

DAMAN UAE IPO FUND

Financial Statements

For the year ended 31 December 2025

Daman UAE IPO Fund
Directors and other information

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

Auditor

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

Administrator and Unit Registrar

Apex Fund Services Limited,
Abu Dhabi,
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 Brookefield Place, Al Mustaqbal Street,
DIFC, Dubai, United Arab Emirates

Daman UAE IPO Fund
Financial statements
For the year ended 31 December 2025

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Fund Manager's Report

The Fund Manager present the report and financial statements of Daman UAE IPO Fund (the "Fund") for the year ended 31 December 2025.

Principal Activity

The investment objective of the Fund is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering either in the UAE or on other global exchanges, or by investing in companies that have listed on UAE or other global exchanges in the previous five (5) years.

Review of Business

The results of the operations for the year ended 31 December 2025 of the Fund are fully summarised in these financial statements covering a period from 1 January 2025 to 31 December 2025.

Auditor

Grant Thornton were appointed auditors of the Fund for the year ended 31 December 2025 and being eligible, have offered themselves for re-appointment.



Ahmed Khizer Khan
Chief Executive Officer
Dubai, United Arab Emirates

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 2025, the statement of financial position as at 31 December 2025, 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 2025, and of its financial performance and its cash flows for the year 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 Information

Management is responsible for the other information. The other information comprises of the information included in the Fund Manager's report but does not include the financial statements and our auditor's report thereon. We obtained the Fund Manager's Report prior to date of our auditor's report.

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 Prospectus and Federal Law No. (4) of 2000 Concerning the UAE Securities and Commodities Authority and Market and the Chairman of the Authority's Board of Directors' Resolution No (01/Chairman) of 2023 Concerning the Regulations of Investment Funds (the "Resolution") and all laws, regulations, and resolutions in force in the United Arab Emirates, 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


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



31 March 2026

Daman UAE IPO Fund
Statement of comprehensive income
For the year ended 31 December 2025

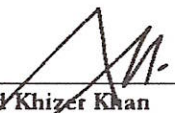
	Notes	2025 AED'000	2024 AED'000
Income			
Net unrealised (loss)/gain on investments at fair value through profit or loss	8	(2,341)	1,773
Net realised gains on investments at fair value through profit or loss	8	627	2,770
Interest income		17	-
Dividend income	6	755	951
Net foreign exchange loss		(12)	(3)
		<u>(954)</u>	<u>5,491</u>
Expenses			
Management fees	13	(299)	(277)
Performance fees	13	-	(214)
Administration fees	14	(65)	(199)
Custodian fees	14	(14)	(61)
Subscription fees	13	(64)	(39)
Legal and professional fees		(95)	(101)
Other expenses		(10)	(9)
Total operating expenses		<u>(547)</u>	<u>(900)</u>
Net (loss)/income for the year attributable to unitholders before tax		(1,501)	4,591
Income tax credit/(expense)	18	359	(308)
Net (loss)/income for the year attributable to unitholders		(1,142)	4,283
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year attributable to unitholders		(1,142)	4,283

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Daman UAE IPO Fund
Statement of financial position
As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Assets			
Investments at fair value through profit or loss	8	25,376	28,877
Cash and cash equivalents	7	5,028	264
Amount due from broker	9	-	373
Prepayments	13	265	154
Deferred tax asset	18	211	-
Total assets		30,880	29,668
Liabilities			
Amount due to a related party	13	1	69
Other liabilities	10	50	69
Amount due to broker	9	3,104	-
Subscriptions received in advance		95	-
Current tax liability	18	12	148
Deferred tax liability	18	-	160
Total liabilities		3,262	446
Net assets attributable to the unitholders		27,618	29,222
Net Asset Value (NAV) per unitholder, based on 23,777 units			
(2024: 23,673 units) – AED per unit	11	1,162	1,234

The financial statements for the year ended 31 December 2025 were approved on _____ 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 19 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 2025**

	Number of units	Net assets attributable to unit holders AED'000
Balance as at 1 January 2024 (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
Issue of units during the year (note 11)	104	104
Dividend paid during the year (note 12)	-	(566)
Total comprehensive loss for the year attributable to unitholders	-	(1,142)
Balance as at 31 December 2025	23,777	27,618

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Daman UAE IPO Fund
Statement of cash flows
For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net (loss)/income for the year before tax		(1,501)	4,591
<i>Adjustments for:</i>			
Net unrealised loss/(gains) from investments at fair value through profit or loss	8	2,341	(1,773)
Net realised gains from investments at fair value through profit or loss	8	(627)	(2,770)
		213	48
<i>Net changes in working capital:</i>			
Amount due from broker	9	373	(373)
Prepayments		(111)	(154)
Amount due to a related party		(68)	46
Due to broker		3,104	-
Other liabilities		(19)	(87)
Cash generated from/(used in) operating activities		3,492	(520)
Purchase of investments at fair value through profit or loss	8	(77,667)	(54,284)
Proceeds from sale of investments at fair value through profit or loss	8	79,455	46,502
Income tax paid		(148)	-
Net cash generated from/(used in) operating activities		5,131	(8,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of units during the year	11	104	3,673
Subscriptions received in advance	11	95	-
Dividend paid	12	(566)	-
Net cash (used in) /generated from financing activities		(367)	3,673
Net change in cash and cash equivalents		4,764	(4,629)
Cash and cash equivalents at the beginning of the year		264	4,893
Cash and cash equivalents at the end of the year	7	5,028	264

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

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 transitioned from a private to a public fund effective 13 March 2025, as approved by the UAE Securities and Commodities Authority (the “Authority”). 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 investment objective of the Fund is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering either in the UAE or on other global exchanges, or by investing in companies that have listed on UAE or other global exchanges in the previous five (5) years.

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 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and in compliance with Federal Law No. (4) of 2000 Concerning the UAE Securities and Commodities Authority and Market and the Chairman of the Authority’s Board of Directors’ Resolution No (01/Chairman) of 2023 Concerning the Regulations of Investment Funds (the “Resolution”) and all laws, regulations, and resolutions in force in the United Arab Emirates the Fund Prospectus.

As disclosed in Note 19, on 1 January 2026 the SCA was reconstituted as the Capital Market Authority (CMA) pursuant to Federal Decree-Law Nos. 32 and 33 of 2025.

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 2025, 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 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

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

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
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 policy information

Overall considerations

These financial statements have been prepared using the measurement basis specified by IFRS Accounting Standards 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

Units of the Fund are issued on each Subscription Day at the prevailing Net Asset Value (NAV) per unit of the relevant class. Subscriptions are recognised in equity when a valid Subscription Agreement is received on the Subscription Day and cleared funds are received within two Valuation Days. Units are issued in AED; subscriptions in other currencies are converted at the prevailing spot rate at the subscriber's cost and risk. Minimum initial subscription amounts vary by class. No upfront subscription fees are charged for any class. The Fund Manager may reject or scale down subscriptions in the interest of existing unitholders. Fractional units may be issued up to two decimal places. Subscription proceeds are credited to equity, with no impact on profit or loss. All subscriptions are accounted for as transactions with owners in their capacity as owners.

Redemption

Units may be redeemed on any Redemption Day at the NAV per unit of the relevant class, provided a valid Redemption Notice is received. Redemption proceeds are paid in AED within ten business days, subject to completion of anti-money laundering procedures. Redemptions are recognised as equity reductions when the request is accepted and processed. All redemption fees are retained by the Fund and reinvested for the benefit of remaining unitholders. Redemptions are processed on a first-in, first-out basis. The Fund Manager may suspend or defer redemptions if aggregate requests exceed 10% of the Fund's NAV on any Redemption Day. Compulsory redemptions may be executed at the Fund Manager's discretion or in cases of ineligible holdings, and all redemptions are settled in cash.

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.
- Class C units: shall not be subject to any subscription fees.
- Class D units: shall not be subject to any subscription fees.

4 Material accounting policy information (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.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

4 Material accounting policy information (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.

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 of 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.

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in compliance with IFRS Accounting Standards 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.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

6 Dividend income

During the financial year, the Fund received dividend income amounting to AED 755,000 (2024: AED 951,000) 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:

	2025 AED'000	2024 AED'000
Cash with custodian	5,028	264

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:

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	28,877	16,552
Additions during the year	77,667	54,284
Disposals during the year	(79,455)	(46,502)
Net realised gain on investments at fair value through profit or loss	627	2,770
Net unrealised (loss)/gain on investments at fair value through profit or loss	(2,341)	1,773
Balance at the end of the year	25,376	28,877

9 Amount due from and to broker

	2025 AED'000	2024 AED'000
Amount due from broker	-	373
Amount due to broker	3,104	-

This balance represents the amount receivable from the broker for a trade executed towards the end of the year ended 31 December 2025, with the settlement date occurring post year-end, as settlements for all trades are completed within Transaction plus 2 days.

10 Other liabilities

	2025 AED'000	2024 AED'000
Administration fees payable	2	18
Custodian fees payable	1	4
Other payables	47	47
	50	69

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

11 Net asset value

The minimum size of the Fund is AED 10,000,000 and the maximum size of the Fund is AED 1,000,000,000. The minimum initial subscription amount is set at AED 2,000,000 per investor for Class A units, AED 180,000 per investor for Class B units, and AED 1,000 per investor for Class D units, designed to attract a diverse range of investors. The minimum subsequent subscription amount is AED 20,000 for Class A and Class B units and AED 1,000 for Class D units, with the Fund Manager retaining discretion to accept lower amounts to encourage broader participation. The Fund may issue up to 1,000,000 units to accommodate growing investor interest.

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

	Class A units	Class B units	Class D units	Total
Balance as at 1 January 2024	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
Units issued during the year*	-	-	104	104
Balance as at 31 December 2025	20,000	3,673	104	23,777

	AED'000	AED'000	AED'000	AED'000
2025				
Net assets attributable to unit holders (before tax)	23,448	3,710	103	27,259
Net asset value per unit holder (before tax)	1,172	1,010	990	1,146

Net assets attributable to unit holders (after tax)	23,448	3,710	103	27,259
Net asset value per unit holder (after tax)	1,172	1,010	990	1,146

2024				
Net assets attributable to unit holders (before tax)	25,420	4,110	-	29,530
Net asset value per unit holder (before tax)	1,271	1,119	-	1,247

Net assets attributable to unit holders (after tax)	25,155	4,067	-	29,222
Net asset value per unit holder (after tax)	1,258	1,107	-	1,234

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 2025, 104 of Class D units were issued to the subscriber for an amount of AED 100,000 and no units were redeemed for the year ended 31 December 2025.

**During the year ended 31 December 2024, 3,673 of Class B units were issued to the subscriber for an amount of AED 3.67 million and no unit were redeemed for the year ended 31 December 2024.

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.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

12 Dividends (continued)

On 23 July 2025, the Fund Manager of the Fund approved the distribution of cash dividend of AED 566,000 (2024: Nil).

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	2025 AED'000	2024 AED'000
Management fees (note 14) – <i>fund manager</i>	299	277
Performance fees (note 14) – <i>fund manager</i>	-	214
Subscription fees (note 14) – <i>fund manager</i>	64	39
Related party balances	2025 AED'000	2024 AED'000
Total value of redeemable units held by related parties	20,000	20,000
Prepaid subscription fees	90	154
Amount due to a related party – <i>fund manager</i>		
Performance fees payable	-	42
Management fees payable	1	27
	1	69

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).
- 0.75% per annum of the Net Asset Value per Class C unit (before any reserves or accruals for the management fee for the current month or Performance Fee for the current year).
- 1.50% per annum of the Net Asset Value per Class D 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.

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14 Fees (continued)

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
- (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.
- (c) 10% of the increase, if any, in the Net Asset Value per Class C 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
- (d) 15% of the increase, if any, in the Net Asset Value per Class D 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

Subscription Fee

The Fund will pay the Fund Manager a subscription fee (the “Subscription Fee”) for Class B units (not applicable on Class A, C and D units).

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.

The subscription fee for the year ended 31 December 2025 amounts to AED 64,000 (2024: AED 39,000).

Administration Fees

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 65,000 (2024: AED 199,000). Administration fee payable for the year ended 31 December 2025 amounted to AED 47,000 (2024: AED 18,000).

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 14,000 (2024: AED 61,000). Custodian fee payable for the year ended 31 December 2025 amounted to AED 1,000 (2024: AED 4,000).

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15 Financial risk management

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.

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 the value of exchange traded funds.

	2025 AED'000	2024 AED'000
Investments at fair value through profit or loss	2,538	2,888

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 as the fund is mainly investing in securities within United Arab Emirates that are denominated in AED.

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.

Daman UAE IPO Fund
Notes to the financial statements
For the year ended 31 December 2025

15 Financial risk management (continued)

Credit risk (continued)

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
2025					
Cash and cash equivalents (note 7)	5,028	-	-	-	5,028
Investments at fair value through profit or loss (note 8)	-	-	-	25,376	25,376
	<u>5,028</u>	<u>-</u>	<u>-</u>	<u>25,376</u>	<u>30,404</u>
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>

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
2025				
Amount due to a related party (note 13)	1	-	-	1
Amount due to broker (note 9)	-	3,014	-	3,014
Other liabilities (note 10)	49	-	-	49
Current tax liability (note 18)	-	12	-	12
	<u>50</u>	<u>3,026</u>	<u>-</u>	<u>3,076</u>
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
	<u>138</u>	<u>148</u>	<u>160</u>	<u>446</u>

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.

15 Financial risk management (continued)

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.

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;

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16 Fair value of financial instruments (continued)

- 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*	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
31 December 2025				
<i>Financial assets</i>				
Investments at fair value through profit or loss (note 8)	25,376	-	-	25,376
31 December 2024				
<i>Financial assets</i>				
Investments at fair value through profit or loss (note 8)	28,877	-	-	28,877

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

*Valuation source: Bloomberg

17 Contingencies and commitments

The Fund has no significant contingent liabilities as at the reporting date (31 December 2024: Nil).

18 Tax

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 2025 is as below:

	2025	2024
	AED'000	AED'000
Statement of comprehensive income		
Current tax	12	148
Deferred tax	(211)	160
Reversal of deferred tax liability (c)	(160)	
Income tax (credit)/expense	(359)	308

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

	2025	2024
	AED'000	AED'000
Statement of financial position		
Current tax liability	12	148
Deferred tax liability	-	160
	12	308
Deferred tax asset	211	-
	211	-

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18 Tax (continued)

Relationship between tax expense and accounting income:

	2025 AED'000	2024 AED'000
Net income for the year attributable to unitholders before tax	(1,501)	4,591
Basic exemption limit	(375)	(375)
Tax applicable income	(1,876)	4,216
<i>Effect of items that are not considered in determining taxable income - net</i>		
Dividend income – UAE only	(755)	(951)
Expenses incurred in relation to dividend income – UAE only	425	157
Unrealised gain/loss recorded in the statement of comprehensive for investments at FVTPL	2,341	(1,773)
Taxable income	135	1,649
Income tax expense at 9% (a)	12	148
Deferred tax:		
Unrealised gain/loss subject to deferred tax	(2,341)	1,773
Deferred tax (asset) / liability - at 9% (b)	(211)	160
Income tax (credit)/expense for the year = (a+b+c)	(359)	308

19 Subsequent events

On 1 October 2025, the President of the United Arab Emirates issued Federal Decree-Law No. (32) of 2025 and Federal Decree-Law No. (33) of 2025, establishing the regulatory framework for the capital markets sector and the Capital Market Authority. Both Decree-Laws became effective on 1 January 2026.

These enactments form part of the UAE's broader initiative to modernize the legislative and supervisory architecture of the financial sector; enhance market stability, efficiency, and competitiveness; and align regulatory practices with international standards. The Decree-Laws also reinforce the institutional stability of the Capital Market Authority and strengthen its mandate to uphold market integrity while fostering transparent, fair, and orderly market activity.

Key provisions include:

- Renaming the Securities and Commodities Authority as the Capital Market Authority.
- Introducing new regulated financial activities.
- Strengthening the Capital Market Authority's supervisory powers over the capital markets sector.
- Regulating the Investor Protection Fund and the Settlement Guarantee Fund.
- Defining the Capital Market Authority's role in prudential oversight and the management of exceptional circumstances.
- Granting the Capital Market Authority the power to enter into conciliation before the initiation of criminal proceedings.
- Establishing the Capital Market Authority's jurisdiction to designate systemically important persons and to regulate early intervention, settlement, and resolution mechanisms.

As the Decree-Laws become effective only on 1 January 2026, they constitute a non-adjusting event for the year ended 31 December 2025.

The Fund is in the process of evaluating the potential implications of the new regulatory framework to determine whether any provisions may apply. Based on the information currently available, no material impact on the Fund's financial statements for the year ended 31 December 2025 is anticipated. The Fund will ensure full compliance with all applicable regulatory requirements once the laws come into effect on 1 January 2026.

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19 Subsequent events (continued)

Furthermore, subsequent to the reporting date, geopolitical tensions in the Middle East have continued to evolve, including ongoing regional conflicts and heightened political uncertainty. These developments have increased volatility in global and regional financial markets and may, over time, affect economic conditions in the region. As at the date of approval of these financial statements, the Fund continues to monitor developments in the region and will assess the potential impact, if any.

Except for above, there are no other significant adjusting or non-adjusting events that have occurred between the reporting date and the date of authorisation of the financial statements.