

DAMAN UAE IPO FUND

Financial Statements

For the year ended 31 December 2024

Daman UAE IPO Fund

Directors and other information

Directors

Shahab Mohamed Abdulkhaliq Gargash
H.E. Dr. Anwar Mohammad Abdulkhaliq Gargash
Samir Mohamed Abdulkhaliq Gargash
H.E. Hamad Rashed Nehail Al Nuaimi
H.E. Ahmed Saif Aldhabea Al Darmaki
Abdulla Abdulrahran Abdulla Qassem
Majid Dalmook Mohamad Bin Dalmoak Alfalasi
Mohammed Abdulrahman Abdullah Aljallaf
H.E. Humaid Mohammad Obaid Al Qutami

Auditor

Grant Thornton Audit and Accounting Limited
(Dubai Branch),
Level 3, The Offices 5,
One Central, DWTC,
Dubai, United Arab Emirates

Custodian

First Abu Dhabi Bank P.J.S.C.,
Khalifa Business Park, Al Qurm District,
Abu Dhabi, United Arab Emirates

Legal Counsel

White & Case LLP,
ICD Brookfield Place, Al Mustaqbal Street, DIFC,
Dubai, United Arab Emirates

Fund Manager

Daman Investments PSC,
Level 6, Sheikh Rashid Tower,
Dubai World Trade Center,
Dubai, United Arab Emirates

Registered Office

Daman UAE IPO Fund,
c/o Daman Investments PSC,
Level 6, Sheikh Rashid Tower,
Dubai World Trade Center,
Dubai, United Arab Emirates

Administrator and Unit Registrar

Apex Fund Services Limited,
Abu Dhabi,
United Arab Emirates

Daman UAE IPO Fund
Financial statements
For the year ended 31 December 2024

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Directors' Report

The Directors present the report and financial statements of Daman UAE IPO Fund (the "Fund") for the year ended 31 December 2024.

Principal Activity

The Fund's investment objective is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering on a UAE exchange ("IPO") or have listed on a UAE exchange in the previous 24 months. The investment strategy of the Fund will be bottom-up fundamentally driven. The focus will be on the companies whose securities can provide strong price appreciation based on a number of factors, such as but not limited to solid earnings growth potential, cheap valuation, high dividend yield and unique product/services offering. The Fund may also on a temporary basis invest up to 75% of its assets in cash or cash equivalent instruments (such as cash deposits, money market instruments, up to A- rated short-term bonds, etc.), if there are limited attractive IPO investment opportunities in the near-term.

Review of Business

The results of the operations for the year ended 31 December 2024 of the Fund are fully summarised in these financial statements covering a period from 1 January 2024 to 31 December 2024.

Directors

The Directors of the Fund as of the reporting date has been disclosed in Directors and other information section.

Auditor

Grant Thornton were appointed auditors of the Fund for the year ended 31 December 2024 and being eligible, have offered themselves for re-appointment.

DocuSigned by:

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Shahab Mohamed Abdulkhalik Gargash
Director
Dubai, United Arab Emirates



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Portfolios Management | Investment Fund Management | Promotion

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Daman Investments PSC incorporated in Dubai, UAE, Reg. No. 1001646, licensed and regulated by the Securities and Commodities Authority. License number 301043

Independent Auditor's Report To the Unitholders of Daman UAE IPO Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Daman UAE IPO Fund (the "Fund"), which comprise the statement of comprehensive income for the year ended 31 December 2024, the statement of financial position as at 31 December 2024, statement of changes in net assets attributable to 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 2024, and of its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Fund for the year ended 31 December 2023 were audited by another auditor, who expressed an unqualified opinion on those financial statements on 28 March 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report
To the Unitholders of Daman UAE IPO Fund
Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and their preparation in compliance with the applicable provisions of the Fund's Private Placement Memorandum, and for such internal control as management 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, management 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 management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Fund's 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 Fund 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.



Grant Thornton

Independent Auditor's Report

To the Unitholders of Daman UAE IPO Fund

Report on the Audit of the Financial Statements (continued)

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

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.

GRANT THORNTON UAE

Grant Thornton

Dr. Osama El-Bakry
Registration No: 935
Dubai, United Arab Emirates



28 March 2025

Daman UAE IPO Fund
Statement of comprehensive income
For the year ended 31 December 2024

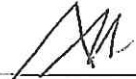
	Notes	2024 AED'000	2023 AED'000
Income			
Net unrealised gain/(loss) on investments at fair value through profit or loss	8	1,773	(729)
Net realised gains on investments at fair value through profit or loss	8	2,770	1,989
Dividend income	6	951	567
Net foreign exchange loss		(3)	-
		<u>5,491</u>	<u>1,827</u>
Expenses			
Management fees	13	(277)	(230)
Performance fees	13	(214)	(22)
Administration fees	14	(199)	(192)
Custodian fees	14	(61)	(115)
Subscription fees	13	(39)	-
Legal and professional fees		(101)	(222)
Other expenses		(9)	(21)
Total operating expenses		<u>(900)</u>	<u>(802)</u>
Net income for the year attributable to unitholders before tax		<u>4,591</u>	<u>1,025</u>
Tax expense	18	(308)	-
Net income for the year attributable to unitholders		<u>4,283</u>	<u>1,025</u>
Other comprehensive income		-	-
Total comprehensive income for the year attributable to unitholders		<u>4,283</u>	<u>1,025</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Daman UAE IPO Fund
Statement of financial position
As at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Assets			
Investments at fair value through profit or loss	8	28,877	16,552
Cash and cash equivalents	7	264	4,893
Amount due from broker	9	373	-
Prepayments	13	154	-
Total assets		29,668	21,445
Liabilities			
Amount due to a related party	13	69	23
Other liabilities	10	69	156
Current tax liability	18	148	-
Deferred tax liability	18	160	-
Total liabilities		446	179
Net assets attributable to the unitholders		29,222	21,266
Net Asset Value (NAV) per unitholder, based on 23,673 units (2023: 20,000 units)	11	1,234	1,063

The financial statements for the year ended 31 December 2024 were approved on 28 MAR 2025 by the Board of Directors and was signed on their behalf by:


Ahmed Khizer Khan
Chief Executive Officer
Dubai, United Arab Emirates



The accompanying notes from 1 to 18 form an integral part of these financial statements.

Daman UAE IPO Fund
Statement of changes in net assets attributable to unitholders
For the year ended 31 December 2024

	Number of units	Net assets attributable to unit holders AED'000
Balance as at 1 January 2023	21,026	21,299
Redemption of units during the year (note 11)	(1,026)	(1,042)
Dividend paid during the year (note 12)	-	(16)
Total comprehensive income for the year attributable to unitholders	-	1,025
Balance as at 31 December 2023 (note 11)	20,000	21,266
Issue of units during the year (note 11)	3,673	3,673
Total comprehensive income for the year attributable to unitholders	-	4,283
Balance as at 31 December 2024	23,673	29,222

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Daman UAE IPO Fund
Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net income for the year before tax		4,591	1,025
<i>Adjustments for:</i>			
Net unrealised (gains)/loss from investments at fair value through profit or loss	8	(1,773)	729
Net realised gains from investments at fair value through profit or loss	8	(2,770)	(1,989)
		48	(235)
<i>Net changes in working capital:</i>			
Amount due from broker	9	(373)	-
Prepayments		(154)	-
Amount due to a related party		46	1
Other liabilities		(87)	(76)
Cash used in operating activities		(520)	(310)
Purchase of investments at fair value through profit or loss	8	(54,284)	(29,192)
Proceeds from sale of investments at fair value through profit or loss	8	46,502	27,862
Net cash used in operating activities		(8,302)	(1,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of units during the year	11	3,673	-
Redemption of redeemable units	11	-	(1,042)
Dividend paid	12	-	(16)
Net cash generated from/(used in) financing activities		3,673	(1,058)
Net change in cash and cash equivalents		(4,629)	(2,698)
Cash and cash equivalents at the beginning of the year		4,893	7,591
Cash and cash equivalents at the end of the year	7	264	4,893

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2024

1 Legal status and nature of operations

Daman UAE IPO Fund (the “Fund”) is an open-ended private fund established in the United Arab Emirates (“UAE”) by Daman Investments PSC (the “Fund Manager”) and is registered with the UAE Securities and Commodities Authority (the “Authority”) under the license number 301043.

The Fund commenced its operations on 15 August 2022. The registered office of the Fund is 6th Floor, Sheikh Rashid Tower, Dubai World Trade Center, Dubai, United Arab Emirates.

The Fund’s investment objective is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering on a UAE exchange (“IPO”) or have listed on a UAE exchange in the previous 24 months. The investment strategy of the Fund will be bottom-up fundamentally driven. The focus will be on the companies whose securities can provide strong price appreciation based on a number of factors, such as but not limited to solid earnings growth potential, cheap valuation, high dividend yield and unique product/services offering. The Fund may also on a temporary basis invest up to 75% of its assets in cash or cash equivalent instruments (such as cash deposits, money market instruments, up to A- rated short-term bonds, etc.), if there are limited attractive IPO investment opportunities in the near-term.

The Fund’s manager is Daman Investments PSC, a private joint stock company incorporated in the UAE and licensed by the Authority to carry on the financial services as defined in the Authority rules. The Fund’s administrator is Apex Fund Services Limited - Abu Dhabi. (the “Administrator”).

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (IASB).

Functional and presentation currency

The financial statements have been presented in United Arab Emirates Dirhams (AED) which is also the functional currency of the Fund. All values are rounded to the nearest thousand (AED ‘000) except as otherwise indicated.

Accounting convention

These financial statements are prepared under the historical cost convention except for investment at fair value through profit or loss which are carried at fair value.

3 Standards, interpretations and amendments to existing standards

The following standards and amendments, which became effective for annual periods beginning on or after 1 January 2024, where applicable, have been adopted in these financial statements. The application of these standards and amendments, except where stated, have not had any material impact on the amounts reported for the current and prior years.

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7 & IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

The above standards where applicable, did not have material impact on the financial statements.

3 Standards, interpretations and amendments to existing standards (continued)

Standards issued but not yet effective

The new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are noted below. The Fund intends to adopt these standards, if applicable, when they become effective.

The impact of these new standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Fund's financial statements.

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

4 Material accounting policies

Overall considerations

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expenses. The measurement basis are more fully described in the material accounting policies summarised below.

Net gain/(loss) from investments at fair value through profit or loss

Net gain/(loss) from investments at fair value through profit or loss includes all realised gain/(loss) and unrealised fair value changes and foreign exchange differences but excludes dividend income.

Net realised gain/(loss) from investments at fair value through profit or loss represents the difference between the closing price applicable on the last revaluation date and their sale/settlement price.

Net unrealised gain/(loss) represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or transaction price when purchased in the current reporting period and its fair value at the end of the reporting period.

Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive income is established net of applicable tax on dividends. For quoted equity securities, the dividend income will be recorded in the statement of comprehensive income on the ex-dividend date.

Subscription fees

Subscription fees are charged to unitholders by the Fund Manager at the time of issuance of units from the Fund.

- Class A units: shall not be subject to any subscription fees.
- Class B units: shall be subject to subscription fee of up to 5% of an investor's aggregate subscription amount, unless waived or reduced by the Fund Manager at its sole discretion.

4 Material accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

Financial assets

The Fund's financial assets include cash and cash equivalents, investments at fair value through profit or loss (FVTPL) and amount due from broker. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The fair value is determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset.

Financial liabilities

Financial liabilities comprise of other liabilities and amount due to a related party. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial liabilities arising from participating redeemable shares issued by the Fund are carried at the redemption amount representing the unitholder's right to a residual interest in the Fund's assets.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is 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, to realise the assets and settle the liabilities simultaneously.

4 Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash at custodian, which are free of any encumbrances.

Net asset value per unit

The net asset value per unit is calculated by dividing the net assets included in the statement of financial position by the closing number of units outstanding at year end.

Redeemable units

Unitholders must send a redemption notice at least two business days prior to the relevant redemption day. Units shall generally be redeemed at a price equal to the unit NAV of the relevant class as at the relevant redemption day after adjustment for applicable fees. The Fund Manager may suspend, limit or restrict redemption requests under certain circumstances as set out in the Memorandum. The Fund Manager may also compulsorily redeem all or some units held by a unitholder in its sole discretion. Redemption proceeds (less any redemption fee) will generally be paid within ten business days after the relevant redemption day. Redemption payments will be made in AED or, in the absolute discretion of the Fund Manager, in kind, or partly in cash and partly in kind.

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 principal or the most advantageous market must be accessible to by the Fund.

When available, the Fund measures the fair value of an instrument using quoted bid prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received.

Assets are measured at a bid price and liabilities are measured at an asking price.

All changes in fair value, other than dividend income, are recognised in the statement of comprehensive income as net gain or loss from financial instruments at fair value through profit or loss.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, 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.

For assets and liabilities that are recognised in the financial statements 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. 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.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2024

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgements and estimates 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.

There were no significant management judgements or critical estimation uncertainties in applying the accounting policies of the Fund.

6 Dividend income

During the financial year, the Fund received dividend income amounting to AED 951,000 (2023: AED 567,000) from its investments in various equity securities.

7 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of the following:

	2024 AED'000	2023 AED'000
Cash with custodian	264	4,893

8 Investments at fair value through profit or loss

The Fund's investments at fair value through profit or loss comprise listed equity securities that are held for trading. Movement in the balance of investments at fair value through profit or loss during the year is as follows:

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	16,552	13,962
Additions during the year	54,284	29,192
Disposals during the year	(46,502)	(27,862)
Net realised gain on investments at fair value through profit or loss	2,770	1,989
Net unrealised gain/(loss) on investments at fair value through profit or loss	1,773	(729)
Balance at the end of the year	28,877	16,552

9 Amount due from broker

	2024 AED'000	2023 AED'000
Amount due from broker	373	-

This balance represents the amount receivable from the broker for a trade executed towards the end of the year ended 31 December 2024, with the settlement date occurring post year-end, as settlements for all trades are completed within T+2 days.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2024

10 Other liabilities

	2024 AED'000	2023 AED'000
Administration fees payable	18	15
Custodian fees payable	4	12
Other payables	47	129
	<u>69</u>	<u>156</u>

11 Net asset value

The minimum size of the Fund is AED 10,000,000. The minimum initial subscription amount is AED 20,000,000 per investor in respect of Class A units and AED 180,000 per investor in respect of Class B units. The minimum subsequent subscription amount from each investor is AED 20,000, subject to the discretion of the Fund Manager to accept a lower amount. The Fund may issue an unlimited number of units. The minimum size of the Fund is AED 10,000,000 and the maximum size of the Fund is AED 1,000,000,000.

Changes in the number of units can be reconciled as follows:

	Class A units	Class B units	Total
Balance as at 1 January 2023	20,000	1,026	21,026
Units redeemed during the year**	-	(1,026)	(1,026)
Balance as at 31 December 2023	20,000	-	20,000
Units issued during the year*	-	3,673	3,673
Balance as at 31 December 2024	20,000	3,673	23,673

	AED'000	AED'000	AED'000
2024			
Net assets attributable to unit holders (before tax)	25,420	4,110	29,530
Net asset value per unit holder (before tax)	<u>1,271</u>	<u>1,119</u>	<u>1,247</u>
Net assets attributable to unit holders (after tax)	25,155	4,067	29,222
Net asset value per unit holder (after tax)	<u>1,258</u>	<u>1,107</u>	<u>1,234</u>
2023			
Net assets attributable to unit holders	21,266	-	21,266
Net asset value per unit holder	<u>1,063</u>	<u>-</u>	<u>1,063</u>

The initial offering of units was at a price of AED 1,000 per unit (par value). Subsequent to the initial offering, the subscription and redemption price for units is based on the Net Assets Value (NAV) per unit on every Friday of each week.

*During the year ended 31 December 2024, 3,673 of Class B units were issued for an amount of AED 3.67 million.

**During the year ended 31 December 2023, 1,026 of Class B units were redeemed by the subscriber for an amount of AED 1.04 million.

12 Dividends

The Fund shall pay dividends to unitholders on a class-by-class basis in such amounts and at such times as determined by the Fund Manager at its sole discretion notwithstanding this the Fund shall generally pay a dividend on an annual basis in respect of Class A units and on a quarterly basis in respect of Class B units.

Any dividends declared by the Fund shall be paid to the unitholder, within forty-five days following the end of the relevant period, on a pro rata basis in accordance with the unit's net asset value as at the date of the dividend or if such day is not a valuation day, then as at the immediately preceding valuation day.

As at 31 December 2024, the Fund Manager of the Fund has not approved any dividend distribution to the unitholders (2023: AED 16,000).

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13 Related party transactions and balances

Related parties represent the unitholder, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. The Fund Manager decides on the terms and conditions of the transactions and services received from/rendered to related parties as well as on other charges.

Related party transactions	2024 AED'000	2023 AED'000
Management fees (note 14)	277	230
Performance fees (note 14)	214	22
Subscription fees (note 14)	39	-
Related party balances	2024 AED'000	2023 AED'000
Total value of redeemable units held by related parties	20,000	20,000
Prepaid subscription fees	154	-
Amount due to a related party - Daman Investments PSC (Fund Manager)		
Performance fees payable	42	-
Management fees payable	27	23
	69	23

The above balances are payable on demand and outstanding balances at the year-end arise in the normal course of business and are unsecured, interest free and settlement generally occurs in cash. There have been no guarantees provided or received for the related party payables.

Compensation of key management personnel

The Fund is managed by the Fund Manager and there are no key management personnel of the Fund.

14 Fees

Management Fee

The Fund will pay the Fund Manager a monthly management fee (the "Management Fee"), calculated on a class-by-class basis, in an amount equal to:

- 1.00% per annum of the Net Asset Value per Class A unit (before any reserves or accruals for the management fee for the current month or Performance Fee for the current year); and
- 1.50% per annum of the Net Asset Value per Class B unit (before any reserves or accruals for the management fee for the current month or Performance Fee for the current year).

The management fee is calculated weekly (based on the unit NAV on each valuation day) and payable monthly in arrears on the last day of each calendar month. Any new or existing unitholder that subscribes for units at any time other than the first business day of a calendar month will be assessed a pro-rated portion of the management fee with respect to such subscription.

Performance Fee

The Fund will pay the Fund Manager a performance fee (the "Performance Fee"), payable annually (or upon a redemption of units, if applicable), calculated on class-by-class basis, in an amount equal to:

- 10% of the increase, if any, in the Net Asset Value per Class A unit, during each fiscal year (or part thereof), above an amount equal to the High-Water Mark subject to the hurdle being achieved for the relevant fiscal year; and
- 15% of the increase, if any, in the Net Asset Value per Class B unit, during each fiscal year (or part thereof), above an amount equal to the High-Water Mark subject to the hurdle being achieved for the relevant fiscal year.

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14 Fees (continued)

Subscription Fee

The Fund will pay the Fund Manager a subscription fee (the “Subscription Fee”) for Class B units (Class A units: not applicable).

Subscription Fee is payable annually, calculated on class-by-class basis, in an amount equal to 5.0% of the subscription price paid for such Class B units. The Subscription Fees will be payable upfront by the Fund to the Fund Manager at the time of subscription and deducted from subscription monies. The Fund Manager may share some or all of the Subscription Fee with distributors. The Subscription Fee will be amortised for the first three years from the date of subscription and any amount of Subscription Fee that has not been amortised will be deducted from any redemption proceeds payable to a unitholder upon redemption of the relevant Class B units.

Administration Fee

The Fund will pay the Fund Administrator an administration fees (the “Administration fees”) calculated in accordance with the following:

Higher of AED 11,000 or NAV	Basis point per annum (bps)
upto AED 110 million	6.0 bps
From AED 110 million to AED 257 million	5.0 bps
From AED 257 million to AED 404 million	4.0 bps
AED 404 million and above	3.0 bps

The Administration fee charged during the year amounted to AED 199,000 (2023: AED 192,000). Administration fee payable for the year ended 31 December 2024 amounted to AED 18,000 (2023: AED 15,000).

Custodian Fee

The Fund will pay the Custodian a custodian fee (the “Custodian Fee”) on a monthly basis. The Fund will reimburse the custodian for any out-of-pocket and third-party expenses incurred.

The Custodian fee charged during the year amounted to AED 61,000 (2023: AED 115,000). Custodian fee payable for the year ended 31 December 2024 amounted to AED 4,000 (2023: AED 12,000).

15 Financial instrument risk

The Fund Manager provides services to the Fund, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Fund through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market price risk, currency risk, credit risk, liquidity risk, settlement risk, operational risk, and interest rate risk.

Market price risk

Market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. All trading financial instruments are recognised at fair value and all changes in market conditions directly affect profit and loss. Market price risk is managed and monitored using risk management strategies and analytical monitoring and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in income instruments.

The price of financial instruments can go down as well as up and investors may not realise their initial investment on the redemption of their shares.

Daman UAE IPO Fund
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15 Financial instrument risk (continued)

Fair value of financial instruments

The fair value of financial assets with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The Fund is mainly exposed to the fair value risk on its investments in exchange traded funds at fair value through profit or loss (FVTPL).

The following table details the Fund's sensitivity to a 10% increase and decrease in the fair value of Exchange Traded Funds. 10% is the sensitivity rate used when reporting fair value risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates.

	2024 AED'000	2023 AED'000
Investments at fair value through profit or loss	2,888	1,655

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is not exposed to any significant currency risk.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It arises principally from cash and cash equivalents, investments at fair value through profit or loss and amount due from broker. The Fund Manager attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The maximum credit risk is limited to amounts appearing on the statement of financial position.

Where the credit risk is not in accordance with the investment policy or guidelines of the Fund, the Fund Manager is obliged to rebalance the portfolio as soon as it is reasonably practicable, after each determination that the portfolio is not in compliance with the stated investment parameters.

The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Less than 3 months AED'000	Between 3 months to 1 year AED'000	Between 1 year to 5 years AED'000	Unspecified maturity AED'000	Total AED'000
2024					
Cash and cash equivalents (note 7)	264	-	-	-	264
Investments at fair value through profit or loss (note 8)	-	-	-	28,877	28,877
Amount due from broker (note 9)	373	-	-	-	373
	<u>637</u>	<u>-</u>	<u>-</u>	<u>28,877</u>	<u>29,514</u>
2023					
Cash and cash equivalents (note 7)	4,893	-	-	-	4,893
Investments at fair value through profit or loss (note 8)	-	-	-	16,552	16,552
	<u>4,893</u>	<u>-</u>	<u>-</u>	<u>16,552</u>	<u>21,445</u>

15 Financial instrument risk (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Fund Manager, which has built an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund Manager monitors liquidity requirements by ensuring sufficient funds are available to meet any commitment as they arise, either through new subscriptions or disposal of investment portfolio. The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments:

	On demand AED'000	Within 1 year AED'000	Over 1 year AED'000	Total AED'000
2024				
Amount due to a related party (note 13)	69	-	-	69
Other liabilities (note 10)	69	-	-	69
Current tax liability (note 18)	-	148	-	148
Deferred tax liability (note 18)	-	-	160	160
	138	148	160	446
2023				
Amount due to a related party (note 13)	23	-	-	23
Other liabilities (note 10)	156	-	-	156
	179	-	-	179

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Fund cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Fund is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

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

The primary responsibility for the development and implementation of controls over operational risk rests with the Fund Manager. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance where this is effective.

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15 Financial instrument risk (continued)

Operational risk (continued)

Compliance with policies and procedures is supported by periodic reviews undertaken by the Fund Manager's Audit and Compliance Division.

The Fund Manager's assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers.

Substantially all of the securities of the Fund are held with reputable custodians. Bankruptcy or insolvency of the custodians may cause the Fund's rights with respect to the securities held by the custodian to be delayed or limited. The Fund Manager monitors the credit ratings, internal control and financial position of its custodians on a periodic basis.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect the value of the financial instruments. The Fund is not exposed to interest rate risk and in respect of financial assets, the Fund returns are based on market conditions.

16 Fair value of financial instruments

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of the Fund's financial assets that are measured at fair value on recurring basis

Some of the Fund's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2024				
<i>Financial assets</i>				
Investments at fair value through profit or loss (note 8)	28,877	-	-	28,877
31 December 2023				
<i>Financial assets</i>				
Investments at fair value through profit or loss (note 8)	16,552	-	-	16,552

There were no transfers between Level 1 and 2 during the year.

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17 Contingencies and commitments

The Fund has no significant contingent liabilities as at the reporting date (31 December 2023: Nil).

18 Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No.47 of 2022 on the Taxation of Corporations and Businesses. This Law was enacted to introduce and implement a Corporate Tax (CT) regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Fund's accounting year ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the Fund that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2024 is as below:

	2024 AED'000	2023 AED'000
Statement of comprehensive income		
Current tax	148	-
Deferred tax	160	-
Income tax expense	308	-

Following is the analysis of tax liabilities presented in the statement of financial position.

	2024 AED'000	2023 AED'000
Statement of financial position		
Current tax liability	148	-
Deferred tax liability	160	-
	308	-

Relationship between tax expense and accounting income:

	2024 AED'000	2023 AED'000
Net income for the year attributable to unitholders before tax	4,591	-
Basic exemption limit	(375)	-
Tax applicable income	4,216	-
<i>Effect of items that are not considered in determining taxable income - net</i>		
Dividend income – UAE only	(951)	-
Expenses incurred in relation to dividend income – UAE only	157	-
Unrealised gain/loss recorded in the statement of comprehensive for investments at FVTPL	(1,773)	-
Taxable income	1,649	-
Income tax expense (a)	148	-

Deferred tax liability:

Unrealised gain/loss subject to deferred tax	1,773	-
Taxation at 9% (b)	160	-
Income tax expense for the year =(a+b)	308	-