

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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

	31 December 2020	31 December 2019
Balances with joint ventures and subsidiaries:		
PUEM	227.595	102.852
Balances with other related parties:		
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	332	-
	227.927	102.852

b) Trade payables to related parties

	31 December 2020	31 December 2019
Balances with parent company:		
Esas Holding	8.498.505	-
Balances with joint ventures and subsidiaries:		
Hitit Bilgisayar	4.517.471	1.397.591
PUEM	7.800.677	-
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş.	1.300.124	146.359
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.	42.585	-
	22.159.362	1.543.950

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.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2020**

(Amounts are expressed in TL unless otherwise stated.)

NOTE 5 - RELATED PARTY TRANSACTIONS

Significant Transactions with Related Parties:

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 Hizmetleri Sanayi ve Ticaret A.Ş.

a) Other Income from Related Parties

	1 January- 31 December 2020	1 January- 31 December 2019
Transactions with joint ventures and subsidiaries:		
PUEM	1.830.231	2.004.915
	1.830.231	2.004.915

b) Purchases of goods or services

	1 January- 31 December 2020	1 January- 31 December 2019
Transactions with joint ventures and subsidiaries:		
Hitit Bilgisayar	23.252.160	19.790.367
PUEM	12.905.653	10.199.468
Transactions with other related parties:		
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.	900.742	-
Esasburda	3.179.959	3.093.335
Other	-	35.912
	40.238.514	33.119.082

c) Rent expenses

	1 January- 31 December 2020	1 January- 31 December 2019
Esasburda(*)	12.299.573	7.270.399
	12.299.573	7.270.399

(*)Rent expenses are recorded as depreciation and interest under TFRS 16 new leases standard.

d) Commission expenses

	1 January- 31 December 2020	1 January- 31 December 2019
Esas Holding	12.206.159	11.780.578
	12.206.159	11.780.578

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2020**

(Amounts are expressed in TL unless otherwise stated.)

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 31 December 2020 and 2019 are as follows:

	1 January- 31 December 2020	1 January- 31 December 2019
Salaries and other short term benefits	23.354.950	20.451.408
Other long term benefits	16.098.187	2.114.002
	39.453.137	22.565.410