

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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

	31 December 2021	31 December 2020
Balances with joint ventures:		
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

	31 December 2021	31 December 2020
Balances with parent company:		
Esas Holding	1.624.341	8.498.505
Balances with joint ventures:		
Hitit Bilgisayar	2.090.952	4.517.471
PUEM	4.685.846	7.800.677
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	218.403	1.300.124
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	37.348	42.585
	8.656.890	22.159.362

Significant Transactions with Related Parties:

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

The Group leases their head office building from Esasburda , another Esas Holding subsidiary, and records the expenses as depreciation and interest under leases standard. Also, the Group records the dues, electricity, water and heating expenses for the head office building.

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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NOTE 5 - RELATED PARTY TRANSACTIONS

Significant Transactions with Related Parties:

a) Other Income from Related Parties

	1 January- 31 December 2021	1 January- 31 December 2020
Transactions with joint ventures:		
PUEM	1.599.798	1.830.231
	1.599.798	1.830.231

b) Purchases of goods or services

	1 January- 31 December 2021	1 January- 31 December 2020
Transactions with joint ventures:		
Hitit Bilgisayar	29.789.941	23.252.160
PUEM	10.838.532	12.905.653
Transactions with other related parties:		
Alarm Sağlık	465.884	900.742
Esasburda	3.222.954	3.179.959
	44.317.311	40.238.514

c) Rent expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Esasburda(*)	11.746.849	12.299.573
	11.746.849	12.299.573

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

d) Commission expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Esas Holding	9.580.535	12.206.159
	9.580.535	12.206.159

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(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 2021 and 31 December 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Salaries and other short term benefits	14.951.032	23.354.950
Other long term benefits	4.716.201	16.098.187
	19.667.233	39.453.137