

IOTA Ecosystem DLT Foundation

Abu Dhabi Global Market

Abu Dhabi, United Arab Emirates

Reports and financial statements

From the period 28 November 2023 to 31

December 2024

**IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates**

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**IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
General information**

Principal office address:

Office No. 1301 & 1302, Floor 13, Tamouh Tower,
Tamouh, Al Reem Island,
Abu Dhabi
United Arab Emirates

The Founder:

Mr. Dominik Schiener

The Council Members:

Ms. Anja Raden (Ceased as council member on
23rd April 2026)
Mr. Holger Webel
Mr. Sebastian Stupurac
Mr. Dominik Schiener

The Auditor:

For, Crowe Mak LLP
P.O Box: 109460
Abu Dhabi Global Market, United Arab Emirates

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Council members' report

The Council Members have pleasure in presenting their report and the audited financial statements for the period ended 31 December 2024.

Principal activities of the Foundation

The principal activities of IOTA Ecosystem DLT Foundation are to promote and support the adoption of IOTA and Shimmer technologies, manage and distribute its assets, raise funds, partner in Web3 and digital infrastructure initiatives, organize events, foster talent and collaboration, support industry solutions and regulatory engagement, and carry out any lawful activities aligned with its purpose under ADGM and UAE regulations.

Financial review

The table below summarizes the results of the period 28 November 2023 (being date of incorporation) to 31 December 2024.

	28 November 2023 to 31 December 2024
	USD
Contribution income from network	16,679,314
Gain on settlement through digital assets	5,644,913
Ecosystem development expenses	(20,671,849)
Other operating expenses	(1,652,378)
Net income or loss	-

Role of the Council members

The Council Members are the Foundation's principal governing and decision-making body. The Council Members have the overall responsibility for the stewardship, oversight, and advancement of the Foundation in accordance with its objectives. The Council Members are entrusted with setting the strategies and policies of the Foundation, ensuring that its activities are conducted in a transparent, compliant, and sustainable manner. They oversee the performance of the Foundation's operations, safeguard its assets, and ensure that the Foundation's resources are applied towards its stated purposes. The Council Members provide direction and supervision to the Foundation's management and appointed service providers, ensuring alignment with the Foundation's objectives and the long-term interests of its stakeholders and ecosystem participants.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Foundation's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Foundation's ability to continue as a going concern.

Events after period end

There were no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Foundation.

Auditor

M/s. Crowe Mak LLP, Abu Dhabi Global Market, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

**IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Council members' report**

Statement of Council members' responsibilities

The applicable requirements require the Council Members to prepare the financial statements for each financial period which present fairly in all material respects, the financial position of the Foundation and its financial performance for the period then ended.

The audited financial statements for the period under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Council Members confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Foundation and enables them to ensure that the financial statements comply with the requirements of the applicable statute. The Council Members also confirm that appropriate accounting policies have been selected and applied consistently in order for the financial statements to reflect fairly, the form and substance of the transactions carried out during the period under review and reasonably present the Council Members financial conditions and results of its operations.

The Council Members confirm that so far as they are aware, there is no relevant audit information of which the Foundation's auditor is unaware and they have taken all the steps that they ought to have taken as Council Members in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

The financial statements set out on pages 7 to 28, which have been prepared on going concern basis and were approved by the Council Members on the date of these financial statements and signed on behalf of Foundation by:

DocuSigned by:
Dominik Schiener
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Mr. Dominik Schiener
Council Member

DocuSigned by:
Holger Webel
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Mr. Holger Webel
Council Member

Signed by:
Sebastian Stupurac
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Mr. Sebastian Stupurac
Council Member

18 March 2026

Ref: UN/AUH-ADGM-19174/March'26

Independent auditor's report

To,
The Founders
IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi, United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IOTA Ecosystem DLT Foundation (the "Foundation"), Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the period from 28 November 2023 (being the date of incorporation) to 31 December 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2024, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the 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 Foundation 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 Abu Dhabi Global Market (ADGM) and we have also 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.

Emphasis of matter

i. We draw attention to Notes 3.8 and 4.1 to the financial statements, which set out the accounting policy formulated by the Foundation in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors for the recognition and measurement of token contributions received from the IOTA blockchain to support ecosystem development and operational activities.

ii. We draw attention to Note 23 to the financial statements, which explains that a wallet account was established prior to the incorporation of the Foundation and received token contributions from the blockchain amounting to USD 85,219,455. Tokens totaling USD 9,995,849 were utilized for ecosystem development and operational expenses before incorporation. These transactions have been cumulatively recorded in the financial statements as of the date of incorporation.

Our opinion is not modified in respect of these matters.

Other Information

Management is responsible for the other information. The other information comprises the Council Members' 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 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 (continued)

To The Founders of IOTA Ecosystem DLT Foundation Report on the Audit of 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 the International Accounting Standards Board, and their preparation in compliance with the applicable provisions of the Distributed Ledger Technology Foundations Regulations 2023, and Distributed Ledger Technology Foundations Regulations (International Accounting Standards) Rules 2023, and for such internal control as management determines is necessary to enable the preparation of the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 error or fraud, 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 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 Foundation'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 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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent auditor's report (continued)

To The Founders of IOTA Ecosystem DLT Foundation Report on the Audit of Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the Distributed Ledger Technology Foundations Regulations 2023 of Abu Dhabi Global Market ("ADGM"), we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit.
- (b) The financial statements have been prepared and comply, in all material respects, with the applicable and the requirements of Distributed Ledger Technology Foundations Regulations 2023, and Distributed Ledger Technology Foundations Regulations (International Accounting Standards) Rules 2023, and the Charter of the Foundation.
- (c) The Foundation maintained proper books of account.
- (d) The financial information included in the Council Members' Report is consistent with the books of account and records of the Foundation.
- (e) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Foundation has contravened, during the financial period ended, any of the applicable provisions of the Distributed Ledger Technology Foundations Regulations 2023 of Abu Dhabi Global Market or the Charter of the Foundation, which would materially affect its activities or its financial position as at 31 December 2024.

For, Crowe Mak LLP
Reg. No. 000002075



Umesh Narayanappa
Partner
Abu Dhabi, U.A.E.
18 March 2026



**IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Statement of financial position as at 31 December 2024**

	Notes	2024 USD
ASSETS		
Non-current assets		
Investments	6	<u>200,000</u>
Total non-current assets		<u>200,000</u>
Current assets		
Digital assets	5	66,161,696
Prepayment and other receivables	7	89,236
Other loan receivable	8	2,280,369
Cash and cash equivalents	10	<u>149,202</u>
Total current assets		<u>68,680,503</u>
Total assets		<u>68,880,503</u>
EQUITY AND LIABILITIES		
Equity		
Contribution	11	<u>50,000</u>
Total equity		<u>50,000</u>
LIABILITIES		
Non-current liabilities		
Other liabilities	12	68,540,141
Current liabilities		
Trade and other payables	13	<u>290,362</u>
Total current liabilities		<u>290,362</u>
Total liabilities		<u>68,830,503</u>
Total equity and liabilities		<u>68,880,503</u>

These financial statements were approved and authorised for issue on 18 March 2026.

The financial statements set out on pages 7 to 28, which have been prepared on going concern basis were approved by the Council Members on the date of these financial statements and signed on behalf of Foundation by:

DocuSigned by:
Dominik Schiener
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Mr. Dominik Schiener
Council Member

DocuSigned by:
Holger Webel
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Mr. Holger Webel
Council Member

Signed by:
Sebastian Stupurac
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Mr. Sebastian Stupurac
Council Member

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 4 to 6.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Statement of profit or loss and other comprehensive income from 28 November
2023 to 31 December 2024

	Notes	28 November 2023 to 31 December 2024 USD
Contribution income from network	12	16,679,314
Gain on settlement through digital assets	15	5,644,913
Ecosystem development expenses	16	(20,671,849)
Other operating expenses	17	(1,652,378)
Net profit for the period		-
Other comprehensive income for the period		-
Total comprehensive income for the period		-

The accompanying notes and policies form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 6.

**IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Statement of changes in equity from 28 November 2023 to 31 December 2024**

	Contribution	Total
	USD	USD
Contribution received during the period	<u>50,000</u>	<u>50,000</u>
As at 31 December 2024	<u>50,000</u>	<u>50,000</u>

The accompanying notes and policies form an integral part of these financial statements.

The report of the auditor is set out on pages 4 to 6.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Statement of cash flows from 28 November 2023 to 31 December 2024

	Notes	28 November 2023 to 31 December 2024 USD
Cash flows from operating activities		
Adjustments for:		
Impairment loss of digital assets	17	167,926
Loss on acquisition of Shimmer tokens	17	311,720
Impairment of receivables	17	591,172
Gain on settlement through digital assets	15	(5,644,913)
Ecosystem development expense settled through tokens	16	20,250,614
Operating expenses settled through tokens		41,723
Contribution from network in the form of tokens		<u>(16,679,314)</u>
Operating cash flows before changes in operating assets and liabilities		<u>(961,072)</u>
Net cash used in operating activities		<u>(961,072)</u>
Cash flows from investing activities		
Cash inflow due to disposal of digital assets		<u>1,060,274</u>
Net cash used in investing activities		<u>1,060,274</u>
Cash flows from financing activities		
Contribution received from Founder	11	<u>50,000</u>
Net cash generated from financing activities		<u>50,000</u>
Net increase in cash and cash equivalents		<u>149,202</u>
Cash and cash equivalents at the end of the period	10	<u>149,202</u>
Non-cash transactions:		
Contribution received in the form of tokens and accounted as intangible assets	5	85,219,455
Expenses paid through tokens		(20,576,375)
Loan given in form of tokens	5	(2,280,369)

The accompanying notes and policies form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 6.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Notes to the Financial Statements from 28 November 2023 to 31 December 2024

1 General information

IOTA Ecosystem DLT Foundation (the "Foundation") was incorporated on 28 November 2023. It operates in the United Arab Emirates under a license issued by Abu Dhabi Global Market under the registration number 15533.

The address of the registered office of the Foundation is Office No. 1301 & 1302, Floor 13, Tamouh Tower, Tamouh, Al Reem Island, Abu Dhabi, United Arab Emirates.

The principal activities of the Foundation are to promote and support the adoption of IOTA and Shimmer technologies, manage and distribute its assets, raise funds, partner in Web3 and digital infrastructure initiatives, organize events, foster talent and collaboration, support industry solutions and regulatory engagement, and carry out any lawful activities aligned with its purpose under ADGM and UAE regulations.

The management is vested with the Council Members.

These financial statements incorporate the operating results of the commercial license no. 15533.

2 Application of new and revised Standards

2.1 New and revised Standards in issue but not yet effective

The Foundation has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u>New and revised Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 21 Lack of exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Management anticipates that these standards will not have any significant impact on these financial statements.	

3 Material accounting policies

3.1 Statement of compliance

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

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3.3 Functional currency

These financial statements are presented in US Dollar, which is the Foundation's functional currency.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Notes to the Financial Statements from 28 November 2023 to 31 December 2024

3 Material accounting policies (continued)

3.4 Foreign currencies

In preparing the financial statements of the Foundation, transactions in currencies other than the Entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Digital assets

Digital assets held by the Foundation, including cryptocurrencies and similar distributed technology-based tokens, are recognised as intangible assets in accordance with IAS 38 Intangible Assets. These assets are received as endowment or acquired for use in the Foundation's operations, including the development of ecosystem and settlement of expenses, and are not held for sale in the ordinary course of business.

Digital assets are initially measured at cost, which comprises the purchase price/fair value on the date of receipt of endowment and any directly attributable costs necessary to acquire the assets. Acquisition price is determined based on the market value of the tokens on the date of receipt of such tokens. After initial recognition, digital assets are carried at cost model, i.e. at cost less any accumulated impairment losses. Digital assets are considered to have an indefinite useful life, as they are not consumed over time through use and do not have foreseeable limits to the period over which they are expected to contribute to cash flows. Accordingly, no amortisation is recognised.

Where digital assets of the same class are acquired at different times and at different cost amounts, the Foundation applies the weighted average cost (WAC) method to determine the carrying amount of digital assets.

At each reporting date, the Foundation assesses whether there is any indication that a digital asset may be impaired. If such an indication exists, the asset is tested for impairment in accordance with IAS 36.

Impairment losses are recognised in profit or loss when the carrying amount exceeds the recoverable amount.

A digital asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on derecognition is measured as the difference between the carrying amount of the asset determined using the weighted average cost method, and the consideration received, if any, or the fair value of the asset at the date it is used to settle a transaction (e.g., grant distribution or payment of expenses). The resulting gain or loss is recognised in profit or loss in the period in which derecognition occurs.

3.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Foundation's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Notes to the Financial Statements from 28 November 2023 to 31 December 2024

3 Material accounting policies (continued)

3.6 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.7 Provisions

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Foundation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

3.8 Contribution

Contributions of digital assets and other resources received by the Foundation from the Founder(s), IOTA network community or other parties are considered received either:

- i. as permanent capital contributions to the Foundation's endowment; or
- ii. as non-exchange contributions to fund operating activities.

Only those contributions that are irrevocably provided to form part of the foundation capital are recognized as equity contributions. Non-exchange contributions which are received to fund the operating activities are accounted as deferred income on the date of such receipt and recognized as income in the statement of profit or loss systematically over the period of use of such contribution for operational purposes.

3.9 Financial instruments

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

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 profit or loss.

3.10 Financial assets

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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Notes to the Financial Statements from 28 November 2023 to 31 December 2024

3 Material accounting policies (continued)

3.10 Financial assets (continued)

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Foundation always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Foundation derecognises a financial asset 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 party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.11 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an Entity after deducting all of its liabilities. Equity instruments issued by the Foundation are recognised at the proceeds received, net of direct issue costs.

IOTA Ecosystem DLT Foundation
Abu Dhabi Global Market
Abu Dhabi - United Arab Emirates
Notes to the Financial Statements from 28 November 2023 to 31 December 2024

3 Material accounting policies (continued)

3.11 Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Foundation derecognises financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting financial instruments

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

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below:

4.1 Critical judgements in applying accounting policies

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.10). The Foundation determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Foundation monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Foundation's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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4 Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying accounting policies (continued)

Classification and Recognition of Contributions of Digital Assets

The Foundation received contributions to fund its ongoing operating activities. In the absence of specific guidance under Accounting standards on the accounting treatment of endowments or non-exchange contributions to foundations, management has developed an accounting policy in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, applying the principles of the IFRS Conceptual Framework and considering the substance of each arrangement. Management considered, among other factors, whether the contribution is irrevocably provided to form part of the Foundation's permanent capital, the purpose and conditions attached to the contribution, including whether it is intended to fund specific operating activities, whether the contribution confers ownership or residual interest rights in the net assets of the Foundation, the absence of equity instruments issued by the Foundation.

Only those contributions that are determined to be irrevocably provided to form part of the Foundation Capital are recognized as equity contributions. Contributions received to fund operating activities are classified as non-exchange contributions and are accounted for as deferred income.

Recognition of deferred income

Management has further exercised judgement in determining that non-exchange contributions received to fund operating activities are recognized as deferred income and subsequently recognized as income in the statement of profit or loss systematically over the period in which the related operating expenditures are incurred, consistent with the matching principle. Management considers this approach to provide a faithful representation of the Foundation's financial performance and the recognition of income in periods in which the related activities have occurred.

Classification of digital assets

(i) Digital asset valuation

The Foundation has classified digital assets on hand at the end of the period as current assets, as management uses them for the settlement of operating expenditure on a day to day basis.

There is currently no specific definitive guidance in IFRS or alternative accounting framework for the accounting of digital assets, and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of digital asset as an intangible assets. Management has examined various factors surrounding the substance of the Foundation's operations and the guidance in IAS 38 Intangible Assets. In the event authoritative guidance is enacted by the IASB or IFRIC, the Foundation may be required to change its policies which could result in a change in the Foundation's financial position and earnings.

(ii) Useful life of digital asset

Management has exercised significant judgement in determining the useful life of digital asset, whether it has indefinite or definite life. In order to consider indefinite life, the management considers the market practice of such assets, laws and regulations, industry and the economic environment in which they operate. Accordingly, the management concluded the life of those assets as indefinite.

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4 Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying accounting policies (continued)

Recognition of unvested portion of IOTA tokens

We have recognized the unvested portion as an asset since we have control over it from the date of receipt in the wallet. However, we cannot utilize it until it becomes vested in accordance with the terms outlined in the endowment document. The IOTA tokens allocated to the Foundation are subject to a vesting schedule; however, management has assessed that, notwithstanding the vesting conditions, the Foundation controls the unvested tokens in accordance with the principles set out in the IFRS Conceptual Framework. In making this assessment, management considered whether the Foundation has the present ability to direct the use of the tokens and obtain substantially all of the economic benefits from them, and whether any restrictions or conditions prevent recognition of an asset. Management concluded that the unvested tokens meet the definition of an asset because, the Foundation has control over the tokens, including the ability to benefit from them as they vest, the tokens are not subject to any obligation to be returned, forfeited, or transferred back to the grantor under any circumstances, there are no substantive conditions that would negate the Foundation's present right to the economic benefits associated with the tokens, and vesting conditions relate to the timing of transferability or usability, rather than the existence of the Foundation's rights to the tokens. Accordingly, management has recognized the unvested portion of IOTA tokens as an asset in the statement of financial position.

4.2 Key sources of estimation uncertainty

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Foundation uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Foundation's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the financial statements.

Impairment of digital assets

The Foundation assesses at each reporting date whether there is any indication that its digital assets may be impaired. Given the highly volatile and continuously evolving nature of cryptocurrency markets, the determination of whether impairment indicators exist requires judgment, including consideration of observable market prices, regulatory developments, technological changes, and the Foundation's expected manner of use of the assets.

Where an indication of impairment exists, the Foundation estimates the recoverable amount of the digital assets. The recoverable amount is the higher of fair value less costs of disposal, and value in use, if determinable for the specific asset

Due to the nature of digital assets, value in use often cannot be determined because they do not generate independent cash inflows. In such cases, recoverable amount is based on fair value less costs of disposal, using market-observable prices where available.

Fair value measurement of financial instruments

For the purpose of fair value disclosures, the Foundation 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. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Foundation uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Foundation has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

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5 Digital Assets

	Vested IOTA tokens	USDT tokens	Shimmer Tokens	Total
	USD	USD	USD	USD
Tokens vested during the period	32,489,917	-	-	32,489,917
Market making arrangement				
- Transfer to broker	(2,361,650)	-	-	(2,361,650)
- Transfer back from broker	2,240,144	-	-	2,240,144
Inter-token conversion	(5,684,750)	5,684,750	-	-
Acquisition of token	-	(500,000)	500,000	-
Loss on acquisition of token	-	-	(311,720)	(311,720)
Impairment	-	-	(167,926)	(167,926)
Loan given	(2,280,369)	-	-	(2,280,369)
Tokens spent	(20,450,842)	(2,872,626)	-	(23,323,468)
Other adjustments	24,780	-	-	24,780
Gain on settlement of payments in token	7,122,450	-	-	7,122,450
	11,099,680	2,312,124	20,354	13,432,158
Unvested digital asset				
Tokens received on initial endowment (Refer note 12)	85,219,455	-	-	85,219,455
Tokens vested during the period	(32,489,917)	-	-	(32,489,917)
	52,729,538	-	-	52,729,538
Total	63,829,218	2,312,124	20,354	66,161,696

Tokens vested during the period

- 10% tokens vested initially	(8,521,945)	-	-	(8,521,945)
- Tokens vested during the period	(23,967,972)	-	-	(23,967,972)
	(32,489,917)	-	-	(32,489,917)

i. The Foundation has been allocated with 552,000,000 IOTA tokens as an endowment from the IOTA network upon IOTA Stardust protocol upgrade which was implemented on 4 October 2023. These tokens have vesting period of 4 years with 10% initial unlock and then bi-weekly releases over the period of 4 years. The remaining locked tokens cannot be transferred or used for payments and are irreversible and hence, have been recognized as unvested digital assets on the statement of financial position.

The market price on the date of receipt of such IOTA tokens was USD 0.15438 per token, amounting to USD 85,219,455.

ii. Mr. Dominick Schiener, Mr. Jan Misselwitz and Mr. Philipp Mack holds exclusive access to the private keys of the wallets in which the above tokens are held as on 31 December 2024.

iii. The number of USDT, IOTA and Shimmer tokens held on 31 December 2024 were 291,573, 413,455,229, and 12,000,000 respectively. The aggregate fair value (market price) of such tokens were USD 2,312,124, USD 118,868,378 and USD 20,354, respectively as on 31 December 2024.

iv. The above USDT held by the Foundation includes an amount of USD 2,020,554 worth of USDT tokens which are held with G20 Advisors, a virtual asset broker based in Switzerland.

v. Loss on acquisition represents acquisition of tokens at a price in excess of market value.

vi. The Foundation has entered into a marketing and liquidity arrangement with G-20, an independent third party broker, to support orderly market conditions for the Foundation's tokens. Under this arrangement, G-20 facilitates liquidity and the conversion of the Foundation's tokens into USDT/cash.

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The impairment has been recorded in the statement of profit or loss and other comprehensive income as follows:

	2024
	USD
Impairment of Shimmer tokens (Refer note 15)	167,926

6 Investments

	2024
	USD
Financial assets measured at FVTPL	
Investment in shares of Bridge.Love Pte. Ltd., Cayman Island	<u>200,000</u>
	<u>200,000</u>
Movement during the period	
Addition during the period	<u>200,000</u>
	<u>200,000</u>

During the period, the Foundation acquired 122,220 equity shares allotted by Bridge.Love Pte. Ltd., Cayman Islands. As of 31 December 2024, this represents a 1.0859% shareholding in the investee entity. The fair value of such shares is approximately equal to the cost of acquisition of such shares.

7 Prepayment and other receivables

	2024
	USD
Advance for purchase of Shimmer tokens (Refer note below)	61,523
Prepayments	25,558
Other receivables	<u>2,155</u>
	<u>89,236</u>

The above advance amount is presented on net basis after adjusting the impairment loss of USD 591,172 (refer note 17) due to difference in the purchase price and the market price.

8 Other loan receivable

	2024
	USD
Other loan receivable - current	<u>2,280,369</u>

The Foundation has entered into an arrangement with an individual, through which IOTA 7,000,000 and USDT 500,000 tokens have been provided to such individual for the purpose of market making, which is repayable after 182 days further extendable by 183 days.

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9 Related party balances and transactions

The Foundation enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel, shareholders and the ultimate controlling party. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) Transactions

During the period, the Foundation entered into the following transactions with the related parties:

	2024
	USD
Expenses paid on behalf of Foundation and reimbursement	707,345
Receipt of contribution from Founder	50,000
Loan from related party	1,581,773
Repayment of loan to related party	1,581,773
Consultancy Fees paid to related party	51,910

b) Compensation of key management personnel

The remuneration of Council members and other members of key management personnel during the period was as follows:

	2024
	USD
Mr. Dominik Schiener, Council Member	110,000

- i. No remuneration has been paid to the Council Members other than what has been disclosed above.
- ii. There were no advances and guarantees issued by the Foundation on behalf of the Council Members.
- iii. There were no third parties who were engaged to provide services as Councillors and hence, the consideration paid to such third parties was nil.
- iv. These expenses do not include pre-incorporation costs paid by Mr. Dominik Schiener, the Founder, on behalf of the Foundation. Such costs have not been recharged to the Foundation and have been borne by the Founder.

10 Cash and cash equivalents

	2024
	USD
Bank balances	<u>149,202</u>

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.

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11	Contribution		2024
			USD
	Contribution from Founder		<u><u>50,000</u></u>

12	Other liabilities		2024
		Sub-note	USD
	Contribution balance from network		<u><u>68,540,141</u></u>

Changes in the other liabilities balance during the period are as follows:

	Sub-note	Other liabilities
		USD
Contribution received from IOTA network (Refer note 5)	(i)	<u>85,219,455</u>
Transfer to Statement of profit or loss	(ii)	<u>(16,679,314)</u>
		<u><u>68,540,141</u></u>

i. The Foundation has been allocated with 552,000,000 IOTA tokens as an endowment from the IOTA network upon IOTA Stardust protocol upgrade which was implemented on 4 October 2023. These tokens have vesting period of 4 years with 10% initial unlock and then bi-weekly releases over the period of 4 years. The remaining locked tokens cannot be transferred or used for payments and are irreversible and hence, have been recognized as digital assets on the statement of financial position.

The market price on the date of receipt of such IOTA tokens was USD 0.15438 per token, amounting to USD 85,219,455.

ii. The Foundation recognises a portion of deferred income as contribution income in the statement of profit or loss systematically over the period in which the related operating expenditures are incurred.

13	Trade and other payables		2024
			USD
	Trade payables		<u><u>290,362</u></u>

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14	Loan payable	2024 USD
	Movement in loan payable	
	Received during the period	1,381,525
	Repaid during the period	(1,524,783)
	Loss on settlement of loan	<u>143,258</u>
		<u>-</u>

15	Gain on settlement through digital assets	28 November 2023 to 31 December 2024 USD
	Gain on settlement through digital assets	<u>5,644,913</u>

The above net gain on digital assets represents difference between the fair value of tokens on the date of settlement of liability/expenses with the carrying of the tokens recognised on cost basis.

16	Ecosystem development expenses	28 November 2023 to 31 December 2024 USD
	Partnership costs (Refer note ii)	11,170,384
	Tokens airdropped (Refer note i)	4,087,073
	Grants (Refer note iii)	2,090,531
	Events and sponsorships	1,211,733
	Integration services (Refer note iv)	471,867
	Marketing	<u>1,640,261</u>
		<u>20,671,849</u>

i. Airdrop of tokens refer to transfer of tokens to various participants on the IOTA network without any consideration in order to improve the usage of IOTA token.

ii. Partnership costs refers to payment made in the form of token to 3 individuals for their support in the publicity of the IOTA and Shimmer ecosystems in the MENA regions. Such costs were incurred in the months of October and November 2023 i.e. prior to the incorporation of the Foundation. Management is of the opinion that these are directly attributable to the Foundation's operating activities and were incurred in contemplation of its incorporation.

iii. Grants are provided in the form of tokens to eligible intermediaries based on certain criteria and achievement of milestones with an objective of development of IOTA and Shimmer ecosystem.

iv. Integration expenses are incurred for the purposes of enabling of IOTA platform with other various platforms.

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17 Other operating expenses

**28 November
2023 to 31
December 2024**
USD

Impairment of advance for purchase of Shimmer tokens (Refer note 7)	591,172
Loss on acquisition of Shimmer token (Refer note 5)	311,720
Employee costs	227,500
Software expenses	206,410
Impairment of digital assets	167,926
Legal, license and professional	105,151
Bank charges	15,365
Rent	8,892
Book keeping expense	4,500
Other general and administrative expenses	13,742
	1,652,378

These expenses do not include pre-incorporation costs paid by Mr. Dominik Schiener, the Founder, on behalf of the Foundation. Such costs have not been recharged to the Foundation and have been borne by the Founder.

18 Financial instruments and risk management

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

Categories of financial instruments

31 December 2024

	Financial assets		Financial liabilities	Total
	FVTPL	Amortised cost	Amortised cost	
	USD	USD	USD	
Cash and cash equivalents (Note 10)	-	149,202	-	149,202
Investments (Note 6)	200,000	-	-	200,000
Other receivables (Note 7)	-	-	-	-
Trade and other payables (Note 13)	-	-	290,362	290,362
	200,000	149,202	290,362	639,564

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18 Financial instruments and risk management (continued)

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar 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 Foundation 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.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

1) Fair value measurements recognised in the statement of financial position

Some of the Foundation'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;

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18 Financial instruments and risk management (continued)

2) Reconciliation of unquoted equity instruments – AFS investments, movements in level 3 financial assets measured at fair value:

	2024
	USD
Balance at the beginning of the period	-
Additions during the period	<u><u>200,000</u></u>

There were no transfers between each of level during the period.

Financial risk management objectives

The Foundation's financial risk management policies set out the Foundation's overall business strategies and risk management philosophy. The Foundation's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Foundation. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Foundation's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Foundation does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

Interest risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, there is no significant interest rate risk as there are no borrowings at period end.

Market risk

The Foundation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Foundation's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Foundation does not have any significant exposure to currency risk, as most of its assets and liabilities are in USD.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foundation. As at 31 December 2024, the Foundation's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Foundation due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Foundation arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Foundation's short, medium and long-term funding and liquidity management requirements. The Foundation manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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18 Financial instruments and risk management (continued)

The table below summarises the maturity profile of the Foundation's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Particulars	Non-interest bearing			Total
	On demand or less than 3 months	Within 1 period	More than 1 period	
As at 31 December 2024				
Financial assets				
Cash and cash equivalents	149,202	-	-	149,202
Investments	-	-	200,000	200,000
	149,202	-	200,000	349,202
Financial liabilities				
Trade and other payables	-	290,362	-	290,362

Capital risk management

The Foundation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

19 First period of existence

These are the first audited financial statements of the Foundation covering the period from 28 November 2023 (incorporation date) to 31 December 2024.

20 Events after the reporting period

Subsequent to the reporting date, a war outbreak occurred in the region, resulting in increased uncertainty in the broader economic environment within the United Arab Emirates (UAE) and the surrounding region.

Management has assessed the impact of this event and concluded that it does not provide evidence of conditions that existed as at the reporting date. Accordingly, this event has been classified as a non-adjusting event after the reporting period in accordance with IAS 10 – Events after the Reporting Period.

At the date of approval of these financial statements, the management continues to monitor the evolving situation and its potential implications. Based on the assessment performed, this event has not had a material impact on the financial position, financial performance, or cash flows of the Foundation as at the reporting date. Accordingly, no adjustments have been made to these financial statements.

21 Average number of employees

The average number of employees during the period was 2.

22 Corporate Tax

The current fiscal year is the first year of implementation of Federal Decree-Law No. 47 of 2022, i.e., Corporate Tax Law, for the Foundation. The management has assessed their responsibility on the compliance with the Corporate Tax Law. There is no corporate tax liability which is recognised by the Foundation for the period ended on 31 December 2024 in the absence of taxable profits.

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23 Operations incurred prior to incorporation of Foundation:

Pursuant to the upgrade of the IOTA blockchain (Chrysalis to Stardust), the blockchain awarded 552,000,000 IOTA tokens on October 4, 2023, i.e. prior to the incorporation of the Foundation. These tokens were received in a wallet established and controlled by the Founder, Mr. Dominik Schiener. The Foundation utilized these tokens for ecosystem development and operational activities before its incorporation. The related transactions have been cumulatively recognized in these financial statements as of the date of incorporation as follows:

Ecosystem development (Partnership costs)	9,852,591
Loss on settlement through digital assets	143,258
Total	9,995,849