

Hily Holding (P.J.S.C)

Governance Report for 2025

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Introduction:

HILY Holding PJSC hereinafter referred to as Hily Holding and / or the Company effectively applies the principles of corporate governance due to the keenness of the Board of Directors to protect and maximize the shareholders' equity; the Company is committed to apply the principles of Corporate Governance in accordance with the Securities and Commodities Authority (SCA) Resolution No. (3/RM of 2020) concerning the regulations of Corporate Governance and standards of institutional discipline.

The Board of Directors adopted a Corporate Governance guide which includes a set of rules and policies, and by which the commercial, financial, and administrative operations of the company are managed and monitored to achieve its goals and plans in order to ensure compliance with the best corporate governance practices and standards of institutional discipline. This helps the Board of Directors to exercise the responsibilities entrusted to it by the Company its shareholders. The Board of Directors may modify some of these regulations or dispense some of them as they deem appropriate in accordance with their accumulated experiences or as required by the applicable laws and regulations.

Regulation also stipulates that these rules, regulations, and policies are binding on all members of the Board of Directors, Executive Management, Managers and Employees, and may be amended only by the decision of the Board.

1. The company's commitment to implement corporate governance:

FY 2025, the Company implemented following to comply with the Commodities Authority (SCA) Resolution No. (3/RM of 2020) concerning the regulations of Corporate Governance and standards of institutional discipline.

- 1- The Board of Directors held four meetings as well as one General Assembly has been held.
- 2- The Company used to disclose its quarterly financial results annual financial statements duly audited by its external auditors within the deadline allowed. Also, the company disclosed the most important decisions taken by the Board of Directors and sent copies of those decisions to the Securities and Commodities Authority (SCA).
- 3- Four Audit Committee and two Nomination and Remuneration Committee meetings were held. Written reports were submitted to the Board of Directors with the recommendations, and implementation for follow-up.
- 4- The independent members of the Board of Directors signed the independence form prepared by the Securities and Commodities Authority (SCA) and the Nomination and Remuneration Committee periodically made sure of their independence and that there was no change in their situation.
- 5- The company disclosed the changes in the executive senior management as soon as they happened.
- 6- The Investor Relations page on the Company's website was updated periodically with the disclosures and information.
- 7- The Company's Board of Directors has adopted the implementation of the internationally recommended **Internal Control over Financial Reporting (ICFR) system** based on the **COSO Framework**, and the executive management has commenced the practical steps for its implementation in compliance with the decisions of the **Securities and Commodities Authority (SCA)**.

2. Board of Directors trading in the company shares

HILY Holding PJSC has adopted a policy approved by the Board of Directors considering the corporate governance guidelines. This policy defines the rules with respect to trading of the Board members in company shares. Further, the policy aims are maintenance the good reputation of the Company board of directors and management also enhance the confidence of the investors in the company that the board members and employees do not exploit insider information for their own benefit.

HILY Holding PJSC applies all regulations issued by the Board of Directors of the Securities and Commodities Authority, as a part of the policy pursued by the government to monitor the Securities and commodity market and to prevent manipulation and to maintain the principle of transparency of information.

The most important policies are temporarily restricting the dealings of board members, senior executives and the related person:

These individuals are prohibited from dealing in any security of the Company during the following periods:

- 1- 10 working days before the announcement of any material information that would affect the share price.
- 2- 15 days before the end of the quarterly and annual financial period until the disclosure of financial statements.

HILY Insiders may trade in the shares of the company from time to time, by complying with the following:

- A. investor strategy, so that his/her trade does not take the form of speculation. In general, Insiders may not change the direction of investment at any week of the sale to purchase or vice versa.

Disclosure:

The Board of Directors of HILY Holding PJSC are committed to disclosure of their transactions in the company's securities in accordance with the mechanisms described above as follows:

- a) Member of The Board of Directors, senior executives, Company secretary and their relatives, should submit a report that shows his/her direct and indirect interests of in the company shares or should submit a declaration denying the same.
- b) A summary of the labor contract with Members of the Board of Directors and Chief Executive Officer if any should be provided with details of all contracts that the CEO or CFO or members of the Board of Directors and their relatives may have substantial interest should be submitted, or denial of the same.

Members of the Board of Directors and senior executives of the company have submitted the Insiders declarations according to the internal regulations in this regard.

The statement of the board members and their first-degree relatives trading in the securities of the company during the year 2025.

Name	Position/ relationship	Shares held as of 31/12/2025	Total Sale Transactions	Total Purchase Transactions
Ahmed Ali Khalfan Al Dhaheri	Chairman	3,097,727	-	1,225,929
Shukri Salem Musabah AlMeheiri	Vice Chairman	145,305	-	-
Dr. Mohamed Ali Khamis Al Hosani	Board Member	25,596	-	-
Mohamed Ali Khalfan Al Dhaheri	Board Member	3,600	-	-
Mohamed Rashed Darwish AlKetbi	Board Member	-	-	-
Mariam Naser Hasan AlZaabi	Board Member	-	-	-
Abdulla Saeed Eid AlGhafeli	Board Member	-	-	-

3. The Board of Directors

The members of the Board of Directors of the Company are keen to run the business with values and ethics that leads to good decision making. The Board consists of members with variety of specialties include Accounting, strategic planning, Legal, Marketing, human resources, Governance, risk management, mergers and acquisitions and other expertise that ensure transparency and accountability.

The current board consists of five members. The majority are non-executive directors and two-thirds are independent members. The independent members have signed the declaration of independence form prepared by the Securities and Commodities Authority.

Members of the Board of Directors:

Ahmed Bin Ali Khalfan Al Dhaheri (The Chairman)	Non-executive/ non-Independent	The term of membership since the first election: 23 years.
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Mr. Al Dhaheri is a holder of a BS in Accounting from the College of Administration and Economics from the American University of Seattle, a Chartered Public Accountant Certificate from California, Higher Diploma in Business Administration - Accounting Specialization - with honors from the Higher Colleges of Technology in Abu Dhabi. He began his career as a sales manager at Ali and Sons Co, and served as Vice Chairman of the Board and Executive Director of the Group of Companies Ali & Sons since 1998 AD and since July 2014 he has become the Chairman of the Board of Directors of the Group of Companies Ali & Sons, in addition to his duties as a member of the boards of directors of several other companies. He has worked as a Board member of Al Qudra Holding Company, also he has worked for more than five years as a member of the Board of Directors of the Chamber of Commerce and Industry of Abu Dhabi. CEO of Injaz Mena Investment Company and the General Manager and Executive Managing Director of the Abu Dhabi National Foodstuff Company.

Shukri Salem Musabah Humaid AlMeheiri Vice Chairman	Non-executive/ Independent	The term of membership since the first election: 2 years.
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Mr. Shukri is a holder of a master's degree in public administration development from Western Michigan University, USA, and a bachelor's degree in economics from Indiana University, USA. He is currently the CEO of Al Wathba National Insurance Company. He also runs his own business in the field of real estate development. He previously worked as General Manager of Dubai Investments Industrial Company from 2006 to 2014, and Director of Business Development for Dubai Investments Company from 2001 to 2006. He also served as CEO of Abu Dhabi Investment Company and Oman Emirates Holding Company (UAE Branch) from 1995 to In 2006, he was Director of Finance at Tawam Hospital - Ministry of Health from 1992 to 1995, Marketing Officer at Abu Dhabi National Oil Company ADNOC from 1985 to 1990.

Dr. Mohamed Ali Khamis Al Hosani	Non-executive/ non-Independent	The term of membership since the first election: 31 years.
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Dr. Hossani is a holder PhD in Business Management from Berkeley University (USA), Diploma & master's degree of Management in Investment and Finance, University of Hull (UK), Bachelor of Computer Science, Mathematics and Statistics, Institute of Information Management (UK), Certified Management Accountant (CMA), Fellow of the Information Systems Management Association, Fellow of the British Management Association. He is currently the Managing Director and Chief Executive Officer of Amwal Holding and a Board member of Sense Gourmet Food Co. (PSC), Al Salam Bank- Sudan, Al Salam Bank- Algeria and Emarati Group. He worked as Chief Executive Officer of Al-oula Investment Company, General Manager of Saadiyat Free Zone Authority, Deputy Director of Treasury Department, Abu Dhabi Investment Authority, Assistant General Manager of Abu Dhabi Investment Company and CEO of Abu Dhabi National Foodstuff Company, Member of the Board of Directors of the Lebanese Bank of Commerce (France)

From 1996 to 1999 he was President of the UAE Financial Markets Association (France). He was one of the founders of the Abu Dhabi Securities Market and the Dubai Financial Market in 1999 and 2000 and was the Chief of Technical Analysts in UAE and UK.

Mohamed Ali Khalfan Al Dhaheri	Non-executive/ non-Independent	The term of membership since the first election: 17 years.
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A results-oriented and seasoned executive with over 17 years of progressive experience in multiple industries, currently in the role of Managing Director for Automotive in Ali & Sons Holding LLC. Possessing comprehensive skill set and proven track record of success, effectively managing diverse portfolio of international automotive brands; Audi, Volkswagen, Skoda, Porsche, MG, and Emirati local brand Eurostar-Rent-A-Car. Actively serves as Board member of Ali & Sons Holding (L.L.C), Hily Holding(PJSC) and a Board member of Foodco National Foodstuff (PrJSC), providing governance oversight and strategic direction to around 18 subsidiaries across 5 major industries in the gulf region."

Mohamed Rashed Darwish AlKetbi	Non-executive/ Independent	The term of membership since the first election: 2 years.
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He holds a bachelor's degree in human resources management from Abu Dhabi University. Experienced investment professional with a strong background in financial analysis and portfolio management, skilled in risk assessment and market research, with a proven track record of delivering solid investment returns. Passionate about identifying strategic investment opportunities and driving financial growth. From February 2023 to the present, he has experienced cryptocurrency mining, and from April 2018 to date, he has created and managed an investment fund that focuses on various financial assets and markets. He previously worked as a director at RDK Group.

Mariam Naser Hasan Naser AlZaabi	Non-executive/ Independent	The term of membership since the first election: 2 years.
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Mrs. Mariam is a holder of a Bachelor's degree in Computer Science, Ajman University of Science and Technology, UAE, and several international professional certificates in procurement, international commercial contract management and international sourcing. A proven professional with extensive experience in Governance, Risk and Compliance, IT management and services support. Skilled in leading teams, implementing strategic initiatives and ensuring adherence to legal and operational standards. Adept at contract negotiation, risk assessment, stakeholder engagement, and project management. Recognized for delivering exceptional results and driving organizational success through strategic planning and effective execution.

She previously worked as Governance, Risk & Compliance Dept Manager at Gulf Total Tractable Power Company (GTTPC), Project Onwe semi-government, , Support Services Department Manager TTE O&M (plant operator) from 2009-2015, IT Manager at TTE O&M. and IT Engineer at TTE O&M Company 2004-2006.

Abdulla Saeed Eid Saeed AlGhfeli	Non-executive/ Independent	Appointed in June2025.
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Mr. Al Ghfeli holds a bachelor's degree of Business Administration from Abu Dhabi University, a master's degree of Business Administration from London Metropolitan University UK and is a Certified Financial Analyst. He is currently an investment manager at GPSSA, and a board member of AL Ramz Corporation (PJSC), Abu Dhabi Ship Building (PJSC), Emirates Buildings (PrJSC) and ARIG Insurance (Bahrain). Previously he worked at Deloitte & Touch, and Abu Dhabi Investment Authority

A) Statement of the members of the Board of Directors in other companies”

Member's Name	Membership in other Companies (regulatory, governmental, commercial)	Position
Ahmed Bin Ali Al Dhaheri (The Chairman)	Waha Capital Company.PJSC Al Ramz Corporation PJSC	Vice Chairman Board Member
Mohamed Saeed Al Qubaisi Vice Chairman	.	-
Mohamed Ali Al Hossani	Foodco National Foodstuff Co. PSC AlEmarati Group (PSC) Al Salam Bank - Sudan	Chairman Chairman Board Member
Mohamed Ali Al Dhaheri	Foodco National Foodstuff Co. PSC	Vice Chairman
Shukri Salem Musabah AlMeheiri	-	Board Member
Mohamed Rashed Darwish AlKetbi	Al Wathba National Insurance Co. PJSC	Board Member
Mariam Naser Hasan AlZaabi	Foodco National Foodstuff Co. PSC	Board Member

B) Female Representation in the Board of Directors is 14%
C) Directors' Remunerations:

1. AED1,750,000/- was the total paid remuneration to the Board of directors for the year 2024.
2. A board remuneration of AED2,550,000/-for the year 2025, will be proposed to the General Assembly which scheduled to be held in April 2026.
3. Details of allowances for attending the sessions of the committees derived from the Board of Directors, which were paid to the BOD member for the fiscal year 2025:

Name	Allowances for attending the BOD Committees		
	Name of Committee	allowances amount	Number of Meetings
Mohamed Ali Al Hosni	Audit Comt + Nom & Rem Comt	50,000	4+2
Shukri Salem AlMehairi	Nom & Rem Comt	10,000	2
Mariam Nasser AlZaabi	Nom & Rem Comt	10,000	2
Mohamed Rashid Al Ketbi	Audit Comt	10,000	2

4. Other remuneration paid to the Board Members for the executive committees for the subsidiaries:

Name	Allowances for attending Executive committees for the subsidiaries		
	Name of Committee	allowances amount	Number of Meetings
Ahmed Ali Al Dhaheri	FNF Executive committees & 5PL sub-committee	55,000	6+5
Mohamed Ali Al Hosni	FNF Executive committees	60,000	6+6
Mariam Naser Hasan Alzaabi	5PL sub-committee	30,000	6

5. Other remuneration paid to the Board Members:

The Nomination & Remuneration Committee has approved an annual management fee for the Chairman for his role as the responsible manager of the subsidiaries engaged in financial and real estate investments. This amount will be paid by the subsidiaries in recognition of his additional efforts beyond his duties as Chairman of the holding company.

D) Board of Directors Meetings held during the financial year ended December 31, 2025:

SN	Date of Meeting	Number of Attendees out of 7	Number of Attendance by Proxy	Names of Absent members
1	March 13	6	-	Mohamed Al Qubaisi
2	May 14	5	-	Mohamed Al Qubaisi/Mohamed AIDhaheri
3	June 4	4	-	Shukri AlMeheiri/Mohamed AlHosani *
4	November 7	6	-	Mohamed AIDhaheri

* On June 4, the Board was notified of the death of the Board Member, Mr. Mohammed Saeed Al Qubaisi, and the new Board member, Mr. Abdulla Saeed Eid Saeed AlGhufli, has been appointed.

E) No Approval By Circulation was issued by the Board During the year 2025.

4. Board Committees

- The Audit Committee

a. "I, Dr. Mohamed Al Hosani – Chairman of the Audit Committee, acknowledge my responsibility for the committee's system in the company and for my review of its mechanism and effectiveness"

b. **Members:** Mr. Mohamed Al Hosni. Chairman (Non-Independent/Non-Executive)
Mr. Mohamed Rashid AlKetbi Member (Independent/Non-Executive)
Ms. Vibhu Joshi Member (External Expert)

c. Duties:

- a. Develop and apply the policy of appointing external auditors and report to the Board of Directors identifying important issues that might need action and recommending the steps to be taken.
- b. To monitor and monitor the independence and objectivity of the external auditor and discuss the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
- c. Monitor the integrity of the company's financial statements and reports (annual, semi-annual and quarterly) and review them as part of their normal work during the year and after closing accounts in any quarter, with special emphasis on the following:
 1. Any changes in accounting policies and practices.
 2. Highlight the areas of the Board of Directors' discretion.
 3. Substantial adjustments resulting from audit.
 4. Assuming continuity of business.
 5. Compliance with the accounting standards determined by the Authority.
 6. Compliance with the rules of incorporation, disclosure and other legal requirements related to the preparation of financial reports.
- d. Coordinating with the Board of Directors of the Company, the Executive Management and the Financial Manager or the concerned Manager, in order to perform its duties. The Committee shall meet with the auditors of the Company at least once a year.
- e. Consider any important and unusual items that are or should be included in such reports and accounts and shall give due attention to any matters raised by the Company's CFO, the concerned Manager or the Auditors.
- f. Reviewing the financial control, internal control and risk management systems of the company.
- g. Discuss the internal control system with management and ensure that it fulfills its duty to establish an effective internal control system.
- h. Consider the results of the main investigations in the internal control matters assigned to it by the Board of Directors or are initiated by the Committee and the approval of the Management.
- i. Ensure the existence of coordination between the internal auditors of the company and the external auditor and ensure the availability of resources necessary for the internal audit and review and control the effectiveness of that device.
- j. Review the financial and accounting policies and procedures of the company.
- k. Reviewing the External Auditor's letter of work and its plan and any material queries raised by the auditors on the executive management regarding accounting records, financial accounts or control systems and their response and approval.
- l. Ensure that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the external auditor's letter.
- m. Establish controls that enable the Company's staff to report any potential irregularities in financial reports, internal controls or other matters confidentially and steps to ensure independent and fair investigations of such violations.
- n. Monitor the company's compliance with the Code of Professional Conduct.
- o. Ensure the application of the rules of work for the functions and powers assigned to it by the Board of Directors.
- p. Report to the Board of Directors on matters listed in this item.
- q. Consideration of any other matters determined by the Board of Directors.

Meetings of the Audit Committee during 2025

Meetings	Meeting Date	Attendance*			Remarks
		Mohamed Al Hosani	Mohamed AlKetbi	Vibhu Joshi	
1 st Meeting	6 March	*	*	*	In presence of the External Auditor
2 nd Meeting	May 13	*	*		In presence of the External Auditor
3 rd Meeting	August 8	*	-	*	In presence of the External Auditor
4 th Meeting	November 7	*	-	*	In presence of the External Auditor

• Audit Committee Annual Report

The key areas of focus for the Audit Committee during the year 2025 remained to be overall risk management and internal controls system within the company, financial reporting, compliance & governance, internal audit, and external audit, Commitment of maintaining a robust internal control environment. Below a summary of the Adut committee activities held during the year 2025

During the year 2025, the Audit Committee held four (4) meetings, as mentioned above. Attendance was recorded in accordance with governance requirements, and the necessary quorum was achieved in all meetings.

The Audit Committee assisted the Board of Directors in fulfilling its oversight responsibilities in relation to:

- financial reporting and disclosures,
- internal control over financial reporting (ICFR),
- internal and external audit,
- compliance with laws and regulations, and
- risk management and governance practices.

Financial Reporting Oversight

Throughout 2025, the Audit Committee reviewed and discussed the Company's interim and annual financial statements prior to their submission to the Board of Directors, including:

- Financial statements for the periods ended 31 March 2025, 30 June 2025, and 30 September 2025,
- Key accounting judgments and estimates,
- Fair value assessments and impairment considerations,
- Compliance with International **Financial Reporting Standards (IFRS)**.

The Committee recommended the relevant financial statements to the Board of Directors for approval.

External Audit Oversight

The Audit Committee oversaw matters relating to the external auditors, including:

- recommendation for the appointment of PricewaterhouseCoopers (PwC) as external auditors for the year 2025, subject to Board and AGM approval,
- review of external audit plans, scope, and fees,
- confirmation of external auditor independence,
- review of audit findings, observations, and management responses; and
- review of requests for additional audit fees arising from work outside the original scope.

The Committee ensured that the external auditors had unrestricted access to information and management.

Internal Audit and ICFR Oversight

During 2025, the Audit Committee reviewed and discussed:

- the quarterly Internal Audit reports for the first, second, third, and fourth quarters of 2025,
- the Internal Audit Plan for 2025/2026,
- updates on the Internal Control over Financial Reporting (ICFR) project, including progress achieved,
- the ICFR implementation roadmap and readiness status; and
- the need for potential third-party support for ICFR documentation and validation.

The Committee monitored progress and provided guidance while noting regulatory timelines related to ICFR implementation.

Risk Management and Related Party Transactions

The Audit Committee reviewed and discussed matters related to risk management and compliance, including:

- the Enterprise Risk Management (ERM) framework and the importance of establishing a formal risk management structure,
- Related Party Transactions (RPTs), including a specific review of transactions involving Ali & Sons and AAK, and confirmed compliance with SCA Corporate Governance Regulations, IFRS, and Company policies,
- legal cases relating to the holding company and subsidiaries; and
- compliance with loan covenants and banking requirements.

No material non-compliance was reported to the Committee.

Governance, Compliance, and Regulatory Matters

During the year, the Audit Committee also reviewed and took note of:

- the Corporate Governance Report for 2024, prior to its submission to the Board and publication,
- regulatory and compliance matters raised by management and Internal Audit,
- insider trading disclosure requirements and related correspondence with external auditors; and
- updates on sustainability, compliance, and regulatory engagements presented through Internal Audit and management reports.

Audit Committee Self-Assessment

The Audit Committee conducted a self-assessment of its performance, confirming that it effectively discharged its responsibilities during 2025 in accordance with its Charter and applicable regulatory requirements.

- The Nomination & Remunerations Committee

- a. "I, Shukri Salem AlMeheiri - Chairman of the Nomination & Remuneration Committee, acknowledge my responsibility for the committee's system in the company and for my review of its mechanism and effectiveness"
- b. **Members:**
- | | |
|----------------------------|--|
| Mr. Shukri Salem AlMeheiri | Chairman (Independent/Non-Executive) |
| Mr. Mohamed Ali Al Hosani, | Member (Non-Independent/Non-Executive) |
| Ms. Mariam Naser Al Zaabi | Member (Independent/Non-Executive) |
- c. **Duties:**
1. Prepare the human resources and training policy and monitor its implementation. This policy shall be reviewed annually.
 2. Preparation of the policy of granting bonuses and benefits, incentives and salaries and review the same annually.
 3. Define the company's needs in competencies at the level of senior executive management and employees and the bases of their selection.
 4. Ensure independence of the independent of members.
 5. Prepare a policy for the nomination to the membership of the Board of Directors and Executive Management, which aims at taking into consideration gender diversity within the formation and encouraging women through incentives, programs and training.
 6. Organizing and following up the procedures for nomination to the Board of Directors in accordance with applicable laws and regulations.
 7. Review the structure of the Board of Directors and make recommendations regarding possible changes.
 8. Any other matters determined by the Board of Directors

Meetings of the Nomination & Remunerations Committee

The Meetings	Meeting Date	Attendance*		
		Shukri AlMehairi	Mohamed Al Hosni	Mariam AlZaabi
1 st Meeting	March 13	*	*	*
2 nd Meeting	April 16	*	*	*

- Insiders' Trading Follow-up & Supervision Committee

- a. "I, Dr. Mohamed Al Hosani - Chairman of the Insiders' Trading follow-up & Supervision Committee, acknowledge my responsibility for the committee's system in the company and for my review of its mechanism and effectiveness"
- b. **Members**
 Mr. Mohamed Ali AL Hosani, Chairman
 Mr. Mohamed Hafez , Member
 Ms. Taysir Mokashfi , Member
- c. **Functions & Duties:**
 - Manage, follow up and supervise the Insiders' trading and their ownership of the company shares, keep their records and submit the periodic reports and reports to the market.
- d. **Summary of the Committee activities in 2025:**
 - Maintain and review the Insiders' List periodically and ensure that it is updated immediately on the ADX website.
 - Ensure that all insiders have signed and confirmed their commitment to maintain the confidentiality of information and data relating to the company and its customers and bear all legal effects in the event of leakage of this information or data, and notify the company of any transactions they make on the securities of the parent company or subsidiary before and after the conduct of such trades.
 - Request a periodic report from the Abu Dhabi Securities Exchange for insider trading and ensure its conformity with the company's record and disclosures of those insiders of their trades, so that the report of the insiders committee will be submitted accordingly to the Board of Directors.

*No Board of Directors' tasks or functions were performed by the Executive Management pursuant to an authorization by the Board of Director to the Management during 2025.

F) Statement of details of transactions made with related parties (stakeholders) during 2025:

Related Party	Sales	Purchases	Nature
Director	3,427,647	(591,474)	Sales / Facility management/leasing
Shareholder	145,300	(643,150)	Insurance/maintenance expense

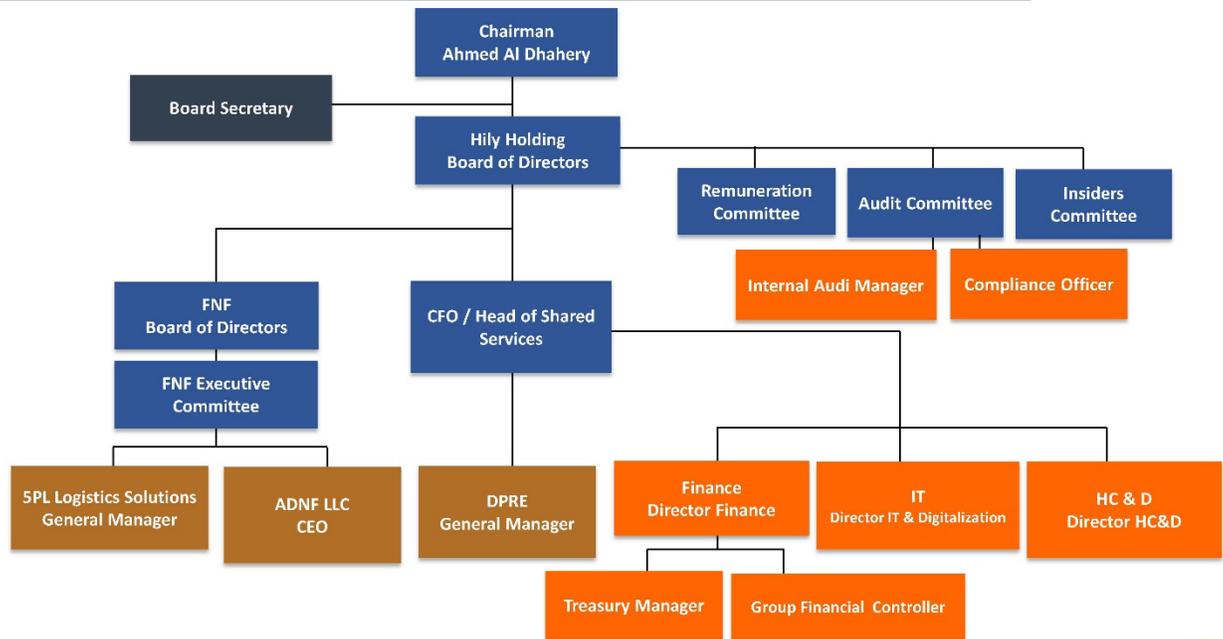
5. Board Evaluation

The annual evaluation of the performance of the company's board of directors, Board committees and Executive Management for the year 2024 was carried out by the Chairman with assistance of the Board Secretary through the self-evaluation questionnaire.

6. Organization Structure & Executive Management

- Organization Structure:

HILY HOLDING PJSC



Stronger Together
أقوى معاً

Private & Confidential

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- Total Salaries and Bonuses paid to the senior executive staff (1st & 2nd row of Organization Structure):

	Position	Date of Appointment	Total Salaries and Allowances paid in 2025 (AED)	Total Bonuses paid in 2025 (AED)	Any other cash/in-kind benefits for 2025 paid
1	CHIEF FINANCIAL OFFICER	01/10/2018	1,080,000	507,560	-
2	TREASURY MANAGER	11/10/2021	366,000	61,600	-
3	DANA PLAZA GM	03/10/2022	660,000	120,000	-
4	ADNF GENERAL MANAGER	10/07/2023	900,000	275,000	-
5	5PL SOLUTIONS Director in Charge	04/03/2024	825,665	-	-
6	FINANCE CONTROLLER	19/11/2018	385,920	63,060	-
7	HUMAN RESOURCE DIRECTOR	06/06/2022	384,000	49,500	-
8	INFORMATION TECHNOLOGY DIRECTOR	12/02/2002	325,980	55,800	-

*This report will be updated as soon as any decisions on cash/in-kind benefits for the year 2025 are due in the future.

7. The External Auditor:

PricewaterhouseCoopers (PwC) audits the company's accounts; the following is brief information:

- PwC has operated in the Middle East for over 40 years, with a strong presence in the UAE through multiple offices.
- It is part of the global PwC network, one of the largest audit, tax, and advisory firms worldwide.
- PwC Middle East employs more than 10,000 professionals serving government entities, financial institutions, energy, utilities, and industrial sectors.
- Applies global audit methodologies are focused on quality, transparency, and trust.
- Invests in digital audit tools and technology to enhance internal controls.
- Enforces strict independence policies, including partner rotation and internal quality reviews.
- Each PwC member firm operates as a separate legal entity supporting strong governance.

Auditing Firm Name	PricewaterhouseCoopers (PwC)	
Auditor Partner Name	Rami Sarhan Imran Massey	
The number of years served as an auditor for the company	First Year	
Total fees for auditing the financial statement of 2025 (AED)	AED 704,000- For the annual and interim consolidated financial statements of Hily Holding and subsidiaries.	
The fees and costs of the special services other than auditing of the financial statements in 2025 (AED)	NA	
The details and nature of other services provided	NA	
Other services performed by an external auditor other than the Companies Auditors in 2025		
MBC	AED 7,500	ICV Certificate
(Grant Thornton)	AED 18,515	TAX consultation
(BOT)	AED 103,466	TAX consultation

*The were no qualified opinions made by the company's external auditor in the interim and annual financial statements for 2025.

8. Internal Control System

- a. The Board of Directors declares its responsibility for the structure of the internal control system of the Company, which it deems necessary to preserve the Company's assets, protect its assets and ensure the preparation of financial statements free of material misstatement, whether due to fraud or error, and is responsible for verifying its effectiveness.

Internal control includes the organizational plan, all consistent methods and standards adopted by the company to protect its assets, control accuracy and confidence in its accounting statements, improve production efficiency, and encourage adherence to pre-set administrative policies.

- b. The Board of Directors of the Company has decided to establish the Internal Control Department and has been entrusted with the following basic tasks:
1. Review the financial control and internal control systems and risk management.
 2. Discuss the internal control system with the Management and ensure that it fulfills its duty to establish an effective internal control system.
 3. Consideration of the results of the main investigations in internal control matters assigned to it by the Board of Directors or at the initiative of the Committee and the approval of the Management.
Internal Control Department Manual, which states its functions and powers, have been approved by the Board.
- c. Mr. Osama Mohamed Ali Al-Issa, the Internal Auditor, master's degree (Accounting & Finance), with 25 years' experience within Internal Audit positions. He is appointed on 17/1/2023.
- d. The Compliance Officer Ms. Samah Mohamed Hassan holds a bachelor's degree in accounting, with 7 years' experience in Administration and Accounting. She is appointed on 23/5/2024.
- e. The company did not face any major problems during 2025 and in case of any, it shall be dealt with in accordance with the requirements of the matters.
- f. The Internal Control Department has submitted three reports to the Board of Director during 2025.

• Management Report on Internal Control over Financial Reporting (ICFR) FY 2025

1. Management's Responsibility for ICFR

Management is responsible for establishing and maintaining adequate and effective internal controls over financial reporting. These controls are designed to provide **reasonable assurance** regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable accounting standards and relevant regulatory requirements issued by the SCA and ADX.

Management's responsibility includes the design, implementation, and ongoing operation of controls to prevent or detect material misstatements in the financial statements, whether due to fraud or error.

2. Internal Control Framework

The Company has adopted the **Committee of Sponsoring Organizations of the Treadway Commission (COSO) - Internal Control Integrated Framework (2013)** as the basis for designing, implementing, and evaluating the effectiveness of its ICFR. The COSO framework comprises the following five interrelated components:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

These components collectively support the achievement of reliable financial reporting objectives.

3. Scope of Internal Control over Financial Reporting

The scope of the Company's ICFR covers all significant entities, business units, processes, and systems that materially impact the preparation of the consolidated financial statements.

The scope includes, but is not limited to, controls related to:

- Revenue recognition, and credit management,
- Expenditure and procurement,
- Safeguarding of assets including treasury, investments cash management and financing activities,
- Financial close and reporting processes,
- Payroll and employee-related expenses,
- Information technology (ITGCs) relevant to financial reporting,
- Compliance with applicable laws and regulations.

The scope is reviewed periodically to ensure continued relevance and completeness.

4. Assessment of Effectiveness

Management has conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of **31 December 2025**, using the COSO framework as the evaluation criteria.

Based on this assessment, **Management concludes that the Company maintained an effective system of internal control over financial reporting as of 31 December 2025**, and that such controls provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable accounting standards.

5. Inherent Limitations of ICFR

Because of inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. These limitations include, but are not limited to, the possibility of human error, circumvention of controls, management override, and changes in conditions that may affect the effectiveness of controls over time.

Accordingly, even an effective system of internal control over financial reporting can provide only reasonable assurance and not absolute assurance.

6. Continuous Improvement

Management is committed to maintaining and continuously enhancing the Company's internal control environment through periodic reviews, process improvements, system enhancements, and ongoing monitoring activities to address evolving risks and regulatory requirements.

9. Violations committed during 2025

No violations committed against the company during 2025.

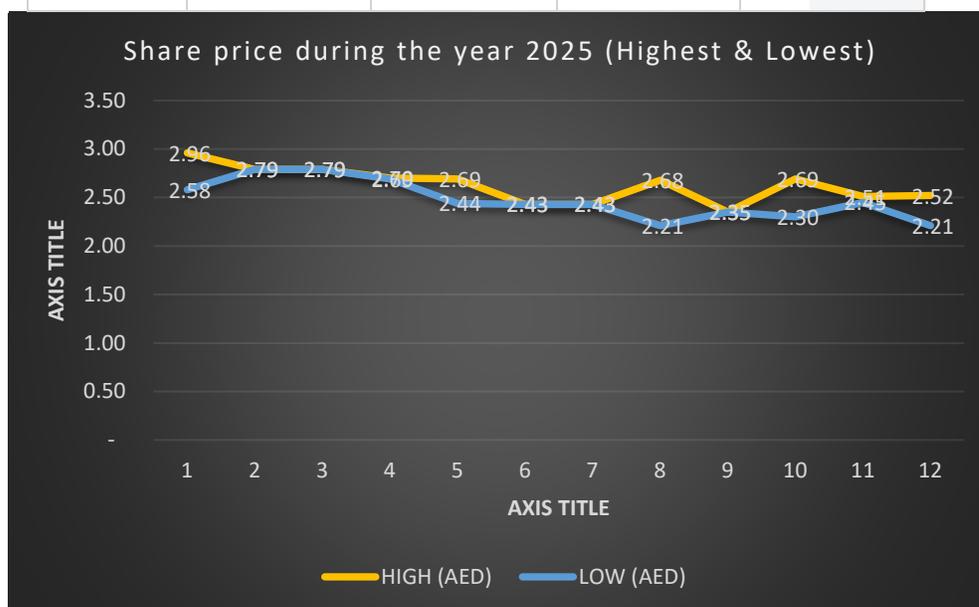
10. The Company's Contribution During 2025 towards the Local Community Development and Environmental conservation

- The company was keen to apply the best practices to protect the environment and conform to health, security and safety standards for its employees and visitors. It is committed to the UAE laws and regulations in this regard.
- No cash/in-kind contributions were made during 2025.

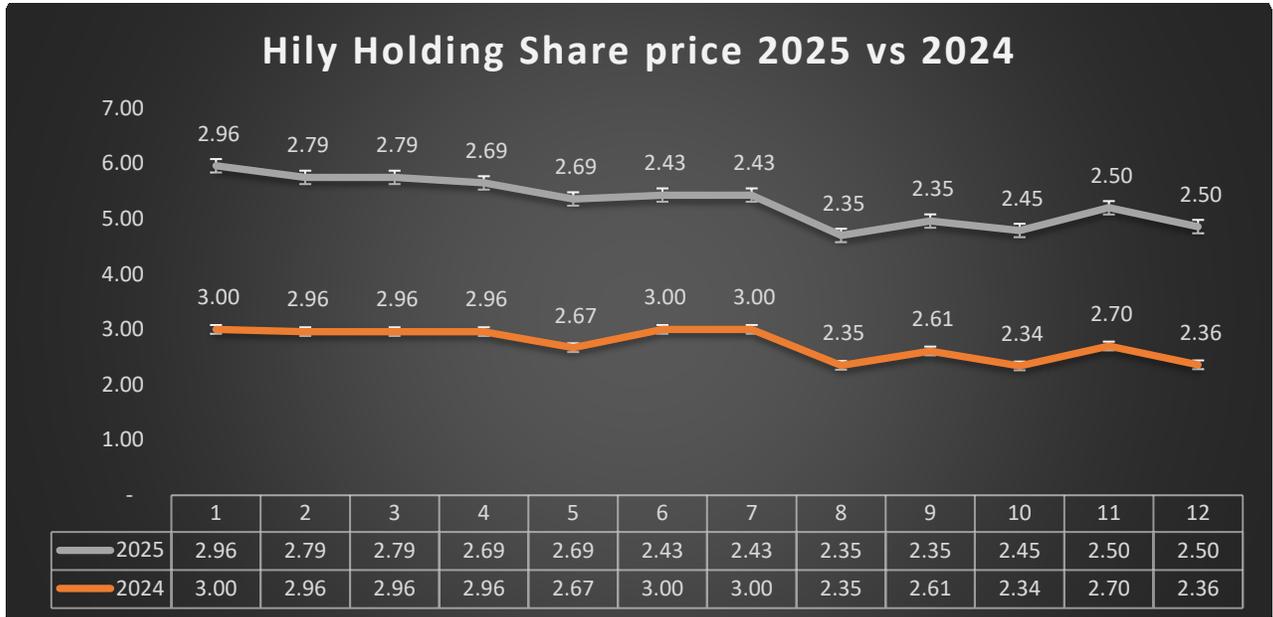
11. General Information

a. Share price during the year 2025 (highest & lowest)

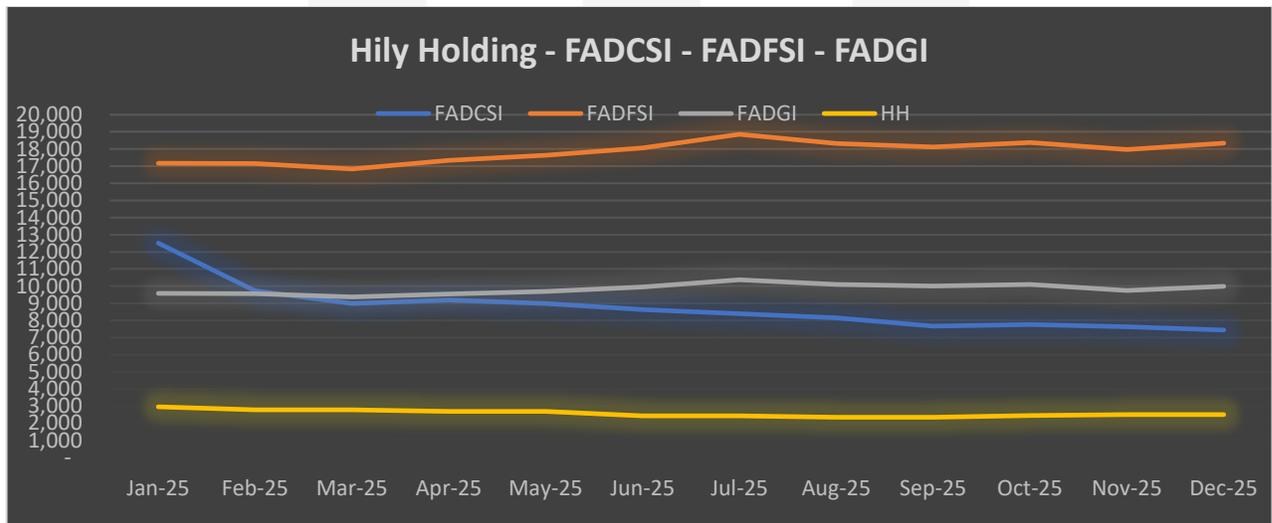
Month	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)
1	2.59	2.96	2.96	2.58
2	2.79	2.79	2.79	2.79
3	2.79	2.79	2.79	2.79
4	2.70	2.69	2.70	2.69
5	2.69	2.69	2.69	2.44
6	2.43	2.43	2.43	2.43
7	2.43	2.43	2.43	2.43
8	2.21	2.35	2.68	2.21
9	2.35	2.35	2.35	2.35
10	2.45	2.45	2.69	2.30
11	2.45	2.50	2.51	2.45
12	2.52	2.50	2.52	2.21



Hily Holding Share price 2025 vs 2024.



Share performance Comparison 2025



FADCSI	FTSE ADX Consumer Staples Index
FADFSI	FTSE ADX Financials Index
FADGI	FTSE ADX General Index

b. Shareholding Distribution as of 31/12/2025:

Shareholder Category	Percentage of Shares Held			
	Individual	Companies	Government	Total%
Local	42.708	56.838	-	99.546
Arab	0.184	0.005	-	0.189
Foreign	0.265		-	0.265
Total	43.157	46.843	-	100%

c. Statement of shareholders holding 5% or more of the capital as of 31/12/2025

Name	No of Shares held	%
Al Wathba Insurance Company PJSC	27,394,692	22.83
Ali & Sons Holding L.L.C.	27,377,341	22.81
Mariyam Ahmed Abdullah Abdol Al Khumairi	17,435,714	14.53
Ali & Sons Company, owned by Ali & Sons Co	11,748,388	9.79
Mohamed Bin Ahmed Bin Saeed Al Qassimi	9,661,691	8.05

d. Shareholding Distribution to the size of equity as at 31/12/2025.

SL	Share(s) Owned	No of Shareholders	No of Shares held	Percentage to Capital
1	Less than 50,000	324	3,245,805	2.70
2	50,000 -500,000	86	14,189,124	11.82
3	500,000-5,000,000	6	5,849,518	4.88
4	More than 5,000,000	6	96,715,553	80.60

e. Procedures taken with respect of the controls of investors' relations.

1. Investor Relation Officer details:

Fadi Sarris

Tel: +971 2 6731000 – ext. 1200, Mobile: 056-6888410

E-mail: Fadi.Sarris@hilyholding.com

2. The link of Investor Relation webpage on the website of the company:

<https://hilyholding.com/fact-sheet>

f. Special resolutions presented to the General Assembly held in 2025.

None.

- g. * Name of the Rapporteur Board meetings : Mahmoud Ahmed Mohamad Hamdan**
Date of Appointment : June 2025.

Qualifications: Senior Legal Advisor with a master's degree in business law from the Kingdom of Morocco and extensive experience spanning more than twenty years in both traditional jurisprudence and modern state judicial systems. He also has extensive experience in legal consulting, lawyering, contract review, and resolving numerous major banking, insurance, and commercial disputes, in addition to experience in the field of public joint stock company governance.

• **Tasks during the Year 2025:**

- Editing the minutes of the meetings of the Board of Directors, including details of the issues considered and decisions taken, taking into consideration the necessary controls for those minutes (date and method of invitation, venue, timing, end of time, proof of attendance and representation).
- Keeping the minutes of the meetings of the Board of Directors.

h. Significant event took place in the company in 2025.

- None

i. Statement of the transactions made with related parties during the year 2025 that are equal to 5% or more of the company's capital.

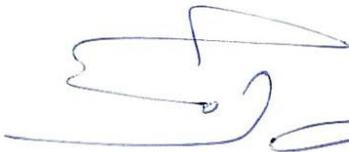
- None

j. Emiratization percentage in the company.

Year	2023	2024	2025
Percentage	1.01	3.31	5.29

k. Innovative projects and initiatives implemented by the company, or which were under development during 2025.

None



Ahmed Ali Al Dhaheri
Chairman
of the Board of Directors

17/02/2026



Dr. Mohamed AlHosani
Chairman
of the Audit Committee

17/02/2026



Shukri AlMeheiri
Chairman of the Nomination
& Remuneration Committee

17/02/2026



Osama Al-Issa
Internal Control
Manager

17/02/2026

