

(CONVENIENCE TRANSLATION OF
THE REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

**PEGASUS HAVA TAŞIMACILIĞI
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
SIX MONTH PERIOD ENDED
30 JUNE 2025

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Pegasus Hava Taşımacılığı A.Ş.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Pegasus Hava Taşımacılığı A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2025 and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. Group management is responsible for the preparation and fair presentation of this interim condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this interim condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

Other matter

The consolidated financial statements of the Group as of 31 December 2024 were audited and the condensed consolidated financial statements as of 30 June 2024 and for the six-month period then ended were reviewed by another audit firm whose consolidated audit report dated 4 March 2025 expressed an unqualified opinion and whose condensed consolidated review report dated 12 August 2024 expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.

DRT BAGIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Cem Tovil, SMMM
Partner

İstanbul, 12 August 2025

INDEX	PAGE
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER	3-4
COMPREHENSIVE INCOME	3-4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5-6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8-43
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	8
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	8-12
NOTE 3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	13
NOTE 4 SEGMENT REPORTING	14
NOTE 5 RELATED PARTY TRANSACTIONS	14-15
NOTE 6 TRADE RECEIVABLES AND PAYABLES OTHER RECEIVABLES	15-16
NOTE 7 PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES.....	17
NOTE 8 PROPERTY AND EQUIPMENT	18-19
NOTE 9 INTANGIBLE ASSETS	20
NOTE 10 RIGHT OF USE ASSETS	20-21
NOTE 11 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	21-22
NOTE 12 COMMITMENTS.....	22-24
NOTE 13 EXPENSES BY NATURE	25
NOTE 14 SHAREHOLDERS' EQUITY	25
NOTE 15 REVENUE AND COST OF SALES	26
NOTE 16 GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES.....	27
NOTE 17 OTHER OPERATING INCOME AND EXPENSES	28
NOTE 18 INCOME AND EXPENSES FROM INVESTING ACTIVITIES.....	28
NOTE 19 FINANCIAL INCOME AND EXPENSES	29
NOTE 20 EARNINGS PER SHARE	29
NOTE 21 DERIVATIVE FINANCIAL INSTRUMENTS	30
NOTE 22 FINANCIAL INSTRUMENTS	30-34
NOTE 23 NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS	34-37
NOTE 24 FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES).....	38-41
NOTE 25 EVENTS AFTER REPORTING PERIOD	41
NOTE 26 INCOME TAX EXPENSE	42
NOTE 27 EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW.....	43
APPENDIX – EURO SELECTED NOTES.....	44

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

		Current period (Reviewed) TL 30 June 2025	Prior period (Audited) TL 31 December 2024	(*) EUR 30 June 2025	(*) EUR 31 December 2024
Notes					
ASSETS					
Current assets		72.887.169.101	69.511.513.150	1.565.694.915	1.891.835.243
Cash and cash equivalents	27	39.529.452.848	46.258.554.416	849.135.233	1.258.979.406
Financial assets	22	15.173.153.570	11.098.130.886	325.935.685	302.048.311
Trade receivables	6	4.866.889.423	2.699.417.383	104.546.028	73.467.728
<i>Trade receivables from third parties</i>		<i>4.866.889.423</i>	<i>2.699.417.383</i>	<i>104.546.028</i>	<i>73.467.728</i>
Other receivables	6	907.609.833	106.274.871	19.496.437	2.892.392
<i>Other receivables from third parties</i>		<i>907.609.833</i>	<i>106.274.871</i>	<i>19.496.437</i>	<i>2.892.392</i>
Derivative financial instruments	21	-	145.642.867	-	3.963.837
Inventories		1.942.264.691	1.525.572.961	41.721.938	41.520.211
Prepaid expenses	7	10.232.902.882	7.418.285.764	219.813.778	201.897.122
Current income tax assets		225.420.957	85.510.906	4.842.285	2.327.277
Other current assets		9.474.897	174.123.096	203.531	4.738.959
Non-Current assets		276.866.549.094	213.808.263.691	5.947.388.530	5.819.032.995
Financial assets	22	6.469.750.978	4.621.164.674	138.977.221	125.770.276
Other receivables	6	3.585.060.742	3.119.881.195	77.010.967	84.911.131
<i>Other receivables from third parties</i>		<i>3.585.060.742</i>	<i>3.119.881.195</i>	<i>77.010.967</i>	<i>84.911.131</i>
Investments accounted by using the equity method	3	941.800.723	775.860.767	20.230.894	21.115.937
Property and equipment	8	23.614.933.575	17.304.831.905	507.270.996	470.967.606
Intangible assets	9	1.420.860.488	883.542.517	30.521.614	24.046.619
Right of use assets	10	193.765.487.791	153.299.548.290	4.162.291.425	4.172.222.342
Prepaid expenses	7	28.954.033.765	18.118.510.039	621.963.838	493.115.950
Deferred tax assets	26	18.114.621.032	15.684.924.304	389.121.575	426.883.134
TOTAL ASSETS		349.753.718.195	283.319.776.841	7.513.083.445	7.710.868.238

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

		Current period (Reviewed) TL 30 June 2025	Prior period (Audited) TL 31 December 2024	(*) EUR 30 June 2025	(*) EUR 31 December 2024
Notes					
LIABILITIES					
Current liabilities		68.423.821.819	54.463.615.723	1.469.817.407	1.482.289.523
Short term borrowings	22	2.231.094.804	6.321.566.673	47.926.320	172.048.659
Short term portion of long term borrowings	22	5.479.769.718	8.017.762.712	117.711.357	218.212.572
Short term portion of long term lease liabilities	22	18.632.990.099	14.911.498.531	400.256.701	405.833.468
Trade payables	6	14.127.112.690	7.942.864.589	303.465.600	216.174.134
<i>Trade payables to related parties</i>	5	41.479.577	43.890.717	891.026	1.194.536
<i>Trade payables to third parties</i>		14.085.633.113	7.898.973.872	302.574.574	214.979.598
Employee benefit obligations		989.894.998	540.280.976	21.264.011	14.704.364
Other payables	6	846.249.735	460.006.050	18.178.356	12.519.590
<i>Other payables to third parties</i>		846.249.735	460.006.050	18.178.356	12.519.590
Contract liabilities	7	18.344.802.675	12.269.986.013	394.066.125	333.941.687
Derivative financial instruments	21	746.621.771	170.696.233	16.038.240	4.645.693
Deferred income	7	4.071.202.530	1.470.323.469	87.453.816	40.016.533
Short term provisions		2.954.082.799	2.358.630.477	63.456.881	64.192.823
<i>Short term provisions for employee benefits</i>		1.420.484.483	2.301.423.398	30.513.537	62.635.867
<i>Other short term provisions</i>		1.533.598.316	57.207.079	32.943.344	1.556.956
Non-Current liabilities		184.207.533.926	153.937.068.322	3.956.976.279	4.189.573.178
Long term borrowings	22	21.219.145.611	17.261.724.196	455.810.108	469.797.544
Long term lease liabilities	22	144.866.265.145	119.794.949.520	3.111.883.442	3.260.356.410
Derivative financial instruments	21	108.336.280	13.387.018	2.327.180	364.343
Deferred income	7	9.565.036.890	7.457.506.238	205.467.297	202.964.552
Long term provisions		8.448.750.000	9.409.501.350	181.488.252	256.090.329
<i>Long term provisions for employee benefits</i>		2.477.088.379	1.768.183.978	53.210.527	48.123.147
<i>Other long term provisions</i>		5.971.661.621	7.641.317.372	128.277.725	207.967.182
SHAREHOLDERS' EQUITY		97.122.362.450	74.919.092.796	2.086.289.759	2.039.005.537
Paid-in share capital	14	500.000.000	500.000.000	230.037.951	230.037.951
Share premiums on capital stock		57.986.732	57.986.732	24.595.488	24.595.488
Other comprehensive income/expense not to be reclassified to profit or loss					
Actuarial losses on defined benefit plans		(208.136.209)	(156.636.746)	(4.470.990)	(4.263.048)
Currency translation differences		54.726.177.480	34.562.833.340	-	-
Other comprehensive income/expense to be reclassified to profit or loss					
Currency translation differences		535.095.582	414.885.536	7.053.926	8.451.525
Hedge fund		(641.218.538)	(138.062.439)	(13.774.065)	(3.757.527)
Gain on financial assets measured at fair value		43.288.378	66.754.501	929.881	1.816.800
Restricted profit reserves		20.459.941	20.459.941	4.047.406	4.047.406
Retained earnings		39.590.871.931	26.305.434.254	1.778.076.942	1.416.584.246
Net income for the period		2.497.837.153	13.285.437.677	59.793.220	361.492.696
TOTAL LIABILITIES AND EQUITY		349.753.718.195	283.319.776.841	7.513.083.445	7.710.868.238

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

		Current period (Reviewed) TL 1 January- 30 June 2025	Prior period (Reviewed) TL 1 January- 30 June 2024	Current period (Not reviewed) TL 1 April - 30 June 2025	Prior period (Not reviewed) TL 1 April - 30 June 2024	(*) EUR 1 January- 30 June 2025	(*) EUR 1 January- 30 June 2024	(*) EUR 1 April - 30 June 2025	(*) EUR 1 April - 30 June 2024
Profit or loss	Notes								
Sales	15	62.013.070.053	43.963.935.295	38.425.497.039	26.573.134.299	1.497.684.785	1.281.940.463	876.025.043	763.218.237
Cost of sales (-)	15	(54.726.434.069)	(38.009.155.704)	(30.292.670.960)	(20.056.594.636)	(1.484.375.687)	(1.108.019.228)	(848.602.964)	(575.936.270)
Gross profit		7.286.635.984	5.954.779.591	8.132.826.079	6.516.539.663	13.309.098	173.921.235	27.422.079	187.281.967
General administrative expenses (-)	16	(1.970.467.026)	(1.272.257.498)	(1.077.135.617)	(700.071.213)	67.684.561	(39.905.372)	91.650.463	(22.295.054)
Marketing expenses (-)	16	(1.463.202.926)	(1.008.304.085)	(806.742.047)	(556.895.162)	15.133.880	(30.085.043)	31.827.299	(16.522.665)
Other operating income	17	16.570.040	325.528.134	8.967.618	11.185.840	353.187	9.552.525	172.622	176.963
Other operating expenses (-)	17	(5.185.248.918)	(61.089.712)	(3.667.792.504)	(6.416.681)	(127.116.863)	(1.858.396)	(87.422.332)	(170.512)
Operating profit		(1.315.712.846)	3.938.656.430	2.590.123.529	5.264.342.447	(30.636.137)	111.624.949	63.650.131	148.470.699
Income from investing activities	18	1.866.265.076	1.029.684.253	801.996.522	288.959.346	45.183.852	29.078.798	18.761.881	7.836.143
Expenses from investing activities (-)	18	(990.190)	(213.537.473)	(990.190)	(43.589.813)	(22.659)	(6.064.225)	(22.659)	(1.176.247)
Share of investments income accounted for using the equity method	3	62.478.200	42.209.516	39.865.678	27.569.688	1.528.468	1.236.977	934.271	800.330
Operating profit before financial expense		612.040.240	4.797.012.726	3.430.995.539	5.537.281.668	16.053.524	135.876.499	83.323.624	155.930.925
Financial income	19	8.862.534.695	789.588.073	6.269.527.912	437.538.870	213.975.575	23.088.552	149.822.115	12.588.158
Financial expense (-)	19	(5.281.865.620)	(5.856.941.475)	(2.632.074.779)	(2.618.517.408)	(128.772.477)	(172.391.761)	(63.679.516)	(75.240.802)
Profit/(loss) before tax		4.192.709.315	(270.340.676)	7.068.448.672	3.356.303.130	101.256.622	(13.426.710)	169.466.223	93.278.281
Tax income/(expense)		(1.694.872.162)	766.528.333	(1.935.990.837)	640.858.861	(41.463.402)	22.463.613	(47.799.356)	18.715.399
Deferred tax income/(expense)	26	(1.694.872.162)	766.528.333	(1.935.990.837)	640.858.861	(41.463.402)	22.463.613	(47.799.356)	18.715.399
Profit for the period		2.497.837.153	496.187.657	5.132.457.835	3.997.161.991	59.793.220	9.036.903	121.666.867	111.993.680
Income/(loss) per share (TL) / (EUR)	20	5,00	0,99	10,26	7,99	0,12	0,02	0,24	0,47

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

	Current period (Reviewed) TL 1 January- 30 June 2025	Prior period (Reviewed) TL 1 January- 30 June 2024	Current period (Not reviewed) TL 1 April - 30 June 2025	Prior period (Not reviewed) TL 1 April - 30 June 2024	(*) EUR 1 January- 30 June 2025	(*) EUR 1 January- 30 June 2024	(*) EUR 1 April - 30 June 2025	(*) EUR 1 April - 30 June 2024
Other comprehensive income								
Items not to be reclassified to profit or loss								
Actuarial (losses) / gains on defined benefit plans	(68.665.973)	(44.655.348)	(43.859.486)	(54.417.486)	(277.257)	(955.691)	(220.668)	(1.514.008)
Deferred tax effect	17.166.493	11.163.837	10.964.872	13.604.372	69.315	238.923	55.167	378.502
Currency translation differences	20.163.344.140	4.090.215.520	12.023.395.487	447.027.760	-	-	-	-
Items to be reclassified to profit or loss								
Currency translation differences	120.210.046	59.674.681	48.465.798	11.334.903	(1.397.599)	755.586	(1.358.946)	158.533
Gain on financial assets measured at fair value	(31.288.118)	(11.114.202)	20.026.564	(8.463.047)	(1.182.558)	(460.241)	313.809	(257.399)
Cash flow hedge	(670.874.800)	535.040.628	(631.973.139)	94.234.067	(13.355.384)	15.617.947	(12.886.931)	2.611.214
Deferred tax effect	175.540.713	(130.981.647)	152.986.609	(21.442.772)	3.634.485	(3.789.427)	3.143.279	(588.453)
Other comprehensive income	19.705.432.501	4.509.343.469	11.580.006.705	481.877.797	(12.508.998)	11.407.097	(10.954.290)	788.389
Total comprehensive income	22.203.269.654	5.005.531.126	16.712.464.540	4.479.039.788	47.284.222	20.444.000	110.712.577	112.782.069

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

The accompanying notes form an integral part of these condensed consolidated financial statements.

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

				Other comprehensive income items not to be reclassified to profit or loss		Other comprehensive income items to be reclassified to profit or loss				Retained earnings		
		Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	Shareholders' equity
As at 1 January 2024	TL	102.299.707	455.687.025	(105.998.793)	27.604.819.459	368.154.236	(129.997.940)	48.328.332	20.459.941	5.397.932.457	20.907.501.797	54.669.186.221
Transfers	TL	397.700.293	(397.700.293)	-	-	-	-	-	-	20.907.501.797	(20.907.501.797)	-
Net profit/(loss) for the period	TL	-	-	-	-	-	-	-	-	-	496.187.657	496.187.657
Other comprehensive income / (expense)	TL	-	-	(33.491.517)	4.090.215.520	59.674.681	401.280.452	(8.335.667)	-	-	-	4.509.343.469
As at 30 June 2024	TL	500.000.000	57.986.732	(139.490.310)	31.695.034.979	427.828.917	271.282.512	39.992.665	20.459.941	26.305.434.254	496.187.657	59.674.717.347
As at 1 January 2025	TL	500.000.000	57.986.732	(156.636.746)	34.562.833.340	414.885.536	(138.062.439)	66.754.501	20.459.941	26.305.434.254	13.285.437.677	74.919.092.796
Transfers	TL	-	-	-	-	-	-	-	-	13.285.437.677	(13.285.437.677)	-
Net profit/(loss) for the period	TL	-	-	-	-	-	-	-	-	-	2.497.837.153	2.497.837.153
Other comprehensive income / (expense)	TL	-	-	(51.499.463)	20.163.344.140	120.210.046	(503.156.099)	(23.466.123)	-	-	-	19.705.432.501
As at 30 June 2025	TL	500.000.000	57.986.732	(208.136.209)	54.726.177.480	535.095.582	(641.218.538)	43.288.378	20.459.941	39.590.871.931	2.497.837.153	97.122.362.450

Within the registered capital ceiling of TL 500.000.000, the Company's issued capital amounting to TL 102.299.707 was increased by TL 397.700.293 to TL 500.000.000, all of which was covered from the amounts in the "Share Premiums on Capital Stock" account, and capital increase was registered with the Trade Registry on May 30, 2024.

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

				Other comprehensive income items not to be reclassified to profit or loss	Other comprehensive income items to be reclassified to profit or loss				Retained earnings		
		Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	Shareholders' equity
As at 1 January 2024	EUR	60.544.134	194.089.305	(3.254.102)	8.808.787	(3.990.862)	1.483.652	4.047.406	626.643.772	789.940.474	1.678.312.566
Transfers	EUR	169.493.817	(169.493.817)	-	-	-	-	-	789.940.474	(789.940.474)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	9.036.903	9.036.903
Other comprehensive income / (expense)	EUR	-	-	(716.768)	755.586	11.713.460	(345.181)	-	-	-	11.407.097
As at 30 June 2024	EUR	230.037.951	24.595.488	(3.970.870)	9.564.373	7.722.598	1.138.471	4.047.406	1.416.584.246	9.036.903	1.698.756.566
As at 1 January 2025	EUR	230.037.951	24.595.488	(4.263.048)	8.451.525	(3.757.527)	1.816.800	4.047.406	1.416.584.246	361.492.696	2.039.005.537
Transfers	EUR	-	-	-	-	-	-	-	361.492.696	(361.492.696)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	59.793.220	59.793.220
Other comprehensive income / (expense)	EUR	-	-	(207.942)	(1.397.599)	(10.016.538)	(886.919)	-	-	-	(12.508.998)
As at 30 June 2025	EUR	230.037.951	24.595.488	(4.470.990)	7.053.926	(13.774.065)	929.881	4.047.406	1.778.076.942	59.793.220	2.086.289.759

The accompanying notes form an integral part of these condensed consolidated financial statements.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

		Current period (Reviewed) TL 1 January- 30 June 2025	Prior period (Reviewed) TL 1 January- 30 June 2024	(*) EUR 1 January- 30 June 2025	(*) EUR 1 January- 30 June 2024
	Notes				
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Income/(loss) for the period		2.497.837.153	496.187.657	59.793.220	9.036.903
Adjustments to reconcile the income/(loss)					
Depreciation and amortization	8-9-10	8.118.538.537	5.584.589.446	198.612.163	163.660.012
Adjustments related with impairments		(63.939.750)	210.909.208	(1.332.720)	5.987.202
Provision for doubtful receivable		13.669.136	(2.628.265)	334.402	(77.023)
Adjustments related with financial investment impairments		(77.608.886)	213.537.473	(1.667.122)	6.064.225
Adjustments related with provisions		2.161.727.888	253.723.828	28.128.547	7.232.780
Provision for employee benefits		2.098.192.885	241.769.882	26.574.225	6.882.462
Legal provision		63.535.003	11.953.946	1.554.322	350.318
Interest and commission income		2.267.040.677	2.943.817.331	57.890.994	87.687.733
Adjustments related with fair value expense (income)		31.288.118	11.114.202	672.102	316.388
Adjustments related with fair value expense (income) of financial assets		31.288.118	11.114.202	672.102	316.388
Gain on equity investments accounted for using the equity method	3	(62.478.200)	(42.209.516)	(1.528.468)	(1.236.977)
Current tax (income)/expense		1.694.872.162	(766.528.333)	41.463.402	(22.463.613)
Other provisions related with investing or financing activities		(7.666.267.540)	1.132.351.788	(187.261.295)	33.634.483
Changes in working capital					
Increase in trade receivables		(1.284.036.339)	(1.104.388.758)	(31.412.702)	(32.364.828)
Increase in other receivables, prepayments and other assets		(2.308.247.966)	(5.564.897.013)	(56.469.045)	(168.769.290)
Increase in inventories		(8.245.862)	49.546.115	(201.727)	1.451.981
Increase in trade payables		3.568.155.771	2.718.629.580	87.291.466	79.671.201
Increase in deferred income, other payables and other current liabilities		3.257.071.106	9.021.109.877	79.164.015	266.813.261
Net cash generated from operating activities		12.203.315.755	14.943.955.412	274.809.952	430.657.236
Payment for the employee benefits provisions		(2.338.893.372)	(948.003.192)	(53.581.115)	(27.193.951)
Payment for other provisions		(181.229)	(1.113.558)	(4.434)	(32.634)
		9.864.241.154	13.994.838.662	221.224.403	403.430.651
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash changes from acquisition and sale of debt instruments of other entities		(4.185.875.007)	554.053.648	(106.298.362)	12.102.912
Net cash changes from purchase and sale of property, equipment and intangible assets		(1.226.740.386)	1.238.148.007	(26.947.648)	34.874.852
Interest received from financial investment		1.505.096.218	684.377.336	39.085.289	20.507.815
Changes in cash advances and payables		(5.559.625.934)	(4.114.166.280)	(136.010.850)	(120.568.308)
Other cash changes (**)		662.092.864	7.061.846.087	20.298.866	221.911.282
		(8.805.052.245)	5.424.258.798	(209.872.705)	168.828.553
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in borrowings		5.120.320.223	3.468.955.783	118.349.967	103.184.210
Repayment of borrowings		(12.928.197.732)	(843.892.350)	(307.706.364)	(24.500.000)
Repayment of principal in lease liabilities		(8.030.806.928)	(5.869.011.260)	(196.465.893)	(171.995.177)
Interest and commission paid		(4.034.040.144)	(4.077.910.231)	(106.941.550)	(122.886.992)
Interest received		1.302.949.326	749.596.193	31.875.390	22.107.131
		(18.569.775.255)	(6.572.261.865)	(460.888.450)	(194.090.828)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE TRANSLATION EFFECT (A+B+C)		(17.510.586.346)	12.846.835.595	(449.536.752)	378.168.376
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		10.781.484.778	1.912.676.905	39.692.579	6.096.793
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(6.729.101.568)	14.759.512.500	(409.844.173)	384.265.169
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD					
AT THE BEGINNING OF THE PERIOD	27	46.258.554.416	16.078.358.927	1.258.979.406	493.596.374
AT THE END OF THE PERIOD (A+B+C+D+E)	27	39.529.452.848	30.837.871.427	849.135.233	877.861.543

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

(**) The change in time deposits with a maturity of more than three months, classified as financial investments, has been presented.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Pegasus Hava Taşımacılığı A.Ş. (the “Company” or “Pegasus”) and its subsidiaries (together “the Group”) is a low cost airline company. The Group operates under a low cost business model and employs low cost airline business practices which focus on providing affordable, reliable and simple service.

The shareholders and ownership of the Company as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Esas Holding A.Ş. (“Esas Holding”)	52,81%	52,81%
Publicly held	45,37%	45,37%
Sabancı Family Members	1,82%	1,82%
Total	100,00%	100,00%

Shares of the Company have been started to be traded in İstanbul Stock Exchange since 26 April 2013, after the book building between the dates of 18-19 April 2013.

The Group’s total number of full time employees as of 30 June 2025 is 9.188 (31 December 2024: 8.459). The address of its principal office is Aeropark Yenışehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

Approval of Financial Statements

The interim condensed consolidated financial statements of the Company and its subsidiaries for the six month ended 30 June 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 12 August 2025.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TAS

The Company and its subsidiaries registered in Türkiye maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

The accompanying condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards Turkish Financial Reporting Standards and interpretations (“TAS/IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The interim condensed consolidated financial statements for the six month ended 30 June 2025 have been prepared in accordance with TAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.1 Basis of Presentation (cont'd)

Statement of Compliance with TAS

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. The accompanying interim condensed consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Turkish Accounting Standards.

The interim condensed consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its liabilities in the subsequent year and in the natural process of its business operations.

Functional and Presentation Currency

Although there is no prominent currency affecting revenue and cost of sales, the Company's functional currency is determined as Euro because; significant portion of scheduled flight revenues, which represents the Company's primary operations, is generated from European flights, Euro represents a significant component of the financial liabilities of the Company and management reports and budget enabling the Group's management to make executive decisions are prepared in Euro. The functional currency of the Company, its subsidiary and associates, other than Hitit Bilgisayar and PIL, is Euro. Hitit Bilgisayar's and PIL's functional currency is US Dollars.

If the legal records are kept in a currency other than the functional currency, the financial statements are initially translated into the functional currency and then translated to the Group's presentation currency, Turkish Lira ("TL").

For the companies in Türkiye that maintain financial records in TL, currency translation from TL to the functional currency is made under the framework described below:

- Monetary assets and liabilities have been converted to the functional currency with the Central Bank of Turkish Republic (CBRT) foreign exchange rate.
- Non-monetary items have been converted into the functional currency at the exchange rates prevailing at the transaction date.
- Profit or loss accounts have been converted into the functional currency using the exchange rates at the transaction date, except for depreciation expenses.
- The capital is followed according to historical costs.

The translation differences resulting from the above mentioned conversions are recognized under financial income / expenses in the statement of profit or loss.

Presentation currency of the Group's financial statements is TL. Financial Statements have been translated from Euro to TL in accordance with the relevant provisions of TAS 21 ("The Effects of Changes in Foreign Exchange Rates") as follows:

- Assets and liabilities are translated using the Central Bank of the Republic of Türkiye ("TCMB") Euro rate prevailing at the reporting date,
- Incomes are converted from Euros to TL using the monthly average exchange rates and expense items at the registered exchange rates on the relevant transaction date.

Translation gains or losses arising from the translations stated above are presented as foreign currency translation reserve under equity. Share capital amount, representing the nominal share capital of the Company, all other equity items are presented in historic TL terms where all translation gains or losses in relation to these balances are accounted under foreign currency translation reserve.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies

In accordance with the POA's announcement dated 23 November 2023, companies applying Turkish Financial Reporting Standards are required to present their financial statements for the annual reporting periods ending on or after 31 December 2024, adjusted for the effects of inflation in accordance with the relevant accounting principles in Turkish Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (TAS 29). Since the Company's functional currency is Euro as of the reporting date, there is no need to make any adjustments within the scope of TAS 29 in its financial statements to be prepared in accordance with TFRS. However, the financial statements as of 31 December 2024 and 30 June 2025 are prepared in accordance with the Tax Law, have been subject to inflation correction in accordance with the legislation.

Euro Amounts in the Consolidated Financial Statements

The Euro amounts presented on the face of interim condensed consolidated financial statements refer to the original Euro (functional currency) denominated interim condensed consolidated financial statements as described under the Functional and Presentation Currency section above.

Comparative Information and Reclassification of Prior Period Financial Statements

Condensed consolidated financial statements of the Group are prepared in comparison to prior period in order to identify financial position and performance trends. In order to maintain consistency with current period condensed consolidated financial statements, comparative information is reclassified and material changes are disclosed if necessary. The Group has not made any reclassification in the prior period consolidated financial statements in order to maintain consistency with current period condensed consolidated financial statements.

Basis of Consolidation

The following table illustrates the condensed consolidated subsidiaries and the Group's ownership percentage in these subsidiaries as of 30 June 2025 and 31 December 2024:

<u>Name of the Company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Country of registration and operation</u>
		<u>30 June 2025</u>	<u>31 December 2024</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Türkiye
Pegasus Airlines Innovation Lab, Inc.	Technology – R&D	100%	100%	USA

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.1 Basis of Presentation (cont'd)

Basis of Consolidation

The following table illustrates the affiliates and joint ventures then indicates the Group's ownership percentage in these joint ventures as of 30 June 2025, 31 December 2024:

<u>Name of the Company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Ownership type</u>	<u>Country of registration and operation</u>
		<u>30 June 2025</u>	<u>31 December 2024</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training	-	49,40%	Joint venture	Türkiye
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	Information system solutions	36,82%	36,82%	Joint venture	Türkiye

(*) The liquidation process of PUEM, in which the Company held a 49.40% stake, was completed and the entity was deregistered from the trade registry as of February 27, 2025.

2.2 Changes in Accounting Estimates

Changes in accounting estimates are applied prospectively. If the change is effective for a specific period, it impacts only that period. If they relates to future periods, they are recognized prospectively both in the current period and in the future period. Significant errors identified by the Group in the accounting estimates are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in accounting estimates in the current reporting period.

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
TFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
Amendments TFRS 9 and TFRS 7	<i>Classification and measurement of financial instruments</i>
Amendments TFRS 9 and TFRS 7	<i>Power purchase arrangements</i>
TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2026.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

TFRS 18 Presentation and Disclosures in Financial Statements

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments TFRS 9 and TFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 *Financial Instruments*. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments TFRS 9 and TFRS 7 regarding power purchase arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

2.4 Seasonality on Operations

Due to seasonality of air passenger transportation, it's expected to incur higher revenues in the second half of the year compared to the first half. Besides, as a result of higher sales with the effect of summer season and growth in operations of the Company, trade receivables and passenger flight liabilities increased as of 30 June 2025 compared to last year-end.

2.5 Going Concern

The Group has prepared its financial statements in accordance with the going concern principle.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The details of investments accounted for using the equity method are as follows:

	30 June 2025	31 December 2024
Joint ventures		
Hitit Bilgisayar	941.800.723	775.860.767
	941.800.723	775.860.767

Total profit from investments accounted for using the equity method is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Hitit Bilgisayar	62.478.200	43.688.028	39.865.678	29.048.200
PUEM	-	(1.478.512)	-	(1.478.512)
Net profit	62.478.200	42.209.516	39.865.678	27.569.688

The summarized financial information of the investment accounted by using the equity method is as follows:

Hitit Bilgisayar

	30 June 2025	31 December 2024
Current assets	1.162.801.341	903.513.291
Non-current assets	2.162.581.038	1.712.410.293
Current liabilities	(571.131.274)	(381.450.727)
Non-current liabilities	(209.523.919)	(138.932.230)
Net assets of joint venture	2.544.727.186	2.095.540.627
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	4.832.173	4.282.708
Group's share in the net assets of the joint venture	941.800.723	775.860.767

	1 January- 30 June 2025	1 January- 30 June 2024
Revenue	740.683.814	478.083.651
Depreciation and amortisation expense	(154.470.681)	(88.759.046)
Interest income/(expense), net	92.464.261	8.515.801
Profit for the year	169.685.496	118.652.983
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	62.478.200	43.688.028

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 4 - SEGMENT REPORTING

The Group is managed as a single business unit that provides low fares airline-related services, including scheduled services, charter services, ancillary services and other services. The Group's Chief Operating Decision Maker is the Board of Directors. The resource allocation decisions are based on the entire network and the deployment of the entire aircraft fleet. The objective in making resource allocation decisions is to maximise condensed consolidated financial results, rather than results on individual routes within the network. All other assets and liabilities have been allocated to the Group's single reportable segment.

NOTE 5 - RELATED PARTY TRANSACTIONS

The ultimate parent and controlling party of the Group is Esas Holding. The Group has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders (which will be referred to as "other related parties" below). The related party receivables and payables resulting from operating activities are generally not secured and interest free.

(i) Balances with Related Parties:

a) Trade payables to related parties

	30 June 2025	31 December 2024
Balances with joint ventures:		
Hitit Bilgisayar	35.058.899	39.628.684
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda")	300.678	947.033
Ere Avm İnşaat A.Ş. ("Ere Avm")	6.120.000	3.315.000
	41.479.577	43.890.717

(ii) Significant Transactions with Related Parties:

Until May 2024 , the Group leased their head office building from Esasburda, another Esas Holding subsidiary. Esasburda also charged dues, electricity, water and heating expenses for the head office, which is disclosed within "purchases of goods and services" section below.

The Group receives software and software support services from Hitit Bilgisayar that provides information system solutions for transportation industry.

The Group receives health services from Alarm Sağlık.

The Group receives project consultancy services from Ere Avm İnşaat for the hangar project.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 5 - RELATED PARTY TRANSACTIONS (cont'd)

a) Purchases of goods or services

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Transactions with joint ventures:				
Hitit Bilgisayar	178.066.484	118.084.276	85.980.155	52.797.325
Transactions with other related parties:				
Ere Avm	36.000.000	-	18.000.000	-
Esasburda	4.001.504	10.651.616	477.195	7.669.164
Alarm Sağlık	-	600.000	-	400.000
Other	-	8.927	-	-
	218.067.988	129.344.819	104.457.350	60.866.489

b) Lease expenses

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Esasburda (*)	-	10.690.698	-	2.676.282
	-	10.690.698	-	2.676.282

(*) Lease expenses are recorded as depreciation and interest under TFRS 16 leases standard. Amounts presented above represent issued invoices. In May 2024, the Group decided to purchase the office building which is the basis of the lease expense.

(iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Salaries and benefits	389.441.614	143.044.826	368.227.170	123.060.061
	389.441.614	143.044.826	368.227.170	123.060.061

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

The details of short term trade receivables as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Trade receivables	3.158.531.365	1.525.875.736
Credit card receivables	1.821.010.607	1.198.921.535
Income accruals	78.113.060	121.627.213
	5.057.655.032	2.846.424.484
Allowance for credit risk adjustment under TFRS 9	(190.765.609)	(147.007.101)
	4.866.889.423	2.699.417.383

The average collection period of trade receivables is approximately 20 days (31 December 2024: 19 days).

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES (cont'd)

Short term trade payables

The details of short term trade payables as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Trade payables	4.251.436.008	4.869.502.621
Accrued direct operational costs	9.834.197.105	3.029.471.251
Trade payables to related parties (Note 5)	41.479.577	43.890.717
	14.127.112.690	7.942.864.589

The average payment period of trade payables is approximately 35 days (31 December 2024: 30 days).

Short term other receivables

The details of short term other receivables as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Deposits and guarantees given (*)	561.720.344	52.004.903
Receivables from pilots for flight training	301.653.247	10.457.594
Receivables from tax office	35.365.592	26.611.446
Other receivables	8.870.650	17.200.928
	907.609.833	106.274.871

(*) The amount of TL 514.824.312 in deposits given, consists of guarantees given from the banks regarding the valuation of derivative transactions.

Long term other receivables

The details of long term other receivables as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Receivables from pilot trainings	1.741.622.738	1.570.320.465
Deposits given	1.843.438.004	1.549.560.730
	3.585.060.742	3.119.881.195

Short term other payables

	30 June 2025	31 December 2024
Taxes payables	529.899.572	373.700.528
Deposits received	316.350.163	86.305.522
	846.249.735	460.006.050

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES

The details of prepayments as of 30 June 2025 and 31 December 2024 are as follows:

Short term prepayments

	30 June 2025	31 December 2024
Advances on aircraft purchases	5.851.616.532	4.514.154.692
Advances to suppliers	3.515.033.934	1.882.368.567
Prepaid insurance expenses	301.385.321	661.458.633
Other prepaid expenses	564.867.095	360.303.872
	10.232.902.882	7.418.285.764

Long term prepayments

	30 June 2025	31 December 2024
Advances on aircraft purchases	5.290.692.007	2.102.247.620
Prepaid maintenance expenses	23.651.498.833	16.007.193.652
Other prepaid expenses	11.842.925	9.068.767
	28.954.033.765	18.118.510.039

Deferred Income

Contract Liabilities

The details of passenger flight liabilities as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Flight liability from ticket sales	13.049.799.512	8.044.008.774
Passenger airport fees received from customers (*)	3.365.796.600	2.688.310.065
Flight liability from flight points	1.929.206.563	1.537.667.174
	18.344.802.675	12.269.986.013

(*) Passenger airport fees received from customers is included in the ticket price, but it is not recognized as revenue when the flight carried out. The amount represents the costs to be paid to airport operators and authorities in cash.

Deferred Income (excluding contract liabilities)

Short term deferred income

	30 June 2025	31 December 2024
Advances received from customers	2.170.748.953	1.010.942.220
Other deferred income	1.900.453.577	459.381.249
	4.071.202.530	1.470.323.469

Long term deferred income

	30 June 2025	31 December 2024
Deferred income (*)	9.565.036.890	7.457.506.238
	9.565.036.890	7.457.506.238

(*) Long term deferred income represent discounts received in advance from supplier contracts.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 8 - PROPERTY AND EQUIPMENT

30 June 2025	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	1.303.701.112	1.010.293.292	1.512.661.810	507.848.125	13.723.562.101	10.513.994.905	346.274.429	28.918.335.774
Additions	25.855.443	91.067.407	105.732.907	-	2.237.517.311	-	567.269.933	3.027.443.001
Transfers (*)	-	-	-	-	(502.528.342)	-	-	(502.528.342)
Currency translation differences	351.655.376	282.376.317	418.536.277	135.586.405	3.904.902.148	2.807.049.411	171.222.565	8.071.328.499
Closing	1.681.211.931	1.383.737.016	2.036.930.994	643.434.530	19.363.453.218	13.321.044.316	1.084.766.927	39.514.578.932
Accumulated depreciation:								
Opening	(554.684.002)	(373.011.823)	(1.082.433.842)	(490.834.178)	(3.761.138.727)	(5.351.401.297)	-	(11.613.503.869)
Depreciation for the year	(47.430.414)	(57.156.804)	(63.210.345)	(1.974.027)	(587.801.130)	(283.414.266)	-	(1.040.986.986)
Currency translation differences	(154.677.136)	(107.524.546)	(297.768.211)	(131.318.106)	(1.085.781.569)	(1.468.084.934)	-	(3.245.154.502)
Closing	(756.791.552)	(537.693.173)	(1.443.412.398)	(624.126.311)	(5.434.721.426)	(7.102.900.497)	-	(15.899.645.357)
Net book value	924.420.379	846.043.843	593.518.596	19.308.219	13.928.731.792	6.218.143.819	1.084.766.927	23.614.933.575

(*) Transfers at “components, spare engine and repairables” represent derecognition of components that are used as part of delivery maintenance provisions.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 8 - PROPERTY AND EQUIPMENT (cont'd)

30 June 2024	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	1.103.684.197	717.367.948	1.176.005.452	438.645.278	6.680.691.335	8.978.203.654	262.907.397	19.357.505.261
Additions	19.058.351	44.536.401	147.954.486	-	3.256.796.985	18.340.669	35.644.649	3.522.331.541
Transfers (*)	-	-	-	-	(321.147.625)	-	-	(321.147.625)
Currency translation differences	87.114.239	57.569.266	96.583.140	34.399.301	610.717.796	704.626.150	21.667.750	1.612.677.642
Closing	1.209.856.787	819.473.615	1.420.543.078	473.044.579	10.227.058.491	9.701.170.473	320.219.796	24.171.366.819
Accumulated depreciation:								
Opening	(419.628.926)	(288.077.159)	(866.899.542)	(432.379.083)	(2.658.594.566)	(4.314.225.458)	-	(8.979.804.734)
Depreciation for the year	(36.890.143)	(32.179.434)	(48.044.643)	(1.764.007)	(333.991.193)	(221.624.090)	-	(674.493.510)
Currency translation differences	(33.994.809)	(23.539.518)	(69.399.140)	(33.959.864)	(218.331.009)	(344.857.973)	-	(724.082.313)
Closing	(490.513.878)	(343.796.111)	(984.343.325)	(468.102.954)	(3.210.916.768)	(4.880.707.521)	-	(10.378.380.557)
Net book value	719.342.909	475.677.504	436.199.753	4.941.625	7.016.141.723	4.820.462.952	320.219.796	13.792.986.262

(*) Transfers at “components, spare engine and repairables” represent derecognition of components that are used as part of delivery maintenance provisions.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 9 - INTANGIBLE ASSETS

Software	30 June 2025	30 June 2024
Cost:		
Opening	2.361.587.141	1.714.023.225
Additions	450.421.761	197.523.666
Currency translation differences	693.049.149	140.235.683
Closing	3.505.058.051	2.051.782.574
Accumulated amortization:		
Opening	(1.478.044.624)	(1.070.519.120)
Amortization for the year	(185.747.696)	(123.170.149)
Currency translation differences	(420.405.243)	(87.580.516)
Closing	(2.084.197.563)	(1.281.269.785)
Net book value	1.420.860.488	770.512.789

NOTE 10 – RIGHT OF USE ASSETS

30 June 2025	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	535.372.779	908.784.706	191.782.214.946	11.440.385	193.237.812.816
Additions	-	-	8.416.967.281	-	8.416.967.281
Disposals (*)	-	-	(3.026.986.447)	-	(3.026.986.447)
Currency translation differences	142.934.998	242.629.333	51.950.911.386	3.054.379	52.339.530.096
Closing	678.307.777	1.151.414.039	249.123.107.166	14.494.764	250.967.323.746
Accumulated depreciation:					
Opening	(490.171.366)	(14.554.598)	(39.422.098.177)	(11.440.385)	(39.938.264.526)
Depreciation for the period	(26.452.738)	(12.637.738)	(6.852.713.379)	-	(6.891.803.855)
Disposals (*)	-	-	1.114.119.064	-	1.114.119.064
Currency translation differences	(134.540.363)	(5.640.747)	(11.342.651.149)	(3.054.379)	(11.485.886.638)
Closing	(651.164.467)	(32.833.083)	(56.503.343.641)	(14.494.764)	(57.201.835.955)
Net book value	27.143.310	1.118.580.956	192.619.763.525	-	193.765.487.791

(*) Aircraft which are sold presented as disposals.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 10 – RIGHT OF USE ASSETS (cont'd)

30 June 2024	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	474.627.190	253.614.344	148.302.857.702	10.142.312	149.041.241.548
Additions	-	776.202.804	13.349.748.917	-	14.125.951.721
Disposals (*)	-	(265.676.247)	(9.213.315.798)	-	(9.478.992.045)
Currency translation differences	37.221.062	34.929.240	11.751.656.658	795.377	11.824.602.337
Closing	511.848.252	799.070.141	164.190.947.479	10.937.689	165.512.803.561
Accumulated depreciation:					
Opening	(367.824.706)	(161.309.673)	(34.992.941.609)	(10.142.312)	(35.532.218.300)
Depreciation for the period	(53.572.426)	(20.216.250)	(4.713.137.111)	-	(4.786.925.787)
Disposals (*)	-	220.131.747	6.736.154.281	-	6.956.286.028
Transfers	34.182.625	(34.182.625)	-	-	-
Currency translation differences	(29.416.666)	(7.767.598)	(2.547.853.610)	(795.377)	(2.585.833.251)
Closing	(416.631.173)	(3.344.399)	(35.517.778.049)	(10.937.689)	(35.948.691.310)
Net book value	95.217.079	795.725.742	128.673.169.430	-	129.564.112.251

(*) Aircraft which are sold presented as disposals.

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation

The Group is involved in lawsuits and claims that have been filed against, the total amount of claims, excluding reserved rights for excess claims, litigation risks, and interest, is TL 228.643.762 as of 30 June 2025 (31 December 2024: TL 187.141.480). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of TL 120.560.853 (31 December 2024: TL 57.207.079) has been provided against claims for which management believes it is probable it will be required to make a payment. Disputes arise from guest complaints, claims by former employees of the Group and a limited number of commercial disputes.

Tax Inspection

The Company's VAT transactions regarding loyalty card practices in year 2018 have been examined in 2020. The Company have been notified with a report stating "no subject to be examined have been found" in May 2021. However the report evaluation commission has objected this verdict and TL 1.780.660 of tax assessment has been declared to the Company. Against this tax assessment, the Company filed a tax lawsuit on September 6, 2021, the petition of the counter party was received on October 25, 2021 and the petition was answered on November 23, 2021. The 7th Tax Court of Istanbul decided to accept our case and reject all assessments on June 29, 2022, and the defendant Revenue Administration objected to the decision in August and submitted the petition of appeal to the Tax Court. The petition of appeal was notified to Company on September 28, 2022 and this petition answered within one month. Following the rejection of the opposite party's appeal, this time an appeal was made, and the defendant's appeal was served in April 2023. This petition was also answered by the Company within the time limit. The said lawsuit continues as of June 30, 2025. The Company has not recognized any provision in the consolidated financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Passenger Service Fee

T&T Havalimanı İşletmeciliği İnşaat Sanayi ve Ticaret Şirketi Limited filed three lawsuits against the Company before North Cyprus Lefkoşa Court of First Instance with claims of Euro 765.689, Euro 988.985 and Euro 475.031, respectively. All three lawsuits act on same claims and the airports act no. 5/2013 whereby the plaintiff, as the operator of the Ercan Airport under North Cyprus Airports Services and Charges Law, claims Euro 15 passenger service fee for each Turkish Army Staff member traveling on the Company flights for the period between March 2013 and August 2020. Turkish Army Staff departing from North Cyprus are subject to an exemption from this fee under the law. The plaintiff's argument is based on the assumption that the Company has not carried any Turkish Army Staff members in this period of time. The Court of First Instance merged the first two lawsuits and rendered a judgment against the Company for a total principal payment obligation of Euro 1.679.114. No decision has yet been issued regarding the third lawsuit. The Company is of the opinion that it is legally impossible to obtain the requested documents related to the transported passengers from the relevant public authorities, and that the responsibility for implementing the requested additional inspections lies with the operating plaintiff. A legal appeal process has been initiated against the unfavorable first-instance court decision. In prior reporting periods, no provisions were recognized in relation to these cases, as the claims were not supported by concrete evidence and were based on unreasonable assumptions. Following the Company's appeal, upon the approval of the first-instance court's decision as of April 18, 2025, the payment related to the first two consolidated case files, amounting to a principal of Euro 1.679.114, was made together with interest and a provision corresponding to the claimed amount has been recognized for the ongoing third lawsuit as of the end of the interim period ended June 30, 2025.

NOTE 12 - COMMITMENTS

Purchase Commitments

	30 June 2025	31 December 2024
Commitments to purchase aircraft	1.190.520.622.773	1.071.592.413.029
	1.190.520.622.773	1.071.592.413.029

As of 30 June 2025, the Group holds the right to purchase 149 aircraft on firm order. In accordance with agreement the expected deliveries are 6 aircraft in 2025, 8 aircraft in 2026, 13 aircraft in 2027, 20 aircraft in 2028, 23 aircraft in 2029, 16 aircraft in 2030, 17 aircraft in 2031, 16 aircraft in 2032, 15 aircraft in 2033, 15 aircraft in 2034. The purchase commitments for these aircraft were calculated based on their list prices and actual purchase prices are typically lower than the list prices.

The Group has provided advances on aircraft purchases amounting to TL 11.142.308.539 (31 December 2024: TL 6.616.402.312). Of this amount, TL 5.851.616.532 is reclassified as short-term, and TL 5.290.692.007 is reclassified as long-term prepayments (31 December 2024: TL 4.514.154.692 is reclassified as short-term, TL 2.102.247.620 is reclassified as long-term prepayments).

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 12 – COMMITMENTS (cont'd)

Collaterals-Pledges-Mortgages(“CPM”)

The details of the CPMs given by the Group as of 30 June 2025 is as follows:

30 June 2025		TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity						
	-Collateral	2.785.689.087	22.155.935	36.827.460	27.307.070	163.437.971
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation						
	-Collateral	-	-	-	-	-
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations						
	-Collateral	-	-	-	-	-
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given						
i. Total amount of CPM given on behalf of the Parent						
	-Collateral	-	-	-	-	-
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C						
	-Collateral	-	-	-	-	-
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C						
	-Collateral	-	-	-	-	-
	-Pledge	-	-	-	-	-
	-Mortgage	-	-	-	-	-
		2.785.689.087	22.155.935	36.827.460	27.307.070	163.437.971

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group’s equity as of 30 June 2025.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 12 – COMMITMENTS (cont'd)

Collaterals-Pledges-Mortgages(“CPM”) (cont'd)

The details of the CPMs given by the Group as of 31 December 2024 is as follows:

31 December 2024	TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	1.391.002.578	19.818.530	12.544.285	109.847.593	122.167.548
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
	1.391.002.578	19.818.530	12.544.285	109.847.593	122.167.548

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group's equity as of 31 December 2024.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 13 - EXPENSES BY NATURE

The details of expenses by nature for the years periods 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Jet fuel expenses	16.941.464.914	14.634.529.587	9.480.047.905	7.921.034.164
Personnel expenses	12.527.801.714	6.668.119.948	6.774.015.954	3.325.295.280
Depreciation and amortisation expenses	8.118.538.537	5.584.589.464	4.418.548.830	2.817.080.274
Handling and station fees	4.946.251.906	3.408.131.281	2.813.816.206	1.900.716.432
Navigation expenses	4.511.898.579	2.806.602.612	2.702.775.085	1.557.019.201
Maintenance expenses	2.445.181.563	1.789.513.319	1.339.265.063	966.295.580
Landing expenses	2.448.059.972	1.600.461.107	1.414.518.231	882.875.141
Passenger service and catering expenses	868.402.212	518.682.392	437.055.723	258.995.458
Advertising expenses	509.415.610	340.716.775	253.282.082	218.711.151
Commission expenses	477.520.213	338.306.746	304.616.431	175.626.725
Short term operational lease expenses	79.370.087	39.965.199	79.370.087	5.017.203
Other expenses	4.286.198.714	2.560.098.857	2.159.237.027	1.284.894.402
	58.160.104.021	40.289.717.287	32.176.548.624	21.313.561.011

NOTE 14 - SHAREHOLDERS' EQUITY

The Company's shareholding structure as of 30 June 2025 and 31 December 2024 are as follows:

		30 June 2025		31 December 2024
Shareholders	(%)	TL	(%)	TL
Esas Holding	52,81	264.056.018	52,81	264.056.018
Publicly held	45,37	226.866.830	45,37	226.866.830
Emine Kamışlı	0,61	3.025.717	0,61	3.025.717
Ali İsmail Sabancı	0,61	3.025.717	0,61	3.025.717
Kazım Köseoğlu	0,30	1.512.859	0,30	1.512.859
Can Köseoğlu	0,30	1.512.859	0,30	1.512.859
TL historic capital	100,00	500.000.000	100,00	500.000.000

The Company's share capital consists of 500.000.000 shares of par value TL 1 each (31 December 2024: 500.000.000 shares).

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 15 - REVENUE AND COST OF SALES

The details of revenue and cost of sales for the periods ended 30 June 2025 and 30 June 2024 are as follows:

Revenue:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Scheduled flight and service revenue	61.114.214.857	43.180.419.285	37.782.216.591	26.006.360.474
<i>International flight revenue</i>	<i>28.966.331.160</i>	<i>21.736.462.576</i>	<i>18.826.472.340</i>	<i>13.474.610.243</i>
<i>Domestic flight revenue</i>	<i>8.256.889.452</i>	<i>5.670.060.554</i>	<i>5.036.628.811</i>	<i>3.401.667.164</i>
<i>Service revenue</i>	<i>23.890.994.245</i>	<i>15.773.896.155</i>	<i>13.919.115.440</i>	<i>9.130.083.067</i>
Charter flight and service revenue	648.353.190	610.507.352	517.258.221	472.547.595
<i>Charter flight revenue</i>	<i>648.353.190</i>	<i>610.507.352</i>	<i>517.258.221</i>	<i>472.547.595</i>
Other revenue	250.502.006	173.008.658	126.022.227	94.226.230
	62.013.070.053	43.963.935.295	38.425.497.039	26.573.134.299

The Group's revenue is disaggregated into revenue from scheduled flights, revenue from chartered flights, and other revenues in accordance with the TFRS 15 "Revenue from Contracts with Customers" standard. However, although the Group does not consider service revenues within these disaggregated revenue items as a separate performance obligation, it presents additional information due to their frequent disclosure to investors and continuous review by the authorities empowered to make decisions regarding operations.

Geographical details of revenue from the scheduled flights are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Europe	21.362.478.141	15.593.012.370	14.764.469.469	10.147.137.714
Domestic	8.256.889.452	5.670.060.554	5.036.628.811	3.401.667.164
Other	7.603.853.019	6.143.450.206	4.062.002.871	3.327.472.529
	37.223.220.612	27.406.523.130	23.863.101.151	16.876.277.407

Cost of sales:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Jet fuel expenses	16.941.464.914	14.634.529.587	9.480.047.905	7.921.034.164
Personnel expenses	11.519.614.790	6.065.031.141	6.236.279.109	3.020.765.288
Depreciation and amortisation expenses	7.750.098.732	5.339.478.706	4.217.129.288	2.688.275.824
Handling and station fees	4.946.251.906	3.408.131.281	2.813.816.206	1.900.716.432
Navigation expenses	4.511.898.579	2.806.602.612	2.702.775.085	1.557.019.201
Maintenance expenses	2.445.181.563	1.789.513.319	1.339.265.063	966.295.580
Landing expenses	2.448.059.972	1.600.461.107	1.414.518.231	882.875.141
Passenger service and catering expenses	868.402.212	518.682.392	437.055.723	258.995.458
Insurance expenses	366.209.919	312.209.756	180.060.889	157.180.317
Short term lease expenses	79.370.087	39.965.199	79.370.087	5.017.203
Other expenses	2.849.881.395	1.494.550.604	1.392.353.374	698.420.028
	54.726.434.069	38.009.155.704	30.292.670.960	20.056.594.636

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
General administrative expenses	1.970.467.026	1.272.257.498	1.077.135.617	700.071.213
Marketing expenses	1.463.202.926	1.008.304.085	806.742.047	556.895.162
	3.433.669.952	2.280.561.583	1.883.877.664	1.256.966.375

The details of general administrative expenses and marketing expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows (there are no research & development expenses in the periods ended in respective dates):

General administrative expenses:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Personnel expenses	799.116.516	474.829.333	424.585.206	239.765.307
IT expenses	484.868.402	312.110.570	263.863.770	172.749.801
Depreciation and amortisation expenses	294.751.844	196.088.606	161.135.634	103.043.560
Consultancy expenses	129.508.588	92.814.471	80.755.813	65.827.272
Office utility expenses	48.019.162	33.790.469	24.066.659	15.863.794
Legal and notary expenses	59.876.640	30.726.134	39.046.533	16.516.236
Communication expenses	31.956.805	44.980.223	12.014.575	31.953.611
Travel expenses	49.877.298	40.799.124	30.286.411	25.555.466
Training expenses	8.837.679	2.597.479	5.592.108	1.448.382
Other expenses	63.654.092	43.521.089	35.788.908	27.347.784
	1.970.467.026	1.272.257.498	1.077.135.617	700.071.213

Marketing expenses:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Advertising expenses	509.415.610	340.716.775	253.282.082	218.711.151
Commission expenses	477.520.213	338.306.746	304.616.431	175.626.725
Personnel expenses	209.070.408	128.259.474	113.151.639	64.764.685
Call center expenses	136.046.395	105.175.275	65.509.957	48.480.714
Depreciation and amortisation expenses	73.687.961	49.022.152	40.283.908	25.760.890
Other expenses	57.462.339	46.823.663	29.898.030	23.550.997
	1.463.202.926	1.008.304.085	806.742.047	556.895.162

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

Other operating income:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Foreign exchange gain from operating activities, net	-	316.185.776	-	1.843.482
Reversal of doubtful cash and cash equivalents	15.796.766	-	6.172.201	-
Reversal of doubtful provision	773.274	-	2.795.417	-
Other	-	9.342.358	-	9.342.358
	16.570.040	325.528.134	8.967.618	11.185.840

Other operating expenses:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Foreign exchange loss from operating activities, net	4.969.565.331	-	3.593.137.334	-
Legal provision and penalty expense	137.608.315	9.615.070	22.272.685	4.873.138
Doubtful receivable allowance expense	-	1.730.671	-	(12.965.719)
Trade receivables allowance expense	24.465.427	8.168.026	26.831.156	702.620
Cash and cash equivalents allowance expense	-	4.111.768	-	(921.763)
Other	53.609.845	37.464.177	25.551.329	14.728.405
	5.185.248.918	61.089.712	3.667.792.504	6.416.681

NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 30 June 2025 and 30 June 2024 are as follows:

Income from investing activities:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Interest income from time deposits	886.438.134	347.492.118	313.556.196	155.533.872
Gain arising from aircraft sale	296.580.307	236.962.782	16.020.011	(31.465.931)
Interest income from eurobond	575.393.260	404.507.352	299.222.759	127.021.769
Gain from eurobond sales (*)	17.459.055	37.869.636	11.195.727	37.869.636
Income from sale of fixed assets	77.608.886	-	149.424.905	-
Other income	12.785.434	2.852.365	12.576.924	-
	1.866.265.076	1.029.684.253	801.996.522	288.959.346

(*) The amounts represents gains arising from the sale of financial investments that are carried at fair value through other comprehensive income.

Expense from investing activities:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Loss from eurobond sales	990.190	-	990.190	-
Financial investments allowance expense	-	213.537.473	-	43.589.813
	990.190	213.537.473	990.190	43.589.813

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 30 June 2025 and 30 June 2024 are as follows:

Financial income:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Foreign exchange gain, net	7.502.544.666	-	5.493.146.871	-
Interest income	1.359.990.029	749.488.241	776.381.041	399.288.764
Gain on derivative contracts	-	40.099.832	-	38.250.106
	8.862.534.695	789.588.073	6.269.527.912	437.538.870

Financial expenses:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Interest expense on leases	3.182.579.907	2.904.092.190	1.668.574.849	1.467.423.415
Interest expense on issued debt instruments	870.836.178	559.031.502	342.881.033	282.891.822
Commission and other expenses	861.072.321	638.856.245	470.408.223	351.338.923
Losses from derivative contracts	193.003.520	-	48.081.296	-
Interest expense on bank loans	174.373.694	343.325.105	102.129.378	161.968.506
Foreign exchange loss, net	-	1.411.636.433	-	354.894.742
	5.281.865.620	5.856.941.475	2.632.074.779	2.618.517.408

NOTE 20 - EARNINGS PER SHARE

Earnings per share disclosed in the condensed consolidated statements of income are determined by dividing the net income by the weighted number of shares that have been outstanding during the period concerned. Weighted average number of shares for 2024 and 2025 is calculated using the actual number of shares outstanding during the period, taking into consideration the actual date of capital increase.

Number of total shares and calculation of earnings per share at 30 June 2025 and 30 June 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2025	1 April - 30 June 2024
Net profit	2.497.837.153	496.187.657	5.132.457.835	3.997.161.991
Weighted average number of shares issued in the year	500.000.000	500.000.000	500.000.000	500.000.000
Income per share	5,00	0,99	10,26	7,99

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 21 – DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	30 June 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Short term	-	746.621.771	145.642.867	170.696.233
Long term	-	108.336.280	-	13.387.018
	-	854.958.051	145.642.867	184.083.251

Explanations related to derivative instruments are disclosed in Note 24.

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	30 June 2025	31 December 2024
Financial investments measured at amortized cost	10.443.948.895	6.336.522.068
Financial assets recognized at fair value through profit or loss	4.333.781.949	3.714.866.359
Time Deposit (*)	409.119.848	1.059.774.928
Allowance for credit risk adjustment under TFRS 9	(13.697.122)	(13.032.469)
	15.173.153.570	11.098.130.886

(*) The balance includes time deposits with original maturities between three months and one year.

Long term	30 June 2025	31 December 2024
Financial investments measured at amortized cost	6.545.060.464	4.774.747.774
Allowance for credit risk adjustment under TFRS 9	(75.309.486)	(153.583.100)
	6.469.750.978	4.621.164.674

Financial investments accounted at amortized cost

	30 June 2025	31 December 2024
Short term financial investments measured at amortized cost	10.443.948.895	6.336.522.068
Long term financial investments measured at amortized cost	6.545.060.464	4.774.747.774
	16.989.009.359	11.111.269.842

	30 June 2025	31 December 2024
Government Debt Securities	6.638.880.081	7.089.155.754
Corporate Debt Securities	10.350.129.278	4.022.114.088
	16.989.009.359	11.111.269.842

The Group's fixed income securities are accounted at their amortized costs using the effective interest rate. These securities are denominated in Euros, US Dollars and Pounds and pay fixed interest every year and every six months.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Assets

The weighted average coupon interest rates of existing Euro, US Dollar and Pounds financial investments that are measured at amortized cost as of 30 June 2025 and 31 December 2024 are as follows:

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,5	US Dollars	5.811.534.818
Government Debt Securities	6,2	GBP	827.345.263
Corporate Debt Securities	6,4	US Dollars	8.905.778.623
Corporate Debt Securities	5,9	Euro	1.168.491.571
Corporate Debt Securities	6,2	GBP	275.859.084
30 June 2025			16.989.009.359

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,6	US Dollars	6.622.324.195
Government Debt Securities	6,7	GBP	466.831.559
Corporate Debt Securities	7,2	US Dollars	3.092.676.978
Corporate Debt Securities	6,7	Euro	929.437.110
31 December 2024			11.111.269.842

Financial investments at fair value through other comprehensive income

	30 June 2025	31 December 2024
Government Debt Securities	3.649.327.350	2.646.894.946
Corporate Debt Securities	684.454.599	1.067.971.413
	4.333.781.949	3.714.866.359

The coupon interest rates of the financial investments in US Dollars that are measured by their fair value and continues as of the reporting date are as follows.

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	8,0	US Dollars	3.649.327.350
Corporate Debt Securities	7,6	US Dollars	684.454.599
30 June 2025			4.333.781.949

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	8,4	US Dollars	2.646.894.946
Corporate Debt Securities	8,1	US Dollars	1.067.971.413
31 December 2024			3.714.866.359

The financial investments at fair value through other comprehensive income is composed of bonds. These investments are denominated in US Dollars and pay fixed interest every year or every six months.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)**Financial Liabilities**

The details of financial liabilities as of 30 June 2025 and 31 December 2024 are as follows:

Short term financial liabilities	30 June 2025	31 December 2024
Short term bank borrowings	2.231.094.804	6.321.566.673
	2.231.094.804	6.321.566.673
Short term portion of long term financial liabilities	30 June 2025	31 December 2024
Short term portion of long term bank borrowings	3.916.985.358	804.094.539
Principal and interest of bonds issued	1.601.341.335	7.276.917.017
Discount and commissions of bonds issued	(38.556.975)	(63.248.844)
Lease liabilities	18.632.990.099	14.911.498.531
<i>Short term portion of long term lease liabilities</i>	<i>2.321.144.331</i>	<i>1.853.791.145</i>
<i>Short term portion of long term lease liabilities with purchase option</i>	<i>16.311.845.768</i>	<i>13.057.707.386</i>
	24.112.759.817	22.929.261.243
Long term financial liabilities	30 June 2025	31 December 2024
Long term bank borrowings	2.708.532.094	808.687.123
Issued debt instruments (*)	18.728.164.945	16.625.114.404
Discount and commissions of bonds issued	(217.551.428)	(172.077.331)
Lease liabilities	144.866.265.145	119.794.949.520
<i>Long term lease liabilities</i>	<i>7.824.427.063</i>	<i>7.554.922.759</i>
<i>Long term lease liabilities with purchase option</i>	<i>137.041.838.082</i>	<i>112.240.026.761</i>
	166.085.410.756	137.056.673.716

(*) The Group issued bonds to qualified investors abroad on April 29, 2021, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of USD 375.000.000, at 9,25% interest rate and the maturity is 5 years with an early payment option in the third and fourth years. The settlement process was completed and the bonds were fully redeemed following the repurchase by the Group of bonds amounting to USD 211,086,000 on September 12, 2024, and the remaining bonds amounting to USD 163,914,000 on April 28, 2025, from the respective investors.

The Group issued bonds to qualified investors abroad on September 11, 2024, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of USD 500.000.000, at 8,00% interest rate and the maturity is 7 years with an early payment option starting at the end of three years.

The bonds are traded on the Irish Stock Exchange (Euronext Dublin). There are some financial covenants in the Terms and Conditions of the notes. The covenants of the notes are; negative pledge, limitation in indebtedness, publication of financial information, limitations on transactions with affiliates, minimum liquidity, merger, consolidation and sale of all assets substantially, limitation on asset sales, limitation on restricted payments. As of 30 June 2025, the Group complied with all covenants.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

Bank Borrowings

The effective interest rates, original currency and TL equivalents of the short and long term bank borrowings as of 30 June 2025 and 31 December 2024 are as follows :

30 June 2025	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	4,93	Euro	47.926.320	2.231.094.804
Short term portion of long term bank borrowings	4,57	Euro	84.141.065	3.916.985.358
Long term bank borrowings	3,73	Euro	58.182.187	2.708.532.094
				8.856.612.256

31 December 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	6,09	Euro	172.048.659	6.321.566.673
Short term portion of long term bank borrowings	4,22	Euro	21.884.352	804.094.539
Long term bank borrowings	4,19	Euro	22.009.344	808.687.123
				7.934.348.335

Lease Liabilities

The details of lease liabilities as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Less than 1 year	23.695.378.675	19.943.011.377
Between 1 - 5 years	93.752.394.054	74.527.413.498
Over 5 years	75.839.255.193	66.439.202.785
	193.287.027.922	160.909.627.660
Less: Future interest expenses	(29.787.772.678)	(26.203.179.609)
	163.499.255.244	134.706.448.051

Present value of minimum lease payments of lease liabilities are as follows;

	30 June 2025	31 December 2024
Less than 1 year	18.632.990.099	14.911.498.531
Between 1 - 5 years	77.025.526.696	60.958.814.055
Over 5 years	67.840.738.449	58.836.135.465
	163.499.255.244	134.706.448.051

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)**Financial Liabilities (cont'd)**

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,85 years. For the period ended 30 June 2025, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to TL 117.845.579.718, is 3,07% (31 December 2024: 3,40%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to TL 15.169.480.688, is 5,91% (31 December 2024: 6,28%).

Reconciliation of obligations arising from financing activities

The changes in the Group's liabilities arising from financing activities are given in the following table:

	1 January 2025	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	30 June 2025
Bank loans and Issued debt instruments	31.601.053.581	(8.942.312.366)	-	6.271.268.918	28.930.010.133
Lease payables	134.706.448.051	-	(10.930.412.215)	39.723.219.408	163.499.255.244
	166.307.501.632	(8.942.312.366)	(10.930.412.215)	45.994.488.326	192.429.265.377

	1 January 2024	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	30 June 2024
Bank loans and Issued debt instruments	19.610.509.436	1.171.553.070	-	3.435.732.115	24.217.794.621
Lease payables	99.907.729.653	-	(8.493.411.128)	21.148.793.093	112.563.111.618
	119.518.239.089	1.171.553.070	(8.493.411.128)	24.584.525.208	136.780.906.239

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS**Financial Risk Factors*****Market risk***

The Group's activities expose primarily to the financial risks of changes in foreign currency exchange rates, fuel price and interest rates. The Group enters into a variety of derivative financial instruments to manage exposure to foreign currency, fuel price and interest rate risk.

Foreign currency risk management

The Group has transactions in non-Euro currencies including Turkish Lira revenues, US Dollar borrowings and fuel purchases. These non-Euro denominated transactions expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS
(cont'd)**

Financial Risk Factors (cont'd)

Foreign currency risk management

The Group's foreign currency position of monetary and non-monetary assets/liabilities for the years ended 30 June 2025 and 31 December 2024 are as follows:

30 June 2025	TL Total	USD	TL	GBP	Other
1. Trade receivables	3.608.499.354	14.936.778	2.501.886.727	1.782.586	415.824.380
2a. Monetary financial assets	46.809.575.992	845.446.577	6.733.895.229	25.961.352	5.060.508.539
2b. Non monetary financial assets	-	-	-	-	-
3. Other	557.930.074	11.352.110	221.948	213.985	94.884.178
4. CURRENT ASSETS	50.976.005.420	871.735.465	9.236.003.904	27.957.923	5.571.217.097
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	6.469.750.981	162.792.156	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	242.502.481	4.652.059	1.878.344	63.000	52.306.156
8. NON CURRENT ASSETS	6.712.253.462	167.444.215	1.878.344	63.000	52.306.156
9. TOTAL ASSETS	57.688.258.882	1.039.179.680	9.237.882.248	28.020.923	5.623.523.253
10. Trade payables	6.840.843.176	118.050.614	1.960.138.209	901.039	139.976.592
11. Financial liabilities	6.166.873.179	154.894.708	10.985.736	-	-
12a. Other liabilities, monetary	5.824.992.310	53.949.413	3.519.200.716	312.055	144.703.011
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	18.832.708.665	326.894.735	5.490.324.661	1.213.094	284.679.603
14. Trade payables	-	-	-	-	-
15. Financial liabilities	56.567.938.156	1.423.364.924	-	-	-
16a. Other liabilities, monetary	8.150.112.830	150.214.808	2.180.215.845	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	64.718.050.986	1.573.579.732	2.180.215.845	-	-
18. TOTAL LIABILITIES	83.550.759.651	1.900.474.467	7.670.540.506	1.213.094	284.679.603
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	-	-	-	-	-
19.a Off-statement of financial position foreign currency derivative assets	-	-	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(25.862.500.769)	(861.294.787)	1.567.341.742	26.807.829	5.338.843.650
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(25.862.500.769)	(861.294.787)	1.567.341.742	26.807.829	5.338.843.650

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS
(cont'd)****Financial Risk Factors (cont'd)*****Foreign currency risk management***

31 December 2024	TL Total	USD	TL	GBP	Other
1. Trade receivables	1.930.994.924	7.421.689	1.404.084.196	1.817.410	185.081.590
2a. Monetary financial assets	46.038.638.751	1.163.326.747	4.022.451.465	14.824.938	384.039.037
2b. Non monetary financial assets	-	-	-	-	-
3. Other	228.603.724	1.727.019	166.711.936	23.797	7.562
4. CURRENT ASSETS	48.198.237.399	1.172.475.455	5.593.247.597	16.666.145	569.128.189
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	4.621.164.767	131.196.247	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	287.642.554	6.695.999	1.543.144	63.000	47.456.743
8. NON CURRENT ASSETS	4.908.807.321	137.892.246	1.543.144	63.000	47.456.743
9. TOTAL ASSETS	53.107.044.720	1.310.367.701	5.594.790.741	16.729.145	616.584.932
10. Trade payables	4.556.958.222	90.371.223	1.020.393.435	2.635.892	236.764.938
11. Financial liabilities	11.052.127.544	313.459.380	11.053.764	-	-
12a. Other liabilities, monetary	3.785.868.230	10.378.007	3.369.137.300	254.401	39.927.100
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	19.394.953.996	414.208.610	4.400.584.499	2.890.293	276.692.038
14. Trade payables	-	-	-	-	-
15. Financial liabilities	50.483.084.146	1.433.084.260	5.127.331	-	-
16a. Other liabilities, monetary	9.168.838.348	216.012.353	1.560.170.434	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	59.651.922.494	1.649.096.613	1.565.297.765	-	-
18. TOTAL LIABILITIES	79.046.876.490	2.063.305.223	5.965.882.264	2.890.293	276.692.038
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	17.963.040	21.424.898	-	(16.650.000)	-
19a. Off-statement of financial position foreign currency derivative assets	754.655.610	21.424.898	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	736.692.570	-	-	16.650.000	-
20. Net foreign currency asset/(liability) position	(25.939.831.770)	(752.937.522)	(371.091.523)	13.838.852	339.892.894
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(25.939.831.770)	(752.937.522)	(371.091.523)	13.838.852	339.892.894

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS
(cont'd)****Financial Risk Factors (cont'd)*****Foreign currency risk management*****Foreign currency sensitivity**

The Group is exposed to foreign exchange risk arising primarily with respect to the US Dollar and Turkish Lira. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollar, and TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Foreign currency sensitivity tables as of 30 June 2025 and 31 December 2024 are as follows:

30 June 2025	Profit/(Loss)		Shareholders' equity	
	If foreign currency appreciated 10%	If foreign currency depreciated 10%	If foreign currency appreciated 10%	If foreign currency depreciated 10%
Effect of 10% change in USD rate				
USD net asset / (liability)	(3.422.992.194)	3.422.992.194	-	-
Part of hedged from USD risk	-	-	-	-
USD net effect	(3.422.992.194)	3.422.992.194	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	156.734.174	(156.734.174)	9.776.358.099	(9.776.358.099)
Part of hedged from TL risk	-	-	-	-
TL net effect	156.734.174	(156.734.174)	9.776.358.099	(9.776.358.099)
Effect of 10% change in GBP rate				
GBP net asset / liability	146.123.578	(146.123.578)	-	-
Part of hedged from GBP risk	-	-	-	-
GBP net effect	146.123.578	(146.123.578)	-	-
31 December 2024	Profit/(Loss)		Shareholders' equity	
	If foreign currency appreciated 10%	If foreign currency depreciated 10%	If foreign currency appreciated 10%	If foreign currency depreciated 10%
Effect of 10% change in USD rate				
USD net asset / (liability)	(2.655.359.368)	2.655.359.368	-	-
Part of hedged from USD risk	75.465.561	(75.465.561)	-	-
USD net effect	(2.579.893.807)	2.579.893.807	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	118.907.891	(118.907.891)	7.505.715.524	(7.505.715.524)
Part of hedged from TL risk	-	-	-	-
TL net effect	118.907.891	(118.907.891)	7.505.715.524	(7.505.715.524)
Effect of 10% change in GBP rate				
GBP net asset / liability	61.231.108	(61.231.108)	-	-
Part of hedged from GBP risk	(73.669.257)	73.669.257	-	-
GBP net effect	(12.438.149)	12.438.149	-	-

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

The Group Management believes that the carrying values of financial instruments approximates their fair values, except for financial investments, lease liabilities and issued debt instruments. The fair value of financial investments and issued bonds is determined by considering the market value (level 1).

Fair Value of Financial Instruments

30 June 2025	Financial assets and liabilities at amortized cost	Financial assets and derivative instruments which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss	Carrying amount	Note
Financial assets					
Cash and cash equivalents	39.529.452.848	-	-	39.529.452.848	27
Trade receivables	4.866.889.423	-	-	4.866.889.423	6
- <i>Other</i>	4.866.889.423	-	-	4.866.889.423	6
Other receivables	4.492.670.575	-	-	4.492.670.575	
- <i>Other</i>	4.492.670.575	-	-	4.492.670.575	
Financial investments	15.607.067.901	4.333.781.949	-	21.642.904.548	22
Financial liabilities					
Bank borrowings	8.856.612.256	-	-	8.856.612.256	22
Issued debt instruments	26.377.620.093	-	-	20.073.397.877	
Trade payables	14.127.112.690	-	-	14.127.112.690	6
- <i>Related party</i>	41.479.577	-	-	41.479.577	5
- <i>Other</i>	14.085.633.113	-	-	14.085.633.113	
Other payables	846.249.735	-	-	846.249.735	
Derivative financial liabilities	-	854.958.051	-	854.958.051	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)

Fair Value of Financial Instruments (cont'd)

31 December 2024	Financial assets and liabilities at amortized cost	Financial assets and derivative instruments which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss	Carrying amount	Note
Financial assets					
Cash and cash equivalents	46.258.554.416	-	-	46.258.554.416	27
Trade receivables	2.699.417.383	-	-	2.699.417.383	6
- <i>Other</i>	2.699.417.383	-	-	2.699.417.383	6
Other receivables	3.226.156.066	-	-	3.226.156.066	
- <i>Other</i>	3.226.156.066	-	-	3.226.156.066	
Financial investments	11.087.434.559	3.714.866.359	-	15.719.295.560	22
Derivative financial assets	-	-	145.642.867	145.642.867	21
Financial liabilities					
Bank borrowings	7.934.348.335	-	-	7.934.348.335	22
Issued debt instruments	23.378.226.424	-	-	23.666.705.246	
Trade payables	7.942.864.589	-	-	7.942.864.589	6
- <i>Related party</i>	43.890.717	-	-	43.890.717	5
- <i>Other</i>	7.898.973.872	-	-	7.898.973.872	
Other payables	460.006.050	-	-	460.006.050	
Derivative financial liabilities	-	184.083.251	-	184.083.251	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)

Fair Value of Financial Instruments (cont'd)

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

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices:
- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of financial assets and liabilities are determined by the input that does not reflect an actual data observed in the market while finding the fair value of an asset or liability.

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique
	30 June 2025	31 December 2024		
Fuel purchase option contracts	(854.958.051)	(184.083.251)	Level 2	Discounted cash flow method
Currency forward contracts	-	145.642.867	Level 2	Discounted cash flow method
30 June 2025			Currency forward contracts	Fuel purchase option contracts
				Total
Fair value:				
Opening		145.642.867	(184.083.251)	(38.440.384)
Fair value increase				
Recognized in equity		-	(670.874.800)	(670.874.800)
Recognized in profit or loss		(145.642.867)	-	(145.642.867)
Closing		-	(854.958.051)	(854.958.051)
Assets		-	-	-
Liabilities		-	(854.958.051)	(854.958.051)
Total net assets and liabilities		-	(854.958.051)	(854.958.051)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)

Fair Value of Financial Instruments (cont'd)

	Currency forward contracts	Fuel purchase option contracts	Total
31 December 2024			
Fair value:			
Opening	12.607.533	(173.330.608)	(160.723.075)
Fair value increase / (decrease)			
Recognized in equity	-	(10.752.643)	(10.752.643)
Recognized in profit or loss	133.035.334	-	133.035.334
Closing	145.642.867	(184.083.251)	(38.440.384)
Assets	145.642.867	-	145.642.867
Liabilities	-	(184.083.251)	(184.083.251)
Total net assets and liabilities	145.642.867	(184.083.251)	(38.440.384)

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 64,3% and 33,4% of the total fuel consumption estimated to occur in a period shorter than 1 year and more than 1 year, respectively. In line with its hedging policy, the Group can conclude contracts with maturities up to 24 months. As of 30 June 2025, the contracts last until June 2027. The total nominal value of these contracts is USD 662,5 million, and the weighted average price is in the range of USD 62-77. The ineffective portion of the hedge is not material as of 30 June 2025. In the current period, the expense that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to TL 74.596.838 (31 December 2024: TL 85.907.142 derivative income are charged to finance expenses).

NOTE 25 - EVENTS AFTER REPORTING PERIOD

Not available.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 26 – INCOME TAX EXPENSE

The Group is subject to corporate tax applicable in Türkiye. The corporate tax rate in Türkiye is applied as 25% for the 2024 taxation period. It continues to be applied as 25% for the 2025 taxation period. While calculating deferred tax on temporary differences, the Company takes into account the tax rates applicable at the date of closing of the temporary differences.

The tax expense components of 30 June 2025 and 30 June 2024 are presented below:

	1 January- 30 June 2025	1 January- 30 June 2024
Tax income/(expense)		
- Current tax expense	-	-
- Deferred tax income/(expense)	(1.694.872.162)	766.528.333
Total tax income/(expense)	(1.694.872.162)	766.528.333

The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to TL 11.519.324.690 (31 December 2024: TL 7.469.203.072) that the Group will benefit from in the foreseeable future as of 30 June 2025 is reflected in the interim condensed consolidated financial statements as a deferred tax asset. As a result of the recognition of the mentioned tax advantage as of 30 June 2025, deferred tax income amounting to TL 1.805.287.663 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 30 June 2025.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the interim condensed consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each reporting date. This evaluation is conducted based on business models that include estimations of taxable profits.

In the sensitivity analysis carried out as of 30 June 2025, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the duration of the foreseen period for recognizing deferred tax assets related to investment incentives remains unchanged.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025**

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

The details of cash and cash equivalents as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Cash on hand	3.005.715	1.837.424
Cash at banks	39.537.748.711	46.283.815.336
- Demand deposits	3.022.719.018	856.801.424
- Time deposits	36.515.029.693	45.427.013.912
Allowance for credit risk adjustment under TFRS 9	(11.301.578)	(27.098.344)
	39.529.452.848	46.258.554.416

The weighted average interest rates of time deposits are as presented below:

30 June 2025	Weighted average interest rates	Total
USD deposits	4,36 %	24.244.452.737
EUR deposits	3,72 %	5.293.251.220
TL deposits	48,07 %	6.753.208.707
GBP deposits	0,50 %	212.828.496
IRR deposits	5,00 %	11.288.533
		36.515.029.693

31 December 2024	Weighted average interest rates	Total
USD deposits	4,51 %	31.149.715.222
EUR deposits	2,65 %	9.969.682.000
TL deposits	48,88 %	3.980.883.191
GBP deposits	0,50 %	114.484.102
IRR deposits	5,00 %	212.249.397
		45.427.013.912

As of 30 June 2025 and 31 December 2024 time deposits maturities are less than 90 days.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

APPENDIX : EURO SELECTED NOTES

(Amounts are expressed in full TL and full Euros unless otherwise stated.)

Revenue

	Euro 1 January- 30 June 2025	Euro 1 January- 30 June 2024	Euro 1 April - 30 June 2025	Euro 1 April - 30 June 2024
Scheduled flight and service revenue	1.476.691.342	1.259.365.147	861.626.410	747.007.257
<i>International flight revenue</i>	<i>697.469.303</i>	<i>633.598.875</i>	<i>429.737.023</i>	<i>387.022.689</i>
<i>Domestic flight revenue</i>	<i>199.596.119</i>	<i>165.560.934</i>	<i>114.507.581</i>	<i>97.695.521</i>
<i>Service revenue</i>	<i>579.625.920</i>	<i>460.205.338</i>	<i>317.381.806</i>	<i>262.289.047</i>
Charter flight and service revenue	15.124.715	17.616.467	11.724.113	13.558.879
<i>Charter flight revenue</i>	<i>15.124.715</i>	<i>17.616.467</i>	<i>11.724.113</i>	<i>13.558.879</i>
Other revenue	5.868.728	4.958.849	2.674.520	2.652.101
	1.497.684.785	1.281.940.463	876.025.043	763.218.237

Expenses by Nature

	Euro 1 January- 30 June 2025	Euro 1 January- 30 June 2024	Euro 1 April - 30 June 2025	Euro 1 April - 30 June 2024
Jet fuel expenses	410.536.488	427.380.069	214.902.302	227.456.337
Personnel expenses	297.964.863	195.709.172	149.889.116	97.296.529
Depreciation and amortisation expenses	198.612.163	163.660.012	101.386.322	81.116.382
Handling and station fees	118.314.177	99.180.311	62.899.745	54.518.086
Navigation expenses	104.900.955	81.072.733	58.896.625	44.521.785
Maintenance expenses	58.560.881	52.614.489	30.082.422	28.294.678
Landing expenses	58.655.221	46.593.773	31.778.343	25.327.312
Passenger service and catering expenses	21.098.708	14.832.632	9.912.654	7.157.911
Advertising expenses	12.126.673	10.035.056	5.484.089	6.335.480
Commission expenses	11.477.748	9.874.805	7.478.379	5.014.777
Short term operational lease expenses	1.936.738	1.209.149	1.936.738	145.969
Other expenses	107.372.631	75.847.442	50.478.467	37.568.743
	1.401.557.246	1.178.009.643	725.125.202	614.753.989