

Bonyan REIT Fund



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❖ **Bonyan REIT Fund Overview**

Bonyan REIT Fund (the “**Fund**”) is a closed-ended publicly traded Sharia-compliant real estate investment fund established under Real Estate Investment Funds Regulations, issued by the Capital Market Authority (“CMA”). The Fund was established in mid-2018 with a size of SAR 1.63 billion.

The Fund’s real estate portfolio consists of diversified assets in various sectors and is capable of achieving periodic rental income. The Fund distributes at least 90% of net profits in cash dividends to unitholders on a semi-annual basis. The Fund owns thirteen real estate assets in four Saudi cities, which are in Riyadh, Abha, Madinah and Jazan. The assets are classified amongst four different sectors: commercial centers, residential, hospitality and offices.

Bonyan REIT is distinguished by its geographical and sectoral diversity. Most of the Fund’s assets are located in densely populated areas, whereby there is low competition, and the majority of the assets are amongst the famous landmarks of their respective city and region. Further, all of the Fund’s commercial centers are the family and entertainment destinations of their region. The commercial centers in the Fund’s assets portfolio are the largest malls in their regions with little competition, which contributes to attracting the best tenants from both international and local brands. In addition, the hotels in the Fund’s assets portfolio are the only hotels in their regions that give visitors easy access to the malls as they are directly attached to them. In addition, the presence of the “**Marriott**” brand, which is one of the most widely known brands associated with the hospitality sector, makes these hotels attractive to many visitors of these areas. Residential assets are also distinguished by their locations, in the heart of the commercial capital Riyadh. Moreover, Bonyan REIT widened its sector exposure, acquiring four office buildings in the city of Riyadh. The Fund Manager believes that this adds diversification to the portfolio as these acquisitions come in at a time when office sector is poised for growth within the Kingdom of Saudi Arabia.

The Bonyan REIT Fund is managed by BSF Capital (“**Fund Manager**”), a leading financial services provider offering investment banking, asset management, debt and equity research, institutional sales trading, and local and global securities brokerage. Saudi Fransi Capital is the investment arm of Banque Saudi Fransi, where it was trademarked with a paid up capital of 500 million Saudi Riyals and is a closed joint stock company in the Kingdom of Saudi Arabia. It is licensed by the Capital Market Authority with license 11153-37 to conduct a wide range of investment activities include dealing, arranging, managing, advising and custody of securities business

❖ **Assets in which fund is aiming to invest in:**

The Fund aims to invest in real estate assets inside and the Kingdom of Saudi Arabia, capable of achieving periodic leasing income and returns on invested capital in all sectors and geographical regions, specifically ones characterized by positive investment features, growth in business activities and positive flow of investments.

Fund performance:

Key Financial Performance as at 31 December 2025

Total Revenue 287,435,924	Total Operating Cost (183,741,300)	Total Operating Profit 103,694,624
Net Income 103,694,624	Total Dividends 65,152,440	Price per unit range 8.90 - 9.84
Net Asset Value per Unit at book value 8.2387	Net Asset Value per Unit at fair value 13.1664	Net Asset Value 1,341,922,813
Annualized Dividend Yield 8.62%	Percentage of uncollected revenues from total revenues 33.9%	Ratio of non-cash expenditures from the fund's net profits 46.1%

Commercial Centers Segment	Hospitality Segment	Office tower	Residential Segment
Occupancy Rate 94%	Occupancy Rate 48.7%	Occupancy Rate 88.1%	Occupancy Rate 100%
Operating Profit 179,197,516	Operating Profit 29,831,587	Operating Profit 49,286,601	Operating Profit 22,315,195
Number of Leasable Units 860	Total Room Capacity 274	Total Apartments/Villas 4	Total Apartments/Villas 109

Leased real-estate to the total owned real estate	Unleased real-estate to the total owned real estate
15%	85%

Percentage of rent amount for each asset in the total rent of the fund's assets.

percentage of rent amount for each asset	total rent of the fund's assets
Al Rashid Mega Mall - AlMadinah	15.19%
Al Rashid Mall - Jazan	6.53%
Al Rashid Mall - Abha	9.60%
Al Rashid Strip Mall - Riyadh	0.75%
Al Maather Complex - Riyadh	0.19%
Al Rafiah Village	5.87%

Sahafa Tower	3.44%
Al Ghadeer Tower	2.57%
1991 Center – Riyadh	7.13%
Courtyard Marriott - Jazan	2.16%
Residence Inn by Marriott - Jazan	1.85%
Al Olaya Tower – Riyadh	8.20%
Marriott Executive Apartments - AlMadinah	2.60%

Performance of the fund during the last (3) financial years or since the inception (SAR)

	2025	2024	2023
The fund net assets value at the end of each fiscal year.	1,341,922,813	1,363,646,636	1,384,340,101
The fund net assets value per unit at the end of each fiscal year	8,2387	8.706	12.6867
Highest net asset value of the fund per unit for each fiscal year.	9.6300	8.706	12.6867
Lowest net asset value of the fund per unit for each fiscal year.	8.900	8.372	11.0366
Income distribution per unit, if any	N/A	N/A	N/A
The number of units issued at the end of each fiscal year.	162,881,100	162,881,100	162,881,100
Dividend per Unit	0.67	0.66	0.66
the percentage of the fund's costs to the fund's total assets value	4.7%	%3.70	%3.45
Expense Ratio	8.7%	13.78%	%20.23
Total Return per annum*	4.05%	20.39%	15.17%
Cumulative Total Return Result of comparing the Fund's Benchmark to the fund's performance number of units	N/A	N/A	N/A
Percentage of borrowed Assets in the total asset Value, their period for Fulfilment and due date	30.34% (April 2027 to March 2031)	20.23% April 2025	20.20% April 2025
Cumulative return on the unit (since inception)	79.45%	60.25%	22.18%

*Total return is calculated based on fair value NAV and dividend payments for each fiscal year.

1- Previous Performance record

The total revenue for (1), (3) and (5) years (or since establishment).

	1 Year	3 Year	5 Year	Since Establishment
Total Revenue	4.05%	37.70%	65.40%	79.45%

2- Total Annual Returns for Each of the Past 10 Years or Since Inception:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Since Inception
Total return	4.05%	9.93%	20.39%	15.17%	8.23%	2.64%	12.55%	-0.87%	N/A	N/A	79.45%

The Fund was incorporated during the year 2018.

Description of the fund's benchmark and the service provider's website (if any)

NA

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

Saudi Arabia's real estate market maintained strong momentum throughout 2025, supported by the continued execution of Vision 2030 initiatives and sustained government investment across multiple sectors of the economy. Ongoing regulatory reforms, infrastructure development, and the launch of large-scale projects have continued to enhance the attractiveness of the Kingdom's real estate sector, supporting growth in both asset values and development activity.

The residential sector remained a key focus of the government's economic and social development agenda, particularly through initiatives aimed at increasing homeownership and expanding housing supply. Continued collaboration between the public and private sectors has supported the delivery of new residential communities and improved product quality across the market, while sustained demand has contributed to stable transaction volumes and continued appreciation in residential land values across major cities.

In parallel, the commercial real estate sector continued to benefit from the Kingdom's broader economic diversification efforts. Increased business

activity, the rapid expansion of the entertainment and tourism industries, and ongoing investment in giga-projects have driven demand for office, hospitality, and mixed-use developments, further supporting the growth and maturation of Saudi Arabia's commercial real estate market.

Fund Operations Review

Assets in which the fund is investing in.

Al Rashid Mega Mall - Al Madinah

Al Rashid Mega Mall is located in Al Madinah Al Munawwarah on King Abdullah Road - the second ring - only 10 minutes away from the Holy Prophet's Mosque. The complex consists of four floors (first ground, ground, first, and second) and it is famous for containing the dancing fountain in the lake with the ship in the first ground floor. It also contains many popular and known brands including Carrefour, H&M, Calvin Klein, Milano and Sephora. As one of the advantages of the commercial complex, it contains entertainment halls and an Empire Cinema, more than 30 international and local restaurants including Paul's, Papa John's, Domino's, Hardee's and Herfy, a spacious dining hall and various cafes dedicated to all visitors.

Al Rashid Mall – Abha

Al Rashid Mall - Abha is located in the city of Abha on King Fahd Road, and is 15 minutes away from Abha Airport. The complex consists of two floors (ground and first). It contains many famous brands in addition to a hypermarket, an entertainment city and more than 20 diversified restaurants. Al Rashid Mall - Abha is the largest commercial complex in the Asir region, as it is considered one of the most important entertainment destinations for many families in the region, which contains multiple exhibitions of the best international brands, and there is also a huge family entertainment hall, which is one of the largest in the region. It is worth noting that the commercial complex was opened at the end of the year 2017 AD and it is considered as the latest mega mall, and it has no competitor in the Asir region.

Al Rashid Mall – Jazan

Al Rashid Mall is located in Jazan City on King Fahd Road, next to the Marriott Hotel and Residence Inn Marriott Apartments, close to Jazan Airport with an estimated 15 minutes' drive. The complex consists of three floors (ground, first, and second). It contains many world famous fashion brands in addition to the supermarket (Panda), the entertainment city and more than 30 international and local restaurants. It also contains multiple comprehensive exhibitions (H&M, R & B, Terranova) and an entertainment city. The mall is characterized by its direct contact with Marriott hotels, and this feature is not found in any other mall in the region. Also, the mall features entertainment halls and various international brands and more several international and local restaurants.

Al-Rashid Strip Mall – Riyadh

Al-Rashed Building is located in the north of Riyadh, on Othman Bin Affan Road, in Al-Narjis neighborhood, opposite to the Institute of Public Administration housing and near King Fahd Center for Child Cancer Control. The building consists of seven large exhibitions, and an ATM in the parking lot.

Courtyard by Marriott - Jazan

The Courtyard Marriott is a four-star hotel located in the city center, a few minutes from the airport and close to the commercial complexes and Jazan Corniche. Courtyard by Marriott is associated with Al Rashid Mall building for easy shopping, amusement parks and various restaurants. It has 129 rooms equipped with the finest furniture and designed to the highest levels, a health club with an indoor pool, a fitness center and many services to keep pace with developments. Also, there are meeting rooms for more than 170 people. The hotel meets the requirements of businessmen, whether designing rooms that contain an office, or various meeting rooms, and the city center is close to all service facilities. The hotel is connected to Al Rashid Mall building with a private entrance for easy shopping, entertainment and restaurants.

Marriott Residence Inn - Jazan

Marriott Residence Inn is a 4-star aparthotel located in the center of Jazan City, a few minutes away from King Abdullah Airport and close to the commercial complexes and Jazan Corniche. It is distinguished by its association with Al-Rashed Mall building for easy shopping, amusement parks and various restaurants. It contains 79 suites equipped with the finest furniture and designed to the highest levels. They include a health club with an indoor pool, a fitness center and many services to keep pace with developments.

Marriott Executive Apartments - Madinah

Marriott Executive Apartments (former name Al Rashid Residences) are five-star hotel apartments located in Madinah Al Munawwarah. The location and design of the apartments meets the requirements of both, visitors and pilgrims, where they can stay for long or short periods. The property contains 66 apartments of various sizes and the finest facilities. It is characterized by its location near the Prophet's Mosque and Prince Muhammad bin Abdulaziz Airport, on King Abdullah Road, alongside Al Rashid Mega Mall, and it is connected to an entrance to the mall that contains fashion brands and various restaurants.

Al-Rafiah Villas Complex – Riyadh

Al-Rafiah residential complex located in Riyadh is fully rented by King Fahd Medical City, and it is characterized by its quiet location away from the noise, surrounded by a number of beautiful palm plantations. It contains 102 varied one-to-four bedroom villas to suit all tastes.

The complex also features the interior design of the villas in an integrated analog, and the diversity of service facilities at the highest levels such as the entertainment club that includes the pool, fitness center, restaurant and children's playgrounds. In addition, as the complex is located in the center of Riyadh, it is easily accessible to markets, schools and hospitals.

Al-Maather Villas Complex – Riyadh

It is a residential complex (compound) in Riyadh in the Al-Ma'athar neighborhood, near King Faisal Specialist Hospital, which consists of 7 residential villas in addition to some services such as a shared indoor pool.

Al-Sahafa Tower – Riyadh

Demand for offices in Saudi Arabia has been recovering in the recent year, with most businesses returning back to offices as well as the growth in number of startups that are looking for a space to establish themselves. During 2021, the Fund acquired a newly built, 8-storey office tower in the city of Riyadh. The entire property is leased to a KSA government entity on a triple-net basis.

Al-Ghadeer Office Building – Riyadh

Acquired in 2022, this asset is situated within Al Gahdeer District, a high-end established district in northern Riyadh. The Asset's location grants it ease of access from several major connecting roads such as the Northern Ring road, Al Olaya Road and Al Thumama Road. The property is leased to a single tenant on a long-term triple-net lease.

1991 Center

Located in Hittin district, on Prince Mohammad bin Saad road, across the street from one of the city's most popular malls, Riyadh Park, the brand-new commercial plaza is comprised of 31 offices and 8 showrooms. In addition to its position next to some of the Capital's main commercial and entertainment destinations, the Asset's high quality and open space-design allows it to differentiate itself from other office developments, which boosts its attractiveness to tenants. This property is leased to single semi-government tenant on a triple-net lease.

Bonyan Tower

The newly constructed 18-floor office tower is located on Al Olaya road in Al Sahafa District, well positioning it within Riyadh city, as it is accessible via multiple main roads including Al Olaya road, Al Thumama road and Kind Fahad road in addition to positioning itself near several key demand generators. The property also provides ample parking for its tenants, with five underground floors in addition to several public parking spaces located next to the tower.

Any Fundamental or non-Fundamental changes that occurred during the period and which affected the performance of the fund

- **Change in Independent Board Member for the Fund.**

RISK ASSESSMENT REPORT

As part of effective risk management policy, the Fund Manager has adopted a four-point framework to ensure risks are appropriately identified and mitigated. The components of framework are as follows: Annual review of Risk Register and Control Matrix, Third Party Risk Management Strategy ("TPRM"), Continuous monitoring and reporting of any non-compliance with the regulations, and Annual monitoring of outstanding external audit recommendations. To address each of these areas, the Fund Manager has adopted policies and/or designated specific departments/staff at SFC to effectively mitigate those risks.

The risk of not having an investment profitability guarantee in the Fund

Not ensuring that the Fund will be able to achieve investment returns or that the returns will be proportional to the Fund's investments. It is possible that the value of the units may decrease or the Fund may lose some or all of its capital. It is not possible to provide a guarantee that the expected or targeted returns of the Fund will be achieved. To reduce these risks, real estate assets are evaluated twice a year by independent valuers, and changes in market conditions are taken into account and actions are taken to protect the value of real estate and investment profitability.

Risks of not fulfilling the relevant regulations

The Fund may become ineligible to be a real estate investment Fund in accordance with Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions as issued by the CMA. This can have negative effects on the liquidity of trading in the Fund's units, which may negatively affect the value of its investments. It should be noted that there is no guarantee that the Fund will remain in circulation in the financial market due to the failure to meet the regulatory requirements. To reduce these risks, the Fund Manager follows all the rules and regulations with independent supervision by the Compliance and Compliance Department on all the activities of the Fund.

The risks of changing interest rates and general economic conditions

Changes in economic conditions, including interest rates and inflation, will negatively affect the business and opportunities of the Fund. To reduce these risks, the value and amount of financing is studied, which greatly reduces the risk of interest rates. As of the reporting date, the Fund is not exposed to interest rate risk on account of no utilization of loan facilities.

The nature of the investment risk

There will be no guarantee that the Fund will be able to achieve returns on its investments in a timely manner. There may be no possibility to sell or dispose of its assets, and if it is decided to dispose of it by selling, there may be no possibility to sell it at a price that the Fund Manager believes represents the fair value to it or to be sold within the time frame required by the Fund. To reduce these risks, none of the assets owned by the Fund will be sold until after the appropriate procedures are followed to sell them, according to the market conditions at the time.

Real estate investment risks

The Fund will be affected by the general real estate sector conditions in the Kingdom of Saudi Arabia, which in turn are affected by many factors, including but not limited to, macroeconomic growth, political stability, change in interest rates, supply and demand, financing availability, real estate trends, liquidity, the legal and regulatory environment, and other conditions that may affect the real estate market prices, which in turn is reflected in the value of the Fund's units. To reduce these risks, the Fund Manager follows economic news, regulatory trends and laws that would help the Fund Manager to be proactive in taking the necessary steps to mitigate or reduce the impact of the event as much as possible.

Risks of a decrease in the value of the property

The value of real estate is subject to fluctuations and changes. The change in the indicators of the Saudi economy may lead to a decrease in the market value of the Fund's investments, which in turn may lead to a decrease in the Fund's returns or the liquidation of the Fund. In addition, investments in commercial and residential real estate are exposed to risks that affect the commercial and residential real estate sector in general, including seasonal changes, real estate buyers desire and changes in economic conditions. To reduce these risks, Fund's assets are evaluated twice a year by independent valuers, and the Fund Manager may use internal valuations for various purposes, including knowing market conditions well to avoid loss.

Risks of tenants being unable to meet their lease obligations

The real estate assets are leased by several tenants. Consequently, the Fund is vulnerable in the event that one of the tenants fails to fulfill its obligations. If one of the tenants fails to pay the payments due on a real estate or real estate assets, this may limit the ability of the Fund Manager to re-rent or rent the property on satisfactory terms. Accordingly, these risks are minimized by ensuring that there are lease contracts that preserve the rights of unit owners with the existence of property management contracts with a company specialized in property management, which in turn monitors and collects the rental payments in full.

The risks of not occupying the real estate for long periods

When any of the real estate units becomes vacant for long periods as a result of the expiry of the lease contract without renewing it, the inability of the tenant to legally complete the lease, the tenant has declared bankruptcy, cancellation or non-renewal of the contract or other reasons, the Fund may suffer from a decrease in returns, and hence lower periodic dividends for investors. To reduce these risks, high occupancy rates must be maintained, the Fund's properties managed appropriately, the property manager should be followed in the lease operations and find a replacement.

Risks of operating companies or companies specialized in property management

The Fund will use a company or companies specialized in operating and managing real estate assets. Accordingly, any failure, failure, or defect in the level of service provided by the operator or the contractors for any reason will have a direct and negative impact on the performance of the Fund and its financial position, and thus on the unit price. To reduce these risks, a specialized, experienced and experienced property manager was selected to enable him to manage the assets appropriately, which would benefit the unit owners.

Real estate development risks

1. Delay in completing works in a timely manner.
2. Exceeding the specified costs
3. The inability to achieve lease contracts at the expected levels
4. Force majeure resulting from factors outside the control of the fund related in particular to the contracting sector

Note that the fund does not intend to engage in any real estate development project at the present time, but in the event of entering into development projects in the future, the fund will develop a clear and logical plan that includes the necessary studies to avoid any problems.

Risks of the possibility of not being able to renew the lease or re-lease the leased area at the end of the contract period

The Fund depends on its profit on the rental amounts paid by the tenants and accordingly, the financial position of the Fund and the results of operations and cash flow as well as the ability of the Fund to distribute profits may be affected negatively in the event that the Fund is not able to immediately re-rent properties or renew the lease contracts. To reduce these risks, the lease contracts concluded with a prior notice period are included, enabling the Fund to search for an alternative tenant, and the Fund seeks to renew the lease contracts in line with the prevailing market conditions.

Risks of concluding long-term leases

The Fund will enter into long leases with some tenants. These contracts may include increases in the rental value or may not include it. It is expected that the returns of the Fund will decrease when there is an increase in operating costs, inflation rates, change in currency exchange rates, or an increase in real estate prices with the stability of the rental payments. To reduce these risks, these contracts must be based on commercial foundations and future aspirations to avoid losses.

Risk of pandemics and/or similar situations resulting in lockdowns that might affect tenants' operations and their ability to honor lease payments

The Fund owns 10 properties that are leased to tenants operating in various industries and/or individuals. There is a risk that a pandemic or similar situation might result in situation whereby tenants' use of property might be limited. In such a situation, tenants business's financial performance might suffer and accordingly, they might not honor their rental payments on time. The Fund Manager mitigates this risk by ensuring Fund's interests are protected by way of guarantees or other relevant means in lease contracts. Further, the Fund Manager aims to preserve Fund's strategic contractual relationships by engaging with all tenants in a timely fashion.

Fund Governance

In line with CMA rules and regulation, Bonyan REIT Fund Board of Directors supervise and monitor the progress of Fund's performance in line with Fund's terms and conditions. During 2025, the Fund's Board of Directors held four (4) meetings. During these meetings, Fund's performance along with any regulatory and compliance related matters were duly discussed.

Summary of Fund Board Meetings

Meeting	Date
Fund Board Meeting	January 14 th , 2025
Fund Board Meeting	May 25 th , 2025
Fund Board Meeting	September 14 th , 2025
Fund Board Meeting	November 20 th , 2025

Summary of Major Decisions

1	Approval of H1 Dividends
2	Approval of H1 Financial Statements
3	Approval of H2 Dividends

Services, commissions, fees and expenses charged to the Fund throughout the year

There were no instances during which the Fund Manager waived or reduced any fees. The Fund Manager did not receive any soft commissions during the year.

Description	Amount (SAR)
Management fee	6,936,645
Registration fee (Tadawul)	400,000
Custody fee	410,000
Valuation fee	234,000
Listing fee	300,000
Audit fee	165,000
Fund board fee	115,342
Regulatory fee (CMA)	7,500
Zakat expense	-
Other expenses	90,276,474
Total Expense Ratio*	4.7%

Fund Manager

Saudi Fransi Capital

8092 King Fahd Road – Riyadh – Kingdom of Saudi Arabia

Mailing Address: P.O. Box 23454 – Riyadh 11426 – Kingdom of Saudi Arabia

Telephone: +966 11 282 6666 – Fax: +966 11 282 6667

Custodian

Albilad Capital

Head Office King Fahd Road PO 140 Riyadh

Riyadh – Kingdom of Saudi Arabia

Financial Auditor

BDO Dr. Mohamed Al-Amri & Co

Head Office: King Fahad Road, Moon Tower

P.O. Box 8736, Riyadh, 11492, Saudi Arabia

Phone: +966.11.2780608 - Fax: +966.11. 2782883

Website: www.bdoalamri.com

Fund reports are available upon request and free of charge. These reports are also available on the Fund Manager's website for free at www.bsfcapital.sa and on the Saudi Stock Exchange website (Tadawul)

Saudi Fransi Capital (Closed Joint Stock Company owned by Banque Saudi Fransi) – Commercial Registration 1010231217 – Authorized and Regulated by the Capital Market authority (CMA) under license 11153-37

BONYAN REIT FUND
(A Closed-Ended Real Estate Investments Traded Fund)
(Managed by Saudi Fransi Capital Company)

FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

To the unitholders of Bonyan REIT Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bonyan REIT Fund (the “Fund”) managed by Saudi Fransi Capital Company (the “Fund Manager”), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in net assets attributable to the unitholders and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Fund in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How our matter was addressed in our report
<p>Valuation of investment properties</p> <p>As at 31 December 2025, the carrying value of the Fund's investment properties were SAR 1,715.5 million.</p> <p>The investment properties are stated at cost less accumulated depreciation and accumulated impairment, if any. The fair value of the investment properties is provided as a disclosure.</p> <p>For assessing the impairment of investment properties and to provide fair values for the required disclosure, Fund Manager engages two independent external certified property valuers to perform a valuation of the Fund’s investment properties on a semi-annual basis.</p> <p>We considered this as a key audit matter as the external valuation used for the impairment assessment and disclosure requires significant assumptions and judgments and the potential impact of impairment, if any, could be material to the financial statements.</p>	<p>We have carried out the following audit procedures:</p> <ul style="list-style-type: none">• We obtained the valuation reports prepared by the two external valuers as at 31 December 2025 and assessed the recoverable amount of investment properties;• We assessed the qualification and expertise of external valuers appointed by Fund Manager for the valuation of the investment properties;• We assessed the independence of the external valuers and read their terms of engagement with the Fund to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work;• We involved our experts to assess the reasonableness of the valuation methodology, significant assumptions and estimates used in the fair valuations of the properties as determined by the valuers;• We reconciled the average fair value of the investment properties as appearing in Note 23 of the accompanying financial statements to the external valuers' report; and

Independent Auditor’s Report to the unitholders of Bonyan Reit Fund for the year ended 31 December 2025
(continued)

Key Audit Matter (continued)

The key audit matter	How our matter was addressed in our report
Refer to Note 4 and Note 5 to the accompanying financial statements for accounting policy of investment properties and accounting judgments and Notes 12 and 23 for related disclosure of investment properties.	<ul style="list-style-type: none"> We assessed the adequacy of disclosures included in the financial statements.

Other matter

The financial statements as at and for the year ended 31 December 2024 were audited by another auditor, whose audit reports dated 18 March 2025, expressed an unmodified audit opinion thereon.

Other information included in the Fund’s 2025 Annual Report

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the financial statements and our auditor’s report thereon, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and to comply with the applicable provision of the Investment Funds Regulations issued by the Capital Market Authority (“CMA”), the Fund’s Terms and Conditions and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Fund’s Board, are responsible for overseeing the Fund’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the unitholders of Bonyan Reit Fund for the year ended 31 December 2025
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. +
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For BDO Dr. Mohamed Al-Amri & Co.



Ahmad Al-Jumah
Certified Public Accountant
License No. 621



Riyadh, on: 23 Ramadan 1447 (H)
Corresponding to: 12 March 2026 (G)

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
STATEMENT OF FINANCIAL POSITION
(All amounts are in ﷲ unless otherwise stated)

	<i>Notes</i>	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
ASSETS			
Cash and bank balances	6	29,143,046	70,383,023
Murabaha deposits	6	20,328,224	37,795,683
Investments measured at fair value through profit or loss (“FVTPL”)	7	15,340,055	81,223
Rental income receivable, net	8	97,039,277	75,512,652
Prepayment and other assets	9	11,801,262	10,302,509
Intangible assets, net	10	1,126,894	2,256,419
Property and equipment, net	11	212,996,120	211,727,093
Investment properties, net	12	1,715,549,975	1,734,905,178
TOTAL ASSETS		2,103,324,853	2,142,963,780
LIABILITIES			
Bank borrowings	13	638,144,626	638,317,883
Deferred rental income		84,799,430	78,230,844
Management fee payable	14	3,300,882	6,960,718
Accrued expenses and other liabilities	15	35,157,102	55,807,699
TOTAL LIABILITIES		761,402,040	779,317,144
Net assets attributable to the Unitholders		1,341,922,813	1,363,646,636
Units in issue		162,881,100	162,881,100
Net assets value per unit in Saudi Riyals – Book value	23	8.2387	8.3720

The accompanying notes from 1 to 29 form an integral part of these financial statements.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
STATEMENT OF COMPREHENSIVE INCOME
(All amounts are in ₪ unless otherwise stated)

	<i>Notes</i>	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
Income:			
Income from properties	16	278,100,787	248,490,790
Net gain on investments measured at FVTPL	7	1,816,239	2,738
Other income		6,288,147	9,362,002
		286,205,173	257,855,530
Expenses:			
Property management expenses	17	(83,665,588)	(84,232,854)
Management fee	14	(6,789,644)	(6,960,802)
Allowance for Expected Credit Losses (“ECL”)	8	(4,543,284)	(4,391,160)
Other expenses	18	(1,736,992)	(1,902,237)
Amortisation of intangibles	10	(1,259,713)	(1,963,159)
Depreciation of property and equipment	11	(5,692,114)	(7,542,850)
Reversal of impairment loss on property and equipment	11	1,758,955	5,440,033
Depreciation of investment properties	12	(42,516,036)	(41,071,821)
Reversal of impairment loss on investment properties	12	4,481,782	4,753,220
		(139,962,634)	(137,871,630)
PROFIT BEFORE FINANCE COST		146,242,539	119,983,900
Profit on Murabaha deposits		1,230,751	2,244,130
Finance cost	13	(43,778,666)	(33,791,158)
Net finance cost		(42,547,915)	(31,547,028)
NET INCOME FOR THE YEAR		103,694,624	88,436,872
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		103,694,624	88,436,872
EARNINGS PER UNIT			
Weighted average number of units in issue		162,881,100	162,881,100
Earnings per unit (basic and diluted)		0.6366	0.5430

The accompanying notes from 1 to 29 form an integral part of these financial statements.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS(All amounts are in ﷲ unless otherwise stated)

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE YEAR	1,363,646,636	1,384,340,101
CHANGES FROM OPERATIONS		
Total comprehensive income for the year	103,694,624	88,436,872
Income distributions during the year (Note 21)	(125,418,447)	(109,130,337)
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE YEAR	1,341,922,813	1,363,646,636
UNIT TRANSACTIONS		
Transactions in units during the year are summarised as follows:		
	<i>For the year ended 31 December 2025 Units</i>	<i>For the year ended 31 December 2024 Units</i>
UNITS AT THE START AND END OF THE YEAR	162,881,100	162,881,100

The accompanying notes from 1 to 29 form an integral part of these financial statements.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
STATEMENT OF CASH FLOWS
(All amounts are in ₪ unless otherwise stated)

		<i>For the year ended 31 December 2024</i>	<i>(Restated – note 27)</i>
	<i>Notes</i>	<i>For the year ended 31 December 2025</i>	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		103,694,624	88,436,872
<i>Adjustment for:</i>			
Amortisation expense on intangibles	10	1,259,713	1,963,159
Depreciation expense on property and equipment	11	5,692,114	7,542,850
Reversal of impairment loss on property and equipment	11	(1,758,955)	(5,440,033)
Net gain on sale of property and equipment	11	-	(161,032)
Depreciation expense on investment properties	12	42,516,036	41,071,821
Reversal of impairment loss on investment properties	12	(4,481,782)	(4,753,220)
Net gain on disposal of investment properties		-	(7,870,923)
Net gain on investments measured at FVTPL	7	(1,816,239)	(2,738)
Allowance for ECL	8	4,543,284	4,391,160
Finance cost	13	43,778,666	33,791,158
Operating cash flows before working capital changes		193,427,461	158,969,074
Changes in operating assets			
Rental income receivable		(26,069,909)	(15,814,027)
Prepayment and other assets		(1,498,753)	6,626,645
Changes in operating liabilities			
Deferred rental income		6,568,586	11,342,641
Management fee payable		(3,659,836)	3,419,449
Accrued expenses and other liabilities		(20,650,597)	5,658,793
NET CASH GENERATED FROM OPERATING ACTIVITIES		148,116,952	170,202,575
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of intangible assets	10	(130,188)	(103,425)
Payments for acquisition of property and equipment	11	(22,627,844)	(14,508,339)
Proceeds from sale of property and equipment	11	164,767	2,956,653
Payments for acquisition of investment properties	12	(1,418,160)	(455,436,636)
Proceeds from sale of investment properties	12	-	63,629,233
Subscription of investments measured at FVTPL	7	(106,520,604)	-
Proceeds from redemption of investments measured at FVTPL	7	93,078,011	-
NET CASH USED IN INVESTING ACTIVITIES		(37,454,018)	(403,462,514)

The accompanying notes from 1 to 29 form an integral part of these financial statements.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
STATEMENT OF CASH FLOWS (continued)
(All amounts are in ﷲ unless otherwise stated)

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024 (Restated – note 27)</i>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	13 -	850,001,303
Bank borrowings repaid	13 -	(453,260,000)
Finance cost paid	13 (43,951,923)	(32,657,228)
Dividend paid, net of unclaimed dividend	21 (125,418,447)	(109,130,337)
	<u>(169,370,370)</u>	<u>254,953,738</u>
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		
	(58,707,436)	21,693,799
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year	108,178,706	86,484,907
	<u>108,178,706</u>	<u>86,484,907</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6 49,471,270	108,178,706
	<u><u>49,471,270</u></u>	<u><u>108,178,706</u></u>
Supplemental non- cash transaction		
Transfer to investment properties	11 17,260,891	11,711,329
	<u><u>17,260,891</u></u>	<u><u>11,711,329</u></u>

The accompanying notes from 1 to 29 form an integral part of these financial statements.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ﷲ unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

Bonyan REIT Fund (the “REIT” or the “Fund”) is a closed-ended Shariah compliant real estate investment traded fund. The Fund commenced its operations on 3 July 2018. The listing date of the Fund is 25 July 2018.

The REIT is managed by Saudi Fransi Capital Company (the “Fund Manager” or “BSF Capital”), a Saudi Closed Joint Stock company with Commercial Registration No.1010231217, and a Capital Market Institution licensed by the Capital Market Authority (“CMA”) under license no. 11153-37 dated 30 January 2011.

The REIT is listed on the Saudi Exchange (“Tadawul”) and the units of the REIT are traded on Tadawul in accordance with its rules and regulations. The REIT has a term of 99 years, which is extendable with the approval of Fund Board and CMA.

The primary investment objective of the REIT is to provide its investors with regular income by investing in income generating real estate assets in and out of Saudi Arabia provided that the Fund’s investments outside Saudi Arabia do not exceed 25% of Fund’s assets. In addition to this, the Fund may also opportunistically invest in real estate development projects, provided that the Fund invests at least 75% of the assets of the Fund in income generating real estate assets and that the Fund does not invest in white lands.

AlBilad Investment Company is the Custodian of the Fund.

As the Fund is not legally permitted to own real estate properties in the Kingdom of Saudi Arabia, accordingly, the Custodian has established following special purpose vehicles (“SPV”) and branches to hold the titles of the properties for the benefit of the Fund without any controlling interest in the assets.

Name	Commercial registration number / unified identification Number	Date of incorporation	Location
Bonyan Real Estate Fund Company	1010901003/ 7010921786	15 November 2017	Riyadh, Saudi Arabia
Hotel Courtyard by Marriot – Jazan (Branch of Bonyan Real Estate Fund Company)	7013468744/ 5900023484	25 June 2013	Jazan, Saudi Arabia
Residence Inn Apartments by Marriot – Jazan (Branch of Bonyan Real Estate Fund Company)	7014498807/ 5900033503	27 November 2016	Jazan Saudi Arabia
BSIF Investment (wholly owned subsidiary of Bonyan Real Estate Fund Company)	797051	26 December 2017	Dubai, United Arab Emirates

2. REGULATORY AUTHORITY

The Fund is governed by the Real Estate Investment Fund Regulations (REIFR) (the “Regulations”) issued by the Board of CMA dated 19 Jamada Al-Akhirah 1427 (corresponding to 15 July 2006) amended by the Board of CMA dated 3 Jumada Al-Akhirah 1447 AH (corresponding to 24 November 2025).

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ﷲ unless otherwise stated)

3. BASIS OF PREPARATION

3.1 *Statement of compliance*

These financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). Assets and liabilities in the statement of financial position are presented in the of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 20.

3.2 *Basis of measurement*

These financial statements have been prepared on a historical cost basis, using the accruals basis of accounting, except for investments held at fair value through profit or loss ("FVTPL") that are measured at fair value.

3.3 *Functional and presentation currency*

These financial statements have been presented in Saudi Arabian Riyal ("ﷲ"), which is also the functional currency of the Fund. All financial information presented has been rounded to the nearest ﷲ.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are stated below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Cash and cash equivalents

Cash and cash equivalents for the statement of financial position comprise cash in hand and bank balances and are available for use by the Fund unless otherwise stated.

Cash and cash equivalents for the statement of cash flows comprise cash in hand and bank balances and Murabaha deposits with original maturities less than 90 days.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

The Fund records financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair value. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount. In case of financial assets and financial liabilities at FVTPL, the transactions cost is expensed in statement of comprehensive income.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ~~ﷲ~~ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification

The Fund classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Fund for managing the financial assets, and contractual cash flow characteristics.

The Fund measures financial assets at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any income generated from these financial assets is recognised using effective interest method.

For assets measured at fair value, gains and losses will either be recorded in either profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Fund classifies all financial liabilities as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss.

The undiscounted amount of the financial liabilities appearing in statement of financial position approximates their carrying values at the reporting date due to short duration except for borrowings from bank, which have been measured at amortised cost.

Currently cash and cash equivalent, Murabaha deposits, rental income receivable, other assets, management fee payable, accrued expenses and other liabilities and bank borrowings are carried at amortised cost.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition of financial instruments (continued)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liabilities are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its financial assets, carried at amortised cost and FVOCI, the ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits from the asset’s highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ~~£~~ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies.

The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in Note 22.

Investment properties

Investment properties are real estate that are held for capital appreciation and/or rental yields are recorded as investment properties. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method. The cost less residual value of investment property is depreciated over its estimated useful life. Any capital expenditure incurred post-acquisition on investment properties is depreciated on straight line basis over its estimated useful life.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Property and equipment

Property and equipment are initially recognised at acquisition cost, including any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in a manner intended by the Fund. Property and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Acquisition cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in S\&P unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Property and equipment include land and buildings, furniture and equipment comprising air conditioners, computers and printers, electrical tools, furniture and fixtures, office, and electrical equipment. Hotels are considered owner occupied and therefore classified as property and equipment.

Intangible assets

Intangible assets include computer software and licenses. Intangibles assets are initially capitalised at cost and subsequently at cost less accumulated amortisation and accumulated impairment if any. Amortisation is computed using the straight-line method. The cost less residual value of intangible assets is amortised over its estimated useful life.

Estimated useful life

The estimated useful life for investment properties, property and equipment and intangible assets is as below:

- Building – 20 to 50 years
- Furniture and equipment – 3 to 10 years
- Intangible assets – 5 to 20 years

Impairment of non-financial asset

The Fund assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

A reversal of an impairment loss for an asset is only recognised if there's been a change in the estimates used to calculate the asset's recoverable amount since the last impairment. The asset's carrying amount should be adjusted up to its recoverable amount, essentially undoing the previous impairment loss. However, this adjustment should not exceed what the asset's carrying amount would have been, considering depreciation or amortisation, had the impairment not been recognised in the past.

Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Provision

Provisions are recognised when the Fund has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

4. MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Rental income

Rental income from operating lease of property is recognised on a straight-line basis over the term of the lease.

Revenue from hotel services

Revenue from hotel services comprises revenue from rooms, food and beverages and other associated services provided. The revenue is recognised net of discount, applicable taxes, and municipality fees on an accrual basis when the services are rendered.

Revenue is measured based on the consideration specified in a contract with customer and excludes amount collected on behalf of third parties such as taxes. The Fund recognises revenue when it transfers control over a product or service to a customer. The principles in IFRS 15 are applied in recognising the revenue from hotel services.

Management fee and other expenses

Management fee and other expenses are charged at rates/amounts within limits mentioned in terms and conditions of the REIT. Management fee is calculated and payable quarterly in arrears.

Custody fees

As per the terms and conditions of the Fund, the custodian charges 0.025% per annum of the Fund's total assets. The custody fees are calculated on the net asset value of the Fund and are payable on a quarterly basis.

Foreign exchange transactions

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to ﷲ at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on retranslation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of profit or loss and other comprehensive income.

Zakat

Zakat and income tax at the Fund level is the obligation of the Unitholders and is not provided for in these financial statements.

Net assets value per unit

The net assets value per unit as disclosed in the statement of financial position is calculated by dividing the total net asset value of the Fund by the number of units in issue at year-end.

Dividend distribution

As per the regulations, the distributed profits to Unitholders must not be less than (90%) of the Fund's annual net profits except for unrealised capital gains that may come from the appreciation of real estate.

Capital gains from the sale of real estate assets will be invested money market instruments until suitable real estate assets are identified for acquisition by the Fund. If no new investment opportunities are identified within one year of receipt of proceeds from the sale of an asset, Fund Manager will distribute such amounts with the upcoming dividend.

Unclaimed dividends are disclosed under other liabilities in the statement of financial position.

4. MATERIAL ACCOUNTING POLICIES (continued)

Capital

Units in the Fund are classified as equity instruments when a contractual obligation for the Fund is to deliver to another entity a pro rata share of its net assets only on liquidation. The obligation arises because liquidation either is certain to occur and outside the control of the Fund or is uncertain to occur but is at the option of the instrument holder. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

(a) It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation. The Fund's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:

- (i) dividing the net assets of the Fund on liquidation into units of equal amount; and
- (ii) multiplying that amount by the number of the units held by the financial instrument holder.

(b) The instrument is in the class of instruments that is subordinate to all other classes of instruments and has no priority over other claims to the assets of the Fund on liquidation, and

(c) does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.

All financial instruments in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing entity to deliver a pro rata share of its net assets on liquidation.

For an instrument to be classified as an equity instrument, in addition to the instrument having all the above features, the issuer must have no other financial instrument or contract that has total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract) and the effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund continuously assesses the classification of the units. If the units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of the Fund's units are accounted for as net asset transactions and are considered financial liabilities.

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2025. Fund Manager has assessed that the amendments have no impact on the Fund's financial statements.

Standard, interpretation, amendments	Description	Effective from annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments not yet effective and not early adopted by the Fund

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. These amendments and standards except IFRS 18 are not expected to have any significant impact on the financial statements of the Fund.

Standard, interpretation, amendments	Description	Effective from annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	<p>These amendments:</p> <ul style="list-style-type: none"> • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). 	1 January 2026
Annual improvements to IFRS – Volume 11	<p>Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The amendments are to the following standards:</p> <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows. 	1 January, 2026

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ﷲ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments not yet effective and not early adopted by the Fund (continued)

Standard, interpretation and amendment	Description	Effective for annual years beginning on or after
IFRS 18, Presentation and Disclosure in Financial Statements	Presentation IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	January 1, 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full.	Effective date deferred indefinitely

5. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Fund's financial statements in conformity with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other statements and pronouncements issued by SOCPA, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Judgments

Going concern

Fund Manager made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Therefore, these financial statements continue to be prepared on a going concern basis.

Classification of investments as investment property or owner-occupied property

The Fund categorizes its investments in hotel properties under the designation of owner-occupied property. This classification is predicated on the consideration that the ancillary services furnished to the hotel significantly contribute to the income derived from these properties. Furthermore, the variability in cash flow and the operational risks associated with the hotels are borne by the Fund. Conversely, the Fund's investments in malls are designated as investment property.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

5. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

Judgments (continued)

Classification of investments as investment property or owner-occupied property (continued)

This is attributed to the fact that the ancillary services provided to the mall tenants constitute an insubstantial portion of the lease rentals accrued from these entities.

Classification of units as net assets vs liability (Refer to Note 4 for accounting policy and measurement basis)

Estimates

Residual value and useful lives of investment properties and property and equipment

Fund Manager determines the estimated residual value and useful lives of its investment properties and property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Fund Manager will review the residual value and useful lives annually and future depreciation charge would be adjusted where Fund Manager believes the useful lives differ from previous estimates. (Refer to Note 4 for accounting policy and measurement basis)

Impairment of financial assets (expected credit loss)

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

Impairment of non-financial assets (Refer to Note 4 for accounting policy and measurement basis).

6. CASH AND CASH EQUIVALENTS

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Bank balance	29,116,546	70,346,523
Cash in hand	26,500	36,500
Cash and bank balances	29,143,046	70,383,023
Murabaha deposits*	20,328,224	37,795,683
Cash and cash equivalents	49,471,270	108,178,706

* These deposits carry profit ranging from 3.64% (2024: 3.8% to 3.9%) and are scheduled to mature by 1 February 2026 (2024: 5 January 2025).

Fund Manager has conducted a review as required under IFRS 9 and based on such an assessment, the effect of expected credit loss allowance against the carrying value of cash and cash equivalents is insignificant as the balances are held with investment grade credit rated financial institutions (A-) and therefore no ECL has been recognised in these financial statements.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

7. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments as at the reporting date comprises investments in mutual funds.

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
<u>Financial assets measured at fair value through profit or loss (FVTPL)</u>		
Al Badr Murabaha Fund SAR (Note 14)	15,260,091	3,301
Riyadh SAR Trade Fund	79,964	77,922
	<u>15,340,055</u>	<u>81,223</u>

The following is the movement in investments during the year:

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
Carrying amount:		
Balance at beginning of the year	81,223	78,485
Additions during the year	106,520,604	-
Disposal during the year	(93,078,011)	-
Net gain on investments measured at FVTPL	1,816,239	2,738
Balance at the end of the year	<u>15,340,055</u>	<u>81,223</u>

As at 31 December 2025, the Fund has an investment of 806,593 units (2024: 184 units) in Al Badr Murabaha Fund SAR and 32 units (31 December 2024: 32 units) in Riyadh SAR Trade Fund.

8. RENTAL INCOME RECEIVABLE, NET

Rental income receivable comprised of the following:

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Rental income receivable	122,282,950	96,465,726
Less: Allowance for expected credit losses	(25,243,673)	(20,953,074)
	<u>97,039,277</u>	<u>75,512,652</u>

The movement in allowance for expected credit losses is as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Opening balance	20,953,074	17,123,226
Charged during the year	4,543,284	4,391,160
Written off	(252,685)	(561,312)
Closing balance	<u>25,243,673</u>	<u>20,953,074</u>

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

8. RENTAL INCOME RECEIVABLE, NET (CONTINUED)

Below is the aging analysis of gross rental income receivables:

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
0-3 months	50,249,391	26,187,747
3-12 months	27,964,601	20,064,580
Over 365 days	44,068,958	50,213,399
Balance at the end of the year	122,282,950	96,465,726

9. PREPAYMENT AND OTHER ASSETS

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Advance payment to suppliers	8,608,248	5,889,257
Prepaid expenses and other assets	3,159,705	3,741,383
VAT input tax	33,309	671,869
	11,801,262	10,302,509

10. INTANGIBLE ASSETS, NET

	<i>31 December 2025</i>	<i>31 December 2024</i>
Cost		
Balance at the beginning of the year	6,953,650	6,850,225
Additions during the year	130,188	103,425
Balance at the end of the year	7,083,838	6,953,650
Accumulated amortisation		
Balance at the beginning of the year	(4,697,231)	(2,734,072)
Charged during the year	(1,259,713)	(1,963,159)
Balance at the end of the year	(5,956,944)	(4,697,231)
Net book value at the end of the year	1,126,894	2,256,419

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

11. PROPERTY AND EQUIPMENT, NET

	<i>31 December 2025</i>				<i>Total</i>
	<i>Land</i>	<i>Building</i>	<i>Furniture and equipment</i>	<i>Capital work in progress</i>	
Cost					
Balance at the beginning of the year	24,422,702	209,770,671	20,573,916	19,156,510	273,923,799
Additions during the year	-	100,820	551,031	21,975,993	22,627,844
Disposal during the year	-	-	-	(164,767)	(164,767)
Transfer to investment properties (note 12)	-	-	-	(17,260,891)	(17,260,891)
Balance at the end of the year	24,422,702	209,871,491	21,124,947	23,706,845	279,125,985
Accumulated depreciation					
Balance at the beginning of the year	-	(27,043,054)	(14,406,985)	-	(41,450,039)
Charged during the year	-	(3,784,961)	(1,907,153)	-	(5,692,114)
Balance at the end of the year	-	(30,828,015)	(16,314,138)	-	(47,142,153)
Accumulated impairment					
Balance at the beginning of the year	-	(20,746,667)	-	-	(20,746,667)
Reversal of impairment during the year*	-	1,758,955	-	-	1,758,955
	-	(18,987,712)	-	-	(18,987,712)
Net book value at the end of the year	24,422,702	160,055,764	4,810,809	23,706,845	212,996,120

*Impairment reversal on property valuation has occurred due to improvement in market conditions and demand, leading to an increase in the property's fair value.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(All amounts are in SAR unless otherwise stated)

11. PROPERTY AND EQUIPMENT, NET (continued)

	<i>31 December 2024</i>				<i>Total</i>
	<i>Land</i>	<i>Building</i>	<i>Furniture and equipment</i>	<i>Capital work in progress</i>	
Cost					
Balance at the beginning of the year	24,422,702	209,492,478	20,637,399	19,530,863	274,083,442
Additions during the year	-	278,193	2,297,390	11,932,756	14,508,339
Disposal during the year	-	-	(2,360,873)	(595,780)	(2,956,653)
Transfer to investment properties (note 12)	-	-	-	(11,711,329)	(11,711,329)
Balance at the end of the year	24,422,702	209,770,671	20,573,916	19,156,510	273,923,799
Accumulated depreciation					
Balance at the beginning of the year	-	(21,337,016)	(12,731,205)	-	(34,068,221)
Charged during the year	-	(5,706,038)	(1,836,812)	-	(7,542,850)
Disposal during the year	-	-	161,032	-	161,032
Balance at the end of the year	-	(27,043,054)	(14,406,985)	-	(41,450,039)
Accumulated impairment					
Balance at the beginning of the year	-	(26,186,700)	-	-	(26,186,700)
Reversal of impairment during the year*	-	5,440,033	-	-	5,440,033
	-	(20,746,667)	-	-	(20,746,667)
Net book value at the end of the year	24,422,702	161,980,950	6,166,931	19,156,510	211,727,093

*Impairment reversal on property valuation has occurred due to improvement in market conditions and demand, leading to an increase in the property's fair value.

The land and building under property and equipment represent following three (2024: three) properties namely:

- The Courtyard Marriott Hotel investment, a freehold property acquired by the Fund, is located in Jazan and is classified in the Four-Star Hotel sector.
- The Residence Inn by Marriott investment, a freehold property acquired by the Fund, is located in Jazan and is classified in the Four-Star Apartment Hotel sector.
- Marriott Executive Apartments investment, a freehold property acquired by the Fund, is located in Madinah and is classified in the Five Star Apartment Hotel sector.

BONYAN REIT FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

12. INVESTMENT PROPERTIES, NET

	<i>31 December 2025</i>		
	<i>Land</i>	<i>Building</i>	<i>Total</i>
Cost			
Balance at the beginning of the year	399,759,726	1,566,578,788	1,966,338,514
Additions during the year	-	1,418,160	1,418,160
Transfer from property and equipment (note 11)	-	17,260,891	17,260,891
Balance at the end of the year	<u>399,759,726</u>	<u>1,585,257,839</u>	<u>1,985,017,565</u>
Accumulated depreciation			
Balance at the beginning of the year	-	(226,951,554)	(226,951,554)
Charge for the year	-	(42,516,036)	(42,516,036)
Balance at the end of the year	-	<u>(269,467,590)</u>	<u>(269,467,590)</u>
Accumulated impairment			
Balance at the beginning of the year	-	(4,481,782)	(4,481,782)
Reversal of impairment during the year*	-	4,481,782	4,481,782
Balance at the end of the year	-	-	-
Net book value at the end of the year	<u><u>399,759,726</u></u>	<u><u>1,315,790,249</u></u>	<u><u>1,715,549,975</u></u>
	<i>31 December 2024</i>		
	<i>Land</i>	<i>Building</i>	<i>Total</i>
Cost			
Balance at the beginning of the year	284,866,118	1,277,126,247	1,561,992,365
Additions during the year	114,893,608	340,543,028	455,436,636
Disposal during the year	-	(62,801,816)	(62,801,816)
Transfer from property and equipment (note 11)	-	11,711,329	11,711,329
Balance at the end of the year	<u>399,759,726</u>	<u>1,566,578,788</u>	<u>1,966,338,514</u>
Accumulated depreciation			
Balance at the beginning of the year	-	(192,923,239)	(192,923,239)
Charge for the year	-	(41,071,821)	(41,071,821)
Disposal during the year	-	7,043,506	7,043,506
Balance at the end of the year	-	<u>(226,951,554)</u>	<u>(226,951,554)</u>
Accumulated impairment			
Balance at the beginning of the year	-	(9,235,002)	(9,235,002)
Reversal of impairment during the year*	-	4,753,220	4,753,220
Balance at the end of the year	-	<u>(4,481,782)</u>	<u>(4,481,782)</u>
Net book value at the end of the year	<u><u>399,759,726</u></u>	<u><u>1,335,145,452</u></u>	<u><u>1,734,905,178</u></u>

*Impairment reversal on property valuation has occurred due to improvement in market conditions and demand, leading to an increase in the property's fair value.

BONYAN REIT FUND

(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in ₪ unless otherwise stated)

12. INVESTMENT PROPERTIES, NET (continued)

The investment properties represent following properties namely:

- The Al Rashid Mega Mall investment, a freehold property acquired by the Fund, is located in Madinah and is classified in the Commercial sector.
- The Al Rashid Mall - Abha investment, a leasehold property acquired by the Fund under a 20-year usufruct agreement, is located in Abha and is classified in the Commercial sector. The Fund had the right to purchase this property outright within 5 years from the signing date of the usufruct agreement for a consideration of ₪ 110 million. The Fund exercised this right during 2023. The amount will be paid upon transfer of title deed. As at 31 December 2025, the transfer of the deed is underway and accordingly the asset and liability has not been recorded in these financial statements. The right of use under the usufruct agreement meets the definition of investment property and therefore the right of use is classified as investment property.
- The Al Rashid Mall - Jazan, a freehold property acquired by the Fund, investment is located in Jazan and is classified in the Commercial sector.
- The Al Rashid Strip Mall investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Commercial sector.
- The Citywalk Residential Building investment, a freehold property acquired by the Fund, is located in Dubai and is classified in the Residential sector. This property has been fully disposed off during the year ended 31 December 2024.
- The Al Rafiah Village investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Residential sector.
- The Al Maather Villas Complex investment, a freehold property acquired by the Fund, is located in Riyadh and is classified in the Residential sector.
- The Al Sahafa Office Tower, a freehold property acquired by the Fund in April 2021 and is located in Sahafa District on al-Olaya Street in Riyadh and is classified in the Office sector.
- The Al Ghadeer Office Tower, a freehold property acquired by the Fund in January 2022 is located in Al-Ghadeer District on Al Sail Al Kabeer Road in Riyadh and is classified in the Office sector.
- The 1991 Centre, a freehold property acquired by the Fund in May 2024 located in Hittin District in Riyadh and the building will be used for commercial usage.
- The Al Olaya Tower, a freehold property acquired by the Fund in August 2024 located in Al-Sahafa District on Olaya Street in Riyadh and is classified in the Office sector.

BONYAN REIT FUND
(Managed by Saudi Fransi Capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(All amounts are in ﷲ unless otherwise stated)

13. BANK BORROWINGS

	<i>31 December 2025</i>	<i>31 December 2024</i>
Borrowings		
Balance at the beginning of the year	637,001,303	240,260,000
Addition during the year	-	850,001,303
Paid during the year	-	(453,260,000)
	<hr/>	<hr/>
Balance at the end of the year	637,001,303	637,001,303
	<hr/> <hr/>	<hr/> <hr/>
Accrued finance cost		
Balance at the beginning of the year	1,316,580	182,650
Charge for the year	43,778,666	33,791,158
Paid during the year	(43,951,923)	(32,657,228)
	<hr/>	<hr/>
	1,143,323	1,316,580
	<hr/> <hr/>	<hr/> <hr/>
Net book value	638,144,626	638,317,883

The borrowings from bank represents Islamic financing obtained from local banks. The Fund obtained financing at Saudi Interbank Offer Rate (“SIBOR”) plus agreed margin. The profit mark - up / bank commission is payable on monthly / quarterly basis and the principal is due for payment from April 2027 to March 2031. The borrowings carry profit ranging from 6.8% to 6.85% (2024: 6.3% to 7.09%).

The Fund is subject to financial covenants attached to its borrowings, which are monitored on an ongoing basis. As at the reporting date, the Fund was in compliance with all debt covenant.

The title deed of following properties has been mortgaged and is being held as a collateral against the bank borrowing:

- Al Rashid Mall - Jazan,
- The Courtyard Marriott Hotel - Jazan,
- The Residence Inn by Marriott - Jazan,
- Al Rashid Mega Mall – Madinah,
- Marriott Executive Apartments – Madinah,
- Al Rafiah Village – Riyadh,
- Al Sahafa Tower– Riyadh,
- Al Ghadeer Tower– Riyadh and
- Al Olaya Tower - Riyadh

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Fund Manager, Banque Saudi Fransi (the “Bank” and a shareholder of Fund Manager), Saudi Bonyan Company (being the property manager of the investment properties and property and equipment), the Fund Board Directors and affiliates of Fund Manager. The Fund is managed by Fund Manager and the Unitholders of the Fund, including Abdul Rahman Saad Al Rashid & Sons Company (being a substantial unitholder).

In the ordinary course of its activities, the Fund transacts business with related parties.

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(Managed by Saudi Fransi Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

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14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with related parties during the years and balances are as follows:

<i>Related party</i>	<i>Nature of transaction</i>	<i>Amount of transactions</i>		<i>Balances receivables/(payables)</i>	
		<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
BSF Capital (Fund Manager)	Asset management fee (Refer Note "a" below)	(6,789,644)	(6,960,802)	(3,300,882)	(6,960,718)
Banque Saudi Fransi	Cash and cash equivalents	-	-	21,710,705	43,234,530
	Murabaha deposits	-	-	20,328,224	37,795,683
	Murabaha deposits made during the year	740,150,978	-	-	-
	Murabaha deposits matured during the year	(758,849,187)	-	-	-
	Profit on Murabaha deposits	1,230,751	2,244,130	-	-
Board of Directors	Board fees to independent board members	(115,342)	(100,000)	-	-
Al Badr Murabaha Fund (Managed by Fund Manager)	Investments (Refer Note 7)	-	-	15,260,091	3,301
	Net gain on investments measured at FVTPL	1,814,197	176	-	-
	Subscription made during the year	106,520,604	-	-	-
	Redemptions made during the year	(93,078,011)	-	-	-
Saudi Bonyan Company (Property Manager and a subsidiary of major unitholder ARTAR)	Property management fee	(12,436,746)	(10,436,385)	(1,264,211)	(3,796,840)
	Property operating expenses	(70,117,523)	(70,502,153)	(9,298,775)	(26,169,902)
	Advance payment of property management fee	-	-	5,071,820	-

- (a) As per the terms and conditions of the Fund, the Fund is liable to pay Fund Manager a management fee being 0.5% plus applicable taxes of the net asset value of the Fund. The fee is payable on a semi-annual basis.

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15. ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Trade and other payable	26,146,847	35,990,903
Advance from customers	5,808,926	5,714,669
VAT output	2,838,072	1,858,315
Property valuation fee	112,525	268,152
Audit fees	100,000	25,197
Custody fees	68,595	93,751
Maintenance payable	-	7,050,941
Other payable	82,137	4,805,771
	<u>35,157,102</u>	<u>55,807,699</u>

16. INCOME FROM PROPERTIES

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
Income from investment properties		
Lease rental income on investment properties excluding hotels	241,547,724	191,401,896
Other income – ancillary services	9,406,508	15,554,586
Capital gain on disposal of investment properties	-	7,870,923
Revenue from hotel operations		
Rooms revenue	23,761,235	27,820,197
Food and beverage revenue	2,941,983	5,180,446
Others	443,337	662,742
	<u>278,100,787</u>	<u>248,490,790</u>

Other income (ancillary services) comprises of service charges and recovery of utility charges from the tenants of commercial properties (malls).

Future rental commitments in respect of investment properties (to be received) at year end, under the operating leases is as follows:

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Not later than one year	51,827,984	312,205,414
Later than one year and less than five years	509,141,048	801,215,531
Later than five years	539,500,886	442,439,195
	<u>1,100,469,918</u>	<u>1,555,860,140</u>

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17. PROPERTY MANAGEMENT EXPENSES

The analysis of property management expenses charged by the property manager is as follows:

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
Staff costs	34,342,343	33,974,906
Utilities expense	15,241,625	15,400,093
Property management fee	12,436,746	10,436,385
Insurance expense	2,217,031	3,017,482
Sales commission	543,020	3,294,316
Repair and maintenance expense	6,123,159	6,320,128
Other direct costs	12,761,664	11,789,544
	<u>83,665,588</u>	<u>84,232,854</u>

18. OTHER EXPENSES

The analysis of other expenses is as follows:

	<i>For the year ended 31 December 2025</i>	<i>For the year ended 31 December 2024</i>
Custody fees	410,000	416,095
Registration fee	400,000	400,000
Listing fees	300,000	300,000
Property valuation fees	234,000	320,823
Audit fees	165,000	151,000
Board fee (note 14)	115,342	100,000
Publishing fee	20,230	10,000
Regulatory fee	7,500	7,500
Bank charges	1,129	2,759
Legal fee	-	435
Others	83,791	193,625
	<u>1,736,992</u>	<u>1,902,237</u>

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19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management

Fund Manager is primarily responsible for identifying and controlling risks. The Fund's activities expose it to a variety of financial risks: market risk (including cash flow commission rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. Monitoring and controlling risks are primarily set up to be performed based on limits as specified in the terms and conditions and regulations.

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is at a risk when tenants are in breach of their obligations. In the event of a failure of a tenant to pay the payments due for one or more real estate assets, this may limit the ability of Fund Manager to re-lease or lease the property on satisfactory terms resultantly reducing the rental income from the properties.

The Fund is exposed to credit risk on its cash and cash equivalents, Murabha deposits, investments at FVPL and rental income receivable. Cash flows from the lessees are being received in accordance with the lease and any expected defaults are recognised in the financial statement in accordance with the expected credit loss model. The maximum exposure to the credit risk for the financial assets is their carrying value. The impact of expected credit losses on financial assets of the Fund is considered to be immaterial by the Fund Manager unless otherwise disclosed in these financial statements.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Cash and cash equivalents	49,444,770	108,142,206
Investments measured at FVTPL	15,340,055	81,223
Rental income receivable, net	97,039,277	75,512,652
	161,824,102	183,736,081

Concentration risk

The Fund on its inception date and during its life, acquires real estate assets which are sometimes leased to a single tenant depending on the nature of the asset. Such real estate assets are either equipped or remodeled by the lessee in a manner that serves the tenants interests. Therefore, if the tenant decides not to renew or terminate the relevant lease, Fund Manager may find it difficult to re-lease the property to a new tenant who rents the entire real estate asset or Fund Manager may be required to make modifications to the property.

Based on the Fund's strategy, most of the Fund's portfolio is located within Saudi Arabia and is therefore affected by the conditions and economic cycles that affect the region in general, which could impact the Fund's investments and unit price. The regions / cities with positive investment characteristics, growth in business activities, positive investment flow, growth in supply and demand, and good infrastructure, are targeted after conducting a comprehensive feasibility study for these real estate assets internally by either Fund Manager or using an external consultant to carry out the necessary studies. Fund Manager use at least two independent appraisers, to be accredited by the Saudi Authority for Accredited Valuers.

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19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, equity prices and interest rates, will affect the Fund's income or cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund's functional and presentation currency is Saudi Riyal, with some transactions in UAE Dirham, which is mainly related to Investment property located in the United Arab Emirates. UAE Dirham has a stable exchange rate to Saudi Riyal. The Fund is not consequently exposed to any significant currency risk.

Special commission rate risk

Special commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market special commission rates. The Fund is subject to special commission rate risk on its special commission bearing assets. The Fund does not account for any fixed rate special commission bearing financial assets at fair value and therefore, a change in special commission rates at the reporting date would not have any effect on the financial statements. The Fund is exposed to cashflow special commission rate risk on the floating rate borrowings. A hundred basis points change in commission rate keeping all other factors constant will increase/decrease the special commission expense by ﷲ 4,326,380 (2024: ﷲ 4,717,820).

Property valuation risk

The valuations carried out by two independent valuers will only be an estimate of the worthiness of a property and are not a precise measure of the value that may be obtained in connection with a sale of that property which is based on negotiations between a buyer and seller. The final verification of the property market value depends to a great extent on economic and other conditions beyond the control of the Fund. If the Fund were to liquidate its assets, the realised value may be more or less than the estimated valuation of such assets. In periods of economic volatility, in which there is a perceived greater uncertainty as to value estimates and fewer comparable transactions against which value can be measured, the difference between the estimated value for a real estate asset and the ultimate value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of property value estimates and the negotiations between a buyer and seller and hence final returns to Unitholders. Fund Manager use two valuers that are licensed by TAQEEM and take the average of those valuations to have a reasonable estimate of fair value for the purpose of disclosing the fair value of the properties in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As an asset class, real estate assets are relatively illiquid and, as such, it may be difficult or impossible for the Fund to sell a certain real estate asset for a particular price at any particular time. The Fund's assets consist of real estate assets. It may be difficult for the Fund to sell its real estate assets (particularly at times of market downturn and specifically those assets that are categorised as larger real estate assets), and the proposed price may be at a significant discount, especially if the Fund is forced to dispose of any of its assets in a short period.

Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through use of available cash balance, liquidation of the investment portfolio or by taking short to medium term loans from Fund Manager and / or banks. The Fund remains sufficiently liquid from a cash perspective with the lowest leverage levels. The Fund have multiple facilities which can be used to drawdown loans and payoff its debt.

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19. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**Liquidity risk (Continued)**

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<i>As at 31 December 2025</i>		
	<i>Less than one year</i>	<i>More than one year</i>	<i>Total</i>
Bank borrowings	43,437,060	746,924,944	790,362,004
Deferred rental income	84,799,430	-	84,799,430
Management fee payable	3,300,882	-	3,300,882
Accrued expenses and other liabilities	35,157,102	-	35,157,102
Total liabilities	166,694,474	746,924,944	913,619,418
	<i>As at 31 December 2024</i>		
	<i>Less than one year</i>	<i>More than one year</i>	<i>Total</i>
Bank borrowings	49,798,727	843,860,419	893,659,146
Deferred rental income	78,230,844	-	78,230,844
Management fee payable	6,960,718	-	6,960,718
Accrued expenses and other liabilities	55,807,699	-	55,807,699
Total liabilities	190,797,988	843,860,419	1,034,658,407

Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency, and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

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20. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table presented below provides an analysis of assets and liabilities, categorised by their expected timelines for recovery or settlement. Additionally, the maturity dates listed correspond with the contractual maturities of these assets and liabilities.

	<i>As at 31 December 2025</i>		
	<i>Less than one year</i>	<i>More than one year</i>	<i>Total</i>
Cash and cash equivalents	49,471,270	-	49,471,270
Investments measured at FVTPL	15,340,055	-	15,340,055
Rental income receivable, net	97,039,277	-	97,039,277
Prepayment and other assets	11,801,262	-	11,801,262
Intangible assets, net	-	1,126,894	1,126,894
Property and equipment, net	-	212,996,120	212,996,120
Investment properties, net	-	1,715,549,975	1,715,549,975
Total assets	173,651,864	1,929,672,989	2,103,324,853
Bank borrowings	1,143,323	637,001,303	638,144,626
Deferred rental income	84,799,430	-	84,799,430
Management fee payable	3,300,882	-	3,300,882
Accrued expenses and other liabilities	35,157,102	-	35,157,102
Total liabilities	124,400,737	637,001,303	761,402,040
Net assets	49,251,127	1,292,671,686	1,341,922,813

	<i>As at 31 December 2024</i>		
	<i>Less than one year</i>	<i>More than one year</i>	<i>Total</i>
Cash and cash equivalents	108,178,706	-	108,178,706
Investments measured at FVTPL	81,223	-	81,223
Rental income receivable, net	36,205,977	39,306,675	75,512,652
Prepayment and other assets	10,302,509	-	10,302,509
Intangible assets, net	-	2,256,419	2,256,419
Property and equipment, net	-	211,727,093	211,727,093
Investment properties, net	-	1,734,905,178	1,734,905,178
Total assets	154,768,415	1,988,195,365	2,142,963,780
Bank borrowings	1,316,580	637,001,303	638,317,883
Deferred rental income	78,230,844	-	78,230,844
Management fee payable	6,960,718	-	6,960,718
Accrued expenses and other liabilities	55,807,699	-	55,807,699
Total liabilities	142,315,841	637,001,303	779,317,144
Net assets	12,452,574	1,351,194,062	1,363,646,636

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21. DIVIDEND DISTRIBUTION

In accordance with the approved terms and conditions of the Fund, the Fund distributed dividends with regards to period from 1 November 2024 till 30 April 2025 amounting to ﷲ 0.37 per unit which amounted to ﷲ 60.27 million (2024: ﷲ 0.33 per unit amounting to ﷲ 53.75 million).

Moreover, the Fund distributed dividends, with regards to period from 1 May 2025 till 31 October 2025 amounting to ﷲ 0.40 per unit amounting to ﷲ 65.15 million (2024: ﷲ 0.34 per unit amounting to ﷲ 55.38 million).

22. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of investment properties and property and equipment is ﷲ 2,707.5 million (2024: ﷲ 2,745.3 million) carried at level 3 (refer note 23). The investment in mutual funds carried at FVTPL is ﷲ 15,340,055 (2024: ﷲ 81,223) and is carried at level 1 and are valued based on NAV published by the fund managers. The Fund believes that the fair value of all other financial assets and liabilities approximately equal their carrying value.

23. EFFECT OF NET ASSETS VALUE IF INVESTMENT PROPERTIES AND PROPERTY AND EQUIPMENT ARE FAIR VALUED

The Fund opted to use the cost method for its investment properties and property and equipment (hotel investments) in these financial statements. In accordance with Article 36 of the Real Estate Investment Funds Regulations issued by CMA in the Kingdom of Saudi Arabia, Fund Manager evaluates the Fund's assets based on an average of two evaluations prepared by independent valuers. Accordingly, the fair value below is disclosed for information purposes and has not been accounted for in the Fund's books unless in case of impairment.

The valuation of the investment properties and property and equipment (the "properties") is carried out by Barcode and Abaad (2024: Barcode and Abaad). These two valuers (2024: two valuers) are licensed by the Saudi Authority for Accredited Valuers ("TAQEEM").

Fund Manager has used the average of the two valuations for the purposes of disclosing the fair value of the investment properties and property and equipment. The properties were valued taking into consideration of a number of factors, including the area and type of properties, and valuation techniques using significant unobservable inputs, including the direct comparable method, income capitalization method and the discounted cash flow method.

The significant key inputs included are discount rates, capitalization rates, future rental cash inflows, operating expenses, occupancy rate, terminal value and price adjustments (where applicable). The discount rate and the capitalization rates used in the valuation ranges from 10.2% to 12.2% and 7.5% respectively. The estimated fair value would increase / decrease with the changes to these variables.

Below is an analysis of the properties fair value versus cost:

	<i>Note</i>	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Estimated fair value of investment properties		2,476,585,735	2,515,736,296
Book value of investment properties	12	(1,715,549,975)	(1,734,905,178)
Estimated fair value of property and equipment		230,883,359	229,642,363
Book value of property and equipment excluding capital work in progress	11	(189,289,275)	(192,570,583)
Estimated fair value surplus relative to book value		802,629,844	817,902,898
Units in issue (numbers)		162,881,100	162,881,100
Per unit value impact from excess of investment properties and property and equipment's estimated fair value over book value		4.9277	5.0215

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23. EFFECT OF NET ASSETS VALUE IF INVESTMENT PROPERTIES AND PROPERTY AND EQUIPMENT ARE FAIR VALUED (continued)

<i>Net Assets value</i>	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Net Assets value as per the statement of financial position	1,341,922,813	1,363,646,636
Estimated fair value surplus relative to book value	802,629,844	817,902,898
Net Assets based on fair valuation of investment properties and property and equipment	2,144,552,657	2,181,549,534
<i>Net Assets value per unit</i>		
Net Assets per unit as per the statement of financial position	8.2387	8.3720
Per unit value impact from excess of investment properties and property and equipment's estimated fair value over book value	4.9277	5.0215
Net Assets value per unit based on fair valuation of investment properties and property and equipment	13.1664	13.3935

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24. SEGMENT REPORTING

The Fund's primary business is conducted in Saudi Arabia and the United Arab Emirates. The Fund's reportable segment are as follows:

Commercial centres: This includes unit of investment properties such as malls.

Residential: This includes units of private houses such as individual apartments.

Hospitality: This includes hospitality service providing entity, which is related to Marriot properties.

Office: This includes rental of office space, which is related to Al Ghadeer, Al Sahafa, 1991 Centre & Al Olaya office buildings

The Fund's total assets, investment properties, properties and equipment and liabilities as at 31 December 2025 and 2024, its total operating income and expense, and the results for the years then ended, by operating segment, are as follows:

	<i>31 December 2025</i>					
	<i>Commercial Centres</i>	<i>Residential</i>	<i>Hospitality</i>	<i>Office</i>	<i>Others</i>	<i>Total</i>
Total assets	1,001,043,883	191,709,174	207,361,274	652,951,221	50,259,301	2,103,324,853
Investment properties, net	920,105,838	173,752,055	-	621,446,716	245,366	1,715,549,975
Property and equipment, net	22,412,226	2,517,896	187,627,266	438,732	-	212,996,120
Total liabilities	187,428,088	1,933,765	21,907,967	51,817,205	498,315,015	761,402,040
Total income	179,197,516	22,315,195	29,831,587	49,286,601	8,104,386	288,735,285
Inter-segment income	1,299,361	-	-	-	-	1,299,361
Net income from external customers	177,898,155	22,315,195	29,831,587	49,286,601	8,104,386	287,435,924
Total expenses	90,806,887	9,825,742	24,575,001	10,703,013	47,830,657	183,741,300
Inter-segment operating expense	-	-	(1,299,361)	-	-	(1,299,361)
Expenses excluding depreciation and impairment	58,513,814	5,742,490	22,350,646	2,888,478	52,278,459	141,773,887
Depreciation of investment properties	31,497,751	3,170,444	-	7,813,747	34,094	42,516,036
Depreciation of property and equipment	795,320	912,808	3,983,310	789	(113)	5,692,114
Impairments charge /(reversal) of investment properties	-	-	-	-	(4,481,782)	(4,481,782)
Impairments reversal for property and equipment	-	-	(1,758,955)	-	-	(1,758,955)
Net income/(loss) for the year	87,091,269	12,489,453	5,256,586	38,583,587	(39,726,271)	103,694,624

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24. SEGMENT REPORTING (continued)

	<i>31 December 2024</i>					<i>Total</i>
	<i>Commercial Centres</i>	<i>Residential</i>	<i>Hospitality</i>	<i>Office</i>	<i>Others</i>	
Total assets	1,012,419,054	185,466,468	209,426,994	629,208,099	106,443,165	2,142,963,780
Investment properties, net	932,965,906	176,873,600	-	624,778,681	286,991	1,734,905,178
Property and equipment, net	21,295,116	3,327,489	187,104,488	-	-	211,727,093
Total liabilities	174,701,788	5,289,015	21,741,695	37,085,244	540,499,402	779,317,144
Total income	171,494,774	35,670,588	36,354,141	15,660,618	2,275,877	261,455,998
Inter-segment income	1,356,338	-	-	-	-	1,356,338
Net income from external customers	170,138,436	35,670,588	36,354,141	15,660,618	2,275,877	260,099,660
Total expenses	87,993,698	7,477,324	26,383,655	8,780,698	42,383,752	173,019,127
Inter-segment operating expense	-	-	(1,356,339)	-	-	(1,356,339)
Expenses excluding depreciation and impairment	56,945,060	10,131,305	22,924,501	856,752	42,383,752	133,241,370
Depreciation of investment properties	31,048,637	3,531,864	-	6,491,320	-	41,071,821
Depreciation of property and equipment	-	-	7,542,850	-	-	7,542,850
Impairments charge /(reversal) of investment properties	-	(6,185,845)	-	1,432,625	-	(4,753,220)
Impairments charge reversal for property and equipment	-	-	(5,440,033)	-	-	(5,440,033)
Net income/(loss) for the year	82,144,738	28,193,264	11,326,825	6,879,920	(40,107,875)	88,436,872

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25. SUBSEQUENT EVENTS

As of the date of approval of these financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these financial statements other than following

Subsequent to the date of the financial statements, the Gulf region witnessed escalating geopolitical tensions, leading to a significant increase in global oil prices and volatility in regional and global financial markets, as well as disruptions to transportation, shipping, and supply chains in the region.

As of the date of approval of the financial statements, the geopolitical situation remains evolving and unstable, and these developments may have a potential impact on the Fund's operations or operating costs in future periods. Management continues to monitor these developments on an ongoing basis and take appropriate action when necessary, however, the financial impact of these developments cannot currently be reliably estimated.

Management has assessed these developments and considered them to be non-adjusting subsequent events to the financial statements, as these circumstances arose after the financial reporting date.

26. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2025 against the Fund or the Fund Manager which could have an impact on the financial statements of the Fund.

27. COMPARATIVE FIGURES

In prior year, Murabaha deposits with original maturities of three months or less amounting to ﷻ 37,795,683 were previously presented separately under investing activities in the statement of cash flows have been restated and reclassified to cash and cash equivalents in the statement of cash flows.

28. LAST VALUATION DAY

The last valuation day for the purpose of preparation of financial statements for the year was 31 December 2025 (31 December 2024).

29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Fund's Board of Directors on 09 March 2026 (corresponding to 20 Ramadan 1447 H).