

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

**PEGASUS HAVA TAŐIMACILIĐI
ANONİM ŐİRKETİ AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
NINE MONTH PERIOD ENDED
30 SEPTEMBER 2024

INDEX	PAGE
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER	
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	8-49
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	8-16
NOTE 3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	17-18
NOTE 4 SEGMENT REPORTING	18
NOTE 5 RELATED PARTY TRANSACTIONS	18-20
NOTE 6 TRADE RECEIVABLES AND PAYABLES OTHER RECEIVABLES	21-22
NOTE 7 PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES.....	22-23
NOTE 8 PROPERTY AND EQUIPMENT.....	24-25
NOTE 9 INTANGIBLE ASSETS	26
NOTE 10 RIGHT OF USE ASSETS	26-27
NOTE 11 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	27-28
NOTE 12 COMMITMENTS.....	28-30
NOTE 13 EXPENSES BY NATURE	31
NOTE 14 SHAREHOLDERS' EQUITY	31
NOTE 15 REVENUE AND COST OF SALES	32
NOTE 16 GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES.....	33
NOTE 17 OTHER OPERATING INCOME AND EXPENSES	34
NOTE 18 INCOME AND EXPENSES FROM INVESTING ACTIVITIES.....	34
NOTE 19 FINANCIAL INCOME AND EXPENSES	35
NOTE 20 EARNINGS PER SHARE	35
NOTE 21 DERIVATIVE FINANCIAL INSTRUMENTS	35
NOTE 22 FINANCIAL INSTRUMENTS	36-40
NOTE 23 NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS	40-43
NOTE 24 FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES).....	44-47
NOTE 25 EVENTS AFTER REPORTING PERIOD	47
NOTE 26 INCOME TAX EXPENSE	48
NOTE 27 EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW.....	49
APPENDIX – EURO SELECTED NOTES.....	50

(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 FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024

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

		Current period (Not reviewed) TL 30 September 2024	Prior period (Audited) TL 31 December 2023	(*) EUR 30 September 2024	(*) EUR 31 December 2023
	Notes				
ASSETS					
Current assets		71.370.436.970	48.001.577.327	1.877.280.156	1.473.620.823
Cash and cash equivalents	27	47.040.611.014	16.078.358.927	1.237.324.715	493.596.374
Financial assets	22	8.436.160.478	18.534.625.942	221.899.113	569.002.359
Trade receivables	6	3.073.029.118	1.668.899.597	80.830.899	51.234.258
<i>Trade receivables from third parties</i>		<i>3.073.029.118</i>	<i>1.668.899.597</i>	<i>80.830.899</i>	<i>51.234.258</i>
Other receivables	6	76.647.862	184.612.285	2.016.094	5.667.491
<i>Other receivables from related parties</i>	5	-	44.138	-	1.355
<i>Other receivables from third parties</i>		<i>76.647.862</i>	<i>184.568.147</i>	<i>2.016.094</i>	<i>5.666.136</i>
Derivative financial instruments	21	-	12.607.533	-	387.044
Inventories		1.409.555.102	1.075.273.755	37.075.993	33.010.286
Prepaid expenses	7	11.267.085.726	10.201.603.776	296.361.874	313.183.370
Current income tax assets		60.505.647	19.552.842	1.591.500	600.261
Other current assets		6.842.023	226.042.670	179.968	6.939.380
Non-Current assets		204.865.686.544	153.953.502.230	5.388.646.719	4.726.283.979
Financial assets	22	4.578.886.475	1.674.235.495	120.439.962	51.398.067
Other receivables	6	2.834.155.447	1.778.877.878	74.547.726	54.610.528
<i>Other receivables from third parties</i>		<i>2.834.155.447</i>	<i>1.778.877.878</i>	<i>74.547.726</i>	<i>54.610.528</i>
Investments accounted by using the equity method	3	765.194.831	602.491.387	20.127.172	18.496.139
Property and equipment	8	16.445.880.312	10.377.700.527	432.578.378	318.589.424
Intangible assets	9	825.795.821	643.504.105	21.721.180	19.755.206
Right of use assets	10	147.535.015.976	113.509.023.248	3.880.662.212	3.484.661.746
Prepaid expenses	7	17.508.712.698	12.718.004.262	460.537.448	390.435.418
Deferred tax assets	26	14.372.044.984	12.649.665.328	378.032.641	388.337.451
TOTAL ASSETS		276.236.123.514	201.955.079.557	7.265.926.875	6.199.904.802

(*)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 FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024

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

		Current period (Not reviewed) TL 30 September 2024	Prior period (Audited) TL 31 December 2023	(*) EUR 30 September 2024	(*) EUR 31 December 2023
	Notes				
LIABILITIES					
Current liabilities		55.847.936.588	37.183.794.680	1.468.986.706	1.141.521.116
Short term borrowings	22	5.084.515.230	5.353.784.770	133.739.682	164.358.114
Short term portion of long term borrowings	22	7.727.059.919	1.944.707.759	203.247.407	59.701.410
Short term portion of long term lease liabilities	22	14.177.801.745	11.326.083.111	372.923.398	347.704.239
Trade payables	6	9.765.646.973	6.526.115.717	256.869.035	200.348.000
<i>Trade payables to related parties</i>	5	<i>32.340.620</i>	<i>17.811.962</i>	<i>850.666</i>	<i>546.817</i>
<i>Trade payables to third parties</i>		<i>9.733.306.353</i>	<i>6.508.303.755</i>	<i>256.018.369</i>	<i>199.801.183</i>
Employee benefit obligations		1.061.869.467	398.269.511	27.930.703	12.226.645
Other payables	6	480.931.235	260.455.138	12.650.093	7.995.823
<i>Other payables to third parties</i>		<i>480.931.235</i>	<i>260.455.138</i>	<i>12.650.093</i>	<i>7.995.823</i>
Passenger flight liabilities	7	12.511.143.399	8.418.318.534	329.084.734	258.437.538
Derivative financial instruments	21	297.090.558	109.079.828	7.814.471	3.348.688
Deferred income	7	1.653.286.807	782.027.857	43.486.948	24.007.806
Short term provisions		3.088.591.255	2.064.952.455	81.240.235	63.392.853
<i>Short term provisions for employee benefits</i>		<i>1.984.809.262</i>	<i>1.587.893.487</i>	<i>52.207.093</i>	<i>48.747.417</i>
<i>Other short term provisions</i>		<i>1.103.781.993</i>	<i>477.058.968</i>	<i>29.033.142</i>	<i>14.645.436</i>
Non-Current liabilities		145.001.065.825	110.102.098.656	3.814.010.885	3.380.071.120
Long term borrowings	22	17.345.179.066	12.312.016.907	456.235.969	377.971.840
Long term lease liabilities	22	113.094.737.887	88.581.646.542	2.974.768.212	2.719.405.614
Derivative financial instruments	7	271.863.753	64.250.780	7.150.922	1.972.462
Deferred income		7.832.351.036	3.506.810.209	206.016.914	107.657.057
Long term provisions		6.456.934.083	5.637.374.218	169.838.868	173.064.147
<i>Long term provisions for employee benefits</i>		<i>1.868.709.893</i>	<i>1.201.242.173</i>	<i>49.153.293</i>	<i>36.877.444</i>
<i>Other long term provisions</i>		<i>4.588.224.190</i>	<i>4.436.132.045</i>	<i>120.685.575</i>	<i>136.186.703</i>
SHAREHOLDERS' EQUITY		75.387.121.101	54.669.186.221	1.982.929.284	1.678.312.566
Paid-in share capital	14	500.000.000	102.299.707	230.037.951	60.544.134
Share premiums on capital stock		57.986.732	455.687.025	24.595.488	194.089.305
Other comprehensive income/expense not to be reclassified to profit or loss					
Actuarial losses on defined benefit plans		(153.339.786)	(105.998.793)	(4.033.347)	(3.254.102)
Currency translation differences		37.166.408.156	27.604.819.459	-	-
Other comprehensive income/expense to be reclassified to profit or loss					
Currency translation differences		453.500.138	368.154.236	8.936.283	8.808.787
Hedge fund		(378.863.247)	(129.997.940)	(9.965.365)	(3.990.862)
Gain on financial assets measured at fair value		95.253.909	48.328.332	2.505.495	1.483.652
Restricted profit reserves		20.459.941	20.459.941	4.047.406	4.047.406
Retained earnings		26.305.434.254	5.397.932.457	1.416.584.246	626.643.772
Net income for the period		11.320.281.004	20.907.501.797	310.221.127	789.940.474
TOTAL LIABILITIES AND EQUITY		276.236.123.514	201.955.079.557	7.265.926.875	6.199.904.802

(*)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.

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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 SEPTEMBER 2024

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

		Current period (Not reviewed) TL	Prior period (Not reviewed) TL	Current period (Not reviewed) TL	Prior period (Not reviewed) TL	(*) EUR	(*) EUR	(*) EUR	(*) EUR
	Notes	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Profit or loss									
Sales	15	84.046.387.728	51.974.988.971	40.082.452.433	28.072.539.861	2.373.341.712	2.061.478.639	1.091.401.249	961.789.802
Cost of sales (-)	15	(63.576.264.045)	(37.062.135.745)	(25.567.108.341)	(17.308.764.038)	(1.789.909.299)	(1.497.926.741)	(681.890.071)	(592.068.184)
Gross profit		20.470.123.683	14.912.853.226	14.515.344.092	10.763.775.823	583.432.413	563.551.898	409.511.178	369.721.618
General administrative expenses (-)	16	(2.213.830.413)	(1.224.782.495)	(941.572.915)	(558.446.256)	(71.984.146)	(50.291.990)	(32.078.774)	(21.664.399)
Marketing expenses (-)	16	(1.697.711.880)	(975.604.221)	(689.407.795)	(397.108.313)	(50.220.872)	(38.325.197)	(20.135.829)	(13.870.560)
Other operating income	17	14.131.779	15.967.399	4.789.421	20.110.065	422.705	667.888	136.209	861.439
Other operating expenses (-)	17	(667.061.368)	(477.689.542)	(922.157.432)	68.122.267	(19.136.331)	(19.578.384)	(26.543.964)	5.919.368
Operating profit		15.905.651.801	12.250.744.367	11.966.995.371	9.896.453.586	442.513.769	456.024.215	330.888.820	340.967.466
Income from investing activities	18	1.440.867.750	945.019.765	411.183.497	253.038.699	39.109.669	34.286.538	10.030.871	8.233.453
Expenses from investing activities (-)	18	(238.182.318)	(76.782.534)	(24.644.845)	15.371.837	(6.227.904)	(2.702.732)	(163.679)	657.121
Share of investments income accounted for using the equity method	3	63.505.152	6.485.049	21.295.636	(1.120.411)	1.812.701	270.150	575.724	(86.084)
Operating profit before financial expense		17.171.842.385	13.125.466.647	12.374.829.659	10.163.743.711	477.208.235	487.878.171	341.331.736	349.771.956
Financial income	19	1.626.368.421	392.717.759	2.288.516.613	276.492.254	46.775.852	17.079.252	66.231.680	7.596.604
Financial expense (-)	19	(7.050.049.420)	(4.173.885.236)	(2.644.844.210)	(2.472.833.306)	(201.549.475)	(171.396.815)	(71.702.094)	(94.687.623)
Profit/(loss) before tax		11.748.161.386	9.344.299.170	12.018.502.062	7.967.402.659	322.434.612	333.560.608	335.861.322	262.680.937
Tax income/(expense)		(427.880.382)	(298.159.404)	(1.194.408.715)	(248.163.203)	(12.213.485)	(12.420.529)	(34.677.098)	(10.078.743)
Deferred tax income/(expense)	26	(427.880.382)	(298.159.404)	(1.194.408.715)	(248.163.203)	(12.213.485)	(12.420.529)	(34.677.098)	(10.078.743)
Profit for the period		11.320.281.004	9.046.139.766	10.824.093.347	7.719.239.456	310.221.127	321.140.079	301.184.224	252.602.194
Income/(loss) per share (TL) / (EUR)	20	40,31	88,43	21,65	75,46	1,10	3,14	0,60	2,47

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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 SEPTEMBER 2024

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

	Current period (Not reviewed) TL	Prior period (Not reviewed) TL	Current period (Not reviewed) TL	Prior period (Not reviewed) TL	(*) EUR	(*) EUR	(*) EUR	(*) EUR
	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Other comprehensive income								
Items not to be reclassified to profit or loss								
Actuarial (losses) / gains on defined benefit plans	(63.121.323)	(42.409.628)	(18.465.975)	(8.294.577)	(1.038.993)	4.418	(83.302)	(149.153)
Deferred tax effect	15.780.331	8.481.926	4.616.494	1.658.915	259.748	(884)	20.826	29.831
Currency translation differences	9.561.588.697	8.276.768.672	5.471.373.177	447.030.881	-	-	-	-
Items to be reclassified to profit or loss								
Currency translation differences	85.345.902	161.115.883	25.671.221	41.054.145	127.496	1.212.611	(628.090)	1.064.123
Gain on financial assets measured at fair value	62.567.471	(4.000.595)	73.681.673	11.648.904	1.362.458	(665.255)	1.822.699	382.058
Cash flow hedge	(331.820.400)	(14.383.088)	(866.861.028)	558.549.332	(7.966.004)	(6.049.738)	(23.583.951)	19.475.514
Deferred tax effect	67.313.198	3.676.747	198.294.845	(114.039.652)	1.650.886	1.342.999	5.440.313	(3.971.515)
Other comprehensive income	9.397.653.876	8.389.249.917	4.888.310.407	937.607.948	(5.604.409)	(4.155.849)	(17.011.505)	16.830.858
Total comprehensive income	20.717.934.880	17.435.389.683	15.712.403.754	8.656.847.404	304.616.718	316.984.230	284.172.719	269.433.052

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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 SEPTEMBER 2024**

(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 2023	TL 102.299.707	455.687.025	(74.584.475)	11.667.935.448	165.445.988	282.719.523	26.847.705	20.459.941	(1.702.212.691)	7.100.145.148	18.044.743.319
Transfers	TL -	-	-	-	-	-	-	-	7.100.145.148	(7.100.145.148)	-
Net profit/(loss) for the period	TL -	-	-	-	-	-	-	-	-	9.046.139.766	9.046.139.766
Other comprehensive income / (expense)	TL -	-	(33.927.702)	8.276.768.672	161.115.883	(11.506.460)	(3.200.476)	-	-	-	8.389.249.917
As at 30 September 2023	TL 102.299.707	455.687.025	(108.512.177)	19.944.704.120	326.561.871	271.213.063	23.647.229	20.459.941	5.397.932.457	9.046.139.766	35.480.133.002
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 -	-	-	-	-	-	-	-	-	11.320.281.004	11.320.281.004
Other comprehensive income / (expense)	TL -	-	(47.340.993)	9.561.588.697	85.345.902	(248.865.307)	46.925.577	-	-	-	9.397.653.876
As at 30 September 2024	TL 500.000.000	57.986.732	(153.339.786)	37.166.408.156	453.500.138	(378.863.247)	95.253.909	20.459.941	26.305.434.254	11.320.281.004	75.387.121.101

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.

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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 SEPTEMBER 2024**

(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			Shareholders' equity
		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	
As at 1 January 2023	EUR	60.544.134	194.089.305	(3.741.402)	8.071.040	14.182.139	1.346.769	4.047.406	195.884.759	430.759.013	905.183.163
Transfers	EUR	-	-	-	-	-	-	-	430.759.013	(430.759.013)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	321.140.079	321.140.079
Other comprehensive income / (expense)	EUR	-	-	3.534	1.212.611	(4.839.790)	(532.204)	-	-	-	(4.155.849)
As at 30 September 2023	EUR	60.544.134	194.089.305	(3.737.868)	9.283.651	9.342.349	814.565	4.047.406	626.643.772	321.140.079	1.222.167.393
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	-	-	-	-	-	-	-	-	310.221.127	310.221.127
Other comprehensive income / (expense)	EUR	-	-	(779.245)	127.496	(5.974.503)	1.021.843	-	-	-	(5.604.409)
As at 30 September 2024	EUR	230.037.951	24.595.488	(4.033.347)	8.936.283	(9.965.365)	2.505.495	4.047.406	1.416.584.246	310.221.127	1.982.929.284

(*)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.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

		Current period (Not reviewed) TL 1 January- Notes 30 September 2024	Prior period (Not reviewed) TL 1 January- 30 September 2023	(*) EUR 1 January- 30 September 2024	(*) EUR 1 January- 30 September 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Income/(loss) for the period		11.320.281.004	9.046.139.766	310.221.127	321.140.079
Adjustments to reconcile the income/(loss)					
Depreciation and amortization	8-9-10	8.736.670.720	5.295.507.769	249.382.550	220.596.763
Adjustments related with impairments		235.554.054	80.707.058	6.152.882	2.866.217
<i>Provision for doubtful receivable</i>		<i>(2.628.265)</i>	<i>3.924.524</i>	<i>(75.022)</i>	<i>163.485</i>
Adjustments related with financial investment impairments		238.182.319	76.782.534	6.227.904	2.702.732
Adjustments related with provisions		2.828.465.486	573.923.458	76.976.144	19.078.875
<i>Provision for employee benefits</i>		<i>1.677.961.011</i>	<i>669.723.682</i>	<i>44.135.962</i>	<i>23.069.657</i>
<i>Legal provision</i>		<i>17.955.399</i>	<i>10.088.875</i>	<i>512.522</i>	<i>420.276</i>
<i>Change in redelivery provision</i>		<i>1.132.549.076</i>	<i>(105.889.099)</i>	<i>32.327.660</i>	<i>(4.411.058)</i>
Interest and commission income		4.554.431.360	2.715.802.590	131.759.953	115.066.333
Adjustments related with fair value expense (income)		(62.567.470)	4.000.587	(1.645.733)	137.806
<i>Adjustments related with fair value expense (income) of financial assets</i>		<i>(62.567.470)</i>	<i>4.000.587</i>	<i>(1.645.733)</i>	<i>137.806</i>
Gain on equity investments accounted for using the equity method	3	(63.505.152)	(6.485.049)	(1.812.701)	(270.150)
Current tax expense		427.880.382	298.159.404	12.213.485	12.420.529
Other provisions related with investing or financing activities		(553.301.076)	125.439.820	(15.525.840)	5.242.489
Changes in working capital					
Increase in trade receivables		(1.034.243.835)	(460.824.877)	(29.521.619)	(19.196.738)
Increase in other receivables, prepayments and other assets		(2.782.856.518)	(1.710.302.143)	(108.382.776)	(71.554.803)
Increase in inventories		(142.435.696)	(155.939.388)	(4.065.707)	(6.496.020)
Increase in trade payables		1.980.126.199	1.224.682.732	56.521.035	51.017.024
Increase in deferred income, other payables and other current liabilities		2.300.771.033	2.185.394.728	85.943.730	104.959.389
Net cash generated from operating activities		27.745.270.491	19.216.206.455	768.216.530	755.007.793
Payment for the employee benefits provisions		(965.038.610)	(381.084.313)	(27.642.310)	(16.087.136)
Payment for other provisions		(972.063)	(424.563)	(27.747)	(17.686)
		26.779.259.818	18.834.697.579	740.546.473	738.902.971
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash changes from acquisition and sale of debt instruments of other entities		29.156.667	(805.950.206)	(2.624.554)	(36.316.812)
Net cash changes from purchase and sale of property, equipment and intangible assets		2.395.415.979	(313.568.002)	63.582.380	(13.062.409)
Interest received from financial investment		1.130.504.263	603.195.603	33.062.751	25.183.648
Changes in cash advances and payables		(4.960.155.514)	(1.478.974.790)	(141.583.462)	(61.610.155)
Other cash changes		8.816.135.307	(1.421.955.000)	273.013.992	(46.000.000)
		7.411.056.702	(3.417.252.395)	225.451.107	(131.805.728)
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in borrowings		20.693.628.024	4.736.735.930	556.110.541	209.150.000
Repayment of borrowings		(12.903.714.346)	(3.737.697.215)	(346.613.064)	(165.500.000)
Repayment of principal in lease liabilities		(8.997.070.693)	(6.415.927.657)	(256.813.807)	(267.270.475)
Interest and commission paid		(6.696.404.551)	(3.079.916.048)	(196.293.675)	(139.932.150)
Interest received		1.252.455.957	309.633.201	36.443.069	14.339.401
		(6.651.105.609)	(8.187.171.789)	(207.166.936)	(349.213.224)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE TRANSLATION EFFECT (A+B+C)		27.539.210.911	7.230.273.395	758.830.644	257.884.019
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		3.423.041.176	4.584.111.279	(15.102.303)	(16.861.111)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		30.962.252.087	11.814.384.674	743.728.341	241.022.908
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD					
AT THE BEGINNING OF THE PERIOD	27	16.078.358.927	10.558.266.871	493.596.374	529.637.313
AT THE END OF THE PERIOD (A+B+C+D+E)	27	47.040.611.014	22.372.651.545	1.237.324.715	770.660.221

(*)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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Esas Holding A.Ş. (“Esas Holding”)	56,65%	56,65%
Publicly held	41,53%	41,53%
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 September 2024 is 8.553 (31 December 2023: 7.670). The address of its principal office is Aeropark Yenişehir 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 nine month ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 11 November 2024.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TAS

The Company and its subsidiaries registered in Turkey 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 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 nine months ended 30 September 2024 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 2023.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

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 Hizmetleri A.Ş. ("Hitit Bilgisayar"), is Euro. Hitit Bilgisayar'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 Turkiye 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 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 Turkey ("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 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

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 2023, 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 30 September 2024, prepared in accordance with the Tax Law, have been subject to inflation correction in accordance with the legislation.

Euro Amounts in the 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. In other words, the amounts shown in TL, which is the presentation currency, on the balance sheet, have been converted back to Euro using the official exchange rate announced by the CBRT as of the balance sheet date, and the Euro amounts shown on the consolidated profit or loss and other comprehensive income and consolidated cash flow statements have been converted from TL to Euro using the monthly average exchange rates.

Comparative Information and Reclassification of Prior Period Financial Statements

Consolidated financial statements of 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 consolidated financial statements, comparative information is reclassified and material changes are disclosed if necessary. Group has not made any reclassification in the prior period consolidated financial statements in order to maintain consistency with current period consolidated financial statements.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of Consolidation

The following table illustrates the condensed consolidated subsidiaries and the Group's ownership percentage in these subsidiaries as of 30 September 2024 and 31 December 2023:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Country of registration and operation</u>
		<u>30 September 2024</u>	<u>31 December 2023</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Turkiye
Pegasus Airlines Innovation Lab, Inc.	Technology – R&D	100%	100%	USA

The following table illustrates the affiliates and joint ventures then indicates the Group's ownership percentage in these joint ventures as of 30 September 2024, 31 December 2023:

<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 September 2024</u>	<u>31 December 2023</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training	49,40%	49,40%	Joint venture	Turkiye
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	Information system solutions	36,82%	36,82%	Joint venture	Turkiye

(*) With the simulator sale in January 2023, PUEM stopped its main operations and the liquidation process continues.

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 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as of September 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

i) **The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows:**

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

i) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows:

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments did not have a significant impact on the financial position or performance of the the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will assess the effects of the amendments after the new standards have been finalized.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current statement of financial position measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

The amendments did not have a significant impact on the financial position or performance of the the Group.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The amendments did not have a significant impact on the financial position or performance of the Group.

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IFRS 9 and IFRS 7 as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the ‘settlement date’. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendments did not have a significant impact on the financial position or performance of the Group.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- *IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- *IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- *IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':* The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- *IAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

TFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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 September 2024 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 SEPTEMBER 2024**

(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 September 2024	31 December 2023
Joint ventures		
Hitit Bilgisayar	719.980.353	559.924.216
PUEM	45.214.478	42.567.171
	765.194.831	602.491.387

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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Hitit Bilgisayar	67.621.456	20.119.229	23.933.428	1.583.901
PUEM	(4.116.304)	(13.634.180)	(2.637.792)	(2.704.312)
Net profit	63.505.152	6.485.049	21.295.636	(1.120.411)

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

PUEM

	30 September 2024	31 December 2023
Current assets	91.527.284	86.234.637
Non-current assets	-	302.872
Current liabilities	-	(315.977)
Non-current liabilities	-	(53.169)
Net assets of joint venture	91.527.284	86.168.363
Group's ownership interest in the joint venture	49,40%	49,40%
Group's share in the net assets of the joint venture	45.214.478	42.567.171

PUEM	1 January- 30 September 2024	1 January- 30 September 2023
Depreciation and amortisation expense	(325.741)	(1.662.900)
Interest income/(expense), net	134.283	3.050.099
Profit for the year	(8.332.599)	(27.599.554)
Group's ownership interest	49,40%	49,40%
Group's share in the net profit of the joint venture	(4.116.304)	(13.634.180)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Hitit Bilgisayar

	30 September 2024	31 December 2023
Current assets	910.666.590	741.667.453
Non-current assets	1.508.471.208	1.001.943.115
Current liabilities	(349.800.899)	(152.015.303)
Non-current liabilities	(125.188.502)	(80.609.652)
Net assets of joint venture	1.944.148.397	1.510.985.613
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	4.144.913	3.579.313
Group's share in the net assets of the joint venture	719.980.353	559.924.216

	1 January- 30 September 2024	1 January- 30 September 2023
Revenue	781.679.080	422.986.102
Depreciation and amortisation expense	(143.351.988)	(67.884.938)
Interest income/(expense), net	25.551.414	60.786.441
Profit for the year	183.654.144	88.103.882
Other equity changes	-	(33.461.762)
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	67.621.456	20.119.229

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 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.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 5 - RELATED PARTY TRANSACTIONS

(i) Balances with Related Parties:

a) Other receivables from related parties

	30 September 2024	31 December 2023
Balances with joint ventures:		
PUEM	-	44.138
	-	44.138

b) Trade payables to related parties

	30 September 2024	31 December 2023
Balances with parent company:		
Balances with joint ventures:		
Hitit Bilgisayar	31.487.750	17.750.663
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	852.870	-
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	61.299
	32.340.620	17.811.962

(ii) Significant Transactions with Related Parties:

Transactions with Esas Holding consist of commissions paid. The Group recognizes these commissions under finance expense.

The Group received simulator training services from PUEM until January 2023 for the training of pilots. Income is generated from labor hire and common areas used.

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.

a) Other income from related parties

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Transactions with joint ventures:				
PUEM	-	2.030.586	-	438.442
	-	2.030.586	-	438.442

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 5 - RELATED PARTY TRANSACTIONS

(ii) Significant Transactions with Related Parties:

b) Purchases of goods or services

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Transactions with joint ventures:				
Hitit Bilgisayar	189.204.694	111.278.104	71.120.418	42.461.624
Transactions with other related parties:				
Alarm Sağlık	800.000	443.598	200.000	220.672
Esasburda	17.427.086	8.706.473	6.775.470	3.595.601
Other	8.927	-	-	-
	207.440.707	120.428.175	78.095.888	46.277.897

c) Lease expenses

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Esasburda	10.690.698	15.390.542	-	5.175.791
	10.690.698	15.390.542	-	5.175.791

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. The transactions in this context have been mediated by a bank for the financing of the purchase and the Company will obtain ownership of the building from the bank at the end of the three-year lease period. In this context, the discounted net present value of the payments to be made for the building is TL 757.620.000.

d) Commission expenses

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Esas Holding	-	16.066.679	-	6.595.894
	-	16.066.679	-	6.595.894

(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 2024 and 30 September 2023 are as follows:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Salaries and other short term benefits	171.770.582	37.238.502	28.521.041	16.013.474
Other long term benefits	95.098.313	67.714.016	-	-
	266.868.895	104.952.518	28.521.041	16.013.474

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

The details of short term trade receivables as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Trade receivables	2.057.480.517	1.057.076.364
Credit card receivables	1.122.255.189	649.502.013
Income accruals	39.549.588	73.473.828
	3.219.285.294	1.780.052.205
Allowance for credit risk adjustment under TFRS 9	(146.256.176)	(111.152.608)
	3.073.029.118	1.668.899.597

The average collection period of trade receivables is approximately 23 days (31 December 2023: 17 days).

Short term trade payables

The details of short term trade payables as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Trade payables	2.595.278.629	3.822.071.869
Accrued direct operational costs	7.138.027.724	2.686.231.886
Trade payables to related parties (Note 5)	32.340.620	17.811.962
	9.765.646.973	6.526.115.717

The average payment period of trade payables is approximately 34 days (31 December 2023: 35 days).

Short term other receivables

The details of short term other receivables as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Deposits and guarantees given	35.907.544	51.027.972
Receivables from pilots for flight training	12.608.694	18.950.846
Receivables from tax office	14.009.621	97.819.263
Receivables from other related parties (Note 5)	-	44.138
Other receivables	14.122.003	16.770.066
	76.647.862	184.612.285

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Long term other receivables

The details of long term other receivables as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Receivables from pilot trainings	1.353.263.574	650.003.925
Deposits given	1.480.891.873	1.128.873.953
	2.834.155.447	1.778.877.878

Short term other payables

	30 September 2024	31 December 2023
Taxes payables	174.196.839	167.648.460
Deposits received	306.734.396	92.806.678
	480.931.235	260.455.138

(*) The amount of TL 40.226.210 in deposits received, consists of guarantees received from the banks regarding the valuation of derivative transactions.

NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES

The details of prepayments as of 30 September 2024 and 31 December 2023 are as follows:

Short term prepayments

	30 September 2024	31 December 2023
Advances on aircraft purchases	7.728.997.607	7.039.814.255
Advances to suppliers	3.247.319.051	2.707.922.861
Prepaid insurance expenses	119.003.193	307.735.151
Other prepaid expenses	171.765.875	146.131.509
	11.267.085.726	10.201.603.776

Long term prepayments

	30 September 2024	31 December 2023
Advances on aircraft purchases	1.806.734.351	1.871.431.881
Prepaid maintenance expenses	15.639.285.283	10.797.055.265
Other prepaid expenses	62.693.064	49.517.116
	17.508.712.698	12.718.004.262

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES

Passenger Flight Liabilities

The details of passenger flight liabilities as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Flight liability from ticket sales	8.665.637.602	5.791.071.893
Passenger airport fees received from customers (*)	2.557.162.934	1.950.026.270
Flight liability from flight points	1.288.342.863	677.220.371
	12.511.143.399	8.418.318.534

(*) 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 September 2024	31 December 2023
Advances received from customers	1.381.426.819	587.402.628
Other deferred revenue	271.859.988	194.625.229
	1.653.286.807	782.027.857

Long term deferred income

	30 September 2024	31 December 2023
Deferred revenue (*)	7.832.351.036	3.506.810.209
	7.832.351.036	3.506.810.209

(*) 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 SEPTEMBER 2024**

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

NOTE 8 - PROPERTY AND EQUIPMENT

30 September 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	38.699.974	89.526.158	158.560.437	3.359.287	5.654.142.218	204.872.629	17.952.990	6.167.113.693
Disposals	-	-	-	-	-	(8.242.606.258)	-	(8.242.606.258)
Transfers (*)	-	-	-	-	(1.112.817.952)	8.242.606.258	-	7.129.788.306
Currency translation differences	187.756.476	127.521.130	210.054.709	73.597.294	1.503.811.509	1.517.987.285	45.469.355	3.666.197.758
Closing	1.330.140.647	934.415.236	1.544.620.598	515.601.859	12.725.827.110	10.701.063.568	326.329.742	28.077.998.760
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	(57.562.077)	(51.174.586)	(74.829.730)	(2.327.507)	(534.361.709)	(340.858.481)	-	(1.061.114.090)
Disposals	-	-	-	-	-	3.316.402.087	-	3.316.402.087
Transfers (*)	-	-	-	-	-	(3.316.402.087)	-	(3.316.402.087)
Currency translation differences	(75.036.710)	(52.506.204)	(151.260.441)	(72.462.120)	(489.856.111)	(750.078.038)	-	(1.591.199.624)
Closing	(552.227.713)	(391.757.949)	(1.092.989.713)	(507.168.710)	(3.682.812.386)	(5.405.161.977)	-	(11.632.118.448)
Net book value	777.912.934	542.657.287	451.630.885	8.433.149	9.043.014.724	5.295.901.591	326.329.742	16.445.880.312

(*) Transfers at “components, spare engine and repairables” represent derecognition of components that are used as part of delivery maintenance provisions. Transfers in owned aircraft include transfers from right of use assets of aircraft whose lease liabilities have expired.

(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 SEPTEMBER 2024**

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

NOTE 8 - PROPERTY AND EQUIPMENT

30 September 2023	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	spare engine and repairables	Construction in progress	Total
Cost:							
Opening	455.640.098	349.627.476	632.787.660	274.988.427	4.224.535.938	232.154.809	6.169.734.408
Additions	61.710.320	40.543.931	46.577.873	1.291.354	1.118.671.791	130.219.455	1.399.014.724
Disposals	-	(2.417.493)	-	-	-	-	(2.417.493)
Transfers (*)	163.682.370	-	-	-	(1.424.344.007)	(163.682.370)	6.389.398.948
Currency translation differences	292.275.405	167.503.967	298.469.256	113.247.489	1.864.683.411	61.718.747	2.797.898.275
Closing	973.308.193	555.257.881	977.834.789	389.527.270	5.783.547.133	260.410.641	16.753.628.862
Accumulated depreciation:							
Opening	(222.188.743)	(147.055.884)	(497.562.637)	(269.887.379)	(1.518.444.770)	-	(2.655.139.413)
Depreciation for the year	(67.414.986)	(27.916.439)	(26.047.516)	(3.105.077)	(180.131.019)	-	(304.615.037)
Disposals	-	2.417.493	-	-	-	-	2.417.493
Currency translation differences	(115.489.186)	(72.434.254)	(232.473.103)	(111.212.653)	(625.289.496)	-	(1.156.898.692)
Closing	(405.092.915)	(244.989.084)	(756.083.256)	(384.205.109)	(2.323.865.285)	-	(4.114.235.649)
Net book value	568.215.278	310.268.797	221.751.533	5.322.161	3.459.681.848	260.410.641	12.639.393.213

(*) 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 SEPTEMBER 2024**

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

NOTE 9 - INTANGIBLE ASSETS

Software	30 September 2024	30 September 2023
Cost:		
Opening	1.714.023.225	839.518.220
Additions	261.015.687	194.459.396
Disposals	-	(31.424.835)
Currency translation differences	308.702.348	417.171.455
Closing	2.283.741.260	1.419.724.236
Accumulated amortization:		
Opening	(1.070.519.120)	(552.566.578)
Amortization for the year	(192.140.858)	(118.967.440)
Disposals	-	31.424.835
Currency translation differences	(195.285.461)	(308.445.538)
Closing	(1.457.945.439)	(948.554.721)
Net book value	825.795.821	471.169.515

NOTE 10 – RIGHT OF USE ASSETS

30 September 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	-	843.129.828	25.340.812.413	-	26.183.942.241
Disposals (*)	-	(272.763.854)	(6.251.412.085)	-	(6.524.175.939)
Transfers (*)	-	-	(8.242.606.258)	-	(8.242.606.258)
Currency translation differences	79.324.793	90.977.256	25.709.630.048	1.695.092	25.881.627.189
Closing	553.951.983	914.957.574	184.859.281.820	11.837.404	186.340.028.781
Accumulated depreciation:					
Opening	(367.824.706)	(161.309.673)	(34.992.941.609)	(10.142.312)	(35.532.218.300)
Depreciation for the period	(82.804.622)	(25.959.613)	(7.374.651.537)	-	(7.483.415.772)
Disposals (*)	-	226.004.336	6.251.412.085	-	6.477.416.421
Transfers (*)	35.094.536	(35.094.536)	3.316.402.087	-	3.316.402.087
Currency translation differences	(65.539.324)	(12.907.402)	(5.503.055.423)	(1.695.092)	(5.583.197.241)
Closing	(481.074.116)	(9.266.888)	(38.302.834.397)	(11.837.404)	(38.805.012.805)
Net book value	72.877.867	905.690.686	146.556.447.423	-	147.535.015.976

(*) Aircraft which are sold presented as disposals and aircraft whose lease liabilities have ended are classified as transfers to property and equipment. Explanations regarding the buildings are presented under Note 5.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 10 – RIGHT OF USE ASSETS

30 September 2023	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	283.893.559	148.455.626	82.964.106.462	6.206.993	83.402.662.640
Additions	-	-	13.106.969.109	-	13.106.969.109
Disposals	-	-	(5.233.433.349)	-	(5.233.433.349)
Transfers	-	-	(7.813.742.954)	-	(7.813.742.954)
Currency translation differences	129.530.735	67.735.127	39.634.560.828	2.832.035	39.834.658.725
Closing	413.424.294	216.190.753	122.658.460.096	9.039.028	123.297.114.171
Accumulated depreciation:					
Opening	(163.725.209)	(74.916.774)	(24.406.278.019)	(6.206.993)	(24.651.126.995)
Depreciation for the period	(57.621.795)	(19.267.197)	(4.795.036.300)	-	(4.871.925.292)
Disposals	-	-	5.260.629.829	-	5.260.629.829
Transfers	-	-	3.733.004.387	-	3.733.004.387
Currency translation differences	(86.764.271)	(38.215.179)	(10.560.549.058)	(2.832.035)	(10.688.360.543)
Closing	(308.111.275)	(132.399.150)	(30.768.229.161)	(9.039.028)	(31.217.778.614)
Net book value	105.313.019	83.791.603	91.890.230.935	-	92.079.335.557

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 185.455.919 as of 30 September 2024 (31 December 2023: TL 138.437.155). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of TL 50.227.330 (31 December 2023: TL 33.243.994) 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 Group'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 million 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 September 30, 2024. The Company has not recognized any provision in the 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 SEPTEMBER 2024**

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

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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. The Company argues the legal prohibition to produce the documentation on traveling Army personnel requested by the airport operator, and further suggests that the additional controls sought by the airport operator is the responsibility of the airport operator. A judgment has not been rendered on the third lawsuit. The Company filed objection against the judgments rendered by the Court of First Instance. Considering that the claims do not rely on specific evidence and is judged on unreasonable assumptions, further taking into account the ongoing legal process, no provision has been set recognised for these lawsuits.

NOTE 12 - COMMITMENTS

Purchase Commitments

	30 September 2024	31 December 2023
Commitments to purchase aircraft	328.844.512.747	329.282.325.281
	328.844.512.747	329.282.325.281

As of 30 September 2024, the Group holds the right to purchase 58 aircraft on firm order. In accordance with agreement the expected deliveries are 6 aircraft in 2024, 9 aircraft in 2025, 10 aircraft in 2026, 11 aircraft in 2027, 11 aircraft in 2028, 11 aircraft in 2029. 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 9.535.731.958 (31 December 2023: TL 8.911.246.136). Of this amount, TL 7.728.997.607 is reclassified as short-term, and TL 1.806.734.351 is reclassified as long-term prepayments (31 December 2023: TL 7.039.814.268 is reclassified as short-term, TL 1.871.431.868 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 SEPTEMBER 2024**

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

NOTE 12 - COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

The details of the CPMs given by the Group as of 30 September 2024 is as follows:

30 September 2024	TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	1.398.302.000	20.318.530	12.683.914	96.877.672	126.548.598
-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	-	-	-	-	-
	1.398.302.000	20.318.530	12.683.914	96.877.672	126.548.598

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 September 2024

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 12 - COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

The details of the CPMs given by the Group as of 31 December 2023 is as follows:

31 December 2023	TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	1.166.226.910	20.033.224	12.074.404	96.652.641	86.521.786
-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	-	-	-	-	-
	1.166.226.910	20.033.224	12.074.404	96.652.641	86.521.786

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 2023.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024 and 30 September 2023 are as follows:

	1 January- 30 September 2024	1 January- 0 September 2023	1 July - 0 September 2024	1 July - 0 September 2023
Jet fuel expenses	23.607.205.744	15.069.238.405	8.972.676.157	7.434.888.496
Depreciation and amortisation expenses	8.736.728.145	5.295.507.769	3.152.138.681	2.247.698.805
Personnel expenses	12.635.792.723	5.804.023.343	5.967.672.775	2.572.877.426
Handling and station fees	5.758.693.505	3.441.063.845	2.350.562.224	1.597.514.666
Navigation expenses	4.738.135.246	2.949.521.174	1.931.532.634	1.335.340.210
Maintenance expenses	2.839.924.626	1.129.473.731	1.050.411.307	565.385.660
Landing expenses	2.696.504.125	1.695.979.172	1.096.043.018	806.935.738
Passenger service and catering expenses	991.501.322	532.105.420	472.818.930	307.864.119
Commission expenses	673.464.107	399.796.866	335.157.361	144.280.831
Short term lease expenses	40.657.687	534.115.140	692.488	292.254.797
Advertising expenses	475.939.556	273.459.670	135.222.781	119.524.952
Other expenses	4.293.259.552	2.138.237.926	1.733.160.695	839.752.907
	67.487.806.338	39.262.522.461	27.198.089.051	18.264.318.607

NOTE 14 - SHAREHOLDERS' EQUITY, PROFIT RESERVES AND OTHER EQUITY ITEMS

The Company's shareholding structure as of 30 September 2024 and 31 December 2023 are as follows:

Shareholders	30 September 2024		31 December 2023	
	(%)	TL	(%)	TL
Esas Holding	56,65	283.284.477	56,65	57.959.838
Publicly held	41,53	207.638.371	41,53	42.482.689
Emine Kamışlı	0,61	3.025.717	0,61	619.060
Ali İsmail Sabancı	0,61	3.025.717	0,61	619.060
Kazım Köseoğlu	0,30	1.512.859	0,30	309.530
Can Köseoğlu	0,30	1.512.859	0,30	309.530
TL historic capital	100,00	500.000.000	100,00	102.299.707

The Company's share capital consists of 500.000.000 shares of par value TL 1 each (31 December 2023: 102.299.707 shares).

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.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024 and 30 September 2023 are as follows:

Revenue:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Scheduled flight and service revenue	82.465.679.803	51.099.449.350	39.285.260.518	27.578.168.653
<i>International flight revenue</i>	<i>44.015.367.822</i>	<i>30.208.220.674</i>	<i>22.278.905.246</i>	<i>17.211.367.624</i>
<i>Domestic flight revenue</i>	<i>10.993.548.833</i>	<i>5.754.583.768</i>	<i>5.323.488.279</i>	<i>3.053.905.836</i>
<i>Service revenue</i>	<i>27.456.763.148</i>	<i>15.136.644.908</i>	<i>11.682.866.993</i>	<i>7.312.895.193</i>
Charter flight and service revenue	1.298.282.396	717.499.069	687.775.044	425.779.205
<i>Charter flight revenue</i>	<i>1.298.282.396</i>	<i>717.499.069</i>	<i>687.775.044</i>	<i>425.779.205</i>
Other revenue	282.425.529	158.040.552	109.416.871	68.592.003
	84.046.387.728	51.974.988.971	40.082.452.433	28.072.539.861

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 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Europe	33.564.931.888	22.753.412.190	17.971.919.518	13.249.708.739
Domestic	10.993.548.833	5.754.583.768	5.323.488.279	3.053.905.836
Other	10.450.435.934	7.454.808.484	4.306.985.728	3.961.658.885
	55.008.916.655	35.962.804.442	27.602.393.525	20.265.273.460

Cost of sales:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Jet fuel expenses	23.607.205.744	15.069.238.405	8.972.676.157	7.434.888.496
Depreciation and amortisation expenses	8.350.345.270	5.052.056.301	3.010.866.564	2.119.399.301
Personnel expenses	11.490.493.855	5.218.753.472	5.425.462.714	2.313.927.775
Handling and station fees	5.758.693.505	3.441.063.845	2.350.562.224	1.597.514.666
Navigation expenses	4.738.135.246	2.949.521.174	1.931.532.634	1.335.340.210
Maintenance expenses	2.839.924.626	1.129.473.731	1.050.411.307	565.385.660
Landing expenses	2.696.504.125	1.695.979.172	1.096.043.018	806.935.738
Passenger service and catering expenses	991.501.322	532.105.420	472.818.930	307.864.119
Insurance expenses	464.024.453	277.400.214	151.814.697	80.291.698
Short term lease expenses	40.657.687	534.115.140	692.488	292.254.797
Other expenses	2.598.778.212	1.162.428.871	1.104.227.608	454.961.578
	63.576.264.045	37.062.135.745	25.567.108.341	17.308.764.038

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Marketing expenses	1.697.711.880	975.604.221	689.407.795	397.108.313
General administrative expenses	2.213.830.413	1.224.782.495	941.572.915	558.446.256
	3.911.542.293	2.200.386.716	1.630.980.710	955.554.569

The details of general administrative expenses and marketing expenses for the periods ended 30 September 2024 and 30 September 2023 are as follows (there are no research & development expenses in the periods ended in respective dates):

General administrative expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Personnel expenses	903.028.385	445.475.978	428.199.052	197.638.676
Depreciation and amortisation expenses	309.106.300	194.761.174	113.017.694	102.639.603
IT expenses	511.399.837	251.611.474	199.289.267	114.089.341
Consultancy expenses	146.720.131	51.230.403	53.905.660	24.154.521
Communication expenses	67.875.295	50.464.718	22.895.072	29.577.421
Legal and notary expenses	76.884.783	34.274.674	46.158.649	16.044.367
Office utility expenses	55.523.255	23.144.223	21.732.786	6.717.845
Travel expenses	88.507.486	97.043.611	47.708.362	29.311.466
Training expenses	7.636.171	5.368.817	5.038.692	3.134.605
Other expenses	47.148.770	71.407.423	3.627.681	35.138.411
	2.213.830.413	1.224.782.495	941.572.915	558.446.256

Marketing expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Commission expenses	673.464.107	399.796.866	335.157.361	144.280.831
Advertising expenses	475.939.556	273.459.670	135.222.781	119.524.952
Call center expenses	156.985.783	77.392.831	51.810.508	25.140.060
Personnel expenses	242.270.483	139.793.893	114.011.009	61.310.975
Depreciation and amortisation expenses	77.276.575	48.690.294	28.254.423	25.659.901
Other expenses	71.775.376	36.470.667	24.951.713	21.191.594
	1.697.711.880	975.604.221	689.407.795	397.108.313

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024 and 30 September 2023 are as follows:

Other operating income:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Reversal of doubtful cash and cash equivalents	-	10.321.864	-	13.434.825
Reversal of trade receivable impairment	-	5.213.106	-	6.675.240
Other	14.131.779	432.429	4.789.421	-
	14.131.779	15.967.399	4.789.421	20.110.065

Other operating expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange loss from operating activities	507.709.355	350.479.658	823.895.131	(140.264.130)
Penalty expense	9.615.070	3.055.827	-	429.033
Cash and cash equivalents allowance expense	15.679.871	-	11.568.103	-
Trade receivables allowance expense	8.168.026	-	-	-
Doubtful receivable allowance expense	16.747.499	11.717.542	15.016.828	4.019.544
Donations (*)	-	8.000.000	-	-
Other	109.141.547	104.436.515	71.677.370	67.693.286
	667.061.368	477.689.542	922.157.432	(68.122.267)

(*) Includes donations made to the relevant institutions regarding the earthquake disaster that occurred on February 6, 2023.

NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 30 September 2024 and 30 September 2023 are as follows:

Income from investing activities:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income from eurobond	606.415.227	385.047.146	201.907.875	168.359.798
Interest income from currency protected instruments	552.841.543	537.709.107	205.349.425	76.902.817
Gain arising from aircraft sale	236.962.782	-	-	-
Gain from eurobond sales (*)	41.795.833	10.018.619	3.926.197	2.485.443
Other income	2.852.365	12.244.893	-	5.290.641
	1.440.867.750	945.019.765	411.183.497	253.038.699

(*) 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 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Financial investments allowance expense	238.182.318	76.782.534	24.644.845	(15.371.837)
	238.182.318	76.782.534	24.644.845	(15.371.837)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

(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 September 2024 and 30 September 2023 are as follows:

Financial income:

	1 January- 30 September 2024	1 January- 0 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange gain	389.895.954	-	1.801.532.387	-
Interest income	1.236.472.467	392.717.759	486.984.226	276.492.254
	1.626.368.421	392.717.759	2.288.516.613	276.492.254

Financial expenses:

	1 January- 30 September 2024	1 January- 0 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest expense on leases	4.439.136.828	2.616.946.239	1.535.044.638	1.161.039.020
Interest expense on bank loans	436.189.730	194.990.527	92.864.625	70.536.946
Interest expense on issued debt instruments	807.169.445	621.774.117	248.137.943	248.660.261
Foreign exchange loss	-	106.833.739	-	693.140.338
Losses from derivative contracts	99.888.823	35.774.895	139.988.655	40.562.803
Commission and other expenses	1.267.664.594	597.565.719	628.808.349	258.893.938
	7.050.049.420	4.173.885.236	2.644.844.210	2.472.833.306

NOTE 20 - EARNINGS PER SHARE

Earnings per share disclosed in the 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 2023 and 2024 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 September 2024 and 30 September 2023 are as follows:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Net profit	11.320.281.004	9.046.139.766	10.824.093.347	7.719.239.456
Weighted average number of shares issued in the year	280.829.401	102.299.707	500.000.000	102.299.707
Income per share	40,31	88,43	21,65	75,46

NOTE 21 – DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	30 September 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Short term	-	297.090.558	12.607.533	109.079.828
Long term	-	271.863.753	-	64.250.780
	-	568.954.311	12.607.533	173.330.608

Explanations related to derivative instruments are disclosed in Note 24.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	30 September 2024	31 December 2023
Financial investments measured at amortized cost	4.263.660.282	7.042.103.028
Financial assets recognized at fair value through profit or loss	3.564.384.903	2.041.208.673
Time Deposit (*)	624.891.370	9.496.768.180
Allowance for credit risk adjustment under TFRS 9	(16.776.077)	(45.453.939)
	8.436.160.478	18.534.625.942

(*) The balance includes exchange rate protected time deposits amounting to TL 624.891.370, with original maturities between three months and one year.

Long term	30 September 2024	31 December 2023
Financial investments measured at amortized cost	4.913.327.816	1.741.816.637
Allowance for credit risk adjustment under TFRS 9	(334.441.341)	(67.581.142)
	4.578.886.475	1.674.235.495

Financial investments accounted at amortized cost

	30 September 2024	31 December 2023
Short term financial investments measured at amortized cost	4.263.660.282	7.042.103.028
Long term financial investments measured at amortized cost	4.913.327.816	1.741.816.637
	9.176.988.098	8.783.919.665

	30 September 2024	31 December 2023
Government Debt Securities	6.536.095.837	6.564.347.573
Corporate Debt Securities	2.640.892.261	2.219.572.092
	9.176.988.098	8.783.919.665

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.

The weighted average coupon interest rates of existing Euro, US Dollar and Pounds financial investments that are measured at amortized cost as of 30 September 2024 and 31 December 2023 are as follows:

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,6	US Dollars	5.707.920.368
Government Debt Securities	6,0	Euro	397.908.972
Government Debt Securities	6,7	GBP	430.266.497
Corporate Debt Securities	8,1	US Dollars	1.686.480.019
Corporate Debt Securities	6,7	Euro	954.412.242
30 September 2024			9.176.988.098

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	6,9	US Dollars	6.564.347.573
Corporate Debt Securities	8,5	US Dollars	2.219.572.092
31 December 2023			8.783.919.665

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Financial investments at fair value through other comprehensive income

	30 September 2024	31 December 2023
Government Debt Securities	2.500.766.883	1.882.477.151
Corporate Debt Securities	1.063.618.020	158.731.522
	3.564.384.903	2.041.208.673

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	8,3	US Dollars	2.500.766.883
Corporate Debt Securities	8,1	US Dollars	1.063.618.020
30 September 2024			3.564.384.903

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,8	US Dollars	1.882.477.151
Corporate Debt Securities	9,3	US Dollars	158.731.522
31 December 2023			2.041.208.673

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.

Financial Liabilities

The details of financial liabilities as of 30 September 2024 and 31 December 2023 are as follows:

Short term financial liabilities	30 September 2024	31 December 2023
Short term bank borrowings	5.084.515.230	5.353.784.770
	5.084.515.230	5.353.784.770

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Short term portion of long term financial liabilities	30 September 2024	31 December 2023
Short term portion of long term bank borrowings	1.482.994.249	1.011.358.155
Principal and interest of bonds issued	6.321.815.404	968.515.134
Discount and commissions of bonds issued	(77.749.734)	(35.165.530)
Lease liabilities	14.177.801.745	11.326.083.111
<i>Short term portion of long term lease liabilities</i>	<i>1.628.766.916</i>	<i>1.372.450.408</i>
<i>Short term portion of long term lease liabilities with purchase option</i>	<i>12.549.034.829</i>	<i>9.953.632.703</i>
	21.904.861.664	13.270.790.870

Long term financial liabilities	30 September 2024	31 December 2023
Long term bank borrowings	913.506.383	2.106.183.775
Issued debt instruments (*)	16.510.859.313	10.252.656.283
Discount and commissions of bonds issued	(79.186.630)	(46.823.151)
Lease liabilities	113.094.737.887	88.581.646.542
<i>Long term lease liabilities</i>	<i>6.784.720.376</i>	<i>4.784.464.987</i>
<i>Long term lease liabilities with purchase option</i>	<i>106.310.017.511</i>	<i>83.797.181.555</i>
	130.439.916.953	100.893.663.449

(*) 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 US\$ 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. As of September 12, 2024, tender offer process is completed and the purchase and settlement by the Group of notes with a total nominal value of US\$ 211.086.000 are concluded. Following the settlement of the notes that are purchased, the total nominal value of the outstanding notes due 2026 will be US 163.914.000.

The Group issued bonds to qualified investors abroad on September 30, 2024, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of US\$ 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 September 2024, 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 SEPTEMBER 2024**

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

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Borrowings

The effective interest rates, original currency and TL equivalents of the short and long term bank borrowings as of 30 September 2024 and 31 December 2023 are as follows :

30 September 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	6,42	Euro	133.739.682	5.084.515.230
				5.084.515.230

31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	7,04	Euro	164.358.114	5.353.784.770
				5.353.784.770

30 September 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term portion of long term bank borrowings	5,74	Euro	39.007.687	1.482.994.249
				1.482.994.249

31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term portion of long term bank borrowings	5,42	Euro	31.048.114	1.011.358.155
				1.011.358.155

30 September 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Long term bank borrowings	4,51	Euro	24.028.260	913.506.383
				913.506.383

31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Long term bank borrowings	5,57	Euro	64.658.631	2.106.183.775
				2.106.183.775

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Lease Liabilities

The details of lease liabilities as of 30 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Less than 1 year	19.748.843.895	15.612.828.462
Between 1 - 5 years	71.597.111.366	51.728.967.777
Over 5 years	63.464.520.072	51.771.613.861
	154.810.475.333	119.113.410.100
Less: Future interest expenses	(27.537.935.701)	(19.205.680.447)
	127.272.539.632	99.907.729.653

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

	30 September 2024	31 December 2023
Less than 1 year	14.177.801.745	11.326.083.111
Between 1 - 5 years	56.869.947.742	42.463.408.399
Over 5 years	56.224.790.145	46.118.238.143
	127.272.539.632	99.907.729.653

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,90 years. For the period ended 30 September 2024, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to TL 92.058.373.629, is 4,33% (31 December 2023: 3,92%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to TL 12.112.976.223, is 7, 24% (31 December 2023: 6,71%).

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

The Group's activities expose financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

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 SEPTEMBER 2024**

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

Foreign currency risk management

The Group's foreign currency position of monetary and non-monetary assets/liabilities for the years ended 30 September 2024 and 31 December 2023 are as follows:

30 September 2024	TL Total	USD	TL	GBP	Other
1. Trade receivables	2.003.469.979	7.077.282	1.328.809.755	2.185.052	333.886.664
2a. Monetary financial assets	46.615.874.651	1.194.187.131	4.571.025.052	14.485.322	675.337.151
2b. Non monetary financial assets	-	-	-	-	-
3. Other	217.857.562	4.477.772	55.401.928	189.376	1.184.052
4. CURRENT ASSETS	48.837.202.192	1.205.742.185	5.955.236.735	16.859.750	1.010.407.867
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	4.578.886.507	134.317.586	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	1.531.901.549	43.467.874	647.541	63.000	46.565.113
8. NON CURRENT ASSETS	6.110.788.056	177.785.460	647.541	63.000	46.565.113
9. TOTAL ASSETS	54.947.990.248	1.383.527.645	5.955.884.276	16.922.750	1.056.972.980
10. Trade payables	4.404.383.802	76.987.762	1.562.692.055	333.552	201.988.715
11. Financial liabilities	9.705.801.277	284.405.744	10.409.464	-	-
12a. Other liabilities, monetary	5.196.172.214	46.329.423	3.556.880.649	220.338	49.887.166
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	19.306.357.293	407.722.929	5.129.982.168	553.890	251.875.881
14. Trade payables	-	-	-	-	-
15. Financial liabilities	45.387.789.354	1.331.171.748	8.144.465	-	-
16a. Other liabilities, monetary	4.588.224.201	134.591.499	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	49.976.013.555	1.465.763.247	8.144.465	-	-
18. TOTAL LIABILITIES	69.282.370.848	1.873.486.176	5.138.126.633	553.890	251.875.881
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	(63.422.041)	45.897.963	-	(35.750.000)	-
19.a Off-statement of financial position foreign currency derivative assets	1.564.661.559	45.897.963	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	1.628.083.600	-	-	35.750.000	-
20. Net foreign currency asset/(liability) position	(14.334.380.600)	(489.958.531)	817.757.643	16.368.860	805.097.099
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(14.334.380.600)	(489.958.531)	817.757.643	16.368.860	805.097.099

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

Foreign currency risk management

31 December 2023	TL Total	USD	TL	GBP	Other
1. Trade receivables	1.131.637.640	7.469.645	684.110.649	1.460.848	172.937.455
2a. Monetary financial assets	24.563.475.881	668.634.650	3.870.699.898	9.097.013	668.767.798
2b. Non monetary financial assets	-	-	-	-	-
3. Other	101.813.001	6.084.964	(85.591.461)	189.475	1.179.809
4. CURRENT ASSETS	25.796.926.522	682.189.259	4.469.219.086	10.747.336	842.885.062
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	1.674.235.510	56.872.890	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	898.327.414	25.840.671	631.013	1.000	136.956.118
8. NON CURRENT ASSETS	2.572.562.924	82.713.561	631.013	1.000	136.956.118
9. TOTAL ASSETS	28.369.489.446	764.902.820	4.469.850.099	10.748.336	979.841.180
10. Trade payables	3.806.923.984	70.554.166	1.288.319.658	789.344	412.062.295
11. Financial liabilities	4.083.837.381	138.430.478	8.693.284	-	-
12a. Other liabilities, monetary	3.054.811.062	21.299.965	2.365.708.819	133.847	57.058.154
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	10.945.572.427	230.284.609	3.662.721.761	923.191	469.120.449
14. Trade payables	-	-	-	-	-
15. Financial liabilities	35.836.803.936	1.216.807.510	16.181.095	-	-
16a. Other liabilities, monetary	4.436.132.056	150.693.047	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	40.272.935.992	1.367.500.557	16.181.095	-	-
18. TOTAL LIABILITIES	51.218.508.419	1.597.785.166	3.678.902.856	923.191	469.120.449
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	(43.592.362)	9.584.500	-	(8.700.000)	-
19.a Off-statement of financial position foreign currency derivative assets	282.150.428	9.584.500	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	325.742.790	-	-	8.700.000	-
20. Net foreign currency asset/(liability) position	(22.849.018.973)	(832.882.346)	790.947.243	9.825.145	510.720.731
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(22.849.018.973)	(832.882.346)	790.947.243	9.825.145	510.720.731

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

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 September 2024 and 31 December 2023 are as follows:

30 September 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)	(1.670.268.632)	1.670.268.632	-	-
Part of hedged from USD risk	156.466.156	(156.466.156)	-	-
USD net effect	(1.513.802.476)	1.513.802.476	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	81.775.764	(81.775.764)	7.576.598.435	(7.576.598.435)
Part of hedged from TL risk	-	-	-	-
TL net effect	81.775.764	(81.775.764)	7.576.598.435	(7.576.598.435)
Effect of 10% change in GBP rate				
GBP net asset / liability	74.545.098	(74.545.098)	-	-
Part of hedged from GBP risk	(162.808.360)	162.808.360	-	-
GBP net effect	(88.263.262)	88.263.262	-	-
31 December 2023				
Effect of 10% change in USD rate				
USD net asset / (liability)	(2.451.855.708)	2.451.855.708	-	-
Part of hedged from USD risk	28.215.043	(28.215.043)	-	-
USD net effect	(2.423.640.665)	2.423.640.665	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	79.094.724	(79.094.724)	5.479.918.416	(5.479.918.416)
Part of hedged from TL risk	-	-	-	-
TL net effect	79.094.724	(79.094.724)	5.479.918.416	(5.479.918.416)
Effect of 10% change in GBP rate				
GBP net asset / liability	36.787.013	(36.787.013)	-	-
Part of hedged from GBP risk	(32.574.279)	32.574.279	-	-
GBP net effect	4.212.734	(4.212.734)	-	-

(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 SEPTEMBER 2024**

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

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

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 September 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	47.040.611.014	-	-	47.040.611.014	27
Trade receivables	3.073.029.118	-	-	3.073.029.118	6
- <i>Other</i>	3.073.029.118	-	-	3.073.029.118	6
Other receivables	2.910.803.309	-	-	2.910.803.309	
- <i>Related party</i>	-	-	-	-	5
- <i>Other</i>	2.910.803.309	-	-	2.910.803.309	
Financial investments	9.381.046.284	3.564.384.903	-	13.015.046.953	22
Financial liabilities					
Bank borrowings	7.481.015.862	-	-	7.481.015.862	22
Issued debt instruments	12.779.914.875	-	-	22.675.738.353	
Trade payables	9.765.646.973	-	-	9.765.646.973	6
- <i>Related party</i>	32.340.620	-	-	32.340.620	5
- <i>Other</i>	9.733.306.353	-	-	9.733.306.353	
Other payables	480.931.235	-	-	480.931.235	

(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 SEPTEMBER 2024**

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

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

Fair Value of Financial Instruments

31 December 2023	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	16.078.358.927	-	-	16.078.358.927	27
Trade receivables	1.668.899.597	-	-	1.668.899.597	6
- <i>Other</i>	1.668.899.597	-	-	1.668.899.597	6
Other receivables	1.963.490.163	-	-	1.963.490.163	
- <i>Related party</i>	44.138	-	-	44.138	5
- <i>Other</i>	1.963.446.025	-	-	1.963.446.025	
Financial investments	18.514.030.082	2.041.208.673	-	20.208.861.437	22
Derivative financial assets	-	-	12.607.533	12.607.533	21
Financial liabilities					
Bank borrowings	8.471.326.700	-	-	8.471.326.700	22
Issued debt instruments	11.296.013.203	-	-	11.139.182.736	
Trade payables	6.526.115.717	-	-	6.526.115.717	6
- <i>Related party</i>	17.811.962	-	-	17.811.962	5
- <i>Other</i>	6.508.303.755	-	-	6.508.303.755	
Other payables	260.455.138	-	-	260.455.138	
Derivative financial liabilities	-	173.330.608	-	173.330.608	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024**

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

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

Fair Value of Financial Instruments

31 December 2023	Currency forward contracts	Fuel purchase option contracts	Total
Fair value:			
Opening	-	353.399.409	353.399.409
Fair value increase / (decrease)			
Recognized in equity	-	(526.730.017)	(526.730.017)
Recognized in profit or loss	12.607.533	-	12.607.533
Closing	12.607.533	(173.330.608)	(160.723.075)
Assets	12.607.533	-	12.607.533
Liabilities	-	(173.330.608)	(173.330.608)
Total net assets and liabilities	12.607.533	(173.330.608)	(160.723.075)

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 49,2% and 24,3% 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 September 2024, the contracts last until December 2025. The total nominal value of these contracts is USD 499,9 million, and the weighted average price is in the range of USD 68-87. The ineffective portion of the hedge is not material as of 30 September 2024. In the current period, the income that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to TL 85.585.786 (30 September 2023: TL 205.013.049 derivative expenses 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 SEPTEMBER 2024**

(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 2023 taxation period. It continues to be applied as 25% for the 2024 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 September 2024 and 30 September 2023 are presented below:

	1 January- 30 September 2024	1 January- 30 September 2023
Tax income/(expense)		
- Deferred tax income/(expense)	(427.880.382)	(298.159.404)
Total tax income/(expense)	(427.880.382)	(298.159.404)

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 7.456.416.861 (31 December 2023: TL 4.665.178.489) that the Group will benefit from in the foreseeable future as of 30 September 2024 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 September 2024, deferred tax income amounting to TL 1.853.629.603 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 30 September 2024.

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 September 2024, 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 SEPTEMBER 2024**

(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 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Cash on hand	4.700.676	3.547.661
Cash at banks	47.059.174.978	16.082.396.035
- Demand deposits	644.706.023	1.013.999.269
- Time deposits	46.414.468.955	15.068.396.766
Allowance for credit risk adjustment under TFRS 9	(23.264.640)	(7.584.769)
	47.040.611.014	16.078.358.927

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

30 September 2024	Weighted average interest rates	Total
USD deposits	4,26 %	34.613.689.146
EUR deposits	2,68 %	7.207.015.137
TL deposits	47,17 %	4.027.534.179
GBP deposits	0,57 %	132.653.536
IRR deposits	5,00 %	433.576.957
		46.414.468.955

31 December 2023	Weighted average interest rates	Total
USD deposits	4,24 %	10.443.064.645
EUR deposits	3,16 %	2.414.971.977
TL deposits	40,80 %	1.899.286.123
GBP deposits	0,26 %	311.074.021
		15.068.396.766

As of 30 September 2024 and 31 December 2023 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 September 2024	Euro 1 January- 30 September 2023	Euro 1 July - 30 September 2024	Euro 1 July - 30 September 2023
Scheduled flight and service revenue	2.329.145.183	2.027.118.967	1.069.780.036	945.113.537
<i>International flight revenue</i>	<i>1.240.462.653</i>	<i>1.184.856.492</i>	<i>606.863.778</i>	<i>589.705.787</i>
<i>Domestic flight revenue</i>	<i>310.461.681</i>	<i>229.617.422</i>	<i>144.900.747</i>	<i>104.703.706</i>
<i>Service revenue</i>	<i>778.220.849</i>	<i>612.645.053</i>	<i>318.015.511</i>	<i>250.704.044</i>
Charter flight and service revenue	36.347.990	27.664.763	18.731.523	14.611.195
<i>Charter flight revenue</i>	<i>36.347.990</i>	<i>27.664.763</i>	<i>18.731.523</i>	<i>14.611.195</i>
Other revenue	7.848.539	6.694.909	2.889.690	2.065.070
	2.373.341.712	2.061.478.639	1.091.401.249	961.789.802

Expenses by Nature

	Euro 1 January- 30 September 2024	Euro 1 January- 30 September 2023	Euro 1 July - 30 September 2024	Euro 1 July - 30 September 2023
Jet fuel expenses	671.302.439	606.255.673	243.922.370	256.448.356
Depreciation and amortisation expenses	249.382.548	220.596.763	85.722.536	77.839.528
Personnel expenses	354.496.586	229.256.275	158.787.414	87.370.323
Handling and station fees	162.703.478	137.871.278	63.523.167	55.491.211
Navigation expenses	132.632.765	114.703.376	51.560.032	45.314.374
Maintenance expenses	80.619.737	48.625.405	28.005.248	18.095.326
Landing expenses	76.019.426	67.516.762	29.425.653	27.955.386
Commission expenses	18.703.819	15.955.564	8.829.014	5.181.225
Advertising expenses	13.769.647	11.221.206	3.734.591	4.205.603
Passenger service and catering expenses	27.052.803	18.477.865	12.220.171	7.932.055
Short term lease expenses	1.222.828	21.256.275	13.679	10.041.000
Other expenses	124.208.241	94.807.486	48.360.799	31.728.756
	1.912.114.317	1.586.543.928	734.104.674	627.603.143