

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2021

(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 (which will be referred to as “other related parties” below). 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 not secured and interest free.

(i) Balances with Related Parties:

a) Other receivables from related parties

	30 September 2021	31 December 2020
Balances with joint ventures and subsidiaries:		
PUEM	-	227.595
Balances with other related parties:		
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	-	332
	-	227.927

b) Trade payables to related parties

	30 September 2021	31 December 2020
Balances with parent company:		
Esas Holding	-	8.498.505
Balances with joint ventures and subsidiaries:		
Hitit Bilgisayar	2.757.103	4.517.471
PUEM	4.780.733	7.800.677
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	159.938	1.300.124
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	39.249	-
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	42.585
	7.737.023	22.159.362

(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 , another Esas Holding subsidiary, and records the expenses as depreciation and interest under leases standard.

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

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.

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a) Other Income from Related Parties

	1 January- 30 September 2021	1 January- 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Transactions with joint ventures and subsidiaries:				
PUEM	1.098.708	1.471.529	432.418	826.621
	1.098.708	1.471.529	432.418	826.621

b) Purchases of goods or services

	1 January- 30 September 2021	1 January- 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Transactions with joint ventures and subsidiaries:				
Hitit Bilgisayar	21.399.067	15.659.375	7.111.553	5.745.978
PUEM	6.977.572	8.883.753	2.318.477	5.936.874
Transactions with other related parties:				
Alarm Sağlık	328.532	659.993	72.847	174.152
Esasburda	2.234.400	2.626.442	958.083	1.195.989
Other	-	32.713	-	-
	30.939.571	27.862.276	10.460.960	13.052.993

c) Rent expenses

	1 January- 30 September 2021	1 January- 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Esasburda(*)	6.751.439	7.677.241	1.100.524	1.737.475
	6.751.439	7.677.241	1.100.524	1.737.475

(*)Rent expenses are recorded as depreciation and interest under TFRS 16 leases standard. Amounts presented above represent issued invoices.

d) Commission expenses

	1 January- 30 September 2021	1 January- 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Esas Holding	6.593.931	8.797.267	2.087.266	3.225.600
	6.593.931	8.797.267	2.087.266	3.225.600

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NOTE 5 - RELATED PARTY TRANSACTIONS

(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 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Salaries and other short term benefits	16.922.276	20.848.889	12.714.208	2.283.354
Other long term benefits	-	7.623.062	-	28.829
	16.922.276	28.471.951	12.714.208	2.312.183