2023 Q2 RESULTS PRESENTATION
August 2023

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KEY HIGHLIGHTS

Strong set of financial performance, EBITDA margin of 33.6% represents a new company record for a second quarter.

Traffic

- As the travel market is normalizing from the post-COVID boost seen in 2022, we are reinstalling our **habitual strategic focus** on **'Load Factor'** and **'ancillary revenue growth',** built on our industry-leading cost management performance.
- Total ASK grew 27% YoY in 2Q23, driven by the **37% growth in international ASK**.
- Total number of passengers increased by 21% YoY, on the 35% YoY increase in international passengers. 2Q23 **blended load factor increased by 2.7pps** to 81.3%. **International pax per cyle increased to 161 in 2Q23** from 151 in 2Q21.

2Q23 Int'l ASK
+37% YoY

2Q23 Int'l Load Factor
79.8%, +1pps YoY

2Q23 Int'l pax/cycle
161 pax, +10 pax YoY

Financial Performance

- **Q2 revenues** reached **EUR657mn** with **30% YoY increase**, thanks to traffic growth and continued uptrend in ancillary segment. **Ancillary revenue per pax** amounted to **EUR26.2 in 2Q23** vs. EUR19.5 in 2Q22.
- **Q2 EBITDA*** reached **EUR221mn** with **113% YoY growth**. RASK-CASK spread amounted to EURc0.97, the highest level in a Q2, helped by the favorable jet fuel prices. **33.6% EBITDA margin** in 2Q23 also represents a company record for a Q2.
- EUR91mn net profit in 2Q23 posted a notable improvement compared to EUR-40mn loss recorded in 2Q22.

2Q23 Revenues
+30% YoY

2Q23 RASK-CASK spread
EURc 0.97 (Q2 best!)

2Q23 EBITDA margin
33.6% (Q2 best!)

Outlook

- **YoY comparison will turn increasingly difficult in Q3 and Q4,** given the exceptionally strong unit revenue environment through the second half of 2022 driven by the rebound in pent-up demand after the pandemic.
- Ongoing plan for **around 20% growth in total ASK in 2023** vs. 2022 is maintained. Based on the current yield trends and the outlook for jet fuel prices, **RASK-CASK spread is expected to normalize in Q3 and Q4** compared to a year ago.
- **2023FY EBITDA margin** estimate at **«+30% territory»** is reiterated.

2023E ASK
Around +20% YoY

2023E Ancillary per pax
Around +10% YoY

2023E EBITDA margin
+30% territory

* EBITDA: Core EBIT+Depreciation expenses+55% of wet lease expenses (i.e. EUR4.0mn for 2Q23)

ROUTE NETWORK

International route network consists of 93 destinations.

Current Network

49 Countries

130 Destinations

37 Domestic, 93 Int'l

Announced additions to the int'l route network in 2023:

Istanbul Sabiha Gokcen
- → Plovdiv
- → Amman
- → Podgorica
- → Kazan

Ankara
- → Moscow
- → Warsaw
- → Krakow

Antalya
- → Symkent
- → St.Petersburg

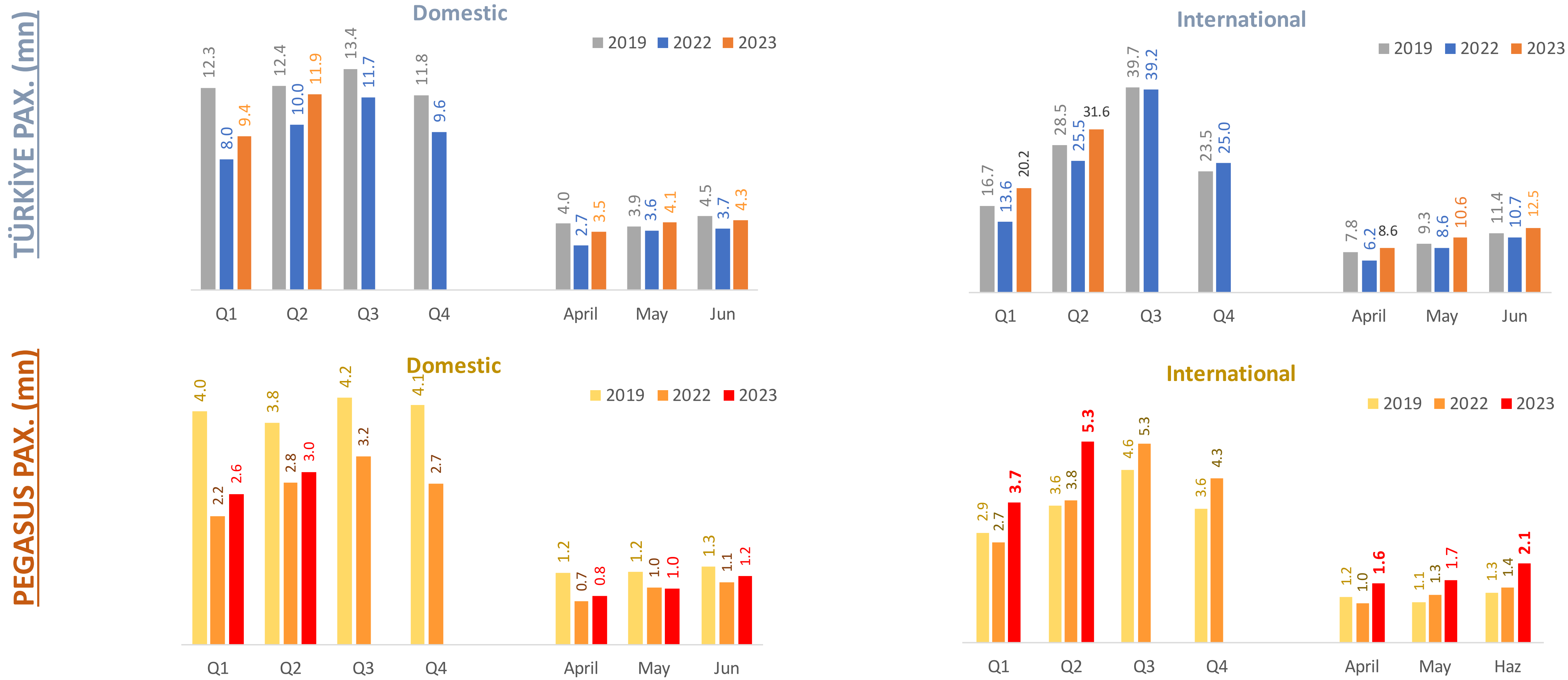
Dalaman
- → Baku

Bodrum
- → Tel Aviv

Trabzon
- → Tel Aviv
- → Dammam
- → Erbil

OPERATING ENVIRONMENT

International passengers of Pegasus grew by 35% YoY in 2Q23.



Türkiye passenger data is taken from General Directorate of State Airports Authority, domestic passengers are divided by 2 in order to avoid double counting.
Pegasus figures reflect booked passengers, international pax includes charter pax

SUMMARY FIGURES

2Q23 EBITDA* margin of 33.6% represented the highest performance for a second quarter ever.

EURmn	2022 Q2	2023 Q2	YoY % chg.	2022 6M	2023 6M	YoY % chg.
Revenues	**504**	**657**	**30%**	**774**	**1,100**	**42%**
Scheduled pax revenues	356	440	24%	527	720	37%
Ancillary revenues	127	206	61%	220	362	64%
Costs	**471**	**510**	**8%**	**400**	**771**	**24%**
Fuel costs	224	187	-16%	324	350	8%
Personnel costs	45	76	68%	86	142	66%
EBITDA *	**104**	**221**	**113%**	**136**	**290**	**112%**
EBITDA Margin	20.6%	33.6%		17.6%	26.3%	
Net profit/loss	**-40**	**91**	**n.m.**	**-101**	**69**	**n.m.**

	2022 Q2	2023 Q2	YoY % chg.	2022 6M	2023 6M	YoY % chg.
Total Passengers (mn)	**6.5**	**7.9**	**21%**	**11.4**	**14.1**	**24%**
International (mn)	3.8	5.1	35%	6.4	8.8	37%
Total ASK (bn)	**11.9**	**15.2**	**27%**	**20.4**	**26.2**	**29%**
International (bn)	9.4	12.8	37%	15.4	20.8	35%
Load Factor	**78.7%**	**81.3%**		**79.6%**	**82.7%**	
International	78.8%	79.8%		78.3%	81.4%	

International includes charter

- As part of our continuing strategic focus on international business, seats supplied to international segment grew by 33% YoY and made up 66% of total seats in 2Q23.
- In 2Q23, total pax volumes increased by 21% YoY. Meanwhile, number of international passengers posted 35% increase YoY. Ancillary revenues grew by 61% YoY on the 34% YoY increase in ancillary per pax. Consequently, total revenue growth for the quarter reached 30% YoY.
- Total **RASK** was EURc4.32 in 2Q23, up 2% YoY.

- Total costs increased by 8% in 2Q23. The 16% decline in jet fuel expenses was to a great extent offset by the 68% increase in personnnel costs.
- Total **CASK** was EURc3.36 in 2Q23, down 15% YoY, while **CASK non-fuel** was EURc2.13, up 3% YoY.

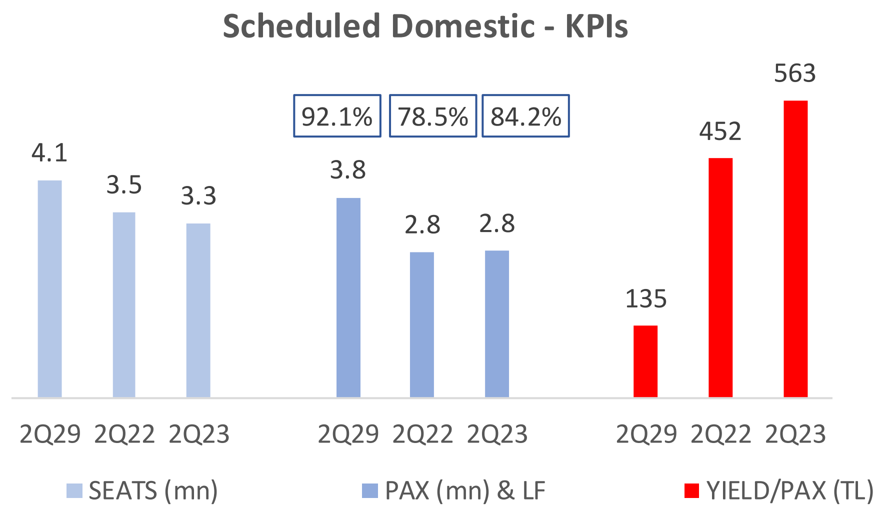
- 2Q23 bottom-line read EUR91mn net profit, representing a significant improvement compared to the EUR40mn loss in 2Q22.

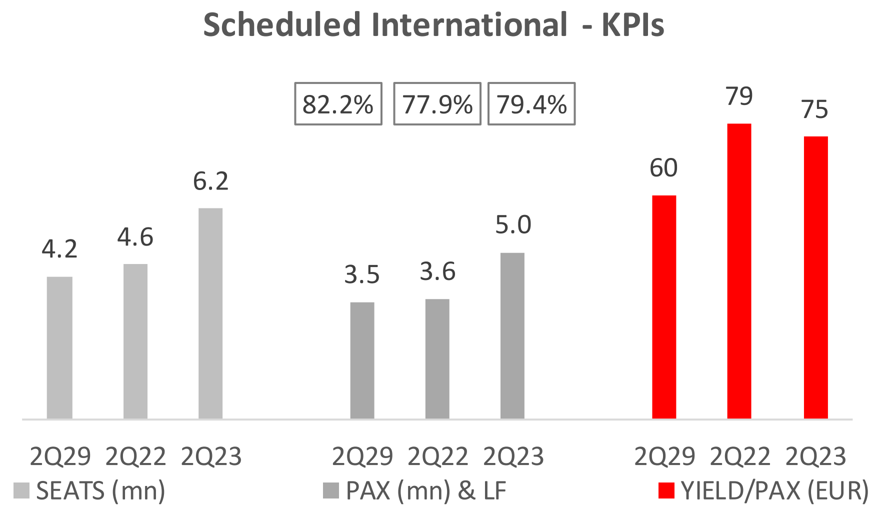
* EBITDA: Core EBIT+Depreciation expenses+55% of wet lease expenses (i.e. EUR4.0mn for 2Q23)

REVENUES

International scheduled revenues grew by 32% YoY in 2Q23.

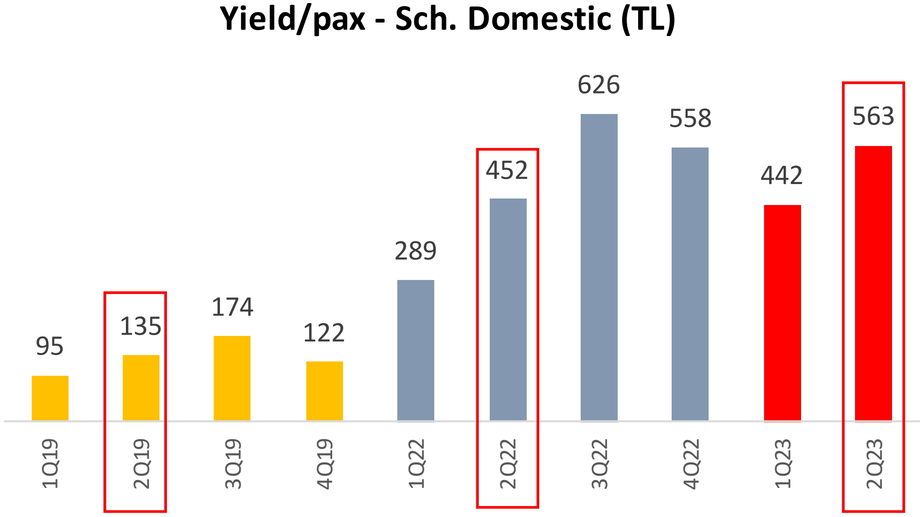
EURmn	2029 Q2	2022 Q2	2023 Q2	YoY chg.
TOTAL REVENUES	**407**	**504**	**657**	**30%**
Domestic scheduled	79	75	68	-9%
International scheduled	208	281	372	32%
Ancillary	107	127	206	61%
Charter and Other	13	21	12	-44%
RASK (EURc)	**3.76**	**4.22**	**4.32**	**2%**

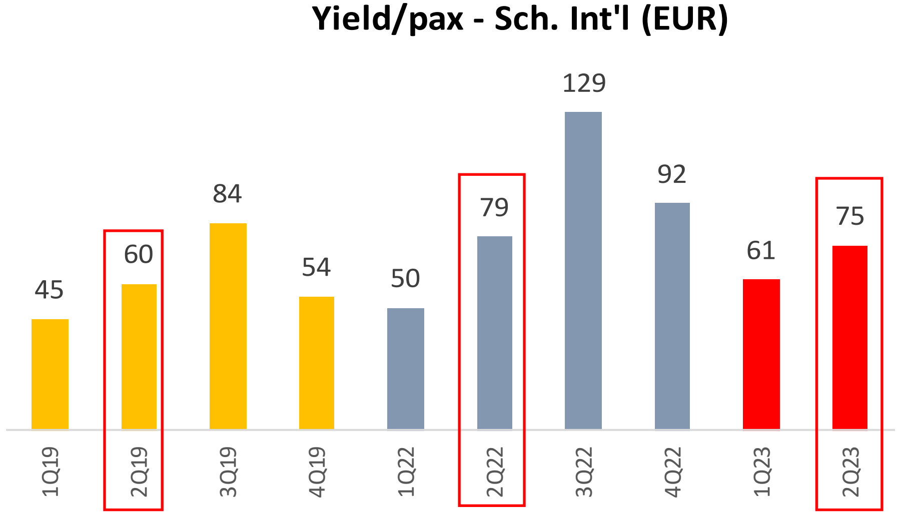


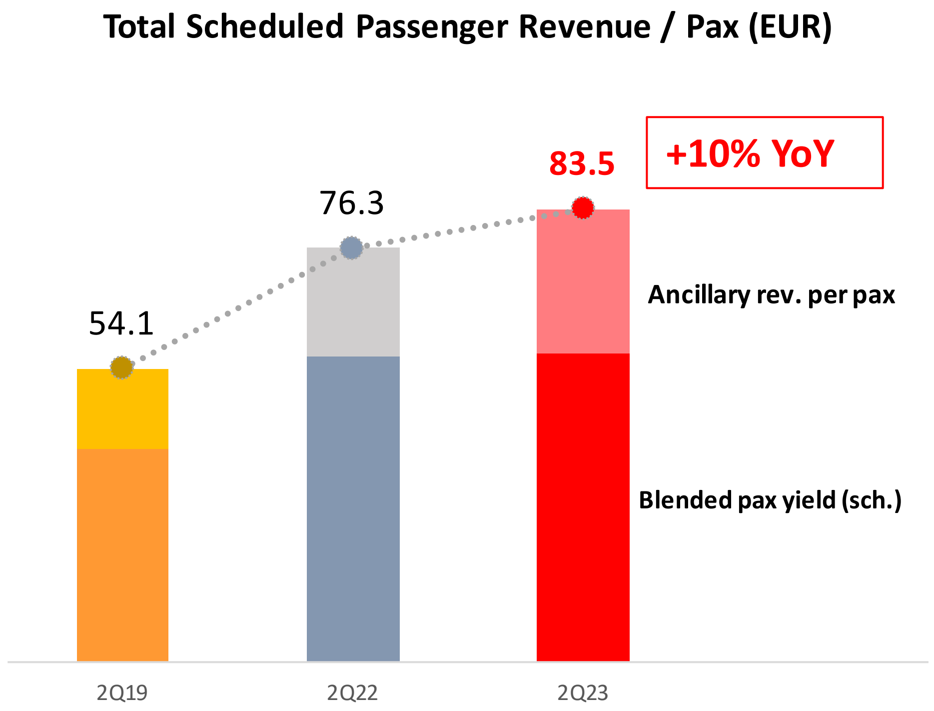


OPERATING ENVIRONMENT

Total scheduled passenger revenue/pax (including ancillary revenue) grew by 10% YoY in 2Q23.



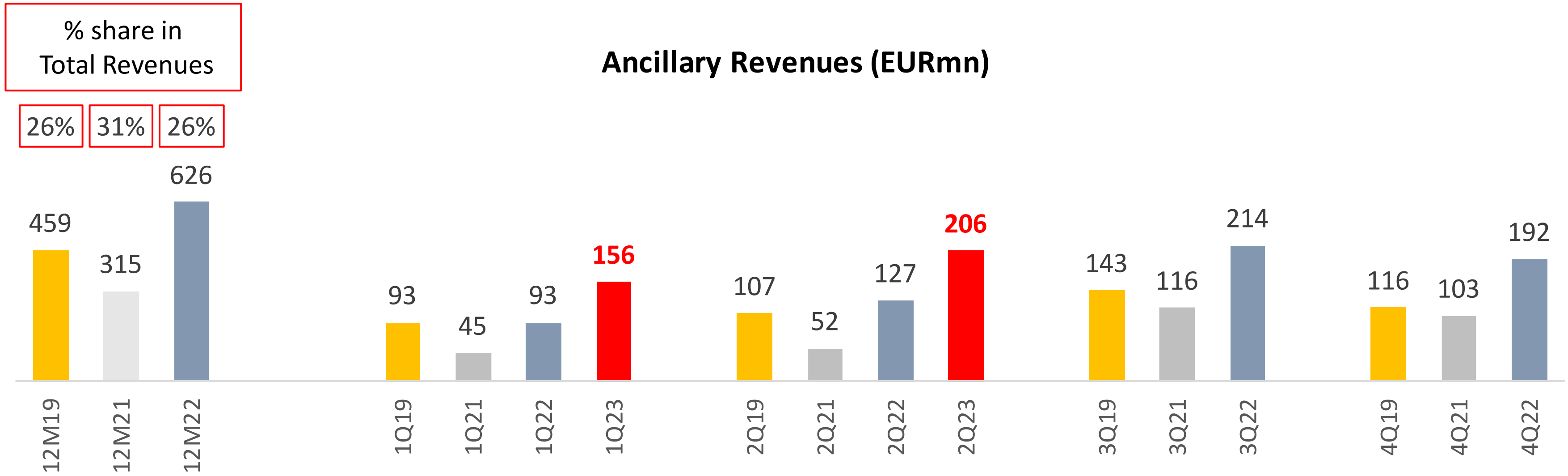




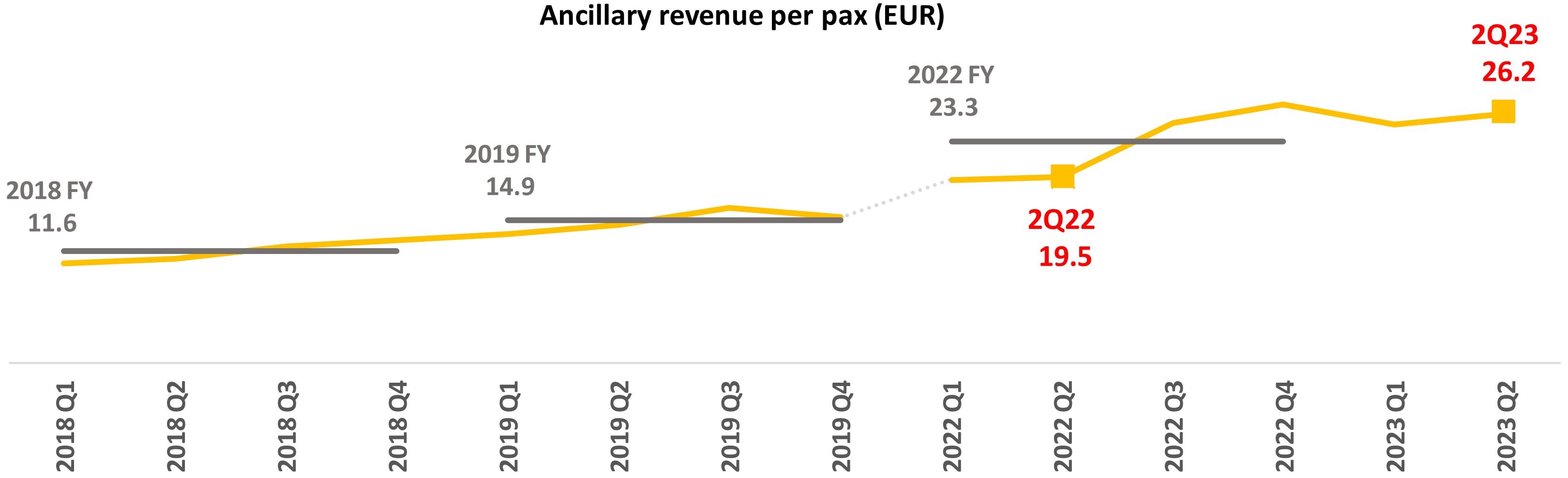
ANCILLARY REVENUES

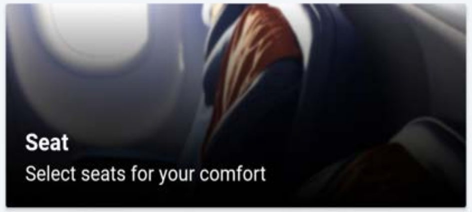
Ancillary revenue/pax reached EUR26.2 in 2Q23, in line with the full year target.

Ancillary Revenues (EURmn)



Ancillary revenue per pax (EUR)





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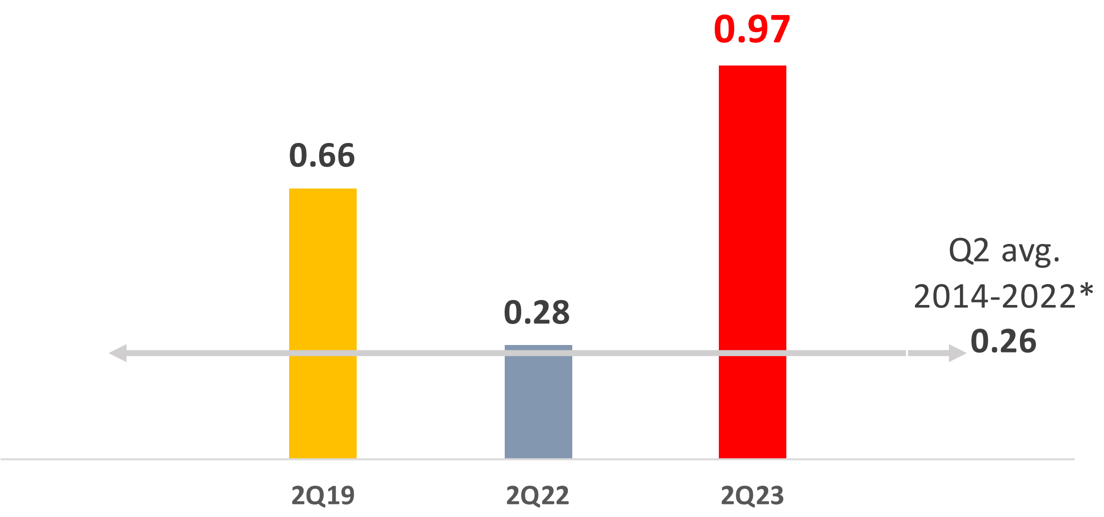
RASK-CASK spread amounted to EURc0.97 - the highest level in a Q2.

Cost Items (EURmn)	2019 Q2	2022 Q2	2023 Q2	YoY % chg
Jet fuel expenses	123	224	187	-16%
Personnel expenses	48	45	76	68%
Maintenance	12	23	12	-49%
Depreciation & amortization	59	71	70	-1%
Handling	27	33	47	44%
Navigation	23	27	41	54%
Landing	13	13	24	75%
Commission	6	5	6	21%
Passenger service & catering	3	3	5	73%
Advertising	5	3	5	74%
Short-term lease expenses	0	0	7	n.m.
Other expenses	16	25	30	23%
TOTAL COSTS	**335**	**471**	**510**	**8%**
CASK (€ cent)	**3.10**	**3.94**	**3.36**	**-15%**
CASK non fuel (€ cent)	**1.96**	**2.07**	**2.13**	**3%**

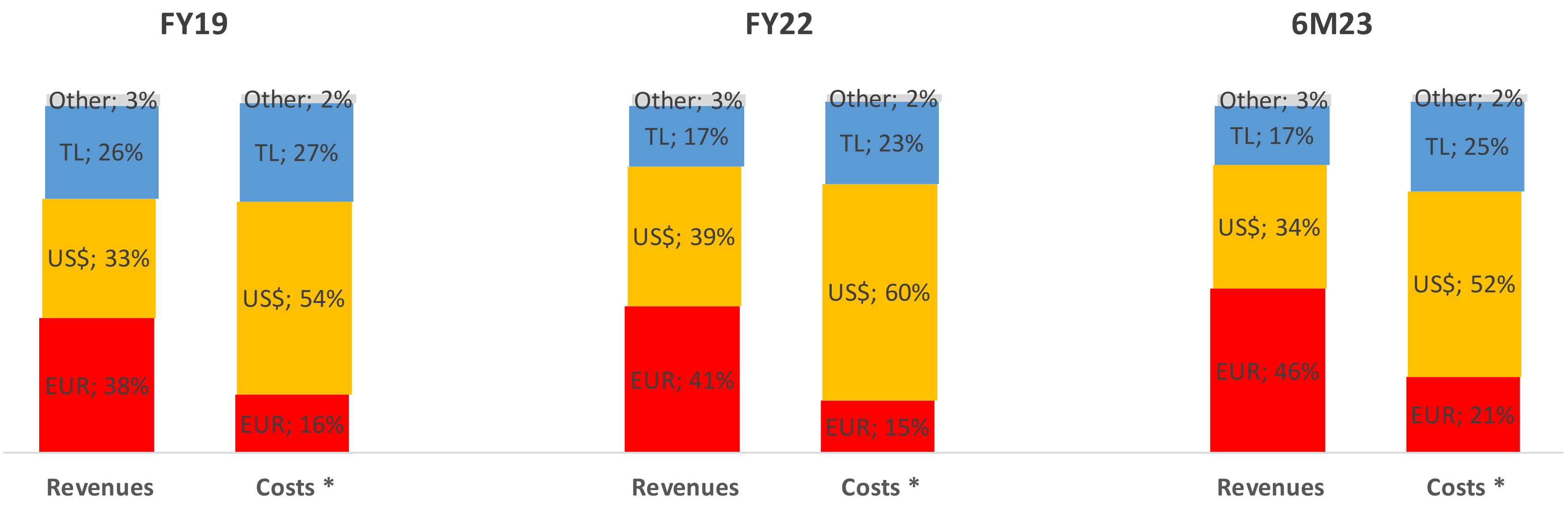
RASK-CASK spread for Q2 (EURc)



* COVID period (2020 & 2021) excluded from the calucltion of the average

CURRENCY BREAKDOWN – OPERATIONAL PERSPECTIVE

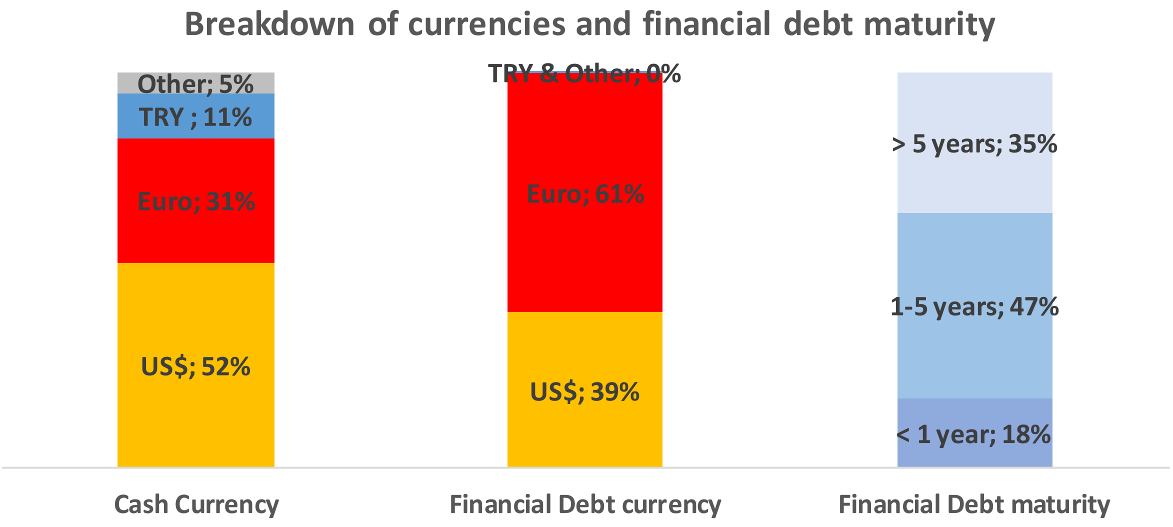
Revenues and costs are mainly based on hard currencies.



* Costs excluding depreciation expenses

Net debt stands at EUR2.1bn as of the end of 2Q23.

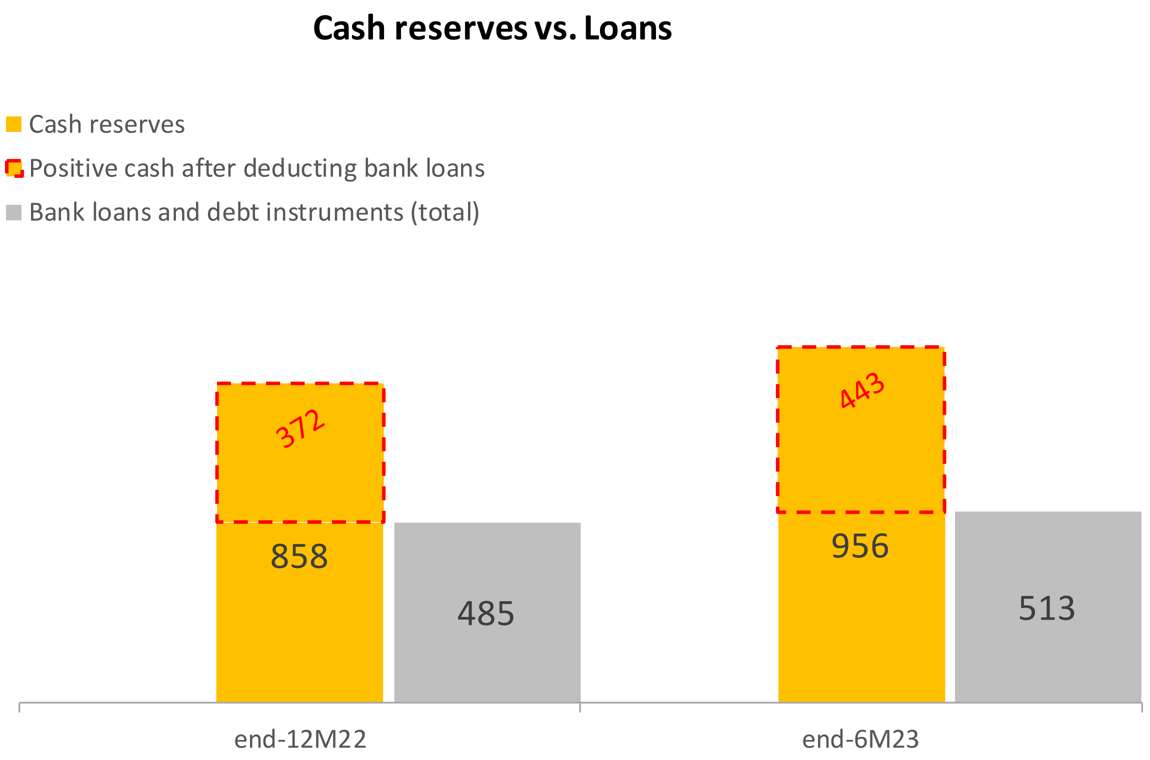
EURmn	Dec 31, 2021	Dec 31, 2022	Jun 30, 2023
Cash & Equivalents	662	858	956
Other Assets	106	216	235
Pre-delivery payment	295	313	294
Fixed Assets	2,539	3,419	3,712
Total Assets	**3,602**	**4,806**	**5,197**
Liabilities	642	841	1,012
Bank Loans & Debt Instruments	596	485	513
Leasing Liabilities	1,901	2,575	2,719
Shareholders' Equity	462	905	953
Total Liab. & Sh. Equity	**3,602**	**4,806**	**5,197**
Net Debt, EURmn	**1,688**	**2,046**	**2,129**



Net Debt: Cash & equivalents + PDP/2 – Bank loans – Leasing liabilities
Cash & equivalents include short and long-term financial assets

CASH RESERVES

Positive cash reserves are at EUR443mn as of the end of 2Q23.



- Total cash reserves stood at EUR956mn at the end of 2Q23, compared to EUR858mn at 2022-end.
- Positive cash reserve after deducting total short and long term bank loans and issued debt instruments is at EUR443mn as of the end of 2Q23.

- *Cash reserves include short and long term financial assets.*

FLEET DEVELOPMENT

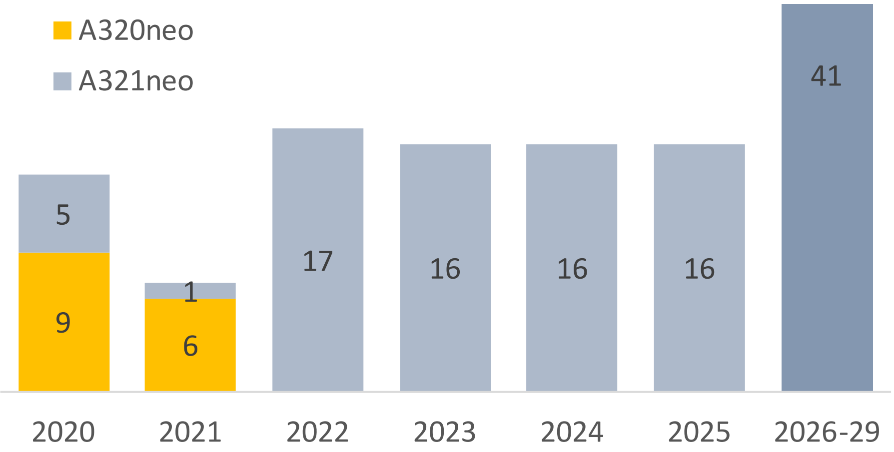
A321neo order book was extended by 36 A/C, deliveries are scheduled for the 2026-29 period

FLEET (as of June 30, 2023)

	Owned	Financial Lease	Operational Lease	Total
Boeing 737-800	-	9	7	**16**
Airbus A320ceo	-	-	8*	**8**
Airbus A320neo	-	40	6	**46**
Airbus A321neo	-	30	1	**31**
Total	**-**	**79**	**22**	**101**

* 2 A320ceo on damp lease

A320NEO-A321NEO ORDER BOOK



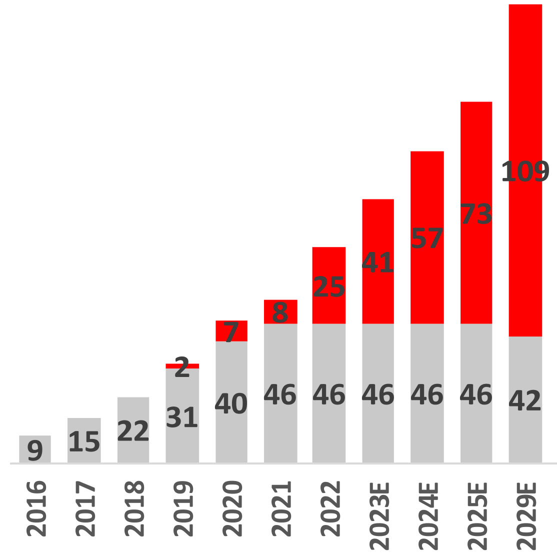
FLEET INFORMATION

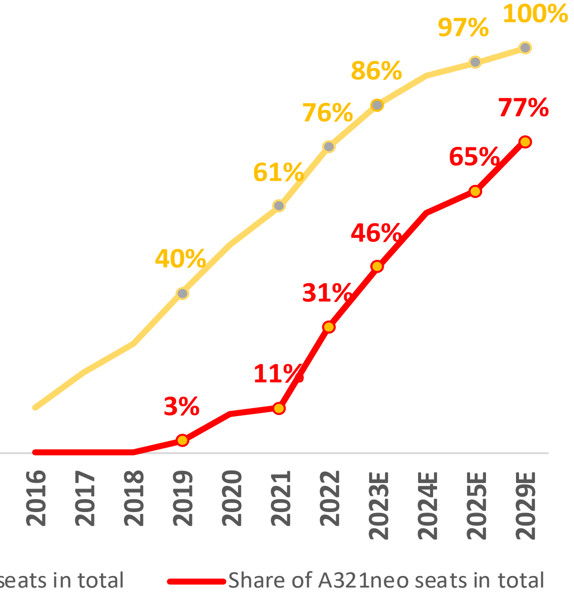
- → Youngest fleet in Türkiye and one of the youngest among LCCs globally: **4.7 years.**
- → **42 A320neo (all delivered)** and **108 A321neo (30 delivered)** on order.
- → Fleet size will be **104 aircraft** at the end of 2023.
  - ✓ **10 A321neo** delivery planned for the remainder of 2023, while **6 737-800** and **1 A320ceo** will exit
- → Since 2021-end, all deliveries in the order book are of **A321neo type.**
  - ✓ **Average seat count of the fleet** will reach **223 in 2029,** compared to **191 in 2021**

FLEET DEVELOPMENT

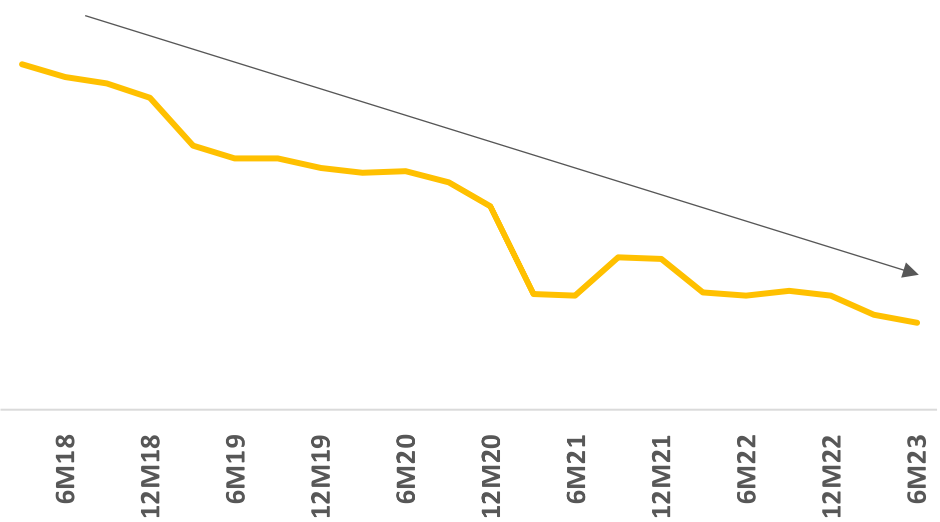
Increasing share of Neo seats in total is making significant contribution to efficiency gains.

Evolution of the A320neo and A321neo fleet





Fuel consumption per ASK



HEDGING & RISK MANAGEMENT

2023 estimated jet fuel consumption is hedged by 48%.

HEDGE VOLUME AND PRICE

	2023FY	2024FY	2025FY
Hedge Ratio	48%	36%	5%
Hedged Price range, $/mt	704-922	744-969	731-906
Brent equivalent*	64-84	68-88	67-82

Price ranges are calculated by using market data of June 30, 2023
** Jet Fuel Price/11*

HEDGE STRATEGY

- Non-discretionary portion is limited with 50% at any annual budgeting period, which is executed regardless of the price levels utilizing layered-hedging strategy.
- Discretionary portion is up to 20% of any annual budgeting period pursuant to the approval of Hedge Committee.
- Hedging tenor for non-discretionary portion is 24 months.
- **Instruments**: Vanilla Call Options, Zero Cost Collars and Swaps

RISK MANAGEMENT POLICY

- Currency Risk Hedge Program to weather exchange rate fluctuations.
- 100% international ticket revenues which are filed in US$ but collected in TRY, EUR and GBP as well as up to 25% of domestic ticket revenues collected in TRY (if required) are converted to US$ in daily spot market.

SUSTAINABILITY (ESG) UPDATE

Moving towards a **cleaner** future

PEGASUS The Path To Net Zero

Our Sustainability-Linked Loan transaction for the financing of ten new Airbus 321neo we took delivery in 2022, was awarded the **Sustainability Supported Finance Deal of the Year** by **Airline Economics**, and the **Guaranteed Financing Deal of the Year 2022** by **Euromoney's Airfinance Journal**. The transaction was also recognized by IATA in its 2050 Net Zero Finance Roadmap as an example for how sustainability-linked financing can be integrated into EXIM-supported aircraft finance.

We continue investing in new generation Airbus neo aircraft. **Three new Airbus 321neo aircraft joined our fleet in 2023Q2**, further contributing to **efficiency in fuel consumption and carbon emissions**. In July 2023, we announced our firm order for another **36 new Airbus 321neo** aircraft, bringing our Airbus Order total to 150 Airbus 320/321neo family aircraft.

We published our 2023 Carbon Disclosure Project (CDP) Report in July 2023. **We have been disclosing our emissions on the CDP platform since 2015.** We are one of the five global airlines to have attained leadership level (A & A-) score on 2022 CDP Climate Change reporting.

Moving towards an **equal and harmonious** future

PEGASUS #harmony

Our new **Diversity, Equality & Inclusion** initiative «**Harmony**» is underway, with volunteers from different business units identifying specific initiatives and targets and implementing them, with specific focus on design, engagement and communication.

Moving towards a **better** future **together**

PEGASUS #HereForYou

As a thriving company, we know that by improving our corporate structure and supporting the development of every individual on our team, we can make a real difference to society and the environment. **Pegasus Airlines Sustainability Team, comprising over 80 members**, is carrying out its work on a wide range of **environmental, social and governance** targets.

In 2023, we joined **UN Global Compact**'s new association established in Türkiye. Our CEO, Ms. Güliz ÖZTÜRK will serve as Vice-Chair of the Board of Directors this term. In 2019, we were the **first airline in Türkiye to commit to UN Global Compact** and we are happy to extend our collaboration with the Turkish Network for greater impact towards implementing the **UN Sustainable Development Goals**.

Moving towards a **sustainable** future

HIGHLIGHTS
and
FINANCIAL STATEMENTS

OPERATIONAL & FINANCIAL HIGHLIGHTS

	2019 12M	2021 12M	2022 12M	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	Q2 YoY chg	2019 6M	2022 6M	2023 6M	6M YoY chg
TOTAL REVENUE (€mn)	**1,739**	**1,025**	**2,449**	**290**	**407**	**647**	**396**	**270**	**504**	**1,000**	**675**	**442**	**657**	**30%**	**697**	**774**	**1,100**	**42%**
ANCILLARY REVENUE (€mn)	459	315	626	93	107	143	116	93	127	214	192	156	206	61%	200	220	362	64%
EBITDA (€mn)	**580**	**254**	**835**	**42**	**131**	**314**	**93**	**33**	**104**	**469**	**230**	**69**	**221**	**113%**	**173**	**136**	**290**	**112%**
EBITDA Margin	**33.3%**	**24.8%**	**34.1%**	**14.5%**	**32.1%**	**48.6%**	**23.5%**	**12.1%**	**20.6%**	**46.9%**	**34.1%**	**15.5%**	**33.6%**	**13.0pp**	**24.8%**	**17.6%**	**26.3%**	**8.7pp**
Net profit/loss (€mn)	212	-150	431	-42	59	183	12	-60	-40	278	254	-22	91	n.m.	17	-101	69	n.m.
PAX (mn)	**30.8**	**20.2**	**26.9**	**6.90**	**7.41**	**8.80**	**7.64**	**4.85**	**6.51**	**8.48**	**7.09**	**6.27**	**7.85**	**21%**	**14.3**	**11.4**	**14.1**	**24%**
LOAD FACTOR	**88.6%**	**77.8%**	**83.6%**	**86.9%**	**87.3%**	**91.3%**	**88.4%**	**80.8%**	**78.7%**	**88.0%**	**85.5%**	**84.4%**	**81.3%**	**2.7pp**	**87.1%**	**79.6%**	**82.7%**	**3.1pp**
ASK (bn)	43.9	33.1	47.6	9.5	10.8	12.7	10.9	8.4	11.9	14.8	12.5	11.0	15.2	27%	20.3	20.4	26.2	29%
AVG. STAGE LENGTH (km)	1,266	1,276	1,479	1,192	1,275	1,320	1,264	1,399	1,443	1,540	1,501	1,473	1,574	9%	1,235	1,425	1,530	7%
RASK, (€c)	**3.96**	**3.10**	**5.14**	**3.07**	**3.76**	**5.08**	**3.62**	**3.21**	**4.22**	**6.74**	**5.42**	**4.04**	**4.32**	**2%**	**3.44**	**3.80**	**4.20**	**11%**
CASK, (€c)	**3.19**	**3.15**	**3.93**	**3.24**	**3.10**	**3.10**	**3.36**	**3.57**	**3.94**	**4.02**	**4.05**	**4.10**	**3.36**	**-15%**	**3.16**	**3.79**	**3.67**	**-3%**
Non-fuel CASK, (€c)	2.06	2.23	2.18	2.14	1.96	1.95	2.24	2.38	2.07	2.06	2.29	2.61	2.13	3%	2.04	2.20	2.33	6%
ANCILLARY PER PAX (€)	14.9	15.6	23.3	13.4	14.4	16.3	15.2	19.2	19.5	25.2	27.1	24.9	26.2	34%	14.0	19.4	25.6	32%
EUR/US$ rate (avg.)	1.12	1.18	1.05	1.14	1.12	1.11	1.11	1.12	1.07	1.01	1.02	1.07	1.09	2%	1.13	1.09	1.08	-1%
EUR/TRY rate (avg.)	6.35	10.43	17.34	6.09	6.59	6.30	6.40	15.60	16.77	18.04	18.97	20.21	22.64	35%	6.34	16.19	21.43	32%

P&L STATEMENT

P&L STATEMENT, EURmn	2022 Q2	2032 Q2	2022 6M	2023 6M
Sales	504	657	774	1,100
Cost of sales	-451	-479	-732	-903
Gross profit	**53**	**178**	**42**	**197**
General administrative expenses (-)	-9	-17	-20	-31
Marketing expenses (-)	-11	-14	-19	-25
Other operating income	0	4	0	0
Other operating expenses (-)	-5	-29	-8	-26
Operating profit	**28**	**121**	**-4**	**115**
Income/expense from investing activities	6	16	14	23
Share of investments income (equity method)	0	-0.1	0	0
Operating profit before financial expense	**34**	**137**	**10**	**138**
Financial income	3	12	6	37
Financial expense (-)	-80	-55	-123	-104
Profit / (loss) before tax	**-43**	**94**	**-106**	**71**
Current tax expense	0	0	0	0
Deferred tax income / (expense)	3	-3	6	-2
Profit / (loss) for the period	**-40**	**91**	**-101**	**69**

BALANCE SHEET

ASSETS, EURmn	2022 12M	2023 6M
Current assets	**1,039**	**1,378**
Cash and cash equivalents	530	565
Financial assets	113	342
Trade receivables	59	75
Other receivables	9	7
Derivative financial instruments	13	0
Inventories	25	28
Prepaid expenses	282	353
Other current assets	8	7
Non-Current assets	**3,767**	**3,820**
Financial assets	215	49
Other receivables	34	30
Derivative financial instruments	4	0
Investments (equity method)	18	18
Property and equipment	176	168
Intangible assets	14	15
Right of use assets	2,947	3,202
Prepaid expenses	357	337
TOTAL ASSETS	**4,806**	**5,197**

LIABILITIES, EURmn	2022 12M	2023 6M
Current liabilities	**1,041**	**1,299**
Short term financial liabilities	496	575
Trade payables	197	229
Passenger flight liabilities	216	361
Derivative financial instruments	0	4
Short term provisions	61	70
Other current liabilities	70	59
Non-Current liabilities	**2,859**	**2,946**
Long term financial liabilities	2,564	2,658
Derivative financial instruments	0	3
Deferred income	62	91
Long term provisions	197	160
Deferred tax liabilities	36	33
SHAREHOLDERS' EQUITY	**905**	**953**
Paid-in share capital	61	61
Share premiums on capital stock	194	194
Other	24	3
Retained earnings and net profit/loss	627	695
TOTAL LIABILITIES AND EQUITY	**4,806**	**5,197**

CASH FLOW STATEMENT

CASH FLOW STATEMENT, EURmn	2022 6M	2023 6M
A. CASH FLOWS FROM OPERATING ACTIVITIES	**385**	**338**
Net cash generated from operating activities	116	258
Changes in working capital	269	81
B. CASH FLOWS FROM INVESTING ACTIVITIES	**-84**	**-85**
Cash payments to acquire debt instruments of other entities	-33	-34
Proceeds from sale of property, equipment and intangible assets	15	-11
Interest received from financial investment	4.3	11
Changes in cash advances and payables	-74	-18
Other cash changes	1	-32
C. CASH FLOWS FROM FINANCING ACTIVITIES	**-246**	**-217**
Increase in borrowings	63	160
Repayment of borrowings	-131	-125
Repayment of principal in lease liabilities	-127	-167
Interest and commission paid	-60	-88
Interest received	9	4
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS	**24**	**-1**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**80**	**36**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**475**	**530**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**555**	**565**

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We didn’t start aviation in Turkey, but we transformed it!