

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

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE  
THREE MONTH INTERIM PERIOD ENDED  
31 MARCH 2024

<b>INDEX</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER .....</b>	
<b>COMPREHENSIVE INCOME .....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>5</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>6-45</b>
NOTE 1 ORGANISATION AND OPERATIONS OF THE GROUP .....	6
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	6-11
NOTE 3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD .....	12-13
NOTE 4 SEGMENT REPORTING .....	13
NOTE 5 RELATED PARTY DISCLOSURES.....	13-15
NOTE 6 TRADE RECEIVABLES AND PAYABLES OTHER RECEIVABLES .....	16-17
NOTE 7 PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES .....	17-18
NOTE 8 PROPERTY AND EQUIPMENT.....	19-20
NOTE 9 INTANGIBLE ASSETS .....	21
NOTE 10 RIGHT OF USE ASSETS .....	21-22
NOTE 11 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	22-23
NOTE 12 COMMITMENTS.....	23-25
NOTE 13 EXPENSES BY NATURE .....	26
NOTE 14 SHAREHOLDERS' EQUITY .....	26
NOTE 15 REVENUE AND COST OF SALES .....	27
NOTE 16 GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES.....	28
NOTE 17 OTHER OPERATING INCOME AND EXPENSES .....	29
NOTE 18 INCOME AND EXPENSES FROM INVESTING ACTIVITIES.....	29-30
NOTE 19 FINANCIAL INCOME AND EXPENSES .....	30
NOTE 20 EARNINGS / LOSS PER SHARE .....	30
NOTE 21 DERIVATIVE FINANCIAL INSTRUMENTS .....	31
NOTE 22 FINANCIAL INSTRUMENTS .....	31-36
NOTE 23 NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS .....	36-39
NOTE 24 FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES).....	40-43
NOTE 25 EVENTS AFTER REPORTING PERIOD .....	43
NOTE 26 INCOME TAX EXPENSE .....	44
NOTE 27 EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW.....	45

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 MARCH 2024

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

	Notes	Current period 31 March 2024	Prior period 31 December 2023
<b>ASSETS</b>			
<b>Current assets</b>		<b>1.647.425.428</b>	<b>1.473.620.823</b>
Cash and cash equivalents	27	813.387.991	493.596.374
Financial assets	22	341.466.277	569.002.359
Trade receivables	6	83.581.352	51.234.258
<i>Trade receivables from third parties</i>		83.581.352	51.234.258
Other receivables	6	5.448.357	5.667.491
<i>Other receivables from related parties</i>	5	139.202	1.355
<i>Other receivables from third parties</i>		5.309.155	5.666.136
Derivative financial instruments	21	4.985.219	387.044
Inventories		38.102.419	33.010.286
Prepayments	7	353.316.229	313.183.370
Current income tax assets		820.929	600.261
Other current assets		6.316.655	6.939.380
<b>Non-Current assets</b>		<b>4.765.433.877</b>	<b>4.726.283.979</b>
Financial assets	22	76.055.876	51.398.067
Other receivables	6	58.622.449	54.610.528
<i>Other receivables from third parties</i>		58.622.449	54.610.528
Derivative financial instruments	21	3.097.663	-
Investments accounted by using the equity method	3	19.391.598	18.496.139
Property and equipment	8	346.786.285	318.589.424
Intangible assets	9	20.864.544	19.755.206
Right of use assets	10	3.440.642.263	3.484.661.746
Prepayments	7	411.230.047	390.435.418
Deferred tax assets		388.743.152	388.337.451
<b>TOTAL ASSETS</b>		<b>6.412.859.305</b>	<b>6.199.904.802</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 MARCH 2024

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

	Notes	Current period 31 March 2024	Prior period 31 December 2023
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>1.438.793.890</b>	<b>1.141.521.116</b>
Short term borrowings	22	274.008.542	164.358.114
Short term portion of long term borrowings	22	59.491.433	59.701.410
Short term portion of long term lease liabilities	22	345.629.677	347.704.239
Trade payables	6	216.343.884	200.348.000
<i>Trade payables to related parties</i>	5	827.905	546.817
<i>Trade payables to third parties</i>		215.515.979	199.801.183
Employee benefit obligations		33.240.887	12.226.645
Other payables	6	13.139.258	7.995.823
<i>Other payables to third parties</i>		13.139.258	7.995.823
Contract liabilities	7	408.813.948	258.437.538
Derivative financial instruments	21	-	3.348.688
Deferred income	7	27.809.927	24.007.806
Short term provisions		60.316.334	63.392.853
<i>Short term provisions for employee benefits</i>		48.362.249	48.747.417
<i>Other short term provisions</i>		11.954.085	14.645.436
<b>Non-Current liabilities</b>		<b>3.388.090.918</b>	<b>3.380.071.120</b>
Long term borrowings	22	366.313.457	377.971.840
Long term lease liabilities	22	2.702.670.522	2.719.405.614
Derivative financial instruments	7	-	1.972.462
Deferred income		149.228.590	107.657.057
Long term provisions		169.878.349	173.064.147
<i>Long term provisions for employee benefits</i>		37.063.528	36.877.444
<i>Other long term provisions</i>		132.814.821	136.186.703
<b>SHAREHOLDERS' EQUITY</b>		<b>1.585.974.497</b>	<b>1.678.312.566</b>
Paid-in share capital	14	60.544.134	60.544.134
Share premiums on capital stock		194.089.305	194.089.305
Other comprehensive income/expense not to be reclassified to profit or loss			
Actuarial losses on defined benefit plans		(2.835.364)	(3.254.102)
Other comprehensive income/expense to be reclassified to profit or loss			
Currency translation differences		9.405.840	8.808.787
Hedge fund		5.764.187	(3.990.862)
Gain on financial assets measured at fair value		1.331.520	1.483.652
Restricted profit reserves		4.047.406	4.047.406
Retained earnings		1.416.584.246	626.643.772
Net income for the period		(102.956.777)	789.940.474
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6.412.859.305</b>	<b>6.199.904.802</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024

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

Profit or loss	Notes	Current period 1 January- 31 March 2024	Prior period 1 January- 31 March 2023
Revenue	15	518.722.226	442.402.540
Cost of sales (-)	15	(532.082.958)	(423.281.007)
<b>Gross profit</b>		<b>(13.360.732)</b>	<b>19.121.533</b>
General administrative expenses (-)	16	(17.610.318)	(14.684.593)
Selling and marketing expenses (-)	16	(13.562.378)	(10.637.277)
Other operating income	17	9.375.562	1.776.938
Other operating expenses (-)	17	(1.687.884)	(1.872.203)
<b>Operating profit</b>		<b>(36.845.750)</b>	<b>(6.295.602)</b>
Income from investing activities	18	21.242.655	7.139.935
Expenses from investing activities (-)	18	(4.887.978)	-
Share of investments income accounted for using the equity method	3	436.647	496.336
<b>Operating profit before financial expense</b>		<b>(20.054.426)</b>	<b>1.340.669</b>
Financial income	19	10.500.394	25.561.966
Financial expense (-)	19	(97.150.959)	(49.614.415)
<b>Profit before tax</b>		<b>(106.704.991)</b>	<b>(22.711.780)</b>
<b>Tax income/(expense)</b>		<b>3.748.214</b>	<b>474.723</b>
Deferred tax income/(expense)	26	3.748.214	474.723
<b>Net profit for the period</b>		<b>(102.956.777)</b>	<b>(22.237.057)</b>
Income/(loss) per share EUR cents	20	(1,01)	(0,22)
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Actuarial (losses) / gains on defined benefit plans		558.317	(2.578.865)
Deferred tax effect		(139.579)	515.773
<b>Items to be reclassified to profit or loss</b>			
Currency translation differences		597.053	(188.670)
Gain on financial assets measured at fair value		(202.842)	(656.224)
Cash flow hedge		13.006.733	(17.043.348)
Deferred tax effect		(3.200.974)	3.539.915
<b>Other comprehensive income</b>		<b>10.618.708</b>	<b>(16.411.419)</b>
<b>Total comprehensive income</b>		<b>(92.338.069)</b>	<b>(38.648.476)</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2024**

(Amounts are expressed in full Euros (EUR) 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	
<b>As at 1 January 2023</b>	<b>60.544.134</b>	<b>194.089.305</b>	<b>(3.741.402)</b>	<b>8.071.040</b>	<b>14.182.139</b>	<b>1.346.769</b>	<b>4.047.406</b>	<b>195.884.759</b>	<b>430.759.013</b>	<b>905.183.163</b>
Transfers	-	-	-	-	(14.182.139)	-	-	430.759.013	(416.576.874)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(22.237.057)	(22.237.057)
Other comprehensive income / (expense)	-	-	(2.063.092)	(188.670)	547.461	(524.979)	-	-	(14.182.139)	(16.411.419)
<b>As at 31 March 2023</b>	<b>60.544.134</b>	<b>194.089.305</b>	<b>(5.804.494)</b>	<b>7.882.370</b>	<b>547.461</b>	<b>821.790</b>	<b>4.047.406</b>	<b>626.643.772</b>	<b>(22.237.057)</b>	<b>866.534.687</b>
<b>As at 1 January 2024</b>	<b>60.544.134</b>	<b>194.089.305</b>	<b>(3.254.102)</b>	<b>8.808.787</b>	<b>(3.990.862)</b>	<b>1.483.652</b>	<b>4.047.406</b>	<b>626.643.772</b>	<b>789.940.474</b>	<b>1.678.312.566</b>
Transfers	-	-	-	-	3.990.862	-	-	789.940.474	(793.931.336)	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(102.956.777)	(102.956.777)
Other comprehensive income / (expense)	-	-	418.738	597.053	5.764.187	(152.132)	-	-	3.990.862	10.618.708
<b>As at 31 March 2024</b>	<b>60.544.134</b>	<b>194.089.305</b>	<b>(2.835.364)</b>	<b>9.405.840</b>	<b>5.764.187</b>	<b>1.331.520</b>	<b>4.047.406</b>	<b>1.416.584.246</b>	<b>(102.956.777)</b>	<b>1.585.974.497</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

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

	Notes	Current period 1 January- 31 March 2024	Prior period 1 January- 31 March 2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Income/(loss) for the period</b>		<b>(102.956.777)</b>	<b>(22.237.057)</b>
<b>Adjustments to reconcile the income/(loss)</b>			
Depreciation and amortization	8-9-10	82.543.630	72.946.148
Adjustments related with impairments		4.788.631	1.439.106
<i>Provision for doubtful receivable</i>		(99.347)	1.776.225
Adjustments related with financial investment impairments		4.887.978	(337.119)
Adjustments related with provisions		2.705.135	(4.895.972)
<i>Provision for employee benefits</i>		1.946.091	575.649
<i>Legal provision</i>		133.295	143.754
<i>Change in redelivery provision</i>		625.749	(5.615.375)
Interest and commission income		41.741.985	39.196.094
Adjustments related with fair value expense (income)		76.178	586.044
<i>Adjustments related with fair value expense (income) of financial assets</i>		76.178	586.044
Gain on equity investments accounted for using the equity method	3	(436.647)	(496.336)
Current tax expense		(3.748.214)	(474.723)
Other provisions related with investing or financing activities		23.684.705	(21.859.763)
<b>Changes in working capital</b>			
Increase in trade receivables		(32.247.747)	4.682.392
Increase in other receivables, prepayments and other assets		(90.654.009)	(712.760)
Increase in inventories		(5.092.133)	(76.930)
Increase in trade payables		15.995.884	(26.626.753)
Increase in deferred income, other payables and other current liabilities		221.182.764	78.074.518
<b>Net cash generated from operating activities</b>		<b>157.583.385</b>	<b>119.544.008</b>
Payment for the employee benefits provisions		(752.789)	(2.164.025)
Payment for other provisions		(7.165)	(15.471)
		<b>156.823.431</b>	<b>117.364.512</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash changes from acquisition and sale of debt instruments of other entities		55.413.333	1.355.563
Net cash changes from purchase and sale of property, equipment and intangible assets		43.121.685	(4.449.553)
Interest received from financial investment		15.860.686	7.622.424
Changes in cash advances and payables		(43.820.166)	(42.890.842)
Other cash changes		146.932.472	(7.075.683)
		<b>217.508.010</b>	<b>(45.438.091)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in borrowings		93.184.210	111.650.000
Repayment of borrowings		(14.500.000)	(78.650.000)
Repayment of principal in lease liabilities		(84.169.612)	(83.784.227)
Interest and commission paid		(51.042.810)	(30.596.730)
Interest received		10.363.418	3.248.391
		<b>(46.164.794)</b>	<b>(78.132.566)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE TRANSLATION EFFECT (A+B+C)</b>		<b>328.166.647</b>	<b>(6.206.145)</b>
<b>D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(8.375.030)</b>	<b>(1.846.068)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
<b>AT THE BEGINNING OF THE PERIOD</b>	27	493.596.374	529.637.313
<b>AT THE END OF THE PERIOD (A+B+C+D+E)</b>	27	<b>813.387.991</b>	<b>521.585.100</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
Esas Holding A.Ş. (“Esas Holding”)	56,65%	56,65%
Publicly held	41,53%	41,53%
Sabancı Family Members	1,82%	1,82%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

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 31 March 2024 is 8.204 (31 December 2023: 7.670). The address of its principal office is Aeropark Yenişehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

##### Financial reporting standards

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

Board of Directors has approved the condensed consolidated financial statements as of 31 March 2024 and delegated authority for publishing it on 8 May 2024.

The 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 condensed consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The condensed consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue to utilize its assets effectively and meet its obligations in the normal course of business operations.



# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### 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 Group and management reports and budget enabling the Company's management to make executive decisions are prepared in Euro. The functional currency of the Company and its subsidiaries is Euro.

For the companies in Turkiye that maintain financial records in TL, currency translation from TL to the functional currency Euro 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.

##### Financial Reporting in Hyperinflationary Economies

In accordance with the requirements of IAS 29, Financial Reporting in Hyperinflationary Economies ("IAS 29"), regarding the changes in the general purchasing power of TL, financial statements prepared in the currency of an economy with hyperinflation should be expressed in the unit of measurement valid at the balance sheet date, and the amounts in previous periods should be prepared in the same way. Considering that the Company's functional currency is EUR as of the reporting date, no adjustments within the scope of IAS 29 are necessary in its consolidated financial statements prepared in accordance with IFRS. However, the financial statements as at 31 December 2023, prepared in accordance with the Tax Law, have been subject to inflation correction in accordance with the relevant legislation.

##### 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 significant changes are disclosed if necessary.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 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>31 March 2024</u>	<u>31 December 2023</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Turkey
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 31 March 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>31 March 2024</u>	<u>31 December 2023</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training Information	49,40%	49,40%	Joint venture	Turkey
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	system solutions	36,82%	36,82%	Joint venture	Turkey

(\*) 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 condensed consolidated financial statements as of March 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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### 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 IAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In March 2020 and January 2023, IASB issued amendments to IAS 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 IAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

In January 2023, the Board issued amendments to IFRS 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 recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 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 IFRS 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 IAS 8. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Amendments to IAS 7 and IFRS 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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### 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 IAS 7 and IFRS 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 IFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. Early adoption is permitted but will need to be disclosed. Overall, the Group expects no significant impact on its balance sheet and equity.

##### **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 condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

##### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2015, IASB 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.

##### **IFRS 17 - The new Standard for insurance contracts**

IASB issued IFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after 1 January 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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### 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 IAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 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. Overall, the Group expects no significant impact on its balance sheet and equity.

##### 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 IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of IFRS. The Group will make the necessary changes to its condensed consolidated financial statements after the amendments and new Standard are issued and become effective under IFRS.

##### **Amendments to IAS 21 - Lack of exchangeability**

In August 2023, IASB issued amendments to IAS 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. Overall, the Group expects no significant impact on its balance sheet and equity

##### **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. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively. Overall, the Group expects no significant impact on its balance sheet and equity

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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:

	31 March 2024	31 December 2023
<b>Joint ventures</b>		
Hitit Bilgisayar	18.084.810	17.189.351
PUEM	1.306.788	1.306.788
	<b>19.391.598</b>	<b>18.496.139</b>

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

	1 January- 31 March 2024	1 January- 31 March 2023
Hitit Bilgisayar	436.647	626.197
PUEM	-	(129.861)
<b>Net profit</b>	<b>436.647</b>	<b>496.336</b>

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

#### PUEM

	31 March 2024	31 December 2023
Current assets	2.647.354	2.647.354
Non-current assets	9.298	9.298
Current liabilities	(9.700)	(9.700)
Non-current liabilities	(1.632)	(1.632)
<b>Net assets of joint venture</b>	<b>2.645.320</b>	<b>2.645.320</b>
Group's ownership interest in the joint venture	49,40%	49,40%
<b>Group's share in the net assets of the joint venture</b>	<b>1.306.788</b>	<b>1.306.788</b>

PUEM	1 January- 31 March 2024	1 January- 31 March 2023
Depreciation&amortisation expense	-	(25.206)
Interest income/(expense), net	-	19.777
Profit for the year	-	(262.876)
Group's ownership interest	49,40%	49,40%
<b>Group's share in the net profit of the joint venture</b>	<b>-</b>	<b>(129.861)</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

##### Hitit Bilgisayar

	31 March 2024	31 December 2023
Current assets	21.042.808	22.768.764
Non-current assets	35.393.833	30.759.077
Current liabilities	(4.932.878)	(4.666.782)
Non-current liabilities	(2.693.291)	(2.474.670)
<b>Net assets of joint venture</b>	<b>48.810.472</b>	<b>46.386.389</b>
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	112.794	109.883
<b>Group's share in the net assets of the joint venture</b>	<b>18.084.810</b>	<b>17.189.351</b>

  

	1 January- 31 March 2024	1 January- 31 March 2023
Revenue	6.435.547	5.912.052
Depreciation&amortisation expense	(1.209.534)	(887.524)
Interest income/(expense), net	(856.856)	204.712
Profit for the year	1.185.896	1.700.698
Group's weighted average ownership interest	36,82%	36,82%
<b>Group's share in the net profit of the joint venture</b>	<b>436.647</b>	<b>626.197</b>

#### 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). There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally not secured and interest free.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 5 - RELATED PARTY TRANSACTIONS

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

a) **Other receivables from related parties**

	31 March 2024	31 December 2023
<b>Balances with joint ventures:</b>		
PUEM	1.447	1.355
<b>Balances with other related parties:</b>		
Esasburda İnşaat Sanayi ve Ticaret A.Ş.	137.755	-
	<b>139.202</b>	<b>1.355</b>

b) **Trade payables to related parties**

	31 March 2024	31 December 2023
<b>Balances with parent company:</b>		
<b>Balances with joint ventures:</b>		
Hitit Bilgisayar	824.737	544.935
<b>Balances with other related parties:</b>		
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	3.168	1.882
	<b>827.905</b>	<b>546.817</b>

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

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

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

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.

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- 31 March 2024	1 January- 31 March 2023
<b>Transactions with joint ventures:</b>		
PUEM	-	48.306
	-	<b>48.306</b>



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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 5 - RELATED PARTY TRANSACTIONS

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

##### b) Purchases of goods or services

	1 January- 31 March 2024	1 January- 31 March 2023
<b>Transactions with joint ventures:</b>		
Hitit Bilgisayar	1.938.894	1.721.553
<b>Transactions with other related parties:</b>		
Alarm Sağlık	6.019	5.525
Esasburda	88.887	99.273
Other	262	-
	<b>2.034.062</b>	<b>1.826.351</b>

##### c) Rent expenses

	1 January- 31 March 2024	1 January- 31 March 2023
Esasburda(*)	239.763	254.569
	<b>239.763</b>	<b>254.569</b>

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

##### d) Commission expenses

	1 January- 31 March 2024	1 January- 31 March 2023
Esas Holding	-	172.417
	-	<b>172.417</b>

##### (iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 31 March 2024 and 31 March 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Salaries and other short term benefits	596.065	426.172
Other long term benefits	67.503	-
	<b>663.568</b>	<b>426.172</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Trade receivables	38.318.673	32.451.637
Credit card receivables	45.030.770	19.939.338
Income accruals	4.262.768	2.255.604
	<b>87.612.211</b>	<b>54.646.579</b>
Less: Allowance for impairment	(4.030.859)	(3.412.321)
	<b>83.581.352</b>	<b>51.234.258</b>

The average collection period of trade receivables is approximately 28 days (31 December 2023: 17 days).

##### Short term trade payables

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

	31 March 2024	31 December 2023
Trade payables	66.886.222	117.335.409
Accrued direct operational costs	148.629.757	82.465.774
Trade payables to related parties (Note 5)	827.905	546.817
	<b>216.343.884</b>	<b>200.348.000</b>

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

##### Short term other receivables

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

	31 March 2024	31 December 2023
Deposits and guarantees given	1.580.058	1.566.529
Receivables from pilots for flight training	606.933	581.780
Receivables from tax office	2.810.713	3.002.995
Receivables from other related parties (Note 5)	139.202	1.355
Other receivables	311.451	514.832
	<b>5.448.357</b>	<b>5.667.491</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Receivables from pilot trainings	23.583.865	19.954.747
Deposits given	35.038.584	34.655.781
	<b>58.622.449</b>	<b>54.610.528</b>

##### Short term other payables

	31 March 2024	31 December 2023
Taxes payables	7.800.644	5.146.711
Deposits received	5.338.614	2.849.112
	<b>13.139.258</b>	<b>7.995.823</b>

(\*) The amount of EUR 1.636.802 in deposits and guarantees received, consists of guarantee deposits received to banks related to valuation of derivative contracts.

#### NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

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

##### Short term prepayments

	31 March 2024	31 December 2023
Advances on aircraft purchases	228.951.248	216.118.250
Advances to suppliers	106.142.041	83.131.675
Prepaid insurance expenses	12.400.722	9.447.292
Other prepaid expenses	5.822.218	4.486.153
	<b>353.316.229</b>	<b>313.183.370</b>

##### Long term prepayments

	31 March 2024	31 December 2023
Advances on aircraft purchases	51.334.046	57.451.883
Prepaid maintenance expenses	358.334.430	331.463.388
Other prepaid expenses	1.561.571	1.520.147
	<b>411.230.047</b>	<b>390.435.418</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

##### Deferred Income

##### Contract Liabilities

The details of contract liabilities as of 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
Flight liability from ticket sales	302.492.038	177.782.577
Passenger airport fees received from customers (*)	80.621.616	59.864.685
Flight liability from flight points	25.700.294	20.790.276
	<b>408.813.948</b>	<b>258.437.538</b>

(\*) 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

	<b>31 March 2024</b>	<b>31 December 2023</b>
Advances received from customers	22.675.093	18.032.923
Other deferred income	5.134.834	5.974.883
	<b>27.809.927</b>	<b>24.007.806</b>

##### Long term deferred income

	<b>31 March 2024</b>	<b>31 December 2023</b>
Deferred income	149.228.590	107.657.057
	<b>149.228.590</b>	<b>107.657.057</b>

Long term deferred income represent discounts received in advance from supplier contracts.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 MARCH 2024**

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

**NOTE 8 - PROPERTY AND EQUIPMENT**

<b>31 March 2024</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>spare engine and repairables</b>	<b>Owned Aircraft</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening	<b>33.882.470</b>	<b>22.022.783</b>	<b>36.102.691</b>	<b>13.466.158</b>	<b>205.052.745</b>	<b>275.625.690</b>	<b>8.071.106</b>	<b>594.223.643</b>
Additions	191.395	64.168	2.756.054	-	42.675.687	-	191.538	45.878.842
Transfers (*)	-	-	-	-	(8.348.532)	-	-	(8.348.532)
<b>Closing</b>	<b>34.073.865</b>	<b>22.086.951</b>	<b>38.858.745</b>	<b>13.466.158</b>	<b>239.379.900</b>	<b>275.625.690</b>	<b>8.262.644</b>	<b>631.753.953</b>
<b>Accumulated depreciation:</b>								
Opening	<b>(12.882.366)</b>	<b>(8.843.803)</b>	<b>(26.613.317)</b>	<b>(13.273.790)</b>	<b>(81.576.702)</b>	<b>(132.444.241)</b>	-	<b>(275.634.219)</b>
Depreciation for the year	(534.552)	(456.191)	(672.586)	(34.068)	(4.394.459)	(3.241.593)	-	(9.333.449)
<b>Closing</b>	<b>(13.416.918)</b>	<b>(9.299.994)</b>	<b>(27.285.903)</b>	<b>(13.307.858)</b>	<b>(85.971.161)</b>	<b>(135.685.834)</b>	-	<b>(284.967.668)</b>
<b>Net book value</b>	<b>20.656.947</b>	<b>12.786.957</b>	<b>11.572.842</b>	<b>158.300</b>	<b>153.408.739</b>	<b>139.939.856</b>	<b>8.262.644</b>	<b>346.786.285</b>

(\*) Transfers in components represent transfers to delivery maintenance provisions and aircraft. Transfers in owned aircraft include transfers from right of use assets of aircraft whose lease obligations have expired.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 MARCH 2024**

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

**NOTE 8 - PROPERTY AND EQUIPMENT**

<b>31 March 2023</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Components, spare engine and repairables</b>	<b>Owned Aircraft</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening	<b>22.856.402</b>	<b>17.538.461</b>	<b>31.742.705</b>	<b>13.794.322</b>	<b>211.916.764</b>	-	<b>11.645.647</b>	<b>309.494.301</b>
Additions	356.663	1.222	984.640	44.069	16.170.171	-	3.062.479	20.619.244
Disposals	-	-	(4.852)	-	-	-	-	(4.852)
Transfers (*)	8.100.000	-	-	-	(15.541.339)	-	(8.100.000)	(15.541.339)
<b>Closing</b>	<b>31.313.065</b>	<b>17.539.683</b>	<b>32.722.493</b>	<b>13.838.391</b>	<b>212.545.596</b>	-	<b>6.608.126</b>	<b>314.567.354</b>
<b>Accumulated depreciation:</b>								
Opening	<b>(11.145.716)</b>	<b>(7.376.805)</b>	<b>(24.959.374)</b>	<b>(13.538.437)</b>	<b>(76.170.728)</b>	-	-	<b>(133.191.060)</b>
Depreciation for the year	(612.297)	(335.644)	(522.576)	(46.204)	(2.532.488)	-	-	(4.049.209)
Disposals	-	-	122	-	-	-	-	122
<b>Closing</b>	<b>(11.758.013)</b>	<b>(7.712.449)</b>	<b>(25.481.828)</b>	<b>(13.584.641)</b>	<b>(78.703.216)</b>	-	-	<b>(137.240.147)</b>
<b>Net book value</b>	<b>19.555.052</b>	<b>9.827.234</b>	<b>7.240.665</b>	<b>253.750</b>	<b>133.842.380</b>	-	<b>6.608.126</b>	<b>177.327.207</b>

(\*) Transfers in components represent transfers to delivery maintenance provisions and aircraft.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 9 - INTANGIBLE ASSETS

Software	31 March 2024	31 March 2023
<b>Cost:</b>		
Opening	52.619.528	42.112.988
Additions	2.880.889	2.368.648
<b>Closing</b>	<b>55.500.417</b>	<b>44.481.636</b>
<b>Accumulated amortization:</b>		
Opening	(32.864.322)	(27.718.553)
Amortization for the year	(1.771.551)	(1.573.375)
<b>Closing</b>	<b>(34.635.873)</b>	<b>(29.291.928)</b>
<b>Net book value</b>	<b>20.864.544</b>	<b>15.189.708</b>

Remaining average useful life of intangible assets as of 31 March 2024 is 1,77 years (31 December 2023: 1,89 years).

#### NOTE 10 – RIGHT OF USE ASSETS

31 March 2024	Field Rental	Building	Aircraft	Other	Total
<b>Cost:</b>					
Opening	14.570.782	7.785.814	4.552.812.457	311.363	4.575.480.416
Additions	-	-	96.983.615	-	96.983.615
Disposals (*)	-	-	(270.012.555)	-	(270.012.555)
<b>Closing</b>	<b>14.570.782</b>	<b>7.785.814</b>	<b>4.379.783.517</b>	<b>311.363</b>	<b>4.402.451.476</b>
<b>Accumulated depreciation:</b>					
Opening	(11.292.007)	(4.952.114)	(1.074.263.186)	(311.363)	(1.090.818.670)
Depreciation for the period	111.363	(1.194.043)	(70.355.950)	-	(71.438.630)
Disposals (*)	-	-	200.448.087	-	200.448.087
<b>Closing</b>	<b>(11.180.644)</b>	<b>(6.146.157)</b>	<b>(944.171.049)</b>	<b>(311.363)</b>	<b>(961.809.213)</b>
<b>Net book value</b>	<b>3.390.138</b>	<b>1.639.657</b>	<b>3.435.612.468</b>	<b>-</b>	<b>3.440.642.263</b>

(\*) Aircrafts sold are shown as disposals, and aircraft whose lease obligations have ended are classified as transfers to tangible fixed assets.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 10 – RIGHT OF USE ASSETS

31 March 2023	Field Rental	Building	Aircraft	Other	Total
<b>Cost:</b>					
Opening	14.241.033	7.447.021	4.161.751.825	311.363	4.183.751.242
Additions	-	-	188.075.645	-	188.075.645
Disposals	-	-	(45.151.738)	-	(45.151.738)
<b>Closing</b>	<b>14.241.033</b>	<b>7.447.021</b>	<b>4.304.675.732</b>	<b>311.363</b>	<b>4.326.675.149</b>
<b>Accumulated depreciation:</b>					
Opening	(8.212.994)	(3.758.071)	(1.224.298.994)	(311.363)	(1.236.581.422)
Depreciation for the period	(879.384)	(264.600)	(66.179.581)	-	(67.323.565)
Disposals	-	-	45.151.738	-	45.151.738
<b>Closing</b>	<b>(9.092.378)</b>	<b>(4.022.671)</b>	<b>(1.245.326.837)</b>	<b>(311.363)</b>	<b>(1.258.753.249)</b>
<b>Net book value</b>	<b>5.148.655</b>	<b>3.424.350</b>	<b>3.059.348.895</b>	<b>-</b>	<b>3.067.921.900</b>

#### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The Group is party to various lawsuits and claims that have been filed against it, the total claims constituted by which, excluding reserved rights for claiming excess amounts, risk of litigation and interest, is EUR 4.557.893 as of 31 March 2024 (31 December 2023: EUR 4.249.941). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of EUR 1.076.735 (31 December 2023: EUR 1.020.572) has been provided against claims for which management believes it is probable it will be required to make a payment. These lawsuits consist of guest complaints and claims by the Group's former employees, besides a limited number of commercial claims.

##### 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 judgement commission has objected this verdict and EUR 51.165 (equivalent of TL 1.780.660,72) tax assessment has been declared to the Company. Against the assessment, the Company filed a tax lawsuit on September 6, 2021, the counterparty's petition was received on October 25, 2021 and the petition was answered on November 23, 2021.

The 7th Tax Court of Istanbul decided to accept the Company's case and rejected 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 the Company on September 28, 2022, and it was 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 31 December 2023. The Company has not recorded 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 EUR 765.689, EUR 988.985 and EUR 475.031, respectively. All three lawsuits act on same claims and the airports no. 5/2013 whereby the plaintiff, as the operator of the Ercan Airport under North Cyprus Airports Services and Charges Law, claims EUR 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 EUR 1.679.114,2. 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 contingency has been set aside for these lawsuits.

#### NOTE 12 - COMMITMENTS

##### **Purchase Commitments**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Commitments to purchase aircraft	10.235.176.962	10.108.778.049
	<b>10.235.176.962</b>	<b>10.108.778.049</b>

As of 31 March 2024, the Group holds firm orders for 67 aircraft. In accordance with agreement the expected deliveries are 15 aircraft in 2024, 11 aircraft in 2025, 8 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 EUR 280.285.294 (31 December 2022: EUR 273.570.133). Of this amount, EUR 228.951.248 is reclassified as short-term, and EUR 51.334.046 is reclassified as long-term prepayments (31 December 2022: EUR 216.118.250 is reclassified as short-term, EUR 57.451.883 is reclassified as long-term prepayments).

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 12 - COMMITMENTS

##### Collaterals-Pledges-Mortgages(“CPM”)

The details of the CPMs given by the Group as of 31 March 2024 is as follows:

31 March 2024	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	34.636.661	17.534.605	12.271.404	97.112.641	3.308.344
-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	-	-	-	-	-
	<b>34.636.661</b>	<b>17.534.605</b>	<b>12.271.404</b>	<b>97.112.641</b>	<b>3.308.344</b>

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 Company constitute 0% of the Company’s equity as of 31 March 2024.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	35.802.496	20.033.224	12.074.404	96.652.641	2.656.169
-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	-	-	-	-	-
	<b>35.802.496</b>	<b>20.033.224</b>	<b>12.074.404</b>	<b>96.652.641</b>	<b>2.656.169</b>

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 Company constitute 0% of the Company’s equity as of 31 December 2023.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 13 - EXPENSES BY NATURE

The details of expenses by nature for the years periods 31 March 2024 and 31 March 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Jet fuel expenses	199.923.732	162.770.439
Depreciation and amortisation expenses	82.543.630	72.946.148
Personnel expenses	98.412.643	65.803.341
Handling and station fees	44.662.225	35.100.661
Navigation expenses	36.550.948	27.916.796
Maintenance expenses	24.319.811	18.830.193
Landing expenses	21.266.461	16.039.760
Commission expenses	4.860.028	5.089.983
Advertising expenses	3.699.576	2.404.717
Passenger service and catering expenses	7.674.721	5.359.532
Operating lease expenses (*)	1.063.180	3.658.476
Other expenses	38.278.699	32.682.831
	<b>563.255.654</b>	<b>448.602.877</b>

(\*) Consists of short-term operating lease expenses.

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

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

Hissedarlar:	31 March 2024		31 December 2023	
	(%)	EUR	(%)	EUR
Esas Holding	56,65	34.302.427	56,65	34.302.427
Halka Açık Kısım	41,53	25.142.571	41,53	25.142.571
Emine Kamışlı	0,61	366.379	0,61	366.379
Ali İsmail Sabancı	0,61	366.379	0,61	366.379
Kazım Köseoğlu	0,30	183.189	0,30	183.189
Can Köseoğlu	0,30	183.189	0,30	183.189
<b>EUR historic capital</b>	<b>100,00</b>	<b>60.544.134</b>	<b>100,00</b>	<b>60.544.134</b>

The Company's share capital consists of 102.299.707 shares of par value TL 1 each (31 December 2023: 102.299.707 shares). All issued shares are fully paid in cash.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 15 - REVENUE AND COST OF SALES

The details of revenue and cost of sales for the periods ended 31 March 2024 and 31 March 2023 are as follows:

##### Revenue:

	1 January- 31 March 2024	1 January- 31 March 2023
Scheduled flight and service revenue	512.357.890	436.401.780
<i>International flight revenue</i>	246.576.186	223.302.449
<i>Domestic flight revenue</i>	67.865.413	56.662.768
<i>Service revenue</i>	197.916.291	156.436.563
Charter flight and service revenue	4.057.588	3.627.739
<i>Charter flight revenue</i>	4.057.588	3.627.739
Other revenue	2.306.748	2.373.021
	<b>518.722.226</b>	<b>442.402.540</b>

The Group's revenue is disaggregated into revenue from scheduled flights, revenue from chartered flights, and other revenues in accordance with the IFRS 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 them as 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- 31 March 2024	1 January- 31 March 2023
Europe	162.186.289	147.393.723
Domestic	67.865.413	56.662.768
Other	84.389.897	75.908.726
	<b>314.441.599</b>	<b>279.965.217</b>

##### Cost of sales:

	1 January- 31 March 2024	1 January- 31 March 2023
Jet fuel expenses	199.923.732	162.770.439
Depreciation and amortisation expenses	79.074.682	69.856.054
Personnel expenses	89.039.467	59.958.388
Handling and station fees	44.662.225	35.100.661
Navigation expenses	36.550.948	27.916.796
Maintenance expenses	24.319.811	18.831.661
Landing expenses	21.266.461	16.039.760
Passenger service and catering expenses	7.674.721	5.359.532
Insurance expenses	4.767.597	4.834.414
Operating lease expenses	1.063.180	3.658.476
Other expenses	23.740.134	18.954.826
	<b>532.082.958</b>	<b>423.281.007</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 31 March 2024	1 January- 31 March 2023
Selling and marketing expenses	13.562.378	10.637.277
General administrative expenses	17.610.318	14.684.593
	<b>31.172.696</b>	<b>25.321.870</b>

The details of general administrative expenses and selling and marketing expenses for the periods ended 31 March 2024 and 31 March 2023 are as follows (there are no research & development expenses in the periods ended in respective dates):

##### General administrative expenses:

	1 January- 31 March 2024	1 January- 31 March 2023
Personnel expenses	7.432.410	5.122.935
Depreciation and amortisation expenses	2.775.158	2.472.076
IT expenses	4.276.552	2.978.802
Consultancy expenses	798.342	486.139
Communication expenses	381.446	365.389
Legal and notary expenses	420.823	483.428
Office utility expenses	532.256	274.726
Travel expenses	457.001	181.037
Training expenses	35.868	49.045
Other expenses	500.462	2.271.016
	<b>17.610.318</b>	<b>14.684.593</b>

##### Selling and marketing expenses:

	1 January- 31 March 2024	1 January- 31 March 2023
Commission expenses	4.860.028	5.089.983
Advertising expenses	3.699.576	2.404.717
Call center expenses	1.671.419	997.153
Personnel expenses	1.940.766	1.264.170
Depreciation and amortisation expenses	693.790	618.019
Other expenses	696.799	263.235
	<b>13.562.378</b>	<b>10.637.277</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 31 March 2024 and 31 March 2023 are as follows:

##### Other operating income:

	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange gain from operating activities	9.375.562	1.442.292
Reversal of trade receivable impairment	-	334.646
	<b>9.375.562</b>	<b>1.776.938</b>

##### Other operating expenses:

	1 January- 31 March 2024	1 January- 31 March 2023
Penalty expense	141.433	86.272
Cash and cash equivalents allowance expense	150.130	26.754
Trade receivables allowance expense	222.663	-
Doubtful receivable allowance expense	439.073	217.048
Donations (*)	-	396.814
Other	734.585	1.145.315
	<b>1.687.884</b>	<b>1.872.203</b>

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

#### NOTE 18 - INCOME / EXPENSE FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 31 March 2024 and 31 March 2023 are as follows:

##### Income from investing activities:

	1 January- 31 March 2024	1 January- 31 March 2023
Interest income from eurobond	7.981.655	4.091.855
Interest income from currency protected instruments	5.463.736	2.596.024
Incomes arising from aircraft sale	7.712.959	-
Gain from eurobond sales (*)	-	86.691
Income from sale of fixed assets	-	337.119
Other income	84.305	28.246
	<b>21.242.655</b>	<b>7.139.935</b>

(\*) Represents gains arising from the sale of financial investments accounted for at amortized cost.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 18 - INCOME / EXPENSE FROM INVESTING ACTIVITIES

##### Expense from investing activities:

	1 January- 31 March 2024	1 January- 31 March 2023
Financial investments allowance expense	4.887.978	-
	<b>4.887.978</b>	-

#### NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 31 March 2024 and 31 March 2023 are as follows:

##### Financial income:

	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange gain	-	21.831.519
Interest income	10.445.243	3.730.447
Gain on derivative contracts	55.151	-
	<b>10.500.394</b>	<b>25.561.966</b>

##### Financial expenses:

	1 January- 31 March 2024	1 January- 31 March 2023
Interest expense on leases	43.345.991	31.217.311
Interest expense on bank loans	5.674.907	3.433.389
Interest expense on issued debt instruments	7.934.524	7.784.685
Foreign exchange loss	31.518.340	-
Other commission expenses	8.677.197	7.179.030
	<b>97.150.959</b>	<b>49.614.415</b>

#### 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.

Number of total shares and calculation of earnings per share at 31 March 2024 and 31 March 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Net profit	(102.956.777)	(22.237.057)
Weighted average number of shares issued in the year	102.299.707	102.299.707
<b>Income per share</b>	<b>(1,01)</b>	<b>(0,22)</b>



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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 21 - DERIVATIVE INSTRUMENTS

##### Fair Value of Derivative Instruments

	31 March 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Short term	4.985.219	-	387.044	3.348.688
Long term	3.097.663	-	-	1.972.462
	<b>8.082.882</b>	<b>-</b>	<b>387.044</b>	<b>5.321.150</b>

Explanations related to derivative instruments are disclosed in Note 24.

#### NOTE 22 - FINANCIAL INSTRUMENTS

##### Financial Assets

Short term	31 March 2024	31 December 2023
Financial investments measured at amortized cost	169.018.500	216.188.514
Financial assets recognized at fair value through profit or loss	30.390.692	62.663.933
Time Deposit (*)	143.743.407	291.545.322
Less: Allowance for impairment under IFRS 9	(1.686.322)	(1.395.410)
	<b>341.466.277</b>	<b>569.002.359</b>

(\*) It refers to time deposits amounting to EUR 76.768.850 and exchange rate protected time deposits amounting to EUR 66.974.558, with maturities between three months and one year.

Long term	31 March 2024	31 December 2023
Financial investments measured at amortized cost	82.500.705	53.472.769
Less: Allowance for impairment under IFRS 9	(6.444.829)	(2.074.702)
	<b>76.055.876</b>	<b>51.398.067</b>

##### Financial investments accounted at amortized cost

	31 March 2024	31 December 2023
Short term financial investments measured at amortized cost	169.018.500	216.188.514
Long term financial investments measured at amortized cost	82.500.705	53.472.769
	<b>251.519.205</b>	<b>269.661.283</b>

Company issuing security	31 March 2024	31 December 2023
T.C Hazine Müsteşarlığı	94.961.722	182.556.595
Türkiye İhracat Kredi Bankası	44.654.670	5.388.000
BNP Paribas	28.529.676	27.132.769
Türkiye İş Bankası	23.812.860	22.884.017
Citibank	19.027.730	18.122.801
Vakıfbank	13.981.595	13.577.101
Istanbul Metropolitan Municipality	13.880.774	-
Yapı ve Kredi Bankası	7.029.190	-
Garanti Bankası	4.695.928	-
Türk Ekonomi Bankası	945.060	-
	<b>251.519.205</b>	<b>269.661.283</b>

The Group's fixed income securities are accounted over their amortized costs using the effective interest rate. The securities in question are denominated in Euros, US Dollars and British Pounds and must pay fixed interest every year and every six months, respectively.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

### NOTE 22 - FINANCIAL INSTRUMENTS

#### Financial Assets

#### Financial investments accounted at amortized cost

Financial investments measured at amortized cost have an active market and market prices (according to dirty prices) are as follows:

Company issuing security	31 March 2024	31 December 2023
T.C Hazine Müsteşarlığı	93.821.820	185.729.154
Türkiye İhracat Kredi Bankası	44.337.716	5.497.566
BNP Paribas	27.830.402	27.112.074
Türkiye İş Bankası	23.856.778	23.241.014
Citibank	18.553.601	18.074.716
Vakıfbank	13.915.201	14.502.403
Istanbul Metropolitan Municipality	13.730.332	-
Yapı ve Kredi Bankası	6.933.023	-
Garanti Bankası	4.656.379	-
Türk Ekonomi Bankası	927.680	-
	<b>248.562.932</b>	<b>274.156.927</b>

The coupon interest rates and final redemption dates of ongoing Euro, US Dollar and British Pounds financial investments as of the report date, measured at their amortized cost as of 31 March 2024 and 31 December 2023 are as follows:

Company issuing security	ISIN Code	Coupon Interest Rate (%)	FX Type	Carrying Amount	Call Date
T.C Hazine Müsteşarlığı	US900123AW05	7,38	USD	54.985.965	5.02.2025
Türkiye İş Bankası	XS1578203462	6,13	USD	23.812.860	25.04.2024
Türkiye İhracat Kredi Bankası	XS1814962582	6,13	USD	2.137.423	3.05.2024
Türkiye İhracat Kredi Bankası	XS2395576437	9,38	USD	13.211.086	31.01.2026
BNP Paribas	XS2506542864	9,85	USD	28.529.676	27.06.2024
Citibank	XS2618428317	8,90	USD	19.027.730	20.06.2024
Türkiye İhracat Kredi Bankası	US900123CJ75	4,25	USD	4.534.544	14.04.2026
Türkiye İhracat Kredi Bankası	US900123DK30	7,63	USD	2.939.298	15.05.2034
Istanbul Metropolitan Municipality	XS2010029234	6,38	USD	13.880.774	9.12.2025
Yapı ve Kredi Bankası	XS2445343689	9,25	USD	5.139.527	16.10.2028
T.C Hazine Müsteşarlığı	XS2523929474	9,76	USD	15.248.104	13.11.2025
Yapı ve Kredi Bankası	XS2741069996	9,25	USD	1.889.663	17.01.2034
Türk Ekonomi Bankası	XS2744911830	9,38	USD	945.060	17.01.2034
Garanti Bankası	XS2773062471	8,38	USD	4.695.928	28.02.2034
T.C Hazine Müsteşarlığı	XS2790222116	5,88	EUR	24.727.654	21.05.2030
Türkiye İhracat Kredi Bankası	XS2755539058	6,00	EUR	10.112.235	10.12.2024
Türkiye İhracat Kredi Bankası	XS2776676731	6,65	GBP	11.720.083	3.03.2025
Vakıfbank	XS2767307973	7,25	USD	13.981.595	13.08.2025
				<b>251.519.205</b>	
				<b>251.519.205</b>	
Company issuing security	ISIN Code	Coupon Interest Rate (%)	FX Type	Carrying Amount	Call Date
T.C Hazine Müsteşarlığı	US900123CF53	5,75	USD	86.548.599	22.03.2024
T.C Hazine Müsteşarlığı	US900123AW05	7,38	USD	54.275.054	5.02.2025
Türkiye İş Bankası	XS1578203462	6,13	USD	22.884.017	25.04.2024
Türkiye İhracat Kredi Bankası	XS1814962582	6,13	USD	2.045.678	3.05.2024
T.C Hazine Müsteşarlığı	XS1917720911	8,25	USD	41.732.942	24.01.2024
Vakıfbank	XS1970705528	8,13	USD	13.577.101	27.03.2024
Citibank	XS2618428317	8,90	USD	18.122.801	20.06.2024
BNP Paribas	XS2506542864	9,85	USD	27.132.769	27.06.2024
Türkiye İhracat Kredi Bankası	XS2395576437	9,38	USD	3.342.322	31.01.2026
				<b>269.661.283</b>	
				<b>269.661.283</b>	

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 22 - FINANCIAL INSTRUMENTS

##### Financial Assets

##### Financial investments at fair value through other comprehensive income

The coupon interest rates and call dates of the financial investments in US Dollars that are measured by their fair value and continues as of the reporting date are as follows.

Company issuing security	ISIN Code	Coupon Interest Rate (%)	FX Type	Asset Value	Call Date
Türkiye İhracat Kredi Bankası	XS2523929474	9,76	USD	17.291.355	13.11.2025
Istanbul Metropolitan Municipality	XS2730249997	10,50	USD	5.114.718	6.12.2028
Yapı ve Kredi Bankası	XS2445343689	9,25	USD	5.104.821	16.10.2028
Türkiye İhracat Kredi Bankası	XS2692231975	9,00	USD	1.643.761	28.01.2027
Türkiye İhracat Kredi Bankası	XS2395576437	9,38	USD	1.236.037	31.01.2026
<b>31 March 2024</b>				<b>30.390.692</b>	

Company issuing security	ISIN Code	Coupon Interest Rate (%)	FX Type	Asset Value	Call Date
Türkiye İhracat Kredi Bankası	XS1917720911	8,25	USD	9.030.805	24.01.2024
Türkiye İhracat Kredi Bankası	XS2692231975	9,00	USD	1.567.559	28.01.2027
Istanbul Metropolitan Municipality	XS2730249997	10,50	USD	4.838.376	6.12.2028
T.C Hazine Müsteşarlığı	US900123CF53	5,75	USD	24.449.350	22.03.2024
Yapı ve Kredi Bankası	XS2445343689	9,25	USD	4.872.966	16.10.2028
Türkiye İhracat Kredi Bankası	XS2395576437	9,38	USD	1.234.018	31.01.2026
Türkiye İhracat Kredi Bankası	XS2523929474	9,76	USD	16.670.859	13.11.2025
<b>31 December 2023</b>				<b>62.663.933</b>	

The fair value difference is related to the bonds contained in financial assets reflected to other comprehensive income. The securities in question are denominated in US Dollars and must pay fixed interest every year and every six months, respectively.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 22 - FINANCIAL INSTRUMENTS

##### Financial Liabilities

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

<b>Short term financial liabilities</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Short term bank borrowings	274.008.542	164.358.114
	<b>274.008.542</b>	<b>164.358.114</b>

<b>Short term portion of long term financial liabilities</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Short term portion of long term bank borrowings	29.357.511	31.048.114
Principal and interest of bonds issued	31.242.087	29.732.858
Discount and commissions of bonds issued	(1.108.165)	(1.079.562)
Lease liabilities	345.629.677	347.704.239
<i>Short term portion of long term operating lease obligations</i>	48.451.315	42.133.438
<i>Short term portion of long term financial lease obligations</i>	297.178.362	305.570.801
	<b>405.121.110</b>	<b>407.405.649</b>

<b>Long term financial liabilities</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Long term bank borrowings	37.205.699	64.658.631
Issued debt instruments (*)	330.307.005	314.750.653
Discount and commissions of bonds issued	(1.199.247)	(1.437.444)
Lease liabilities	2.702.670.522	2.719.405.614
<i>Long term operating lease obligations</i>	161.162.574	146.880.324
<i>Long term financial lease obligations</i>	2.541.507.948	2.572.525.290
	<b>3.068.983.979</b>	<b>3.097.377.454</b>

(\*) The Group issued bonds to qualified investors abroad on 29 April 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.

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 31 March 2024, the Group complied with all covenants.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 22 - FINANCIAL INSTRUMENTS

##### Financial Liabilities

##### Bank Borrowings

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

<b>31 March 2024</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term bank borrowings	6,27	Euro	274.008.542	274.008.542
				<b>274.008.542</b>

<b>31 December 2023</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term bank borrowings	7,04	Euro	164.358.114	164.358.114
				<b>164.358.114</b>

<b>31 March 2024</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term portion of long term bank borrowings	5,34	Euro	29.357.511	29.357.511
				<b>29.357.511</b>

<b>31 December 2023</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term portion of long term bank borrowings	5,42	Euro	31.048.114	31.048.114
				<b>31.048.114</b>

<b>31 March 2024</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Long term bank borrowings	4,82	Euro	37.205.699	37.205.699
				<b>37.205.699</b>

<b>31 December 2023</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Long term bank borrowings	5,57	TL	64.658.631	64.658.631
				<b>64.658.631</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 22 - FINANCIAL INSTRUMENTS

##### Financial Liabilities

##### Lease Liabilities

The details of financial and operating lease liabilities as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Less than 1 year	488.392.943	479.304.856
Between 1 - 5 years	1.656.950.819	1.588.049.567
Over 5 years	1.518.671.146	1.589.358.777
	3.664.014.908	3.656.713.200
Less: Future interest expenses	(615.714.709)	(589.603.347)
	<b>3.048.300.199</b>	<b>3.067.109.853</b>

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

	31 March 2024	31 December 2023
Less than 1 year	345.629.677	347.704.239
Between 1 - 5 years	1.346.069.760	1.303.602.221
Over 5 years	1.356.600.762	1.415.803.393
	<b>3.048.300.199</b>	<b>3.067.109.853</b>

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,96 years. For the period ended 31 March 2024, the floating interest rate applicable to Euro-denominated lease obligations, amounting to EUR 2.079.129.696, is 3,90% (31 December 2023: 3,92%) and the floating rate applicable to US Dollar-denominated lease obligations, amounting to EUR 371.715.555, is 6,74% (31 December 2023: 6,71%).

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

##### Financial Risk Factors

The Group's activities expose it to a variety of 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 it 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 its exposure to foreign currency, fuel price and interest rate risk.

##### *Foreign currency risk management*

The Group has significant transactions in non-Euro currencies including, but not limited to, Turkish Lira revenues, non-Euro borrowings and US Dollar 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 2024 and 31 December 2023 are as follows:

31 March 2024	EUR Total	USD	TL	GBP	Other
1. Trade receivables	61.871.850	15.626.853	1.319.069.936	2.287.553	6.800.320
2a. Monetary financial assets	836.949.109	641.551.092	6.010.024.758	34.644.371	28.622.541
2b. Non monetary financial assets	-	-	-	-	-
3. Other	6.755.396	6.260.536	24.097.300	189.475	33.815
<b>4. CURRENT ASSETS</b>	<b>905.576.355</b>	<b>663.438.481</b>	<b>7.353.191.994</b>	<b>37.121.399</b>	<b>35.456.676</b>
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	54.370.873	58.609.509	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	31.590.056	29.087.092	647.543	63.000	4.514.319
<b>8. NON CURRENT ASSETS</b>	<b>85.960.929</b>	<b>87.696.601</b>	<b>647.543</b>	<b>63.000</b>	<b>4.514.319</b>
<b>9. TOTAL ASSETS</b>	<b>991.537.284</b>	<b>751.135.082</b>	<b>7.353.839.537</b>	<b>37.184.399</b>	<b>39.970.995</b>
10. Trade payables	98.841.411	34.670.961	2.022.451.165	293.655	8.222.143
11. Financial liabilities	127.262.482	136.897.660	9.231.350	-	-
12a. Other liabilities, monetary	148.038.461	13.340.789	3.143.828.663	220.889	45.070.435
12b. Other liabilities, non monetary	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>374.142.354</b>	<b>184.909.410</b>	<b>5.175.511.178</b>	<b>514.544</b>	<b>53.292.578</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.116.306.709	1.202.908.423	13.661.394	-	-
16a. Other liabilities, monetary	152.846.998	164.762.620	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
<b>17. NON CURRENT LIABILITIES</b>	<b>1.269.153.707</b>	<b>1.367.671.043</b>	<b>13.661.394</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>1.643.296.061</b>	<b>1.552.580.453</b>	<b>5.189.172.572</b>	<b>514.544</b>	<b>53.292.578</b>
19. Net asset / (liability) position of Off-balance sheet derivatives (19a-19b)	-	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(651.758.777)	(801.445.371)	2.164.666.965	36.669.855	(13.321.583)
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(651.758.777)	(801.445.371)	2.164.666.965	36.669.855	(13.321.583)

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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

#### Financial Risk Factors

##### *Foreign currency risk management*

31 December 2023	EUR Total	USD	TL	GBP	Other
1. Trade receivables	34.740.625	7.469.645	684.110.649	1.460.848	5.309.080
2a. Monetary financial assets	754.084.586	668.634.650	3.870.699.898	9.097.013	20.530.787
2b. Non monetary financial assets	-	-	-	-	-
3. Other	3.125.601	6.084.964	(85.591.461)	189.475	36.219
<b>4. CURRENT ASSETS</b>	<b>791.950.812</b>	<b>682.189.259</b>	<b>4.469.219.086</b>	<b>10.747.336</b>	<b>25.876.087</b>
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	51.398.067	56.872.890	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	27.578.135	25.840.671	631.013	1.000	4.204.474
<b>8. NON CURRENT ASSETS</b>	<b>78.976.202</b>	<b>82.713.561</b>	<b>631.013</b>	<b>1.000</b>	<b>4.204.474</b>
<b>9. TOTAL ASSETS</b>	<b>870.927.014</b>	<b>764.902.820</b>	<b>4.469.850.099</b>	<b>10.748.336</b>	<b>30.080.561</b>
10. Trade payables	116.870.377	70.554.166	1.288.319.658	789.344	12.650.076
11. Financial liabilities	125.371.459	138.430.478	8.693.284	-	-
12a. Other liabilities, monetary	93.780.943	21.299.965	2.365.708.819	133.847	1.751.653
12b. Other liabilities, non monetary	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>336.022.779</b>	<b>230.284.609</b>	<b>3.662.721.761</b>	<b>923.191</b>	<b>14.401.728</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.100.169.275	1.216.807.510	16.181.095	-	-
16a. Other liabilities, monetary	136.186.703	150.693.047	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
<b>17. NON CURRENT LIABILITIES</b>	<b>1.236.355.978</b>	<b>1.367.500.557</b>	<b>16.181.095</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>1.572.378.757</b>	<b>1.597.785.166</b>	<b>3.678.902.856</b>	<b>923.191</b>	<b>14.401.728</b>
19. Net asset / (liability) position of Off-balance sheet derivatives (19a-19b)	(1.338.260)	9.584.500	-	(8.700.000)	-
19.a Off-balance sheet foreign currency derivative assets	8.661.856	9.584.500	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	10.000.116	-	-	8.700.000	-
20. Net foreign currency asset/(liability) position	(701.451.743)	(832.882.346)	790.947.243	9.825.145	15.678.833
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(701.451.743)	(832.882.346)	790.947.243	9.825.145	15.678.833



# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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 31 March 2024 and 31 December 2023 are as follows:

31 March 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)	(74.348.490)	74.348.490	-	-
Part of hedged from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(74.348.490)</b>	<b>74.348.490</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	6.219.896	(6.219.896)	158.021.031	(158.021.031)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>6.219.896</b>	<b>(6.219.896)</b>	<b>158.021.031</b>	<b>(158.021.031)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	4.284.874	(4.284.874)	-	-
Part of hedged from GBP risk	-	-	-	-
<b>GBP net effect</b>	<b>4.284.874</b>	<b>(4.284.874)</b>	-	-
<b>31 December 2023</b>				
Effect of 10% change in USD rate				
USD net asset / (liability)	(75.270.560)	75.270.560	-	-
Part of hedged from USD risk	866.186	(866.186)	-	-
<b>USD net effect</b>	<b>(74.404.374)</b>	<b>74.404.374</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	2.428.163	(2.428.163)	168.230.343	(168.230.343)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>2.428.163</b>	<b>(2.428.163)</b>	<b>168.230.343</b>	<b>(168.230.343)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	1.129.340	(1.129.340)	-	-
Part of hedged from GBP risk	(1.000.012)	1.000.012	-	-
<b>GBP net effect</b>	<b>129.328</b>	<b>(129.328)</b>	-	-

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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

31 March 2024	Derivative instruments		Carrying amount	Note
	Financial assets and liabilities at amortized cost	which are recognized at fair value in shareholders' equity		
<b>Financial assets</b>				
Cash and cash equivalents	813.387.991	-	813.387.991	27
Trade receivables	83.581.352	-	83.581.352	6
- <i>Other</i>	83.581.352	-	83.581.352	6
Other receivables	64.070.806	-	64.070.806	
- <i>Related party</i>	139.202	-	139.202	5
- <i>Other</i>	63.931.604	-	63.931.604	
Financial investments	392.306.341	30.390.692	417.522.153	22
Derivative financial assets	-	7.685.583	8.082.882	21
<b>Financial liabilities</b>				
Bank borrowings	340.571.751	-	340.571.751	22
Issued debt instruments	355.246.432	-	359.241.681	
Trade payables	216.343.884	-	216.343.884	6
- <i>Related party</i>	827.905	-	827.905	5
- <i>Other</i>	215.515.979	-	215.515.979	
Other payables	13.139.258	-	13.139.258	
Derivative financial liabilities	-	-	-	21

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 MARCH 2024**

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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

**Fair Value of Financial Instruments**

<b>31 December 2023</b>	<b>Financial assets and liabilities at amortized cost</b>	<b>Derivative instruments which are recognized at fair value in shareholders' equity</b>	<b>Derivative instruments which are recognized at fair value in profit/loss</b>	<b>Carrying amount</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	493.596.374	-	-	493.596.374	27
Trade receivables	51.234.258	-	-	51.234.258	6
- <i>Other</i>	51.234.258	-	-	51.234.258	6
Other receivables	60.278.019	-	-	60.278.019	
- <i>Related party</i>	1.355	-	-	1.355	5
- <i>Other</i>	60.276.664	-	-	60.276.664	
Financial investments	568.370.078	62.663.933	-	620.400.426	22
Derivative financial assets	-	-	387.044	387.044	21
<b>Financial liabilities</b>					
Bank borrowings	260.064.859	-	-	260.064.859	22
Obligations under financial leases	346.781.110	-	-	341.966.505	
Trade payables	200.894.817	-	-	200.348.000	6
- <i>Related party</i>	200.348.000	-	-	546.817	5
- <i>Other</i>	546.817	-	-	199.801.183	
Other payables	7.995.823	-	-	7.995.823	
Derivative financial liabilities	-	5.321.150	-	5.321.150	21

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

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

##### Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of financial assets and liabilities are determined by the input that does not reflect an actual data observed in the market while finding the fair value of an asset or liability.

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique
	31 March 2024	31 December 2023		
Fuel purchase option contracts	7.685.583	(5.321.150)	Level 2	Discounted cash flow method
Currency forward contracts	397.299	387.044	Level 2	Discounted cash flow method
			<b>Currency forward contracts</b>	<b>Fuel purchase option contracts</b>
<b>31 March 2024</b>				<b>Total</b>
<b>Fair value:</b>				
Opening		387.044	(5.321.150)	(4.934.106)
Fair value increase				
Recognized in equity		-	12.666.018	12.666.018
Recognized in profit or loss		35.038	-	35.038
<b>Closing</b>		<b>422.082</b>	<b>7.344.868</b>	<b>7.766.950</b>
Assets		397.299	7.685.583	8.082.882
Liabilities		-	-	-
<b>Total net assets and liabilities</b>		<b>397.299</b>	<b>7.685.583</b>	<b>8.082.882</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) 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
<b>Fair value:</b>			
Opening	-	10.849.159	10.849.159
Fair value increase / (decrease)			
Recognized in equity	-	(16.170.309)	(16.170.309)
Recognized in profit or loss	387.044	-	387.044
<b>Closing</b>	<b>387.044</b>	<b>(5.321.150)</b>	<b>(4.934.106)</b>
Assets	387.044	-	387.044
Liabilities	-	(5.321.150)	(5.321.150)
<b>Total net assets and liabilities</b>	<b>387.044</b>	<b>(5.321.150)</b>	<b>(4.934.106)</b>

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 48,7% and 21,4% 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 the balance sheet period, the contracts last until February 2026. The total nominal value of these contracts is USD 477,9 million, and the weighted average price is in the range of USD 69-84. The ineffective portion of the hedge is not material as of 31 March 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 EUR 583.476 (31 December 2023: EUR 9.251.380 derivative expenses are charged to finance expenses).

#### NOTE 25 - EVENTS AFTER BALANCE SHEET DATE

The Company filed an application to the Capital Markets Board of Türkiye on February 29, 2024 to increase issued share capital to TL 500.000.000 from TL 102.299.707, through conversion of funds available as part of the "Share Premiums on Capital Stock", within the TRY 500.000.000 authorized capital ceiling. On 2 May 2024, the Capital Markets Board of Türkiye approved the application and registration processes for other institutions are ongoing.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 26 – INCOME TAX EXPENSE

The Group is subject to corporate tax applicable in Turkey. The corporate tax rate in Turkey 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 31 March 2024 and 31 March 2023 are presented below:

	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Tax income/(expense)		
- Deferred tax income/(expense)	125.669.472	9.602.754
<b>Total tax income/(expense)</b>	<b>125.669.472</b>	<b>9.602.754</b>

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 EUR 151.811.395 (31 December 2023: EUR 143.218.297) that the Group will benefit from in the foreseeable future as of 31 March 2024 is reflected in the condensed consolidated financial statements as a deferred tax asset. As a result of the recognition of the mentioned tax advantage as of 31 March 2024, deferred tax income amounting to EUR 8.593.098 has occurred in the consolidated profit or loss statement for the period 1 January - 31 March 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 condensed consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date. This evaluation is conducted based on business models that include estimations of taxable profits.

In the sensitivity analysis carried out as of 31 March 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

(Amounts are expressed full Euros (EUR) unless otherwise stated.)

#### NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

The details of cash and cash equivalents as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Cash on hand	163.590	108.911
Cash at banks	813.586.972	493.720.311
- Demand deposits	184.716.781	31.129.195
- Time deposits	628.870.191	462.591.116
Less: Allowance for impairment under IFRS 9	(362.571)	(232.848)
	<b>813.387.991</b>	<b>493.596.374</b>

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

31 March 2024	Weighted average interest rates	Total
USD deposits	4,69 %	292.151.706
EUR deposits	3,72 %	189.429.704
TL deposits	42,18 %	108.983.145
GBP deposits	0,51 %	38.305.636
		<b>628.870.191</b>

31 December 2023	Weighted average interest rates	Total
USD deposits	4,24 %	320.596.080
EUR deposits	3,16 %	74.138.251
TL deposits	40,80 %	58.306.992
GBP deposits	0,26 %	9.549.793
		<b>462.591.116</b>

As of 31 March 2024 and 31 December 2023 time deposits maturities are less than 90 days.