The Audit Committee Report for the Fiscal Year Ending On 31 December 2025

Audit Committee Annual Report

for the year ending on
31 December 2025

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Executive Summary

This report provides details on the work performed by the Audit Committee in discharge of its responsibilities during the year 2025 with regard to risk, controls and governance.

During the year 2025, the Committee reviewed effectiveness of both the external audit process and the internal audit function as part of the continuous improvement of financial reporting and controls environment across Flynas. The committee also focused particularly on the appropriateness of Flynas financial statements to ensure compliance with applicable international accounting and financial reporting standards along with relevant local laws and regulations of Kingdom of Saudi Arabia (KSA). The Committee has ensured itself, and has advised the Board accordingly, that the 2025 financial statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess Flynas performance, business model and strategy.

The Committee held seven meetings during the year 2025.

The Composition and Attendance of Audit Committee

The Company has an Audit Committee formed of five members whose appointment was recommended pursuant to the Board of Directors' resolution dated 26 June 2024 and approved by the General Assembly resolution dated 3 October 2024, for a term ending with the end of the Board of Directors' term on 25 November 2027.

Name	Committee Role	Membership classification	Number of Meetings: 7 meetings						
			1st meeting 16/02/2025	2nd meeting 27/02/2025	3rd meeting 15/03/2025	4th meeting 15/05/2025	5th meeting 21/05/2025	6th meeting 05/08/2025	7th meeting 06/11/2025
Mohammed Bin Saleh Albuty	Chairman	Independent	✓	✓	✓	✓	✓	✓	✓
Saleh Abdullah Saleh Alhenaki	Member	Non-Board member	✓	✓	✓	✓	✓	✓	✓
Fouad Abdullah Abdul Rahman Alrashed	Member	Non-Board member	✓	✓	✓	✓	✓	✓	✓
Khaled Saleh Fahd Alsabil	Member	Non-Board member	✓	✓	✓	✓	✓	✓	✓
Mamdouh Suleiman Eid Almajid	Member	Non-Board member	✓	✓	✓	✓	✓	✓	✓

Responsibilities of the Audit Committee

The Audit Committee supports the Board in overseeing financial reporting, internal controls, and the effectiveness and independence of the audit function. Its responsibilities include recommending the appointment of external auditors, approving audit and non-audit services provided by the external auditor “if any”, reviewing the scope and effectiveness of audits, and discussing audit findings and financial statements with external auditors prior to Board consideration.

The Committee evaluates the adequacy of the Company’s internal control systems in coordination with internal and external auditors and reports its findings to the Board. It also ensures that appropriate mechanisms are in place for employees to confidentially report concerns relating to financial or other matters and overseas the review of such matters. Furthermore, the Committee evaluates the Company’s overall risk management program, particularly in relation to operational and financial risks, and oversees measures aimed at minimizing potential adverse effects on the Company’s operations.

The Committee is authorized to obtain information from management through established channels and to seek independent, third-party legal or professional advice where required. It may be recommended that the Board convene a General Assembly in the event of significant issues or where its work is obstructed. The Chairman of the Committee, or a delegate, attends General Assembly meetings to respond to Shareholders’ queries.

Key activities and Recommendations of the Audit Committee 2025

- Recommended the appointment of PwC as the external auditor, for the fiscal year 2025 and the quarterly financial statements Q2 2025, Q3 2025, and Q1 2026.
- Review the External Auditors plan, scope of work, the results of the financial audits, the relevant audit reports, and management letter.
- Seek confirmation of the independence of the external auditor, their objectivity, fairness, and effectiveness of audit activities.
- Confirm that appropriate assistance was given by the Executive Management team to the External Auditors and that no difficulties were encountered during the audit.
- Review the Financial statements and recommend their approval to the Board.
- Review and approve the internal audit department charter, Strategy, budget, risk-based audit plan, and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence.
- Review and assess internal audit reports and monitor the tracking and follow-up of implementation process, determining whether appropriate actions are taken in respect of the internal audit recommendations therein.
- Review the company's compliance with applicable laws, regulations, policies, and procedures through regulators and internal auditors' reports, and ensure that the company has taken the necessary corrective actions and oversee the availability of a whistleblowing reporting mechanism to capture and document concerns raised by stakeholders.

External Auditor Review

"In our opinion, the financial statements present fairly, in all material respects, the financial position of Flynas Company (the "Company") as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA)."

Results of the Annual Review of Internal Controls

The Audit Committee, supported by the Internal Audit function, reviewed the effectiveness of the Company's internal control procedures and risk management programs during the year. Based on the results of this review, the Audit Committee is of the opinion that the Company's internal control system is effective and adequate to provide reasonable assurance regarding the reliability of financial reporting, the safeguarding of assets, and compliance with applicable policies and procedures. No material weaknesses were identified during the year requiring disclosure.

Mohammed Albuty
Audit Committee Chairman