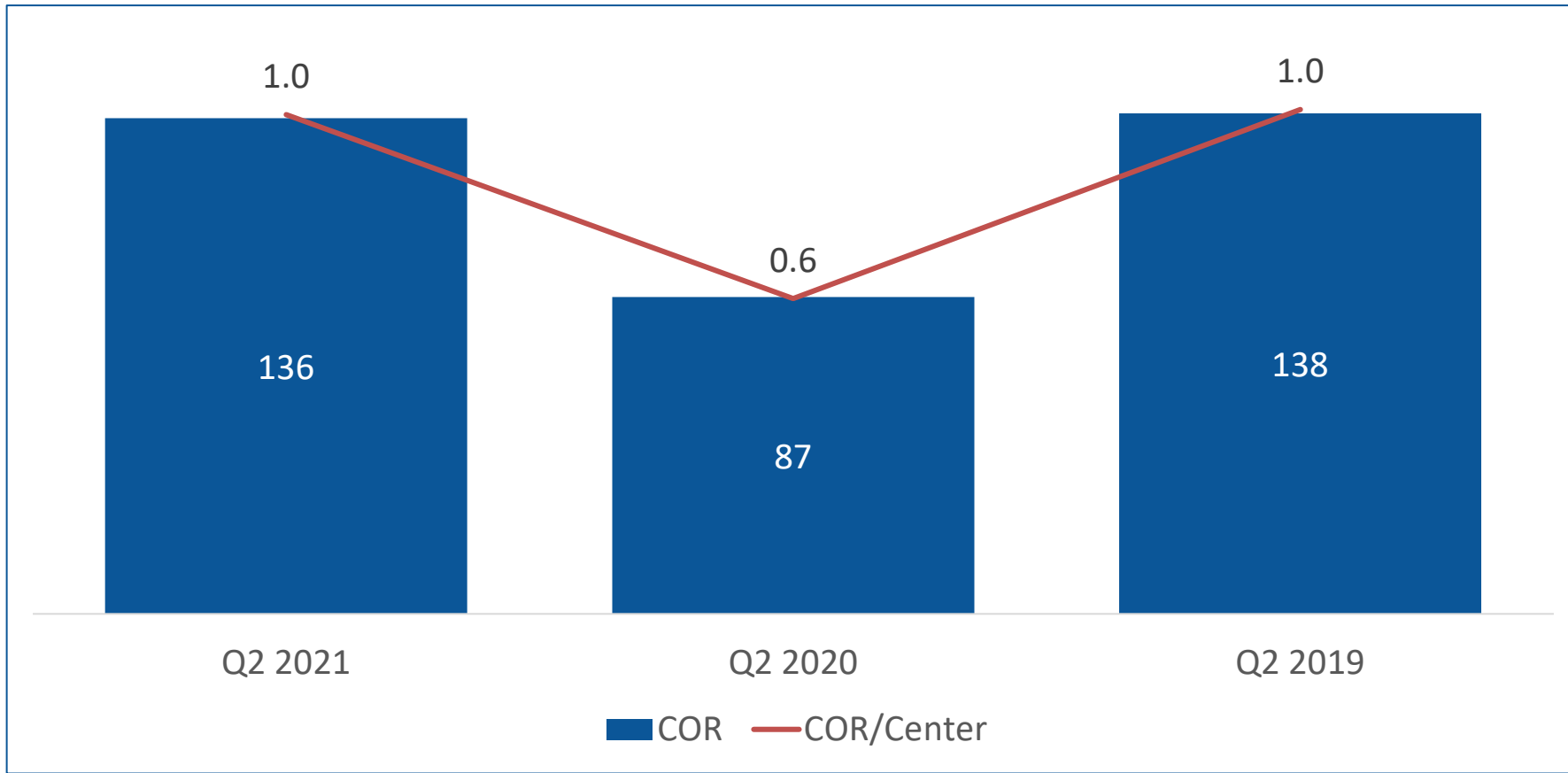
Key Messages:

- ❖ Increase in revenue by SR 148.4M mainly driven by:
 - Membership revenue Increased by SR 126M due to high subscription Income
 - Personal Training (PT) revenue Increased by SR 17.6M due to more session conducted
 - Rental income and other income increased by SR 4.8M due to new real estate contracts and high sales of other services
- ❖ Overall Cost of revenue increased by 10.6% mainly due to more operating days (151 days in current year Vs 84 days in previous year). In current year the Gym was closed for 30 Day (previous year 98 days) by the government to prevent the Covid pandemic.
- ❖ General & administrative and Advertising & marketing cost increased mainly due to more operating days in current year Vs Last Year.
- ❖ Other income increased by SR 5.9M mainly due to more discounts taken from landlords against the lease payment.
- ❖ Finance cost decreased by SR 4.6M mainly due to less loans and Lower interest rates.



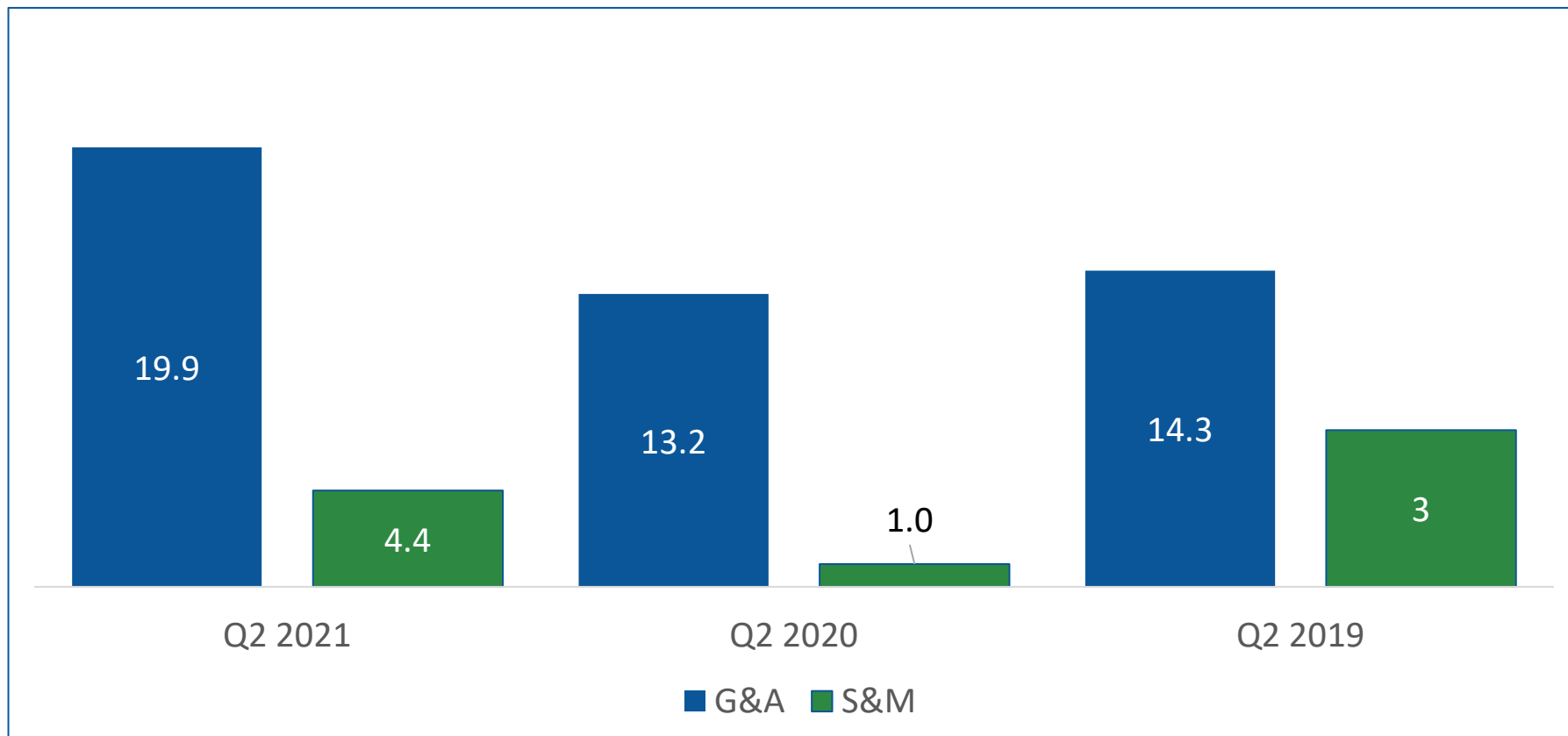
Q2 COR & SG&A

Amounts in million (SAR)



Key Messages:

- ❖ 58% increase in average COR / center is mainly driven by:
 - More operating days (91 days in current quarter Vs 10 days in similar quarter of the previous year). In similar quarter of the previous year the Gym was closed for 81 Day by the government to prevent the Covid pandemic.



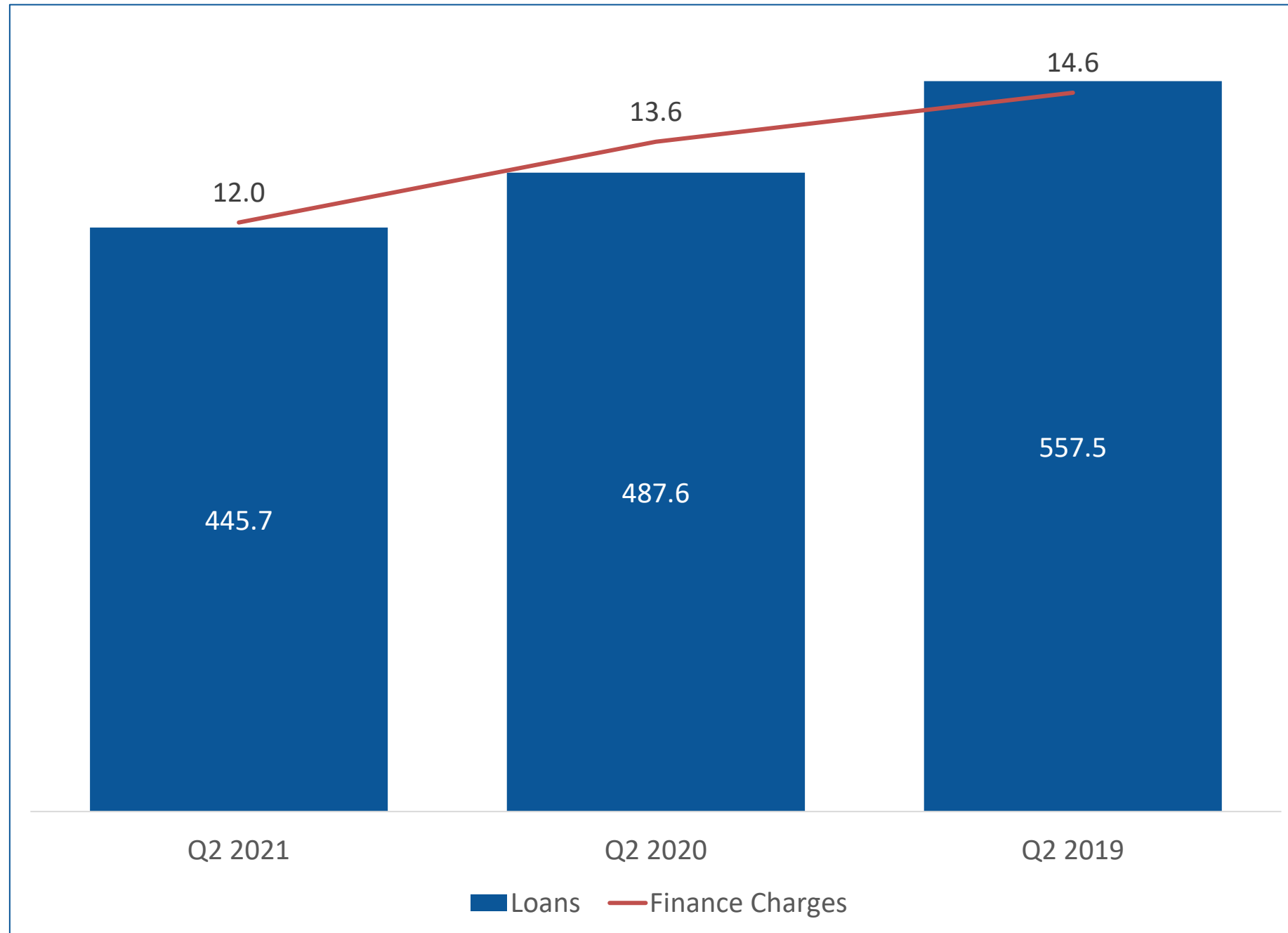
Key Messages:

- ❖ 50% increase in G&A & 321% decrease in S&M is mainly driven by:
 - More operating days in current quarter.



Loans & Finance Charges

Amounts in million (SAR)

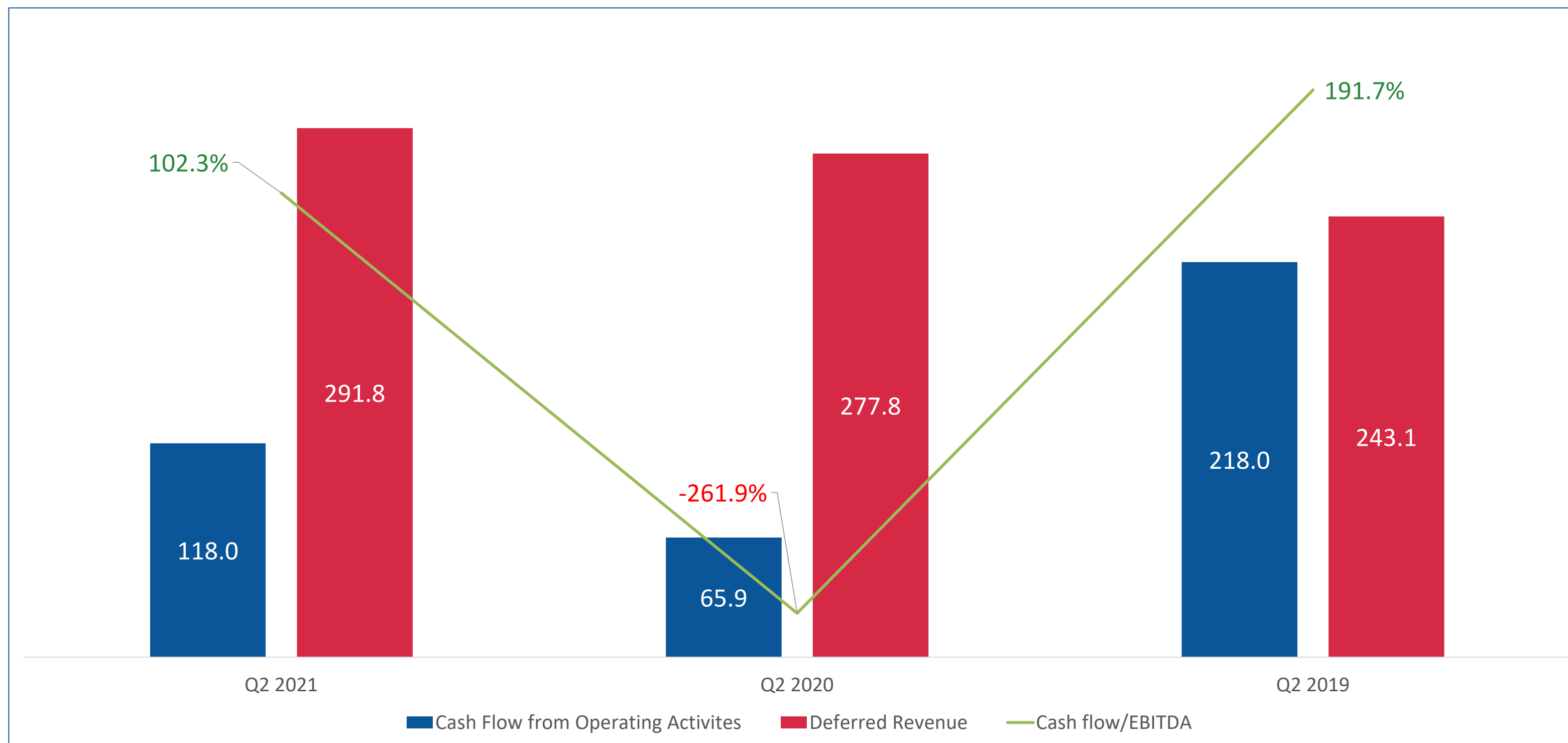


Key Messages:

- ❖ Overall bank loan decreased by SR 42M, however Cash increased by SR 8.4M
- ❖ Approximate 50-60% split by managing the portfolio between floating & fixed rated borrowings.
- ❖ Weighted average cost of borrowings approximate 2.5% during Q2 2021 comparing last year of 4.0% due to decrease in SIBOR and better negotiation of interest rates.

Cash Generation

Amounts in million (SAR)

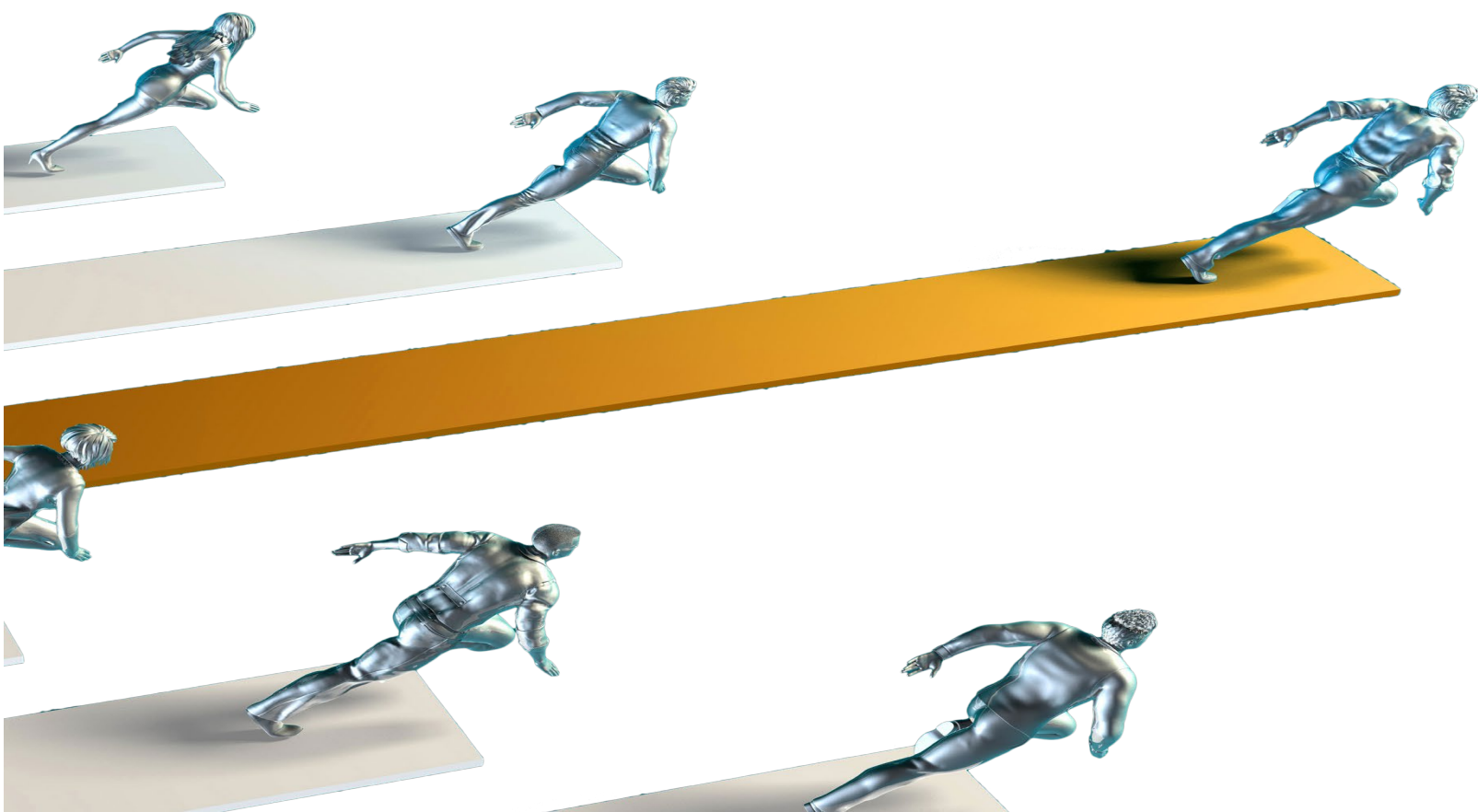


2021 Outlook

Tentative Guidance:

2021 growth will be driven by:

- Further openings of 13-17 Xpress Clubs
- Further openings of 1-3 female centers
- Continuing LFL growth and ramp up of non-LFL & new centers
- Expanding corporate & PT business
- Gradual improvement of realized prices
- Launching New App & Website by Q3
- Launching New Membership System by Q3
- Cost control, and improving customer experience, member retention & services.
- Launching recurring payment by 2nd Half.



Category	Current	Expected (Range)
	30-Jun-21	31-Dec-21
Female - Xpress	2	3 to 5
Female - Big Box	36	40 to 42
Male - Big Box	90	90 to 90
Male - Xpress	7	20 to 30
Total	135	150 to 167

Category	Expected CAPEX (Range) SAR
	Per Center
Xpress Format	2.5M to 5M
Big Box Format	15M to 20M



LEEJAM
LEEJAM

Q&A

Thank You

For enquires, please contact the Investor Relations Department at:
investor.relations@leejam.com.sa