

DAMAN UAE IPO Fund

Condensed interim financial information (Unaudited)
For the period ended 30 June 2024

DAMAN UAE IPO Fund

Condensed Interim Financial Statements (Unaudited)

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**Review Report of the Independent Auditor
To the Unitholders of DAMAN UAE IPO Fund*****Introduction***

We have reviewed the accompanying condensed interim financial position of DAMAN UAE IPO Fund (the "Fund"), as at 30 June 2024 and the related condensed interim statement of comprehensive income for the six-month period then ended, condensed interim statement of changes in net assets attributable to unitholders and condensed interim statement of cash flows for the six-month period then ended and, material accounting policies information and other explanation notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Other Matter

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information are not prepared, in all material respects, in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

**GRANT THORNTON UAE****Dr. Osama El-Bakry
Registration No: 935
Dubai, United Arab Emirates****15 August 2024**

DAMAN UAE IPO Fund**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 June 2024 (Unaudited)

		(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
	Notes		
INCOME			
Net unrealised loss on investment at fair value through profit or loss	6	(1,221)	(654)
Net realised gains on investment at fair value through profit or loss	6	1,703	2,178
Dividend income		359	168
Net foreign exchange loss		(1)	-
		<u>840</u>	<u>1,692</u>
EXPENSES			
Management fees	10	(121)	(115)
Other expenses	5	(262)	(304)
		<u>(383)</u>	<u>(419)</u>
Net profit for the period attributable to unitholders		457	1,273
Other comprehensive income		-	-
Total comprehensive income for the period attributable to unitholders		<u>457</u>	<u>1,273</u>

The attached notes 1 to 13 form part of these condensed interim financial statements.

DAMAN UAE IPO Fund**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****As at 30 June 2024 (Unaudited)**

		(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
	Notes		
ASSETS			
Bank balances		3,717	4,893
Investments at fair value through profit or loss	6	22,146	16,552
Prepayments		187	-
		<u>26,050</u>	<u>21,445</u>
LIABILITIES			
Management fee payable	10	24	23
Due to broker		521	-
Other liabilities	7	109	156
		<u>654</u>	<u>179</u>
Net assets attributable to the unitholders		<u>25,396</u>	<u>21,266</u>
Net Asset Value (NAV) per unitholder, based on 23,673 (2023: 20,000 units)	8	<u>1.073</u>	<u>1.063</u>

This condensed interim financial information was authorised for issue on 15 August 2024 by the Board of Directors and signed on their behalf by:


Ahmed Khizer Khan
Chief Executive Officer

The attached notes 1 to 13 form part of these condensed interim financial statements.

DAMAN UAE IPO Fund**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS**

For the period ended 30 June 2024 (Unaudited)

	Number of units	Net assets attributable to unitholders AED'000
1 January 2024 Class A units (Audited)	20,000	21,266
Class B units issued during the period (Note 8)	3,673	3,673
Profit for the period (Unaudited)	-	457
At 30 June 2024 (Unaudited)	23,673	25,396

	Number of units	Net assets attributable to unitholders AED'000
1 January 2023 (Audited)	21,026	21,299
Redemption of units during the period	(1,026)	(1,042)
Dividend paid during the period (Note 9)	-	(16)
Profit for the period (Unaudited)	-	1,273
At 30 June 2023 (Unaudited)	20,000	21,514

The attached notes 1 to 13 form part of these condensed interim financial statements.

DAMAN UAE IPO Fund**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

For the period ended 30 June 2024 (Unaudited)

		(unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
	Notes		
Cash flow from operating activities			
Net profit for the period		457	1,273
Adjustments for:			
Net unrealised loss from investment at fair value through profit or loss	6	1,221	654
Net realised gains from investment at fair value through profit or loss	6	(1,703)	(2,178)
		(25)	(251)
<i>Net changes in working capital:</i>			
Prepayments		(187)	-
Management fee payable		1	76
Due to broker		521	526
Other liabilities		(47)	(118)
		263	233
Purchase of investments at fair value through profit or loss	6	(30,896)	(12,495)
Proceeds from sale of investments at fair value through profit or loss	6	25,784	11,653
Net cash flows used in operating activities		(4,849)	(609)
Cash flow from financing activities			
Proceeds from issuance of redeemable units	8	3,673	-
Redemption of redeemable units		-	(1,042)
Dividend paid		-	(16)
Net cash generated from/(used in) financing activities		3,673	(1,058)
Net change in cash and cash equivalents		(1,176)	(1,667)
Cash and cash equivalents at the beginning of the period		4,893	7,591
Cash and cash equivalents at the end of the period		3,717	5,924

The attached notes 1 to 13 form part of these condensed interim financial statements.

DAMAN UAE IPO Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024 (Unaudited)

1 Legal status and activities

DAMAN UAE IPO Fund ("the Fund") is an open-ended private fund established in the United Arab Emirates ("UAE") by Daman Investments PSC ("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 (i) are undertaking an initial public offering on a UAE exchange ("IPO") or (ii) 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 Investment Manager is Daman Investments P.S.C ("Fund Manager"), a private joint stock company incorporated in the UAE and licensed by the Authority to carry on financial services. The Fund's administrator is Apex Fund Services Ltd- Abu Dhabi. ("the Administrator").

The Fund was incorporated on 15 August 2022 and the trade license was obtained from UAE Securities and Commodities Authority. Accordingly, these financial statements present the financial performance of the Fund for the 30 June 2024 and financial statements for the 30 June 2023 comparatives are presented.

2 Basis of preparation

Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Fund has prepared the condensed interim financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2023.

Functional and presentation currency

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

Accounting convention

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

DAMAN UAE IPO Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024 (Unaudited)

3 Standards, Interpretations and Amendments Effective from 1 January

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

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	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

These standards should adopted by the Fund where applicable and did not have a material impact on this financial information.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective as these new standards are not deemed to have a material impact.

4 Material accounting policy information

The accounting policies, critical accounting judgements and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024 and these new standards are not deemed to have a material impact.

Revenue recognition

Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive income is established. Dividend income from equity securities designated at FVTPL is recognised in the “Dividend income” line in the statement of comprehensive income.

Net gain/ loss from financial assets at FVTPL

Net gain or loss from financial assets at FVTPL includes all realised and unrealised fair value changes and foreign exchange differences recognised in the statement of comprehensive income but excludes dividend income.

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 comprehensive income.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

DAMAN UAE IPO Fund**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the period ended 30 June 2024 (Unaudited)

4 Material accounting policy information (continued)***Cash and cash equivalents***

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

5 Other Expenses

	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Administration, statutory reporting and other service fees	90	88
Legal and professional fees	80	112
Custodian fees	51	61
Performance fees	22	22
Others	19	21
	<u>262</u>	<u>304</u>

6 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 of investments at fair value through profit or loss are as follows:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Balance at the beginning of the period	16,552	13,962
Addition during the period/year	30,896	29,192
Disposal during the period/year	(25,784)	(27,862)
Net unrealised loss on investments	(1,221)	(729)
Net realised gain on disposal of investments	1,703	1,989
	<u>22,146</u>	<u>16,552</u>

7 Other liabilities

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Custodian fees payable	20	12
Administration fees payable	12	15
Other payables	77	129
	<u>109</u>	<u>156</u>

DAMAN UAE IPO Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024 (Unaudited)

8 Net asset value

The minimum size of the Fund is AED 10,000,000. The minimum initial subscription amount is (i) AED 20,000,000 per investor in respect of Class A Units and (ii) 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.

	(Unaudited) 30 June 2024	(Audited) 31 December 2023
Net asset attributable to unitholders (AED'000)	25,396	21,266
Number of units outstanding		
Class A units	20,000	20,000
Class B units	3,673	-
	23,673	20,000
Number of units issued during the period*	3,673	-
Number of units redeemed during the period*	-	1,026
Net asset value per unit (AED)	1,073	1,063

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 period, 3,673 of Class B Units were issued to the subscriber for an amount of AED 3,673,000 (2023: Nil) and No units were redeemed for the period ended 30 June 2024 (2023: AED 1,042,000).

9 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 (i) on an annual basis in respect of Class A Units and (ii) 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 (45) 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 30 June 2024, Fund has not approved any dividend distribution to the unitholders (2023: AED 16,000).

DAMAN UAE IPO Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024 (Unaudited)

10 Related party balances and transactions

Related parties mean companies and entities under common ownership and/or common management and control, their shareholders, key management personnel. 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.

Transactions with the related parties included in the condensed interim statement of comprehensive income are as follows:

	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Management fees	121	230
Performance fees	22	22

Balances with related parties at the reporting dates are shown below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Due to a related party		
Management fee payable to the Fund manager	24	23

Compensation of key management personnel

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

11 Fees

a) 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:

- (a) 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
- (b) 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.

b) 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:

- (a) 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

DAMAN UAE IPO Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024 (Unaudited)

11 Fees (continued)

b) Performance Fee (continued)

- (b) 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.

12 Contingencies and commitments

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

13 Corporate tax

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, Corporate Tax Law ("CT Law") to enact a new 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 will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.