

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2020

(Amounts are expressed in TL unless otherwise stated.)

#### NOTE 5 - RELATED PARTY TRANSACTIONS

The immediate 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. There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally settled in normal course of business.

**(i) Balances with Related Parties:**

**a) Other receivables from related parties**

	30 September 2020	31 December 2019
<b>Balances with joint ventures and subsidiaries:</b>		
PUEM	388.954	102.852
<b>Balances with other related parties:</b>		
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	332	-
	<b>389.286</b>	<b>102.852</b>

**b) Trade payables to related parties**

	30 September 2020	31 December 2019
<b>Balances with parent company:</b>		
Esas Holding	7.092.478	-
<b>Balances with joint ventures and subsidiaries:</b>		
Hitit Bilgisayar	4.097.910	1.397.591
PUEM	6.219.680	-
<b>Balances with other related parties:</b>		
Esasburda İnşaat Sanayi ve Ticaret A.Ş.	3.589.500	146.359
	<b>20.999.568</b>	<b>1.543.950</b>

**(ii) Significant Transactions with Related Parties:**

Various transactions with Esas Holding consist of commissions paid. The Group records these commissions within finance expense.

The Group also leases their head office building from Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda"), another Esas Holding subsidiary, and records the expenses as depreciation and interest under new leases standard.

The Group receives simulator training services from PUEM for their pilots and generates revenue from labor hire and common area use.

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### NOTE 5 - RELATED PARTY TRANSACTIONS(cont'd)

#### (iii) Significant Transactions with Related Parties(cont'd):

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

The Group receives health services from Alarm Sağlık Hizmetleri Sanayi ve Ticaret A.Ş.

#### a) Other Income from Related Parties:

	1 January- 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Transactions with joint ventures and subsidiaries:				
PUEM	1.471.529	1.379.217	826.621	776.220
	<b>1.471.529</b>	<b>1.379.217</b>	<b>826.621</b>	<b>776.220</b>

#### b) Purchases of goods or services

	1 January- 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Transactions with joint ventures and subsidiaries:				
Hitit Bilgisayar	15.659.375	13.734.417	5.745.978	3.438.734
PUEM	8.883.753	7.432.768	5.936.874	2.754.690
Transactions with other related parties:				
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.	659.993	-	174.152	-
Esasburda	2.626.442	2.202.258	1.195.989	961.928
Other	32.713	35.912	-	4.712
	<b>27.862.276</b>	<b>23.405.355</b>	<b>13.052.993</b>	<b>7.160.064</b>

#### c) Rent expenses

	1 January- 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Esasburda(*)	7.677.241	6.344.943	1.737.475	2.115.249
	<b>7.677.241</b>	<b>6.344.943</b>	<b>1.737.475</b>	<b>2.115.249</b>

(\*)Rent expenses are recorded as depreciation and interest under new leases standard.

#### d) Commission expenses

	1 January- 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Esas Holding	8.797.267	8.800.380	3.225.600	2.920.650
	<b>8.797.267</b>	<b>8.800.380</b>	<b>3.225.600</b>	<b>2.920.650</b>

#### (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 September 2020 and 2019 are as follows:

	1 January- 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Salaries and other short term benefits	20.848.889	18.401.579	2.283.354	2.203.566
Other long term benefits	7.623.062	2.114.002	28.829	-
	<b>28.471.951</b>	<b>20.515.581</b>	<b>2.312.183</b>	<b>2.203.566</b>