

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

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

AND INDEPENDENT AUDITOR'S REVIEW REPORT

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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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 2025, 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: 9 Safar 1446H
3 August 2025

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	Notes		
ASSETS			
Bank balance		1,331,702	238,307
Financial assets at fair value through profit or loss ("FVTPL")	5	52,394,809	36,307,076
Financial assets at amortized cost	6	14,131,425	26,618,033
Advance for acquisition of financial assets at FVTPL		-	3,391,967
Receivable against purchase of financial assets at FVTPL		-	189,720
TOTAL ASSETS		67,857,936	66,745,103
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other current liabilities	7	576,955	128,608
TOTAL LIABILITIES		576,955	128,608
EQUITY			
Net assets attributable to unitholders of redeemable units		67,280,981	66,616,495
TOTAL LIABILITIES AND EQUITY		67,857,936	66,745,103
Redeemable units in issue (numbers)		6,510,277	6,507,514
Net asset value attributable to unit holders (SR)		10.33	10.24

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

		<i>For the six-month period ended 30 June 2025 (Unaudited) SR</i>
	<i>Notes</i>	
INCOME		
Loss from financial assets at FVTPL	5	(6,228)
Special commission income		907,222
Dividend income		278,068
TOTAL INCOME		1,179,062
EXPENSES		
Management fees	7	(376,409)
Charge for expected credit loss ("ECL")	6	(7,212)
Other expenses		(158,587)
TOTAL EXPENSES		(542,208)
NET INCOME FOR THE PERIOD		636,854
Other comprehensive income		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		636,854

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

*For the six-month
period ended 30 June
2025
(Unaudited)
SR*

OPERATING ACTIVITIES

Net income for the period	636,854
<i>Adjustments for:</i>	
Loss from financial assets at FVTPL	6,228
Special commission income	(907,222)
Dividend income	(278,068)
Charge for expected credit loss	7,212
	<hr/> (534,996)
<i>Changes in operating assets and liabilities:</i>	
Increase in financial assets at FVTPL	(16,093,961)
Decrease in financial assets at amortised cost	11,946,735
Decrease in advance for acquisition of financial assets at FVTPL	3,391,967
Decrease in receivable against purchase of financial assets at FVTPL	189,720
Increase in accrued expenses and other current liabilities	448,347
	<hr/> (652,188)
Special commission income received	1,439,883
Dividends received	278,068
	<hr/>
Net cash flows from operating activities	1,065,763

FINANCING ACTIVITY

Proceeds from issuance of units	27,632
	<hr/>
Net cash flows from financing activities	27,632
	<hr/>
Net increase in cash and cash equivalents	1,093,395
Cash and cash equivalents at beginning of the period	238,307
	<hr/>
BANK BALANCE AT THE END OF THE PERIOD	1,331,702

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

*For the six-month
period ended 30 June
2025
(Unaudited)
SR*

EQUITY AT THE BEGINNING OF THE PERIOD

66,616,495

Comprehensive income:

Net income for the period

636,854

Other comprehensive income for the period

-

Total comprehensive income for the period

636,854

67,253,349

CHANGE FROM UNIT TRANSACTIONS

Proceeds from issuance of units

27,632

Net change from unit transactions

27,632

EQUITY AT THE END OF THE PERIOD

67,280,981

REDEEMABLE UNIT TRANSACTIONS

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

*Unaudited
For the six-month
period ended 30 June
2025
(Unaudited)*

Units

UNITS AT THE BEGINNING OF THE PERIOD

6,507,514

Units issued during the period

2,763

UNITS AT THE END OF THE PERIOD

6,510,277

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

King Khalid University Endowment Fund (Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2025

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 beneficiary is committed to disbursement of endowment yields for education, research and innovation.

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.

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 2025 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 2024.

The Fund’s commenced its operations on 4th of June 2024, accordingly, the first financial statements covered the period from 4 June 2024 to 31 December 2024; hence, no comparative has been presented for the statements of interim condensed statement of profit or loss and other comprehensive income, cash flows and change in equity in these interim condensed financial statements.

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 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.

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 adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2024 except for the adoption of new amendments to standards effective as of 1 January 2025. Certain amendments apply for the first time in 2025, but do not have an impact on the interim condensed financial statements of the Fund.

a) NEW CURRENTLY EFFECTIVE REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Management anticipates that these new standards, interpretations and amendments will be adopted in the interim condensed financial statements for the period of initial application. Adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed financial statements in the period of initial application

b) FORTHCOMING IFRS REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	
Annual Improvements to IFRS Accounting Standards – Volume 11	
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	
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

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 June 2025

5 FINANCIAL ASSETS AT FVTPL

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

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Discretionary equity portfolio (i)	24,555,181	24,469,351	21,435,030	22,042,156
Public fund	19,849,536	19,975,431	7,224,576	7,439,330
Real Estate Investment Trusts (REITs)	6,887,864	6,721,747	6,741,094	6,825,590
Private funds	1,200,000	1,228,280	-	-
	<u>52,492,581</u>	<u>52,394,809</u>	<u>35,400,700</u>	<u>36,307,076</u>

(i) This represents amount invested in a discretionary portfolio which comprised of equities listed on Tadawul. The loss from financial assets at FVTPL during the period amounted to SR 6,228.

As of 30 June 2025, there are no advance for acquisition of financial assets at FVTPL (31 December 2024: 3,391,967).

As of 30 June 2025, there are no receivable against purchase of financial assets at FVTPL (31 December 2024: 189,720).

6 FINANCIAL ASSETS AT AMORTISED COST

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Sukuks (i)	14,023,700	10,370,435
Murabaha deposit (ii)	-	15,600,000
Accrued special commission income	132,589	665,250
	<u>14,156,289</u>	<u>26,635,685</u>
Less: Allowance for ECL (note 6.1)	<u>(24,864)</u>	<u>(17,652)</u>
	<u>14,131,425</u>	<u>26,618,033</u>

(i) This represents Sukuks issued by a counterparties operating in Kingdom of Saudi Arabia, with original maturities no later than 5 years, and carry an average special commission rate of 7.65% per annum. (31 December 2024: 7.60% per annum).

(ii) This represents Murabaha deposits placed with banks operating in Kingdom of Saudi Arabia and other GCC countries with original maturity withing one year and carry an average special commission rate of 5.97% per annum as at 31 December 2024.

The remaining maturity of these sukuk are as follows:

	30 June 2025	% of value	31 December 2024	% of value
Later than one year and not later than 5 years	<u>14,023,700</u>	<u>100%</u>	<u>10,370,435</u>	<u>100%</u>

King Khalid University Endowment Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 June 2025

6 FINANCIAL ASSETS AT AMORTISED COST (Continued)

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 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period/year	17,652	-
Charge for allowance for ECL	7,212	17,652
At the end of the period/year	24,864	17,652

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) Board of Directors remuneration

Each independent member of the Board of Directors is allowed SR 5,000 per meeting with a maximum fees of SR 20,000 in a year. During the period, Board remuneration was charged amounting to SR 10,000 for 2 independent board members.

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 2025 (Unaudited) SR
Alinma Capital Company	Fund Manager	Management fees	(376,409)
		Brokerage fees	(14,700)
Fund Board	Board members	Fund Board fees	(6,548)

7.2 Related party balances

Period end balance payable arising from transactions with related parties are as follows:

Name of related party	Nature of relationship	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Alinma Capital Company	Management fees payable	(376,409)	(45,101)

King Khalid University Endowment Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2025

8 FINANCIAL RISK MANAGEMENT

8.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses 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.

<i>As at 30 June 2025</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL	<u>31,191,098</u>	<u>21,203,711</u>	<u>-</u>	<u>52,394,809</u>
<i>As at 31 December 2024</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL	<u>28,867,746</u>	<u>7,439,330</u>	<u>-</u>	<u>36,307,076</u>

The value of financial assets at FVTPL amounting to SR 31,191,098 (31 December 2024: SR 28,867,746) are based on quoted market prices listed in Tadawul and are therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 21,203,711 (31 December 2024: SR 7,439,330) are based on the net assets value of the mutual fund and therefore classified within Level 2 of the fair value hierarchy.

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 LAST VALUATION DAY

The last valuation date of the period was 30 June 2025 (31 December 2024: 31 December 2024).

10 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.

11 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 6 Safar 1447H (corresponding to 31 July 2025).