

Consolidated Financial Statements

**The Malala Fund U.S. and
Malala Fund Nigeria**

**For the Year Ended March 31, 2026
With Summarized Financial
Information for 2025**

The Malala Fund U.S. and Malala Fund Nigeria

Table of Contents
For the Year Ended March 31, 2026
With Summarized Financial Information for 2025

Independent Auditor's Report	2
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Change in Net Assets	7
Consolidated Statement of Functional Expenses	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10
Supplemental Information	20
Consolidating Schedule of Financial Position	21
Consolidating Schedule of Activities and Change in Net Assets	22



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Malala Fund U.S. and Malala Fund Nigeria
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of The Malala Fund U.S. and Malala Fund Nigeria (collectively, "the Organization"), which comprise the consolidated statement of financial position as of March 31, 2026, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of March 31, 2026, and the consolidated change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2025 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position and the Consolidating Schedule of Activities and Change in Net Assets on pages 21 and 22 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financials statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

September 25, 2026

The Malala Fund U.S. and Malala Fund Nigeria

Consolidated Statement of Financial Position

As of March 31, 2026

With Summarized Financial Information for 2025

ASSETS

	2026	2025
CURRENT ASSETS		
Cash and cash equivalents	\$ 53,638,807	\$ 8,018,613
Investments	30,656,458	28,418,380
Contributions receivable	163,690	148,966
Pledges receivable, net	7,833,650	9,941,130
Prepaid expenses	157,324	97,752
Grant advances	-	811,506
Total current assets	92,449,929	47,436,347
FIXED ASSETS		
Furniture and fixtures	19,172	19,172
Leasehold improvements	154,283	154,283
Less: Accumulated depreciation and amortization	(103,437)	(78,677)
Net fixed assets	70,018	94,778
NONCURRENT ASSETS		
Pledges receivable, net	1,571,451	5,928,821
Operating lease right-of-use assets, net	866,134	1,096,297
Security deposits	73,243	36,797
Total noncurrent assets	2,510,828	7,061,915
Total Assets	\$ 95,030,775	\$ 54,593,040

See accompanying notes to consolidated financial statements.

The Malala Fund U.S. and Malala Fund Nigeria

Consolidated Statement of Financial Position

As of March 31, 2026

With Summarized Financial Information for 2025

LIABILITIES AND NET ASSETS

	2026	2025
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 396,499	\$ 556,371
Accrued salaries and related benefits	544,052	403,402
Grants payable	5,954,966	7,478,802
Operating lease liabilities	266,250	231,289
Total current liabilities	7,161,767	8,669,864
NONCURRENT LIABILITIES		
Grants payable	2,268,225	1,933,839
Operating lease liabilities, net	752,770	1,019,020
Total noncurrent liabilities	3,020,995	2,952,859
Total liabilities	10,182,762	11,622,723
NET ASSETS		
Without donor restrictions	75,108,320	27,034,914
With donor restrictions	9,739,693	15,935,403
Total net assets	84,848,013	42,970,317
Total Liabilities and Net Assets	\$ 95,030,775	\$ 54,593,040

See accompanying notes to consolidated financial statements.

The Malala Fund U.S. and Malala Fund Nigeria

Consolidated Statement of Activities and Change in Net Assets
For the Year Ended March 31, 2026
With Summarized Financial Information for 2025

	2026			2025
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	\$ 53,525,787	\$ 7,162,932	\$ 60,688,719	\$ 14,469,349
Net investment return	2,359,072	-	2,359,072	1,564,651
Contributed nonfinancial assets	420,161	-	420,161	445,236
Net assets released from donor restrictions	13,358,642	(13,358,642)	-	-
Total support and revenue	69,663,662	(6,195,710)	63,467,952	16,479,236
EXPENSES				
Program Services:				
Programs and Advocacy	16,217,553	-	16,217,553	17,876,232
Communication and Digital	999,784	-	999,784	1,067,173
Total program services	17,217,337	-	17,217,337	18,943,405
Supporting Services:				
Management and General	2,247,613	-	2,247,613	2,437,420
Fundraising	2,125,306	-	2,125,306	1,954,973
Total supporting services	4,372,919	-	4,372,919	4,392,393
Total expenses	21,590,256	-	21,590,256	23,335,798
Change in net assets	48,073,406	(6,195,710)	41,877,696	(6,856,562)
Net assets at beginning of year	27,034,914	15,935,403	42,970,317	49,826,879
Net Assets at End of Year	\$ 75,108,320	\$ 9,739,693	\$ 84,848,013	\$ 42,970,317

See accompanying notes to consolidated financial statements.

The Malala Fund U.S. and Malala Fund Nigeria

Consolidated Statement of Functional Expenses
For the Year Ended March 31, 2026
With Summarized Financial Information for 2025

	2026						2025	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Programs and Advocacy	Communication and Digital	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Personnel	\$ 2,760,297	\$ 583,054	\$ 3,343,351	\$ 1,263,333	\$ 1,536,014	\$ 2,799,347	\$ 6,142,698	\$ 6,905,019
Grant expenses	11,917,932	-	11,917,932	-	-	-	11,917,932	12,458,926
Professional services	653,604	164,762	818,366	312,241	75,554	387,795	1,206,161	1,808,590
Travel	561,615	25,933	587,548	161,924	84,280	246,204	833,752	603,337
Occupancy	102,193	26,768	128,961	130,230	100,026	230,256	359,217	399,090
Insurance	103	-	103	41,581	-	41,581	41,684	60,846
Office expenses	31,575	1,177	32,752	36,472	27,755	64,227	96,979	94,686
Office equipment and software	11,720	2,141	13,861	136,407	48,663	185,070	198,931	217,484
Financial fees	16,449	-	16,449	46,644	46,194	92,838	109,287	98,692
Meetings and events	133,638	344	133,982	11,304	6,030	17,334	151,316	86,184
Contributed nonfinancial assets	2,866	163,507	166,373	104,836	148,952	253,788	420,161	445,236
Honorariums and other expenses	25,561	32,098	57,659	2,641	51,838	54,479	112,138	157,708
Total	\$ 16,217,553	\$ 999,784	\$ 17,217,337	\$ 2,247,613	\$ 2,125,306	\$ 4,372,919	\$ 21,590,256	\$ 23,335,798

See accompanying notes to consolidated financial statements.

The Malala Fund U.S. and Malala Fund Nigeria

**Consolidated Statement of cash Flows
For the Year Ended March 31, 2026
With Summarized Financial Information for 2025**

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 41,877,696	\$ (6,856,562)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	24,760	24,759
Realized and unrealized gain on investments	(668,000)	(623,263)
Donated securities received	(518,770)	(355,833)
Proceeds from sale of donated securities received	524,965	352,132
Realized (gain) loss on donated securities received	(6,195)	3,701
Change in discount on non-current pledges receivables	(365,964)	(1,039,835)
Amortization of operating right-of-use assets	230,163	225,351
(Increase) decrease in:		
Contributions receivable	(14,724)	(97,821)
Pledges receivable	6,830,814	5,460,925
Prepaid expenses	(59,572)	97,137
Grant advances	811,506	(811,506)
Security deposits	(36,446)	13,341
(Decrease) increase in:		
Accounts payable and accrued liabilities	(159,872)	122,679
Accrued salaries and related benefits	140,650	(115,258)
Grants payable	(1,189,450)	(2,609,791)
Operating lease liabilities	(231,289)	(224,006)
Net cash provided (used) by operating activities	<u>47,190,272</u>	<u>(6,433,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,272,645)	(962,609)
Proceeds from sale of investments	1,702,567	1,589,173
Net cash (used) provided by investing activities	<u>(1,570,078)</u>	<u>626,564</u>
Net increase (decrease) in cash and cash equivalents	45,620,194	(5,807,286)
Cash and cash equivalents at beginning of year	8,018,613	13,825,899
Cash and Cash Equivalents at End of Year	<u><u>\$ 53,638,807</u></u>	<u><u>\$ 8,018,613</u></u>

See accompanying notes to consolidated financial statements.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

1. Summary of Significant Accounting Policies

Organization

The Malala Fund U.S. was formed as a non-profit organization under the laws of the State of Delaware. The Malala Fund U.S. is located in Washington, D.C. and Islamabad, Pakistan. Inspired and led by Malala Yousafzai, the Malala Fund U.S.' mission is to ensure all girls can access and complete 12 years of education.

On March 12, 2021, a corporation registration was approved in Nigeria for Malala Fund Nigeria Ltd/Gte (Malala Fund Nigeria). The creation of Malala Fund Nigeria allows for hiring of local staff in Nigeria and expansion of work in that country. The Malala Fund U.S. and The Malala Fund UK are the sole members of Malala Fund Nigeria. Malala Fund Nigeria is a legally registered organization located in Abuja, Nigeria.

Principles of Consolidation

The accounts of The Malala Fund U.S. have been consolidated with Malala Fund Nigeria (collectively, "the Organization") in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

Program Services

Programs and Advocacy represents the bulk of the Organization's activities, including all grant-making to local organizations and direct work to improve girls education access at both the country and global level. The communications and digital work stream supports programs and advocacy activities by amplifying the messaging of the Organization's grantees, staff, and co-founders.

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with U.S. GAAP related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions. The total amount of Board designated net assets at March 31, 2026 was \$8,245,182, which is put aside as an operating reserve.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended March 31, 2025, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with initial maturities of three months or less, excluding money market funds included as part of the investment portfolio, to be cash and cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

The Organization had approximately \$683,188 of cash and cash equivalents held at financial institutions in foreign countries as of March 31, 2026. The majority of cash and cash equivalents held in foreign countries are uninsured.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Consolidated Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

1. Summary of Significant Accounting Policies (Continued)

Contributions and Pledges Receivable

Contributions and pledges receivables include unconditional promises to give that are expected to be collected in future years. Contributions and pledges receivables are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on noncurrent contributions and pledges receivables are computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions revenue.

The Organization periodically evaluates its contributions and pledges receivable for collectability. Management assesses each outstanding balance based on its knowledge of, and relationship with, the donor, as well as the age of the receivable. Based on these evaluations, amounts deemed uncollectable are recorded as bad debt expense through an allowance for doubtful accounts. As of March 31, 2026, the allowance for uncollectable contributions and pledges receivable was \$8,204.

Fixed Assets

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Grants Payable

Grants payable are recorded as a liability when the commitment has been made by the Organization and are included in the Consolidated Statement of Financial Position.

Income Taxes

The Malala Fund U.S. is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code (IRC), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Malala Fund U.S. is not a private foundation.

Malala Fund Nigeria is a company limited by guarantee registered under the laws and regulations of Nigeria. As long as its activities are exclusively for charitable purposes, its income is exempt from taxation in Nigeria.

Support from Grants and Contributions

Contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with Accounting Standards Codification (ASC) Topic 958.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions (Continued)

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Organization had no refundable advances as of March 31, 2026.

In addition, the Organization may obtain funding source agreements related to conditional contributions, which will be received in future years. However, the Organization had no conditional contributions to be received in future years as of March 31, 2026.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed software, media assets, and investment management fees. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

Foreign Currency Translation

The U.S. Dollar is the functional currency for the Organization's worldwide operations. Transactions in currencies other than U.S. Dollars are converted into U.S. Dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into U.S. Dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the accompanying Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area are allocated on a basis of estimated time and effort. Occupancy and office costs are allocated based on employee headcount per each department.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the accompanying Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

2. Investments and Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended March 31, 2026. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - Money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities and Real Estate Investment Trust (REIT)* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of March 31, 2026:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	\$ 166,636	\$ -	\$ -	\$ 166,636
Equities	5,570,841	-	-	5,570,841
Real Estate Investment Trust (REIT)	118,930	-	-	118,930
Fixed Income	24,800,051	-	-	24,800,051
Total Investments	<u>\$ 30,656,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,656,458</u>

Net investment return consisted of the following for the year ended March 31, 2026:

Interest and dividends	\$ 1,727,117
Unrealized and realized gain	674,195
Investment fees	(42,240)
Total Net Investment Return	<u>\$ 2,359,072</u>

3. Pledges Receivable

As of March 31, 2026, contributors to the Organization have made unconditional written promises to give, of which \$9,581,854 remained due and outstanding. Amounts due beyond one year of the Consolidated Statement of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate of approximately 3.64%.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements
March 31, 2026

3. Pledges Receivable (Continued)

Following is a schedule of amounts due, by year, as of March 31, 2026:

Less than one year	\$ 7,841,854
One to five years	1,740,000
Total	<u>9,581,854</u>
Less: Allowance to discount balance to present value	(168,549)
Less: Allowance for uncollectable amounts	(8,204)
Total Pledges Receivable, Net	<u><u>\$ 9,405,101</u></u>

4. Grants Payable

As of March 31, 2026, the Organization's outstanding obligations to its grantees totaled \$8,223,191. Grants authorized and expensed during the year ended March 31, 2026 totaled \$11,917,932.

Following is a schedule of future grant payments:

Year Ending March 31,	
2027	\$ 5,954,966
2028	2,268,225
Total Grants Payable	<u><u>\$ 8,223,191</u></u>

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of March 31, 2026:

Subject to expenditure for a specified purpose	\$ 2,426,410
Subject to passage of time	7,313,283
Total Net Assets with Donor Restrictions	<u><u>\$ 9,739,693</u></u>

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended March 31, 2026:

Purpose restrictions accomplished	\$ 4,978,809
Time restrictions accomplished	8,379,833
Total Net Assets Released from Donor Restrictions	<u><u>\$ 13,358,642</u></u>

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

6. Liquidity and Availability

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. Board designated funds can be drawn upon if the Board of Directors approves such action. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of March 31, 2026:

Cash and cash equivalents	\$ 53,638,807
Investments	30,656,458
Contributions receivable	163,690
Pledges receivable, net	7,833,650
Subtotal financial assets available within one year	92,292,605
Less: Donor-restricted funds	(2,426,410)
Less: Board designated funds	(8,245,182)
Financial Assets Available for Use Within One Year	\$ 81,621,013

7. Contributed Nonfinancial Assets

During the year ended March 31, 2026, the Organization was the beneficiary of certain contributed nonfinancial assets which allowed the Organization to provide greater resources toward various programs. To properly reflect total program expenses, the following contributed nonfinancial assets have been included in revenue and expense for the year ended March 31, 2026:

Donated software	\$ 171,602
Donated media assets	150,000
Donated investment management fees	98,559
Total Contributed Nonfinancial Assets	\$ 420,161

The following programs have benefited from these contributed nonfinancial assets:

Programs and Advocacy	\$ 2,866
Communication and Digital	163,507
Management and General	104,836
Fundraising	148,952
Total Contributed Nonfinancial Assets	\$ 420,161

8. Lease Commitments

The Organization follows FASB ASC 842 for leases. The Organization has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Organization has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

8. Lease Commitments (Continued)

Operating Leases:

In May 2021, the Organization signed a lease agreement for office space in Washington, D.C. that commenced on September 1, 2021 and extends through September 30, 2029. Base rent is \$23,276 per month, increasing by a factor of 2.5% per year. Under the terms of the lease agreement, the landlord granted the Organization nine months of abated rent.

Additionally, the Organization leased office space in Islamabad, Pakistan under an agreement that originated on October 21, 2023 and terminated on October 21, 2025. Base rent was \$1,866 per month through the life of the lease.

The Organization also has a short-term lease agreement in Nigeria. The Organization has elected the practical expedient for this short-term lease as the lease term is less than 12 months.

For the year ended March 31, 2026, the total lease cost for all operating leases was \$330,624 which is included in Occupancy expense in the accompanying Consolidated Statement of Functional Expenses. For the year ended March 31, 2026, the total cash paid for all operating leases was \$332,148. As of March 31, 2026, the weighted-average remaining lease term and rate for the Washington, D.C. operating lease is 3.5 years and 5.25%.

The following is a schedule of the future minimum lease payments due under the Washington, D.C. operating lease, net of imputed interest, as of March 31, 2026:

Year Ending March 31,	
2027	\$ 313,447
2028	321,283
2029	329,315
2030	154,031
Subtotal	<u>1,118,076</u>
Less: Imputed interest	(99,056)
Less: Current portion	(266,250)
Total Noncurrent Portion	<u><u>\$ 752,770</u></u>

In February 2026, the Organization entered into a new office lease agreement in Islamabad, Pakistan that extends through January 2031. The Organization did not take possession of this space until June 2026 and thus the operating right-of-use asset and lease liability will be recorded in fiscal year 2027. Base rent is \$7,438 per month, increasing by a factor of 10% per year. The future minimum lease payments due under this lease total \$530,069.

The Malala Fund U.S. and Malala Fund Nigeria

Notes to Consolidated Financial Statements

March 31, 2026

9. Concentration of Revenue

Approximately 71% of the Organization's support and revenue for the year ended March 31, 2026, was provided by a single donor. Management does not anticipate receiving funding from this donor at a similar level in future years and has developed a spending plan to strategically utilize these funds over multiple years.

10. Retirement Plans

The Malala Fund U.S. provides retirement benefits to its U.S. employees through a 403(b) plan (the Plan) covering all full-time employees upon hire. The Malala Fund U.S. provides up to a 3% match of each eligible employee's contribution. Employer contributions to the Plan during the year ended March 31, 2026 totaled \$115,820 and are included in Personnel in the accompanying Consolidated Statement of Functional Expenses.

In accordance with Nigeria's 2014 Pension Reform Act, Malala Fund Nigeria contributes 10% and staff contribute 8% of their pensionable pay to individual pension accounts held by each staff member with a pension provider of their choice. Employer pension contributions during the year ended March 31, 2026 totaled \$42,519 and are included in Personnel in the accompanying Consolidated Statement of Functional Expenses.

In accordance with applicable labor laws in Pakistan, The Malala Fund U.S. provides retirement benefits to its Pakistan-based employees through a gratuity scheme. Under the scheme, employees earn a benefit equal to one month's salary for each year of service. Employer contributions to the scheme during the year ended March 31, 2026 totaled \$37,120 and are included in Personnel in the accompanying Consolidated Statement of Functional Expenses.

11. Related Party Transactions

The Organization supports the operations of The Malala Fund UK, a member organization registered as a charity in the United Kingdom. The financial statements of the Organization are not consolidated with The Malala Fund UK because there is no common control (i.e. major voting interest) between the organizations. During the year ended March 31, 2026, the Organization made grant payments to The Malala Fund UK totaling \$2,129,051 which is included in Grant expenses in the accompanying Consolidated Statement of Functional Expenses.

12. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 25, 2026, the date the consolidated financial statements were issued.

Supplemental Information

The Malala Fund U.S. and Malala Fund Nigeria

**Consolidating Schedule of Financial Position
As of March 31, 2026**

	The Malala Fund U.S.	The Malala Fund Nigeria	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 53,607,147	\$ 31,660	\$ -	\$ 53,638,807
Investments	30,656,458	-	-	30,656,458
Contributions receivable	163,620	70	-	163,690
Pledges receivable, net	7,833,650	-	-	7,833,650
Prepaid expenses	147,356	9,968	-	157,324
Total current assets	92,408,231	41,698	-	92,449,929
FIXED ASSETS				
Furniture and fixtures	19,172	-	-	19,172
Leasehold improvements	154,283	-	-	154,283
Less: Accumulated depreciation and amortization	(103,437)	-	-	(103,437)
Net fixed assets	70,018	-	-	70,018
NON-CURRENT ASSETS				
Pledges receivable, net	1,571,451	-	-	1,571,451
Operating lease right-of- use asset, net	866,134	-	-	866,134
Security deposits	53,243	20,000	-	73,243
Total non-current assets	2,490,828	20,000	-	2,510,828
Total Assets	\$ 94,969,077	\$ 61,698	\$ -	\$ 95,030,775
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 371,976	\$ 24,523	\$ -	\$ 396,499
Accrued salaries and related benefits	534,646	9,406	-	544,052
Grants payable	5,954,966	-	-	5,954,966
Operating lease liability	266,250	-	-	266,250
Total current liabilities	7,127,838	33,929	-	7,161,767
NON-CURRENT LIABILITIES				
Grants payable, net	2,268,225	-	-	2,268,225
Operating lease liability, net	752,770	-	-	752,770
Total non-current liabilities	3,020,995	-	-	3,020,995
Total Liabilities	10,148,833	33,929	-	10,182,762
NET ASSETS				
Without donor restrictions	75,080,551	27,769	-	75,108,320
With donor restrictions	9,739,693	-	-	9,739,693
Total net assets	84,820,244	27,769	-	84,848,013
Total Liabilities and Net Assets	\$ 94,969,077	\$ 61,698	\$ -	\$ 95,030,775

The Malala Fund U.S. and Malala Fund Nigeria

**Consolidating Schedule of Activities and Change in Net Assets
For the Year Ended March 31, 2026**

	The Malala Fund U.S.			The Malala Fund Nigeria			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
SUPPORT AND REVENUE								
Grants and contributions	\$53,525,787	\$7,162,932	\$60,688,719	\$ 225,090	\$ -	\$ 225,090	\$ (225,090)	\$60,688,719
Net investment return	2,359,072	-	2,359,072	-	-	-	-	2,359,072
Contributed nonfinancial assets	420,161	-	420,161	518,853	-	518,853	(518,853)	420,161
Net assets released from donor restrictions	13,358,642	(13,358,642)	-	-	-	-	-	-
Total support and revenue	69,663,662	(6,195,710)	63,467,952	743,943	-	743,943	(743,943)	63,467,952
EXPENSES								
Program Services:								
Programs and Advocacy	16,297,712	-	16,297,712	574,597	-	574,597	(654,756)	16,217,553
Communication and Digital	999,784	-	999,784	-	-	-	-	999,784
Total program services	17,297,496	-	17,297,496	574,597	-	574,597	(654,756)	17,217,337
Supporting Services:								
Management and General	2,183,482	-	2,183,482	153,318	-	153,318	(89,187)	2,247,613
Fundraising	2,125,105	-	2,125,105	201	-	201	-	2,125,306
Total supporting services	4,308,587	-	4,308,587	153,519	-	153,519	(89,187)	4,372,919
Total expenses	21,606,083	-	21,606,083	728,116	-	728,116	(743,943)	21,590,256
Change in net assets	48,057,579	(6,195,710)	41,861,869	15,827	-	15,827	-	41,877,696
Net assets at beginning of year	27,022,972	15,935,403	42,958,375	11,942	-	11,942	-	42,970,317
Net Assets at End of Year	\$75,080,551	\$9,739,693	\$84,820,244	\$ 27,769	\$ -	\$ 27,769	\$ -	\$84,848,013