



30
YEARS
ANNIVERSARY

ADSB
ABU DHABI SHIP BUILDING

**ABU DHABI SHIP BUILDING PJSC
CORPORATE GOVERNANCE REPORT 2025**

RESTRICTED

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At Abu Dhabi Ship Building Company PJSC (hereafter referred to as "ADSB" or the "Company"), we remain steadfast in our commitment to upholding the highest standards of corporate governance and robust risk management. Our dedication ensures the protection of our business objectives and the interests of our diverse stakeholders.

The 2025 Corporate Governance Report provides a comprehensive overview of ADSB's governance systems and procedures as of 31 December 2025. This report has been filed with the Securities and Commodities Authority (SCA), published on the Abu Dhabi Securities Exchange (ADX), and made available on the Company's website.

1. Statement of Procedures Taken to Complete the Corporate Governance System During 2025

The Board of Directors and Management remain dedicated to implementing governance rules effectively and transparently, in line with the Board's responsibility to protect and enhance shareholder value. This commitment is reflected in the following key governance practices:

- ✓ **Board Meetings:** The Board held its meetings during 2025 in compliance with the requirements set out in Article 156(1) of Federal Decree-Law No. 32 of 2021 on Commercial Companies, ensuring effective oversight of the Company's strategic direction, performance, and operations.
- ✓ **Board Election and Formation:** During 2025, the Company successfully conducted the nomination and election process for the Board of Directors in full compliance with applicable laws, regulations, and approved governance procedures. As a result, a new Board was formed for the term 2025–2028, comprising members with diverse expertise and professional backgrounds. This diversity enhances the Board's effectiveness in providing balanced oversight and strategic guidance, supporting the Company's continued growth and long-term value creation.
- ✓ **Declaration of Independence and Conflict of Interest:** The Board ensured annual disclosure of members' independence, including any changes affecting their status, such as membership in other boards. This was achieved through formal declarations confirming their positions on the boards of private and public joint-stock companies, in line with applicable governance requirements.
- ✓ **Specialized Board Committees:** The Board of Directors is supported by specialized committees, including the Executive Committee, Audit & Risk Committee, Nominations & Remuneration Committee, and the Investor Relations Committee. These committees operate under approved charters that define their roles, responsibilities, and delegated authorities. During 2025, the committee charters were reviewed and, where necessary, updated to ensure continued alignment with regulatory requirements and leading governance practices.
- ✓ **Company Disclosures:** ADSB's Management, under the oversight of the Board of Directors, remained committed to timely, accurate, and transparent disclosure of quarterly and annual financial statements, ensuring full compliance with applicable legal and regulatory deadlines and reinforcing investor confidence.

2. Statement of ownership and transactions of Board of Directors members and their spouses, and children in the company securities during 2025

All members of the Board of Directors are required to disclose their trading in the Company's shares on an annual basis, including transactions carried out on their own account as well as those conducted on behalf of their spouses and children, in accordance with the applicable disclosure and transparency regulations.

The Company ensures full compliance with these requirements through continuous monitoring and periodic confirmations obtained from Board members, in line with the approved governance framework and applicable regulatory requirements.

The table below sets out the statement of ownership of the Board members (including their spouses and children) in the Company's shares as of 31 December 2025.

Director	Position	Shares Held as at 31 December 2025	Total Sale Transactions	Total Purchase Transactions
▪ Khaled Ahmed AlZaabi	Chairman	Nil	Nil	Nil
▪ Anas Jawdat Albarguthi	Vice Chairman	Nil	Nil	Nil
▪ Khalifa Issa Abushahab	Director	Nil	Nil	Nil
▪ Omar Abdulrahman AlZaabi	Director	Nil	Nil	Nil
▪ Rodrigo Torres	Director	Nil	Nil	Nil
▪ Abdulla Saeed Al Ghafli	Director	Nil	Nil	Nil
▪ Dr. Najwa Aaraj	Director	Nil	Nil	Nil
▪ Mansoor Abdulaziz Mohamed Janahi	Director	Nil	Nil	Nil
▪ H.E Abdulla Ahmed Al Qubaisi	Director	Nil	Nil	Nil

3. Formation of the Board of Directors

The Articles of Association of the Company provide that the Board of Directors consists of nine members. Six members are appointed by the Executive Council of the Emirate of Abu Dhabi, or its authorized delegate, while the remaining three members are elected by the public shareholders. Each Director serves a three-year term and may be re-elected.

During 2025, the Company completed the nomination and election process for the Board of Directors in accordance with applicable laws and governance procedures. Accordingly, a new Board was formed for the term 2025–2028.

The Board comprises members with diverse expertise and experience, supporting effective oversight and the achievement of the Company's strategic objectives.

The table below sets out the details of the Board of Directors as of 31 December 2025.

Name	Position	Category
▪ Khaled Ahmed AlZaabi	Chairman	Non-Executive/Dependent
▪ Anas Jawdat Albarguthi	Vice Chairman	Non-Executive/Independent
▪ Khalifa Issa Abushahab	Board Member	Non-Executive/Independent
▪ Omar Abdulrahman AlZaabi	Board Member	Non-Executive/Dependent
▪ Rodrigo Torres	Board Member	Non-Executive/Dependent
▪ Abdulla Saeed Al Ghafli	Board Member	Non-Executive/Independent
▪ Abdulla Saeed Al Ghafli	Board Member	Non-Executive/Independent
▪ Mansoor Abdulaziz Mohamed Janahi	Board Member	Non-Executive/Independent
▪ H.E Abdulla Ahmed Al Qubaisi	Board Member	Non-Executive/Independent

Profiles of Board of Directors



Khaled Ahmed Al Zaabi
Chairman of the Board of Directors
Board Member Since: August 2023
Category: Non-Executive, Dependent Member

Experience and Qualifications:

Mr. Khaled Al Zaabi is the President of the Platforms & Systems cluster at EDGE, one of the world's leading defence and advanced technology groups. He brings over 16 years of experience as an investment professional, with notable roles at Mubadala and at NIMR Automotive, where he served as Chief Commercial Officer.

Mr. Khaled holds a Bachelor's degree in Aerospace Engineering from RMIT University, Australia, and an Executive MBA from INSEAD, France.

He also holds an external appointment as a Board Member of NIMR Algeria.



Anas Jawdat Al Barguthi
Vice Chairman of the Board of Directors
Chairman of the Human Resources and Nomination Committee
Board Member Since: December 2019
Category: Non-Executive, Independent Member

Experience and Qualifications:

Mr. Anas Jawdat Al Barguthi serves as the Chief Operating Officer at ADQ, where he oversees key functions including human capital, information technology, digital transformation, cybersecurity, corporate services, procurement, and employee experience and engagement.

He brings over 20 years of leadership experience across the government, semi-government, and private sectors in the UAE and the United Kingdom. He has held several senior positions, including Assistant Secretary General and Executive Director at the Abu Dhabi Quality and Conformity Council.

Mr. Anas holds a Master's degree in International and Comparative Business Law (LL.M.) from London Guildhall University and a Bachelor's degree in Law from Amman Private University.

He also holds several external appointments, serving as Chairman of Abu Dhabi Media Company, Chairman of Q Market Makers (QMM), Vice Chairman of Abu Dhabi National Exhibition Centre (ADNEC), and a Member of the Board of Trustees at Khalifa University.



Khalifa Issa Abushahab

Chairman of Audit & Risk Committee
Member of Investor Relations Committee
Member of Human Resources and
Nomination Committee

Board Member Since: December 2019

Category: Non-Executive, Independent
Member

Experience and Qualifications:

Mr. Khalifa serves as the Executive Director of Corporate Services at ADQ and holds a Bachelor of Business Administration in Finance from George Washington University.

Prior to joining ADQ, he held a senior management position at Tawazun Economic Council and has served as a Board Member for several organizations, including NIMR Algeria, Caracal Algeria, NIMR Automotive, and Advanced PyroTechnics (APT).

He also served as Chairman of the Audit Committee at Methaq Takaful Insurance Co. PJSC.



Rodrigo Torres

Chairman of the Executive Committee
Chairman of Investor Relations
Committee
Member of the Audit and Risk
Committee

Board Member Since: January 2022

Category: Non-Executive, Dependent
Member

Experience and Qualifications:

Mr. Rodrigo is a seasoned Chief Financial Officer with over 20 years of global experience, having held senior roles across multiple finance functions in eight countries and across various manufacturing industries.

He currently serves as President and Group Chief Financial Officer at EDGE, one of the world's leading defence and advanced technology groups.

Mr. Rodrigo holds a Master of Business Administration (MBA) and a Bachelor's degree in Mechanical and Industrial Engineering.

He also holds several external appointments, serving as a Board Member of Milrem Robotics and ANAVIA Aerosystems, and as an Advisory Board Member to the Audit Committees of GAL and NIMR.



Omar Abdulrahman AlZaabi
Member of Executive Committee

Board Member Since: January 2022
Category: Non-Executive, Dependent Member

Experience and Qualifications:

Mr. Omar Al Zaabi is the President of the Trading & Mission Support Cluster at EDGE, one of the world’s leading defence and advanced technology groups.

He has extensive experience in strategic planning and operations, having previously held senior roles at EDGE and within a government entity, as well as earlier experience as a Project Manager at Booz Allen Hamilton in the United States.

Mr. Omar holds a Bachelor’s degree in Education and a Higher Diploma in Computer Networking from the Higher Colleges of Technology, UAE, and holds professional certifications including CCNA, CCNP, and PMP.



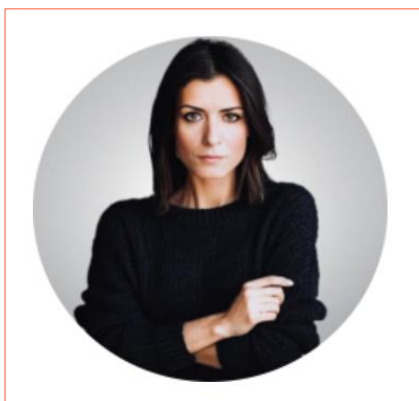
Abdulla Saeed Al Ghafli
Member of Audit & Risk Committee
Member of the Investor Relations Committee

Board Member Since: April 2022
Category: Non-Executive, Independent Member

Experience and Qualifications:

Mr. Abdulla Al Ghafli is an Investment Manager at the General Pension & Social Security Authority. In addition to obtaining the CFA certification, he holds a Bachelor of Business Administration in Accounting with a Minor in Marketing, as well as a Master of Science in International Business and Finance from London Metropolitan University.

Mr. Abdulla also serves as a Board Member at Al Ramz Corporation Investment and Development PJSC.



Dr. Najwa Aaraj
Member of Human Resources and Nomination Committee

Board member Since: January 2020
Category: Non-Executive/Independent

Experience and Qualifications:

Dr. Najwa Aaraj is the Chief Executive Officer at the Technology Innovation Institute (TII), the applied research pillar of the Advanced Technology Research Council (ATRC) in Abu Dhabi. With a PhD in Applied Cryptography and Embedded Systems Security from Princeton University, Dr. Aaraj brings over 18 years of global experience in cryptography, embedded systems security, and robotics.

She has previously held senior roles at DarkMatter, Booz & Company, IBM, and Intel, and is currently a board member at Abu Dhabi Ship Building.



Mansoor Abdulaziz Mohamed Janahi
Member of Executive Committee

Board Member Since: April 2025
Category: Non-Executive, Independent Member

Experience and Qualifications:

Mr. Mansoor Janahi is the Managing Director and Group Chief Executive Officer of Sanad, a global aerospace engineering and leasing solutions company wholly owned by Mubadala Investment Company PJSC. He has extensive experience in the aerospace sector, having previously held leadership roles at Mubadala, where he contributed to key aerospace initiatives and strategic partnerships.

Mr. Mansoor holds dual Bachelor’s degrees in Aerospace Engineering and Aviation Business Administration from Embry-Riddle Aeronautical University and has completed CFA Level I certification.

He also serves on the boards of SR Technics, Sanad, Strata Solvay Advanced Materials (SSAM).



H.E Abdulla Ahmed Al Qubaisi
Member of Executive Committee

Board Member Since: April 2025
Category: Non-Executive, Independent Member

Experience and Qualifications:

H.E Abdulla Ahmed Al Qubaisi serves as an Advisor at the Presidential Court of Abu Dhabi. He brings extensive experience in government and strategic leadership roles, having previously served as General Manager at the Private Office of H.H. Sheikh Mohamed bin Zayed Al Nahyan, and held senior positions within the General Secretariat of the Executive Council, the Offset Program Bureau, and the Higher Corporation for Specialized Economic Zones.

Mr. Abdulla holds an Executive Master of Business Administration (MBA) from Zayed University, Abu Dhabi, a Bachelor of Science in Business Administration from Portland State University, USA, and an Associate of Science in Business Administration from Portland Community College, USA.

He holds several external appointments, including serving on the Audit Committees and Boards of multiple entities, including the International Fund for Houbara Conservation, Al Forsan International Sports Resort, Remaya International (a Tawazun subsidiary), Caracal Shooting Club, Tawazun Economic Council, and the Environment Agency – Abu Dhabi.

3.3 Women’s Representation at the Board of Directors for the year 2025

Abu Dhabi Ship Building PJSC recognizes the importance of diversity in strengthening corporate governance and enhancing the effectiveness of Board decision-making. The Company remains committed to fostering a diverse and inclusive leadership environment that benefits from a broad range of perspectives and experiences.

Following the Board election in 2025, ADSB reports that women represent approximately 11% of the Board of Directors, with one female member out of nine, reflecting the Company’s continued commitment to promoting diversity at the leadership level.

3.4 Remuneration of the Board Members

▪ Total remuneration paid to the Board for 2024

The General Assembly approved a remuneration for the Board of Directors members for the year 2025 with a total value of AED 4,200,000.

▪ The value of the proposed remuneration for the members of the Board of Directors for the year 2025

The Board of Directors proposes total remuneration of AED 3,028,800 (three million twenty-eight thousand UAE dirhams) for the year 2025, subject to shareholder approval at the Annual General Assembly.

Details of allowances, salaries, or additional fees received by the Board Members other than committee Attendance Allowances and Reasons thereof

The Board of Directors proposes total remuneration of AED 3,028,000 for the year 2025, subject to shareholder approval at the Annual General Assembly.

▪ Details of Allowances for Attending Meeting of Committees Emanating from the Board received by the Board Members for the fiscal year 2025

None.

Allowances for Attending Committee Meeting

Name	Committee	Position	Number of meetings	Total Allowance Value (AED)
▪ Khalifa Issa Abushahab	Audit & Risk Committee	Chairman	4	150,000
	Human Resources and Nomination Committee	Member	3	
	Investor Relations Committee	Member	1	
▪ Anas Jawdat Albarguthi	Human Resources and Nomination Committee	Chairman	3	50,000
▪ Rodrigo Torres	Executive Committee	Chairman	2	100,000
	Investor Relations Committee	Chairman	1	
	Audit & Risk Committee	Member	4	
▪ Omar Abdulrahman AlZaabi	Executive Committee	Member	2	50,000
▪ Dr. Najwa Aaraj	Human Resources and Nomination Committee	Member	3	50,000
▪ Abdulla Saeed Al Ghafli	Audit & Risk Committee	Member	4	50,000
	Investor Relations Committee	Member	1	50,000
▪ Mansoor Abdulaziz Mohamed Janahi	Executive Committee	Member	2	50,000
▪ H.E Abdulla Ahmed Al Qubaisi	Executive Committee	Member	2	50,000

3.5 Number of Board meetings held during the fiscal year 2025 along with their convention dates, personal attendance times of all members, and members attending by proxy

Board Meeting	5 February	4 June	3 September	17 December
▪ Khaled Ahmed AlZaabi	Present	Present	Present	Present
▪ Anas Jawdat Albarguthi	Present	Present by Proxy	Present	Present
▪ Khalifa Issa Abushahab	Present	Present	Present	Present
▪ Rodrigo Torres	Present	Present	Present	Present
▪ Abdulla Saeed AlGafli	Present	Present	Present	Present
▪ Dr. Najwa Aaraj	Present	Present	Present	Present
▪ Omar Abdulrahman AlZaabi	Present	Present	Present	Present
▪ Mansoor Abdulaziz Janahi	-	Present	Present	Present
▪ H.E Abdulla Al Qubaisi	-	Present	Present	Present
▪ Arwa Ahmed Al Kindi	Present		-	
▪ Saeed Salim Alsuwaidi	Present		-	

3.6 Name of the Board Secretary and the date of his appointment

Mr. Yasser Omar from Hadeef & Partners, an Executive Partner and Head of Corporate and Commercial Practice, acts as the Board Secretary. Reporting directly to the Board, he provides independent legal and regulatory guidance, ensuring comprehensive support during all Board meetings.

3.7 Number of Board Resolutions passed by circulation during year 2025

The Board issued a total of resolution by circulation during the fiscal year 2025 on the following dates:

	Resolution No.	Date	Subject
1	Resolution No.1 of 2025	21 March 2025	Approval of financial statements and Annual General Assembly agenda.
2	Resolution No.2 of 2025	5 May 2025	Appointment of Board leadership and formation of Board Committees
3	Resolution No.3 of 2025	12 December 2025	Approval of a material related party transaction and convening of a General Assembly.

3.8 Statement of Board duties and powers exercised by Board members or the Executive Management during 2025 based on an authorization from the Board

The Executive Management team, led by the Chief Executive Officer and supported by the Chief Operating Officer, Chief Financial Officer, and Chief Technology Officer, is responsible for implementing the Company's strategic direction and managing its day-to-day operations.

The introduction of the Chief Technology Officer role in 2025 reflects the Company's strengthened focus on technology, innovation, and digital transformation. These activities are carried out in accordance with Board-approved strategies and business plans, with a focus on safeguarding shareholder interests and adhering to best practices.

A formal Delegation of Authority framework is in place, clearly defining approval limits and lines of responsibility across all business functions, ensuring accountability, transparency, and efficient decision-making.

3.9 Details of Transactions carried out between the Related Parties (Stakeholders) during the year 2025

The nature of related party transactions carried out in 2025 were all related to Company's normal course of business and details of such transactions are in the table below.

No.	Statement of the Relevant Party	Explanation of the Nature of the Relationship	Transaction Type	Transaction Volume In AED
1	NIMR	Intercompany	Construction of armored vehicles body panels	633,166.56
2	ADASI	Intercompany	UAV contract	936,500.00
3	IGG	Intercompany	C4I contract	4,891,835.72
4	EDGE Commercial	Intercompany	Kuwait MRO	54,820,686.20
5	EDGE Corporate	Intercompany	IT Services	(10,077,836.65)
6	EDGE Corporate	Intercompany	Marketing Services	(2,808,631.46)
	TRUST	Intercompany	Contract Costs	(115,000.00)
7	ANAVIA	Intercompany	Subcontract Services	(12,339,664.45)
Net Transactions				35,941,055.93

The Company presented the following two transactions to the shareholders at the General Assembly held on 25 April 2025, which were subsequently approved by the shareholders:

1. Related Party transaction with EDGE Commercial LLC, exceeding 5% of the company's share capital, for execution of maintenance works for naval defense vessels of the State of Kuwait, with a total value of AED 495,254,531 (Four hundred ninety-five million, two hundred fifty-four thousand, five hundred thirty-one dirhams).

2. Related Party transaction with Emirates Advanced Research & Technology Holding LLC, also exceeding 5% of the company's share capital, involving the construction of military naval vessels for the benefit of the Federal Republic of Nigeria, with a total value of USD 128,527,858 (One hundred twenty-eight million, five hundred twenty-seven thousand, eight hundred fifty-eight US dollars), excluding VAT

3.10 Assessment of the Board of Directors

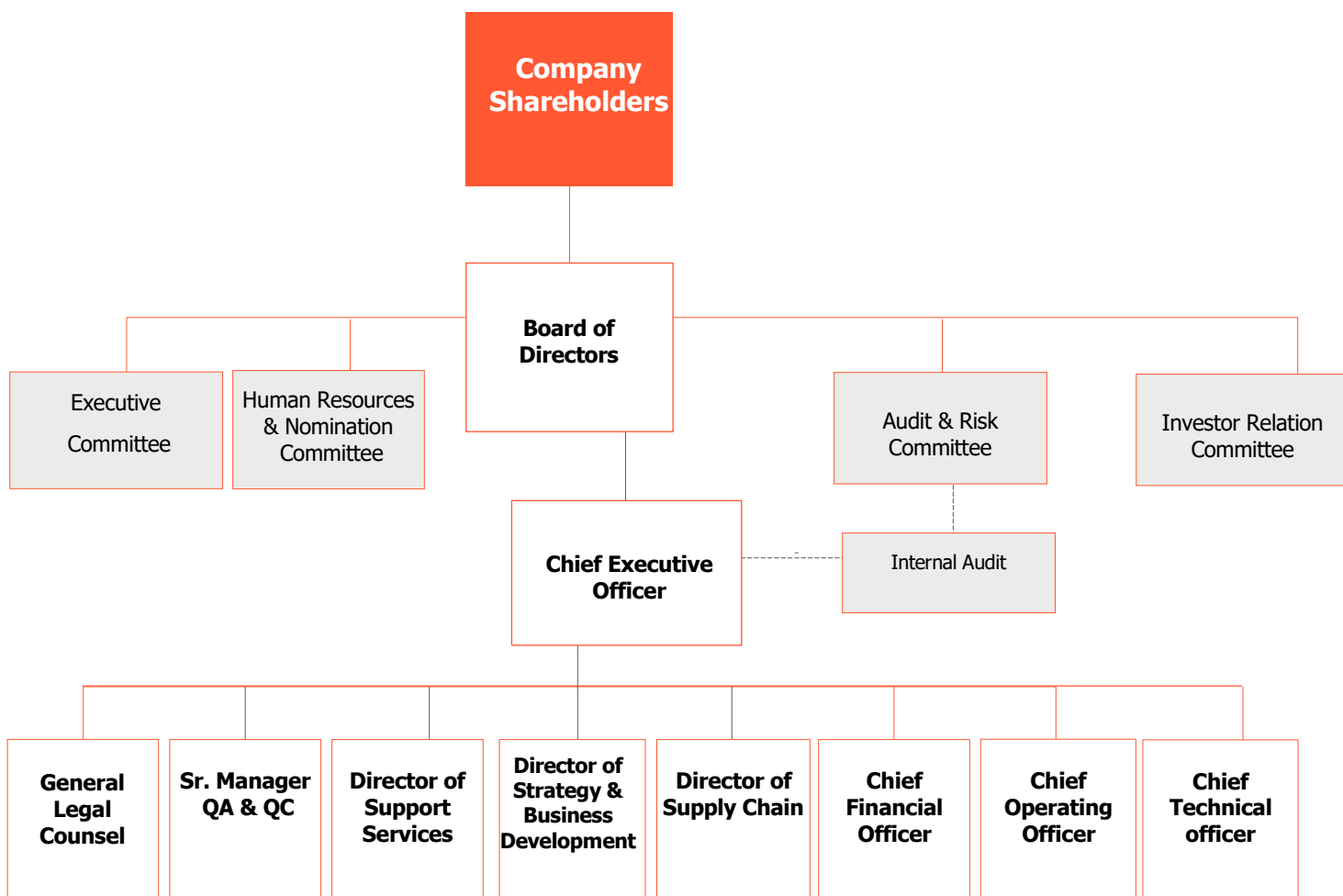
The assessment of the Board of Directors and its Committees is a key governance practice that supports the continued effectiveness and sustainability of ADSB's operations. This process reflects the Company's commitment to strengthening corporate governance, ensuring compliance with applicable regulations and leading practices, and evaluating the Board's effectiveness in fulfilling its oversight responsibilities and strategic direction.

The assessment also aims to identify areas for continuous improvement in governance, decision-making, and overall performance.

A comprehensive evaluation of the Board of Directors, its members, and Committees is scheduled to be conducted during the second quarter of 2026, covering the performance for the year 2025.

In addition, the Board conducts an annual assessment of Executive Management's performance to ensure alignment with the Company's strategic objectives and operational efficiency. This approach reflects ADSB's commitment to transparent, effective, and accountable governance.

4. Organizational Structure and Executive Management



1.1 Detailed Statement of the Senior Executives in the First and Second Ranks of the company, their Positions, Dates of Appointment, Total Salaries and Bonuses paid them during the year 2025

Position	Date of Appointment	Total Salaries and Allowances Paid for the year 2025 (Dirham)	Total Bonuses Paid for year 2025 (Dirham)	Any other cash/in kind Remuneration for the year 2025 or Fall Due in the Future
▪ Chief Executive Officer	01/04/2020	1,896,672.96	803,649.60	None
▪ Chief Operating Officer	01/04/2019	1,315,557.89	454,659.26	None
▪ Chief Financial Officer	08/02/2015	1,332,676.68	505,478.40	None
▪ General Legal Counsel	13/02/2020	1,498,423.98	549,552.00	None
▪ Chief Technical Officer	14/12/2014	1,285,842.14	427,395.26	None
▪ Director - Supply Chain	19/05/2019	1,089,179.10	406,924.80	None
▪ Director - Support Services	09/02/2020	1,142,906.76	431,827.20	None
▪ Director – Business Development	03/04/2023	1,112,204.10	414,134.40	None
▪ Director - Engineering	04/08/2025	418,163.15	-	None
▪ Director – Offset Obligations	01/09/2015	443,800.00	344,160.00	None
▪ Director - Composite	06/08/2017	698,627.49	105,506.64	None
▪ Director - MRO Services	02/06/2025	590,001.71	-	None
▪ Director – Production	20/11/2011	972,107.52	366,380.06	None

5. External Auditors

Grant Thornton was appointed as the independent External Auditors of the Company for the financial year ended 31 December 2025. Grant Thornton is a leading professional audit firm in the United Arab Emirates, recognized for its quality assurance and business advisory services.

The appointment of Grant Thornton was approved by the shareholders at the General Assembly Meeting held on 25 April 2025, with their remuneration determined in accordance with the applicable approval process.

The General Assembly is responsible for evaluating the performance of the External Auditors, approving their appointment, and determining their remuneration. The External Auditors attend the General Assembly Meeting to present their reports and respond to any inquiries from shareholders.

5.1 Statement of fees and costs for the audit or services provided by the external auditor

Name of the Audit firm	Grant Thornton Audit and Accounting Limited – Abu Dhabi
Name of the Partner Auditor	Signing Partner: Dr. Osama El Bakry Engagement Partner: Samer Hijazi
Number of years spent as the company's external auditor	6
Number of years the partner auditor spent auditing the company's accounts	6 for Engagement Partner 3 for the Signing Partner
Total value of audit fees for 2025 (in AED)	AED 330,000
Details and nature of other services provided by the company's auditor (if any). In the event that there are no other services, this shall be stated explicitly.	Audit of Internal Control Over Financial Reporting (ICOFR) Group Instruction Clearance
The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED), if any. In the event that there are no other fees, this shall be stated explicitly.	AED 235,000
Statement of other services that an external auditor other than the company auditor provided during 2025 (if any). In the event that there are no services provided by another external auditor, this shall be stated explicitly.	Auditor name: Not Applicable. Details of services provided: Not Applicable.

5.2 External Auditor's opinion on the Company's interim and annual financial statements for the year 2025.

No qualified opinions or reservations were made by the Company's external auditor in the interim and annual financial statements for 2025.

6. Board Committees

6.1 AUDIT & RISK COMMITTEE

The Audit & Risk Committee assists the Board of Directors in fulfilling its corporate governance and oversight responsibilities. This includes overseeing the effectiveness of the risk management framework, internal control systems, accounting policies and practices, the integrity of financial reporting, and the performance of both Internal Audit and External Auditors.

The Committee is composed of three members of the Board of Directors and two external advisors, with the General Legal Counsel acting as the Committee Secretary. The Chief Executive Officer, Internal Audit, and External Auditors attend meetings by invitation, as required.

6.1.1 Names of the Audits and Risk Committee members

	Name	Position
1	Khalifa Abushahab	Chairman
2	Abdulla Al Ghafli	Member
3	Rodrigo Torres	Member
4	Amit Surana	Advisor
5	Rashed Alsuwaidi	Advisor

The Chairman of Audit & Risk Committee acknowledges his responsibility for the Human Recourses and Nomination Committee, the review of its working mechanisms and ensuring its effectiveness.

6.1.2 Terms of Reference of the Audit & Risk Committee

1. Review the Company's financial and accounting policies and procedures.
2. Monitoring the integrity of Company's financial statements and reports (annual, semi-annual and quarterly) review thereof as a part of its normal work during the year, and the Committee shall particularly, focus on the following:
 - Any changes in accounting policies and practices;
 - Highlighting the aspects that are subject to the management's discretion;
 - Substantial amendments resulting from audit;
 - Supposing continuity of the Company's business;
 - Commitment to the accounting standards approved by the Securities and commodities Authority; and
 - Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.
3. Coordinating with the Company's Board of Directors, Senior Executive Management, and the Finance Manager or the Manager doing such role in the Company, for the purpose of performing its duties.
4. Considering important and unusual clauses or unconventional issues that are or shall be mentioned in such reports and accounts, the Committee shall also pay the required attention to any issues brought up by the Finance Manager, the Manager doing such role, the Compliance Officer, or the Auditor.

5. Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Committee recommendations and the reasons for the Board of Directors' rejection thereof.
6. Setting and implementing the policy of contracting with the auditor, submitting a report the Board of Directors, specifying the issues the Committee deems necessary to take procedures in relation to, and submitting the Committee's recommendations concerning the steps required to be taken.
7. Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company' Articles of Association, and following up and monitoring his/her independence.
8. Meeting with the Company' auditor without attendance of any of the personnel of the Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according the approved auditing standards.
9. Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's board of Directors response thereto and provision of the facilities required for performing the auditor's job.
10. Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.
11. Review and assessment of financial control, internal control and risk management systems in the Company.
12. Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.
13. Considering the results of primary investigations in internal control issues as assigned to the Committee by the Board of Directors or based on an initiative on the part of the Committee and the Board of director's approval of such initiative.
14. Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors.
15. Ensuring availability of the resources required for the internal control department and reviewing and monitoring the effectiveness of such department.
16. Studying internal control reports and following up the implementation of corrective measures for the comments arising from such report.
17. Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.

18. Monitoring the extent to which the Company complies with the code of conduct.
19. Review of related party transactions with the Company, managing conflict of interest, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.
20. Ensuring implementation of the code of conduct related to the Committee's duties and powers assigned to it by the Board of directors.
21. Responsible for the risk management policy of the company operations' and oversight of the operations of the company risk management framework.
22. The Committee will assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risk appetite of the Corporation and the risk management and compliance framework and the governance structure that supports it. Risk appetite is defined as the level and type of risk a firm is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders.
23. Approve and periodically review the risk management policies of the company's global operations; and oversee the operation of the Company's global risk management framework, which shall be commensurate with the structure, risk profile, complexity, activities, and size of the Company, including: Policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for operations;
24. Processes and systems for implementing and monitoring compliance with such policies and procedures, including processes and systems to:
 - Identify and report risks and risk management deficiencies, including emerging risks, and ensure effective and timely implementation of actions to address emerging risks and risk management deficiencies for the Company's operations;
 - Establish managerial and employee responsibility for risk management;
 - Ensure the independence of the risk management function; and
 - Integrate risk management and associated controls with management goals and the company's compensation structure for its operations.

6.1.3 Audit & Risk Committee Meetings during year 2025:

Meeting No.	Meeting Date	Number of Attendees
1	17 March 2025	5
2	12 May 2025	5
3	12 August 2025	5
4	13 November 2025	5

6.1.4 Annual Audit Committee Report

1. Significant Matters Relating to the Financial Statements and How They Were Addressed

The Audit & Risk Committee reviewed the Company's quarterly and annual financial statements for the year ended 31 December 2025, in coordination with Management, the Chief Financial Officer, and the External Auditors. The Committee ensured that all significant accounting judgments, estimates, and disclosures were appropriately addressed and that the financial statements were prepared in accordance with applicable accounting standards and regulatory requirements.

No material misstatements or significant issues were identified that would impact the integrity of the financial reporting.

2. Assessment Methodology of the External Audit Process and Auditor Independence

The Committee applied a structured assessment methodology to evaluate the effectiveness of the External Audit process, including a review of the audit scope, audit plan, quality of audit deliverables, and communication with the External Auditors.

The independence of the External Auditors was assessed through formal independence confirmations, evaluation of relationships with the Company, and review of any non-audit services provided. The Committee also assessed the tenure of the current audit firm and ensured compliance with applicable regulatory requirements regarding auditor rotation.

3. Recommendations on External Auditor Appointment, Reappointment, or Dismissal

Based on its assessment, the Audit & Risk Committee recommended the appointment/reappointment of the External Auditors to the Board of Directors. The Board approved the Committee's recommendation.

4. Measures to Safeguard Auditor Independence for Non-Audit Services

The Committee implemented strict controls over the provision of non-audit services by the External Auditors. All such services were subject to prior review and approval to ensure they did not impair independence. Annual independence confirmations were obtained from the External Auditors, confirming the absence of conflicts of interest.

5. Actions Taken to Address Deficiencies in Internal Control or Risk Management

The Committee reviewed reports from Internal Audit and Risk Management throughout **2025** and monitored the implementation of corrective actions related to identified deficiencies. Management implemented appropriate measures to address control gaps and enhance the effectiveness of internal controls and risk management frameworks.

6. Review of Internal Audit Reports on Medium- and High-Risk Matters

The Audit & Risk Committee confirms that all Internal Audit reports identifying medium- and high-risk matters were reviewed. The Committee assessed whether such matters resulted from significant violations or material weaknesses in internal controls and ensured that appropriate remedial actions were taken.

7. Corrective Action Plans for Material Deficiencies

The Committee oversaw the development and implementation of corrective action plans prepared by Management, in coordination with **Internal Audit** and Risk Management. These plans included defined timelines, accountability measures, and ongoing monitoring to ensure effective resolution of identified deficiencies.

8. Review and Oversight of Related Party Transactions

The Audit & Risk Committee reviewed all related party transactions conducted during 2025 to ensure compliance with applicable laws and regulations. The Committee confirmed that such transactions were carried out on an arm's length basis and in line with the Company's approved governance framework. No material irregularities were identified during the review process.

6.2 Human Recourses and Nomination Committee

The Human Recourses and Nomination Committee established to assist the Board in its responsibilities for reviewing nomination and remuneration arrangements of both the Board members and the Executive management team in order support the strategic aims of the business.

The Committee is comprised of three Directors. The General Legal Counsel is the Committee Secretary. The CEO, and Company advisors attend the meetings as and when as required but are not entitled to vote on the decisions of the Committee.

6.2.1 Names of the members of the Human Recourses and Nomination Committee

	Name	Position
1	Anas Jawdat Albarguthi	Chairman
2	Khalifa Abushahab	Member
3	Dr. Najwa Aaraj	Member
4	Noor Al Sulaimani	Advisor

The Chairman of Human Recourses and Nomination Committee acknowledges his responsibility for the Human Recourses and Nomination Committee, the review of its working mechanisms and ensuring its effectiveness.

6.2.2 Terms of Reference of the Human Recourses and Nomination Committee

- Setting a policy for nomination of the Board and executive management membership with the aim of varying between the two genders in the Board and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Securities and Commodities Authority and any amendments thereof.
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of the Code of Corporate Governance.
- If the Committee finds out that one of the members has lost independence, the Committee shall bring the issue before the Board to inform the member(s) by a registered letter at their address registered at the Company clarifying the reasons for the loss of independence; such member shall reply to the Board within fifteen days from the date of receiving notice thereof, and the Board shall issue a decision as to whether such member is independent or otherwise in its first meeting following reception of the Board member's reply or elapse of the period mentioned in this paragraph without replying.
- Taking into consideration article (145) of the Companies Law, if the Board decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits ion for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member.
- Setting the policy for granting bonuses, privileges, incentives, and salaries and employees of the company, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.
- Determining the Company's needs of qualifications at the Senior Executive Management and the employee levels and the criteria for selection thereof.

- Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis.
- Review, recommend and or endorse organization structure, Emiratization, compensation and benefits policies.
- Any other responsibilities or tasks assigned by the Board and the Chairman.

6.2.3 Human Recourses and Nomination Committee meetings during the year 2025

Meeting No.	Meeting Date	Number of Attendees
1	27 February 2025	4
2	18 April 2025	4
3	3 November 2025	4

6.3 Investor Relations Committee

The Investor Relations Committee was established by the Board of Directors on 21 November 2024 to oversee and guide ADSB's investor relations strategy, with the primary objective of enhancing transparency and improving communication with stakeholders.

The Committee is comprised of three Directors. The General Legal Counsel is the Committee Secretary. The CEO, and Company advisors attend the meetings as and when as required but are not entitled to vote on the decisions of the Committee.

6.3.1 Names of the member of the Investor Relations Committee

	Name	Position
1	Rodrigo Torres	Chairman
2	Khalifa Abushahab	Member
3	Abdulla Al Ghafli	Member

The Chairman of Investor Relations Committee acknowledges his responsibility for the Investor Relations Committee, the review of its working mechanisms and ensuring its effectiveness.

6.3.2 Investor Relations Committee meetings during the year 2025

Meeting No.	Meeting Date	Number of Attendees
1	13 August 2025	3

6.4 EXECUTIVE COMMITTEE

The Executive Committee acts as an advisor to the Board where it reviews, evaluates and makes recommendations to the Board on various matters based on the level of authority and delegation.

The Committee is comprised of three independent Directors. The General Legal Counsel is the Committee Secretary. The CEO, and Company advisors attend the meetings as and when as required but are not entitled to vote on the decisions of the Committee.

6.4.1 Names of the members of the Executive Committee

	Name	Position
1	Rodrigo Torres	Chairman
2	Omar Al Zaabi	Member
3	Mansoor Janahi	Member
4	H.E Abdulla Al Qubaisi	Member
5	Amit Surana	Advisor
6	Miles Chambers	Advisor

The Chairman of Executive Committee acknowledges his responsibility for the Executive Committee, the review of its working mechanisms and ensuring its effectiveness.

6.4.2 Terms of Reference of the Executive Committee

1. Review and make recommendations to the Board on the direction of, and strategies for, development or new business areas that promote the growth of the Company's overall business in accordance with the Company's business plan and strategic objectives.
2. Advise the Board on the strategic health of the Company with respect to its overall business goals and strategic objectives as set forth in the Company's business plan.
3. To oversee and expedite any operational, financial and strategy related matter relating to the operations of the Company, as seen fit by the members of the Committee.
4. Endorse Business plan. Review and make recommendations to the Board regarding any modifications to the Company's business plan and budget.
5. Review and endorse sales plan & bid proposal.
6. Review potential business opportunities and record required actions to secure such opportunities and business development strategy that help secure new opportunities for the Company.
7. Review and approve the CAPEX spending and sales pipeline as part of the business plan.
8. Endorse policies and procedures relating to the Company's operations and submit to the Board for approval.
9. Supervise the operations of the Company and make recommendations to the executive management to improve the operations of the Company.

10. Ensure Portfolio of technical programs and major projects are in line with the Company's strategy.
11. Ensure that the Company has appropriate technical capabilities and road map consistent with its strategy.
12. Facilitate the Board gaining a deeper understanding of general operational and technical issues
13. Provide guidance on appropriate governance and standards processes.
14. Oversee and review the technical aspects of the Company's projects including reviewing project milestones and project life-cycle.
15. Undertake periodic review of progress reports on projects.
16. Review health, safety and environment policies and procedures and recommend updates where necessary.
17. Investigate any complaint by the Company's customers in respect of any operational and/or technical issues
18. The Committee is authorized by the Board to obtain legal or other professional advice from both inside and outside the Company as and when required, at the Company's expense, and to appoint and secure the attendance of external consultants and advisors if it considers this beneficial. Such appointments shall be managed in coordination with the CEO.
19. Any other responsibilities or tasks assigned by the Board to the Committee or Chairman of the Board of Directors from time to time.

6.4.3 Executive Committee meetings during the year 2025

Meeting No.	Meeting Date	Number of Attendees
1	27 May 2025	6
2	6 October 2025	6

Internal Control System



7. Internal Control Systems

a. Recognition by the Board of Directors of its responsibility for the company's internal control system and for reviewing its mechanism of action and ensuring its effectiveness

The Board of Directors is responsible for overseeing the company's internal control system, reviewing its framework, and ensuring its effectiveness.

The internal control system is designed to enable both the Board and management to achieve business objectives efficiently while safeguarding the interests of shareholders and other stakeholders. It plays a critical role in minimizing key risks, including fraud, unauthorized business activities, inaccurate financial reporting, and breaches of legal or contractual obligations.

b. Internal Control Department In-charge's Profile

Mr. Mohamed Hendawy, appointed as Head of Internal Audit on January 21, 2024, is a Certified Fraud Examiner and Certified Sarbanes-Oxley Expert. He leads the Internal Audit and Risk Management Department, reinforcing governance practices, enhancing risk management, and ensuring regulatory compliance to safeguard ADSB's integrity.

c. Compliance officer's name, qualifications and appointment date

In 2025, the Company's Legal Department was responsible for overseeing the compliance function, ensuring that the Company and its employees adhered to relevant laws, regulations, decisions, and internal policies.

d. Internal Control Department and any major problems with the company

The Internal Audit and Risk Management department plays a crucial role in addressing major company issues, whether identified through internal audits or disclosed in the annual reports and accounts. The department diligently monitors significant concerns or risks and collaborates closely with management to implement corrective actions or enhance controls as needed. For the reporting period, no major issues were identified, reflecting the strength and effectiveness of the company's internal control framework.

e. Number of reports issued by the Internal Control Department of the company's Board of Directors

In 2025, 8 audits were conducted with 8 reports issued to the Audit and Risk Committee.

f. Details of violations committed during 2025, explaining their causes, how to address them and avoid recurrence in the future

During 2025, the Company was not subject to violations by the Securities and Commodities Authority or any legal authority in relation to any financial market issue.

8. Corporate Social Responsibility

ADSB remains committed to community-focused Corporate Social Responsibility (CSR), supporting UAE graduate projects and promoting employee wellbeing.

In 2025, the Company also celebrated its 30th anniversary, marking three decades of contribution to the UAE's maritime sector.

ADSB's CSR strategy supports its transformation into a modern and efficient shipbuilding and repair business, with a focus on enhancing the working environment and promoting environmental responsibility.

The Company fosters a diverse and inclusive workforce, ensuring equal opportunities, continuous training, and high standards of workplace safety, while supporting community initiatives. ADSB has also engaged an external consultant to develop a comprehensive Sustainability Report for 2025, covering environmental, social, and governance matters and providing transparent insights into its CSR performance.



The image shows a large-scale industrial operation. In the foreground, a massive piece of machinery is being worked on. It features several rows of black tires mounted on a structure, and below them, large propellers are visible. A yellow crane arm extends from a building in the background, positioned over the machinery. The scene is set outdoors under a clear blue sky. An orange banner is overlaid on the image, containing the text 'General Information about the Company'.

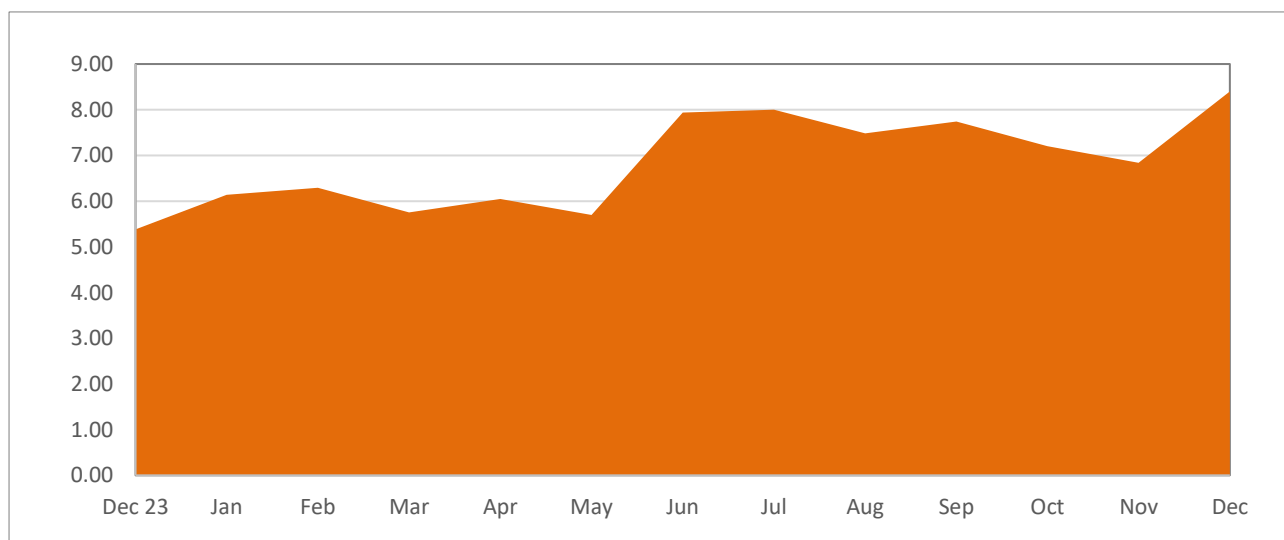
General Information about the Company

9. General Information about the Company

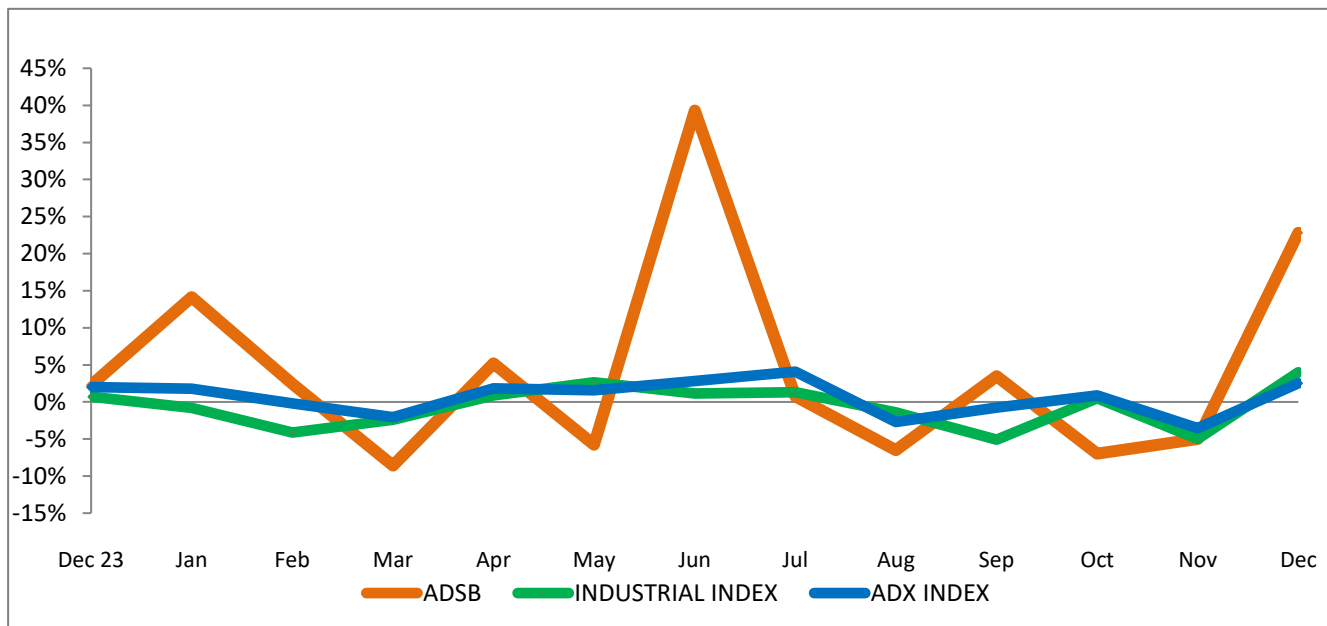
a. Company's share price on the market (closing price - highest price - lowest price) at the end of each month during the fiscal year 2025

MONTH	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)	VALUE (AED) TRADED	VOLUME TRADED	# OF TRADES
01	5.380	6.140	6.930	5.010	133,750,844	21,975,345	4,361
02	6.080	6.290	6.520	5.880	87,916,882	14,296,205	2,072
03	6.290	5.750	6.290	5.440	22,253,397	3,753,195	1,092
04	5.740	6.050	6.400	4.950	54,890,988	9,451,242	2,751
05	6.050	5.700	6.090	5.670	29,368,674	5,026,560	1,660
06	5.680	7.940	8.870	5.260	261,246,016	34,952,633	7,573
07	7.940	8.000	8.940	7.860	181,538,731	21,701,147	5,237
08	7.960	7.480	8.050	7.320	44,339,922	5,802,046	2,369
09	7.480	7.740	8.150	7.260	59,279,063	7,667,468	2,827
10	7.750	7.200	7.870	7.030	24,997,140	3,341,090	1,700
11	7.200	6.840	7.200	6.680	18,582,628	2,677,860	861
12	6.840	8.400	8.460	6.580	60,024,138	7,740,279	2,293
Total					978,188,423	138,385,070	34,796

b. Company shares price performance during the year 2025



c. Performance of the company's shares compared with the ADX index and ADX investment and financial sector index during 2025



d. Distribution of shareholders' ownership as at 31/12/2025 (individuals, companies, governments) classified as follows: Local, Gulf, Arab, and Foreign:

SN	Shareholder Classification	Individuals	Companies	Government	Total
1	Local	36.40%	5.62%	49.96%	91.98%
3	Arab	5.10%	0.98%	0.00%	6.08%
2	Foreign	0.48%	1.46%	0.00%	1.95%
	Total	41.98%	8.06%	49.96%	100.00%

e. Shareholders owning 5% or more of the company's capital as of 31/12/2025, as per the following table:

SN	Citizenship	Investor Name	Holding	Ownership %
1	UAE	Edge Defense Platforms & Systems	105,908,000	49.96%
2	UAE	Mohamed Bin Ahmed Bin Saeed Al Qasimi	18,685,902	8.81%
			124,593,902	58.77%

f. shareholders' distribution according to ownership size as of 31/12/2025, as per the following table:

SN	Share Ownership Category	No. of Shareholders	Holding	Ownership %
1	Less than 50,000	5,321	21,903,586	10.33%
2	From 50,000 to less than 500,000	140	21,787,350	10.28%
3	From 500,000 to less than 5,000,000	24	37,307,651	17.60%
4	More than 5,000,000	3	130,993,413	61.79%
		5,488	211,992,000	100%

g. Investor Relations

The Management is committed to effective communication between the Company and its shareholders. The Company regularly announces its results to SCA, ADX, and shareholders by way of interim management statements, quarterly results, and the annual report and annual financial statements.

Details and contact information of Abu Dhabi Ship Building Investor Relations Officer:

- **Investor Relations Section Contact Details:**
 - Mobile Number: +971 54 363 3409
 - Phone: +971 25028424
 - Email: bushra.abyan@adsb.ae

h. Annual General Assembly 2025

The Company held its General Assembly Meeting on April 25, 2025 in which the shareholders approved the following matters:

- Approval of the Board of Directors' report on the Company's activities and financial position for the financial year ended December 31, 2024.
- Approval of the External Auditor's report for the financial year ended December 31, 2024.
- Approval of the Company's balance sheet and profit and loss account for the financial year ended December 31, 2024.
- Approval of the Board of Directors' proposal to distribute cash dividends to shareholders totaling AED 40,278,480 (Forty million, two hundred seventy-eight thousand, four hundred eighty dirhams), at a rate of 19 UAE fils per share for the financial year ended December 31, 2024.
- Approval of the Board of Directors' proposal regarding the remuneration of the Board members for the financial year ended December 31, 2024, amounting to AED 4,200,000.
- Discharge of the members of the Board of Directors from liability for the performance of their duties for the financial year ended December 31, 2024.
- Discharge of the External Auditors from liability for the financial year ended December 31, 2024.
- Appointment of Grant Thornton as the Company's External Auditors for the 2025 financial year, for total fees of AED 565,000.
- Election of a new Board of Directors for a three-year term, in accordance with the provisions of the Company's Articles of Association.

Special Resolutions:

- Approval of a related party transaction with EDGE Commercial LLC, which exceeds 5% of the Company's share capital, for the execution of maintenance works on naval defense vessels for the State of Kuwait. The total value of the transaction is AED 495,254,531 (Four hundred ninety-five million, two hundred fifty-four thousand, five hundred thirty-one dirhams), exclusive of Value Added Tax (VAT).
- Approval of a related party transaction with Emirates Advanced Research and Technology Holding (EARTH), which also exceeds 5% of the Company's share capital, for the construction of military warships for the Federal Republic of Nigeria. The total value of the transaction is USD 128,527,858 (One hundred twenty-eight million, five hundred twenty-seven thousand, eight hundred fifty-eight United States Dollars), exclusive of Value Added Tax (VAT).

i. Emiratization Percentage in Company as of 2025

In 2025, the Emiratization percentage was 32.12 %

j. Detailed statement of the fundamental events and important disclosures that the company encountered during 2025

k. Detailed Statement of Fundamental Events and Material Disclosures During 2025

The Company remained committed to transparency and timely disclosure in compliance with applicable regulatory requirements.

During the financial year ended 31 December 2025, the Company made several key disclosures, including its participation in IDEX and NAVDEX 2025 and the announcement of strategic partnerships, such as the Memorandum of Understanding with Arab Shipbuilding and Repair Yard (ASRY), collaboration with the Technology Innovation Institute (TII), and partnership with HENSOLDT.

The Company also disclosed key corporate developments, including the appointment of members of Executive Management, namely the Chief Operating Officer (COO), Chief Technology Officer (CTO), and Head of Business Development.

In addition, ADSB announced the receipt of a Letter of Award valued at approximately AED 7 billion for the supply of missile boats to the Kuwait Naval Forces.

The Company continued to comply with all applicable disclosure requirements, and no other material events occurred that would have a significant impact on its financial position or operations.

l. Initiatives and Innovations during 2025

During 2025, ADSB continued to advance its innovation agenda and strengthen its position as a regional leader in the maritime and defence sector.

Key initiatives included the launch of the first vessel under the FALAJ 3 programme and continued progress on the Mine Countermeasure Naval Programme, including the development of the next-generation 170 M-DETECTOR vessel.

The Company also enhanced its technological capabilities through strategic collaborations with HENSOLDT, the Technology Innovation Institute (TII), and ASRY, supporting the development of advanced naval solutions and future shipbuilding projects.

This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies Resolution 3/2020) and the format of this report is as prescribed by SCA.

The Report has been filed with the Securities and Commodities Authority (SCA) and posted on Abu Dhabi Exchange (ADX) in addition to the ADSB's website.



David Massey
Chief Executive Officer

