KING KHALID UNIVERSITY ENDOWMENT FUND
(MANAGED BY ALINMA CAPITAL COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

AND INDEPENDENT AUDITOR'S REVIEW REPORT

Interim condensed financial statements
For the six-month period ended 30 June 2026

INDEX **PAGE**

LYCA

Alluhaid & Alyahya Chartered Accountants
A Limited Liability Company
Paid up capital SR 100,000 - CR:1010468314
Kingdom of Saudi Arabia Riyadh King Fahd Road
Muhammadiyah District, Grand Tower 12 th Floor

Independent auditor's review report on the interim condensed financial statements
To the Unitholders of King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of King Khalid University Endowment Fund ("the Fund") being managed by Alinma Capital Company (the "Fund Manager") as at 30 June 2026, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting ("IAS 34")" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

for Alluhaid & Alyahya Chartered Accountants

Saleh A. Alyahya
Certified Public Accountant
License number 473

Riyadh: 20 Safar 1448H
(3 August 2026)

8
س.ت. ١٠١٠٤٦٨٣١٤
LYCA
اللحيد واليحيى محاسبون قانونيون
Alluhaid & Alyahya
Chartered Accountants

P.O.Box 85453, Riyadh 11691 - Fax +966112694419 - Tel. +966112693516

Interim condensed statement of financial position

	Notes	***30 June 2026 (Unaudited) SR***	*31 December 2025 (Audited) SR*
ASSETS			
Bank balance		**358,429**	1,387,184
Financial assets at fair value through profit or loss (“FVTPL”)	5	**48,574,619**	51,356,481
Financial assets at amortized cost	6	**13,826,434**	11,828,570
Receivable related to financial assets at FVTPL	5	**3,482,018**	1,290,436
TOTAL ASSETS		**66,241,500**	65,862,671
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other current liabilities		**1,114,606**	781,869
TOTAL LIABILITIES		**1,114,606**	781,869
EQUITY			
Net assets attributable to unitholders of redeemable units		**65,126,894**	65,080,802
TOTAL LIABILITIES AND EQUITY		**66,241,500**	65,862,671
Redeemable units in issue (numbers)		**6,565,569**	6,511,611
Net asset value attributable to unit holders (SR)		**9.92**	9.99

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.

Interim condensed statement of profit or loss and other comprehensive income

	Notes	*For the six months period ended 30 June* **2026 (Unaudited) SR**	*2025 (Unaudited) SR*
INCOME			
Income (loss) from financial assets at FVTPL	5	**840,040**	(6,228)
Special commission income		**668,712**	907,222
Dividend income		**308,947**	278,068
TOTAL INCOME		**1,817,699**	1,179,062
EXPENSES			
Management fees	7	**(280,838)**	(376,409)
Charge for expected credit loss (“ECL”)	6	**(2,908)**	(7,212)
Other expenses		**(97,222)**	(158,587)
TOTAL EXPENSES		**(380,968)**	(542,208)
NET INCOME FOR THE PERIOD		**1,436,731**	636,854
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,436,731**	636,854

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.

Interim condensed statement of cash flows

	For the six months period ended 30 June	
	2026	*2025*
	(Unaudited)	*(Unaudited)*
	SR	*SR*
OPERATING ACTIVITIES		
Net income for the period	**1,436,731**	636,854
Adjustments for:		
(Income) loss from financial assets at FVTPL	**(840,040)**	6,228
Special commission income	**(668,712)**	(907,222)
Dividend income	**(308,947)**	(278,068)
Charge for expected credit loss	**2,908**	7,212
	(378,060)	(534,996)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at FVTPL	**3,621,902**	(16,093,961)
(Increase) decrease in financial assets at amortised cost	**(1,955,252)**	11,946,735
(Increase) decrease in receivable related to financial assets at FVTPL	**(2,191,582)**	3,581,687
Increase in accrued expenses and other current liabilities	**332,737**	448,347
	(570,255)	(652,188)
Special commission income received	**623,192**	1,439,883
Dividends received	**308,947**	278,068
Net cash flows generated from operating activities	**361,884**	1,065,763
FINANCING ACTIVITY		
Proceeds from issuance of units	**537,182**	27,632
Distributions to beneficiary	**(1,927,821)**	-
Net cash flows (used in) generated from financing activities	**(1,390,639)**	27,632
NET (DECREASE) INCREASE IN BANK BALANCE	**(1,028,755)**	1,093,395
Bank balance at beginning of the period	**1,387,184**	238,307
BANK BALANCE AT THE END OF THE PERIOD	**358,429**	1,331,702

Interim condensed statement of changes in equity

	For the six months period ended 30 June	
	2026	*2025*
	(Unaudited)	*(Unaudited)*
	SR	*SR*
EQUITY AT THE BEGINNING OF THE PERIOD	**65,080,802**	66,616,495
Comprehensive income:		
Net income for the period	**1,436,731**	636,854
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**1,436,731**	636,854
Distributions to beneficiary (note 10)	**(1,927,821)**	-
	64,589,712	67,253,349
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	**537,182**	27,632
Net change from unit transactions	**537,182**	27,632
EQUITY AT THE END OF THE PERIOD	**65,126,894**	67,280,981

REDEEMABLE UNIT TRANSACTIONS

Transactions in redeemable units for the period are summarised as follows:

	For the six months period ended 30 June	
	2026	*2025*
	(Unaudited)	*(Unaudited)*
	Units	*Units*
UNITS AT THE BEGINNING OF THE PERIOD	**6,511,611**	**6,507,514**
Units issued during the period	**53,958**	**2,763**
UNITS AT THE END OF THE PERIOD	**6,565,569**	**6,510,277**

1 INCORPORATION AND ACTIVITIES

King Khalid University Endowment Fund (the "Fund"), is an open-ended Shariah compliant public fund created under an agreement between Alinma Capital Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank"), and King Khalid University (the "Beneficiary"), in accordance with the Capital Market Authority (the "CMA") regulations.

The Fund aims to enhance the developmental role of King Khalid University, authorized by the General Authority for Awqaf, by developing the endowed assets of the Fund and investing them in a way that achieves principle of social solidarity. The Fund Manager will invest in the financial assets and distribute a percentage of the proceeds (endowment yields) at least once annually to King Khalid University to be spent on the specified endowment expenditures.

The CMA granted approval for the establishment of the Fund on 16 Sha'ban 1445H (corresponding to 26 February 2024). The Fund commenced its operations on 27 Dhul Qi'dah 1445H (corresponding to 4 June 2024). The Fund has also obtained approval from General Authority of Awqaf on 12 Jumada al-Alkhirah 1445H (corresponding to 25 December 2023) for raising public subscription for endowments. In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. Furthermore, the King Khalid University is considered to be the beneficial owner of the assets of the Fund.

The Fund is managed by Alinma Capital Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the CMA of the Kingdom of Saudi Arabia ("CMA") under license number 09134-37.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

The Fund has appointed NOMW Capital Company for Financial Consultant (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund. Custodian owns 99% of the shares in the SPV and 1% is held by the Fund Manager.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements for the six-months period ended 30 June 2026 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The Fund Manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2025.

3 BASIS OF PREPARATION (continued)

3.2 Basis of measurement
These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets at FVTPL which are measured at fair value. The interim condensed statement of financial position is stated broadly in order of liquidity. All assets and liabilities are current in nature except for certain non-current financial assets at amortized and financial assets at FVTPL which are disclosed in notes to the interim condensed financial statements.

3.3 Functional and presentation currency
These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

3.4 Use of judgements, estimates and assumptions
In preparing these interim condensed financial statements, the Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in preparing the interim condensed financial statements are consistent with those followed in preparing the Fund’s annual financial statements for the year ended 31 December 2025, except for the application of the new amendments that became effective on 1 January 2026.

A) Currently effective accounting standard amendment:	**Effective date**
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS accounting Standards – Volume 11	1 January 2026

B) Forthcoming IFRS new accounting standards or amendments:	**Effective date**
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely

The Fund Manager anticipates that these new standards, interpretations and amendments will be adopted in the financial statements for the period of initial application. Adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Fund except for IFRS 18 in the period of initial application which is detailed below:

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Fund Manager has not early adopted the new accounting standard in preparing these interim condensed financial statements. IFRS 18 introduces the following key new requirements:
- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Fund Manager is still in the process of evaluating the effects of the initial application of IFRS 18, particularly with respect to the structure of the Fund’s statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Fund Manager is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as “other”. Given that the Fund's primary activity is investing in financial assets, most investment income and expenses are expected to be presented within the operating category. However, no impact on net assets value or net income and total comprehensive income is anticipated as result of adoption of IFRS 18.

5 FINANCIAL ASSETS AT FVTPL

Financial assets classified at FVTPL comprised of investments in discretionary equity portfolio, public and private mutual funds, REITs and sukuk as detailed below which are registered in the Kingdom of Saudi Arabia.

	30 June 2026 (Unaudited)		*31 December 2025 (Audited)*	
	Cost (SR)	***Fair value (SR)***	*Cost (SR)*	*Fair value (SR)*
Discretionary equity portfolio	**24,354,868**	**22,682,702**	25,901,919	23,790,530
Public fund	**8,742,817**	**9,627,004**	15,764,363	17,025,346
Real Estate Investment Trusts (REITs)	**6,815,190**	**6,769,174**	6,815,190	6,680,120
Private funds	**3,124,869**	**3,113,239**	1,874,869	1,860,485
Sukuk	**6,300,000**	**6,382,500**	2,000,000	2,000,000
	49,337,744	**48,574,619**	52,356,341	51,356,481

Discretionary equity portfolio comprised of investment in equity instruments listed and traded on Tadawul.

The Fund holds perpetual sukuk issued by counterparties operating in Kingdom of Saudi Arabia. These Sukuk have no fixed maturity and carry an average special commission rate of 7.0% per annum. (31 December 2025: 6.0% per annum)

The income from financial assets at FVTPL during the period amounted to SR 840,040 (for the period ended 30 June 2025 a loss of SR 6,228) which comprised of realized gain (loss) on disposal and movement in change in fair value of financial assets.

Receivables related to financial assets at FVTPL were as follows:

	30 June 2026 (Unaudited) SR	*31 December 2025 (Audited) SR*
Advance for subscription of units of funds	**3,403,199**	1,250,000
Accrued special commission income on sukuk	**78,819**	40,436
	3,482,018	1,290,436

6 FINANCIAL ASSETS AT AMORTISED COST

	30 June 2026 (Unaudited) SR	*31 December 2025 (Audited) SR*
Sukuks (i)	**13,725,335**	11,731,700
Accrued special commission income	**114,640**	107,503
	13,839,975	11,839,203
Less: Allowance for ECL (note 6.1)	**(13,541)**	(10,633)
	13,826,434	11,828,570

6 FINANCIAL ASSETS AT AMORTISED COST (continued)

(i) This represents Sukuks issued by a counterparties operating in Kingdom of Saudi Arabia, with original maturities ranging from 1 to 5 years, and carry an average special commission rate of 7.96% per annum. (31 December 2025: 8.48% per annum).

The remaining maturity of these sukuk are as follows:

	30 June 2026 (Unaudited) SR	**% of value**	*31 December 2025 (Audited) SR*	% of value
Within one year	**3,000,000**	**22%**	3,000,000	26%
Later than one year and not later than 5 years	**10,725,335**	**78%**	8,731,700	74%
	13,725,335	**100%**	11,731,700	100%

6.1 *Allowance for expected credit loss*

The movement in allowance of ECL on financial assets at amortised cost during the period/year is as follows:

	30 June 2026 (Unaudited) SR	*31 December 2025 (Audited) SR*
At the beginning of the period/year	**10,633**	17,652
Charge (reversal) for ECL for the period/year	**2,908**	(7,019)
At the end of the period/year	**13,541**	10,633

7 RELATED PARTY TRANSACTIONS AND BALANCES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are governed by limit set by the terms and conditions. All related party transactions are disclosed to the Fund Board of Director.

Related parties of the Fund include the Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

a) Management fees

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the annual rate of 0.75% that are calculated twice a week based on the net assets value of the Fund.

b) Brokerage fees

The Fund Manager charges 0.0015% brokerage fees on the purchases and sales of financial assets at FVTPL.

c) Board of Directors remuneration

Each independent member of the Board of Directors is allowed SR 5,000 per meeting with a maximum fee of SR 20,000 in a year. During the period, Board remuneration was charged amounting to SR 19,836 (30 June 2025: SR 6,548).

7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

7.1 Related party transactions

The following are the details of the significant transactions with related parties during the period:

Name of related party	*Nature of relationship*	*Nature of transactions*	***30 June 2026 (Unaudited) SR***	*30 June 2025 (Unaudited) SR*
Alinma Capital Company	Fund Manager	Management fees	**(280,838)**	(376,409)
		Brokerage fees	**-**	(14,700)
Financial assets at FVTPL	Funds Managed by the Fund Manager	Dividends	**218,466**	190,427
Fund Board	Board members	Fund Board fees	**(19,836)**	(6,548)

7.2 Related party balances

Period/year end receivables (payables) arising from transactions with related parties are as follows:

Name of related party	*Nature of balance*	***As at 30 June 2025 (Unaudited) SR***	*As at 31 December 2025 (Audited) SR*
Alinma Bank	Cash at bank	**86,047**	202,535
	Sukuk	**2,000,000**	-
Funds Managed by the Fund Manager	Financial assets at FVTPL	**15,920,943**	22,330,170
Fund Manager	Management fees payable	**(860,692)**	(504,220)
Fund Board	Board remuneration accrual	**(29,900)**	(20,065)

8 FINANCIAL RISK MANAGEMENT

8.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below presents information of financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

	Level 1 SR	***Level 2 SR***	***Level 3 SR***	***Total SR***
As at 30 June 2026				
Financial assets at FVTPL	**29,451,876**	**19,122,743**	**-**	**48,574,619**
As at 31 December 2025				
Financial assets at FVTPL	30,470,650	20,885,831	-	51,356,481

The value of financial assets at FVTPL amounting to SR 29,451,876 (31 December 2025: SR 30,470,650) are based on quoted market prices of equity instruments listed in Saudi Stock Exchange (Tadawul) and are therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 19,122,743 (31 December 2025: SR 20,885,831) are based on latest available redemption price of the mutual fund as determined by the relevant fund manager and the quoted prices for the underlying instruments and therefore classified within Level 2 of the fair value hierarchy.

8 FINANCIAL RISK MANAGEMENT (continued)

Management believes that at the reporting date the fair value of all other financial assets and liabilities that are classified as amortized cost approximate their carrying values owing to their short-term tenure and the fact that these are readily realizable. These are all classified within Level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

9 COMPARATIVE FIGURES

Certain comparative financial information has been reclassified to conform with the current period's presentation. This reclassification had no impact on the previously reported net assets or results of operations.

10 LAST VALUATION DAY

The last valuation date of the period was 30 June 2026 (31 December 2025: 31 December 2025).

11 DISTRIBUTION TO BENEFICIARY

As per the terms and conditions of the Fund, the Fund’s Board of Directors has approved distributions for the period ended 30 June 2026 amounting to SR 1,927,821 (30 June 2025: SR Nil).

12 SUBSEQUENT EVENTS

There were no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 20 Safar 1448H (corresponding to 3 August 2026).