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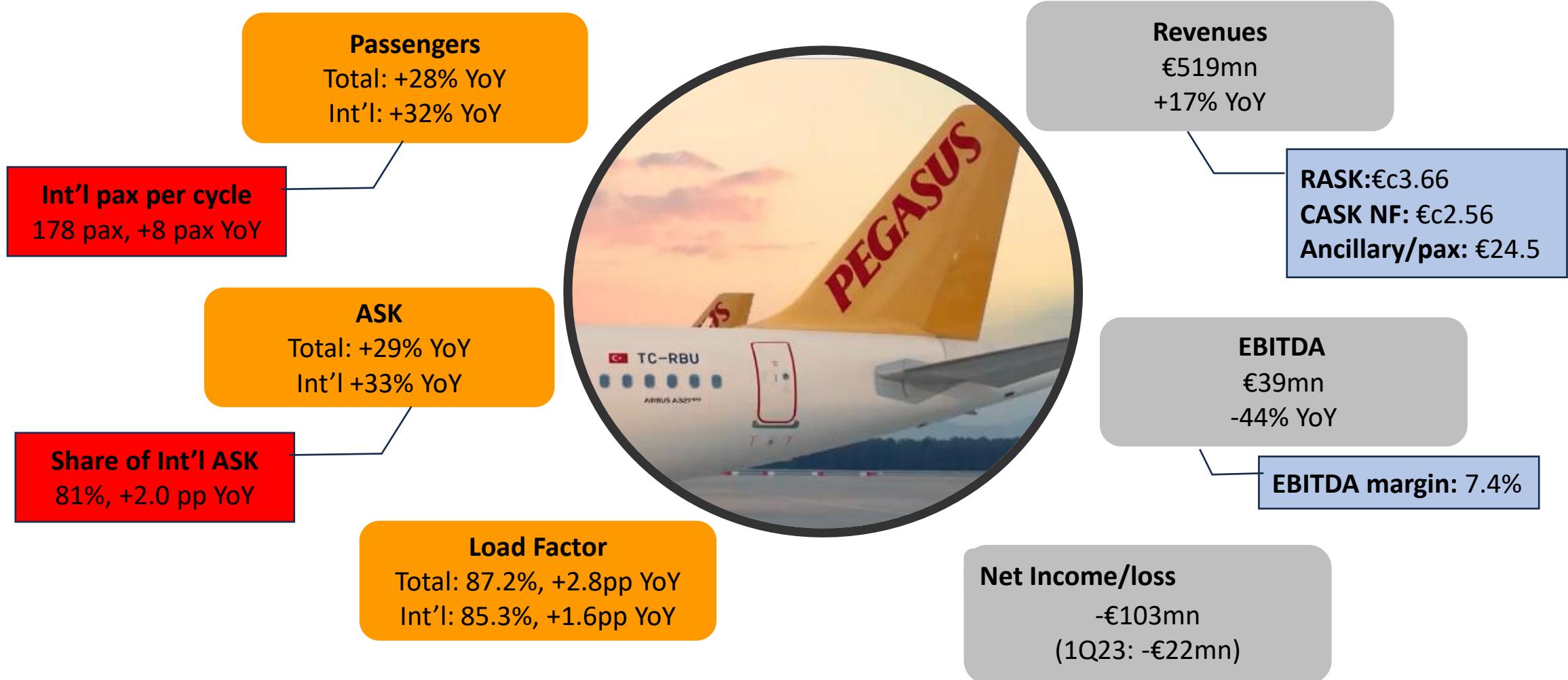
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1Q24 FINANCIAL RESULTS PRESENTATION
May 2024

- **HIGHLIGHTS**
- **SUMMARY FIGURES**
- **OUTLOOK**
- **ROUTE NETWORK & FLEET**



KEY HIGHLIGHTS – 2024 Q1



EBITDA: Core EBIT+Depreciation exp.+55% of short term lease expenses

SUMMARY FIGURES – TRAFFIC & KPIs

ASK increased by 29% while revenues grew by 17% YoY in 1Q24.

EURmn	2023 Q1	2024 Q1	YoY % chg.
Total Passengers (mn)	6.3	8.1	28%
International (mn)	3.7	4.9	32%
Total ASK (bn)	11.0	14.2	29%
International (bn)	8.7	11.5	33%
Load Factor	84.4%	87.2%	
International	83.7%	85.3%	
Revenues	442	519	17%
Costs	449	563	26%
Fuel costs	163	200	23%
EBITDA	69	39	-44%
EBITDA margin	15.5%	7.4%	
Net Income/loss	-22	-103	n.m.
RASK	4.04	3.66	-9%
CASK	4.10	3.97	-3%
CASK non-fuel	2.61	2.56	-2%

Traffic

- Total ASK grew 29% YoY in 1Q24. International ASK grew 33% YoY, standing 85% higher compared to 1Q19. Fleet utilization turned 12% higher YoY in 1Q24, supported by the expansion in flight network and greater availability in pilot capacity compared to a year ago.
- Our commercial strategy focuses on 'maximising revenue generation' through 'improving the load factor' and 'growing ancillary revenues'. 1Q24 read was satisfying; as the blended LF increased by 2.8pp to 87.2%. International LF increased by 1.6pp to 85.3% in 1Q24, and marked the highest Q1 realization ever.
- Total passenger volume increased by 28% YoY in 1Q24. International passenger volume grew 32% YoY, standing 68% higher vs. 1Q19.
- International pax per cycle reached 178 pax in 1Q24, up from 170 pax in 1Q23 and 149 pax in 1Q19.

Financial Performance

- Revenues at EUR519mn in 1Q24 (+17% YoY, +79% vs. 1Q19). Ancillary revenue/pax is at EUR24.5 (-2% YoY, +83% vs 1Q19).
- EBITDA reached EUR39mn in 1Q24 (-44% YoY, -8% vs. 1Q19), corresponding to an EBITDA margin of 7.4%.
- Bottomline result read EUR-103mn loss for 1Q24 (vs EUR-22mn loss in 1Q23).



International includes charter

OUTLOOK

10%-12% growth planned in total ASK with RASK expected to be flat YoY in 2024.

2024 Outlook

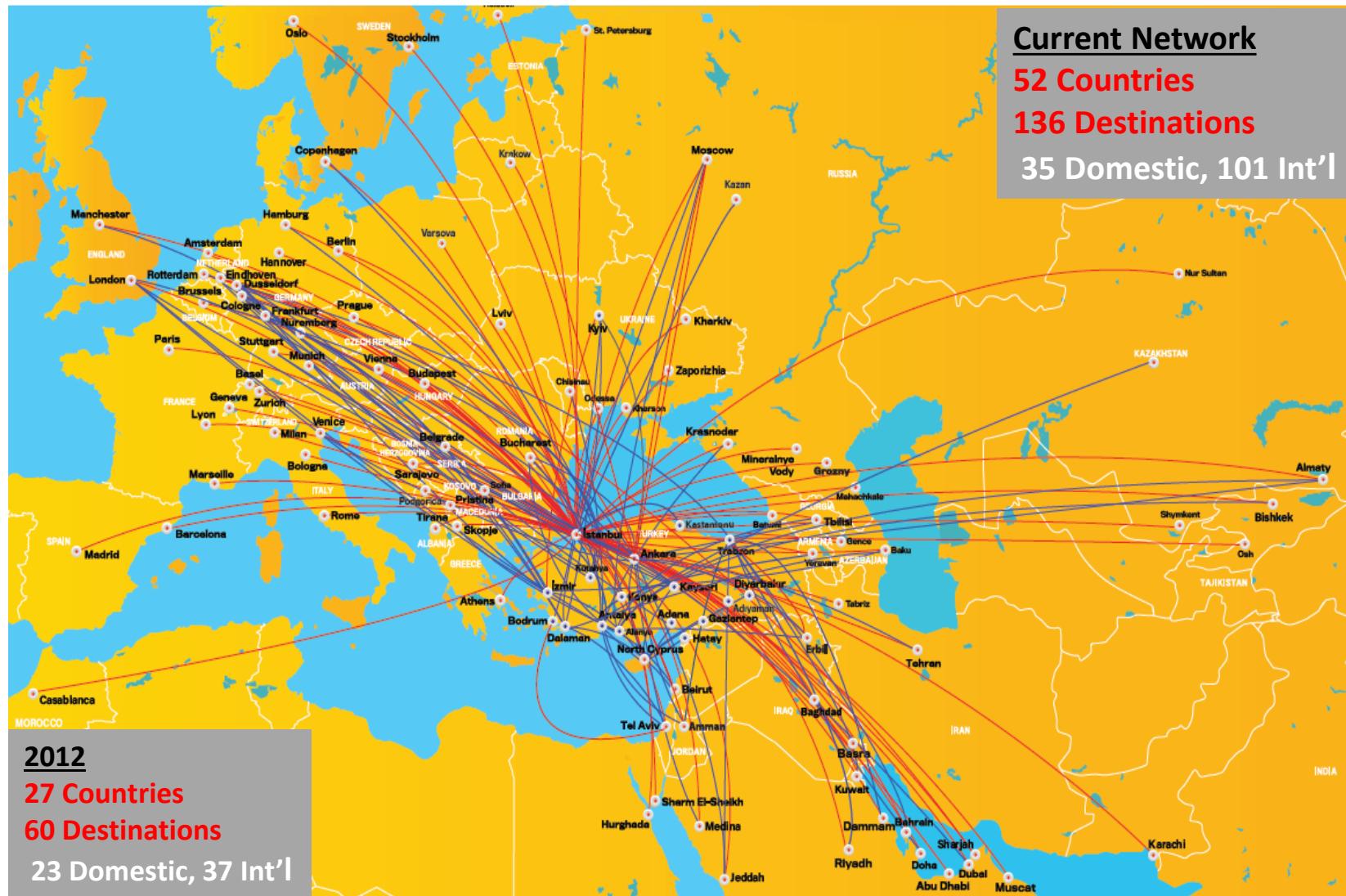
- We are maintaining our **10%-12% growth** plan in **total ASK** for **2024**.
- Our commercial strategy delivered strong load factor improvement in Q1 and the outlook for peak season stands encouraging – we are expecting **RASK to be flat YoY in 2024, driven by higher load factor** and '**mid-to-high single digit growth**' in **ancillary revenue /passenger**.
- Cost outlook remains to be challenging. We maintain our estimate for a '**mid-to-high single digit**' increase in **CASK non-fuel** in **2024** over the **2023** level.
- We foresee **an EBITDA margin within the 28%-30% range in 2024**. Consequently, we are confident that we will once again rank among the '**top EBITDA margin generators in the airline industry**' in **2024**.



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ROUTE NETWORK

Size of the international route network reached 101 destinations.



Announced additions to the int'l route network in 2023 & 2024

Istanbul Sabiha Gokcen

→ Plovdiv	→ Amman	→ Birmingham
→ Kazan	→ Dortmund	→ Alexandria
→ Zagreb	→ Kutaisi	→ Cairo*
→ Aktau*	→ Sofia*	→ Chisinau*
→ Masshad*	→ Bratislava*	

Ankara

→ Moscow	→ Warsaw	→ Krakow
→ Podgorica	→ Lisbon*	

Antalya

→ Symkent	→ Astana	→ St.Petersburg
→ Krakow	→ Warsaw	

Izmir

→ Podgorica	→ Warsaw	→ Lisbon*
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Dalaman

→ Baku		
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Bodrum

→ Tel Aviv		
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Trabzon

→ Tel Aviv	→ Dammam	→ Erbil
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Gaziantep

→ Cologne*		
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* Announced in 2024

FLEET DEVELOPMENT

Fleet size was 105 aircraft at the end of 1Q24.

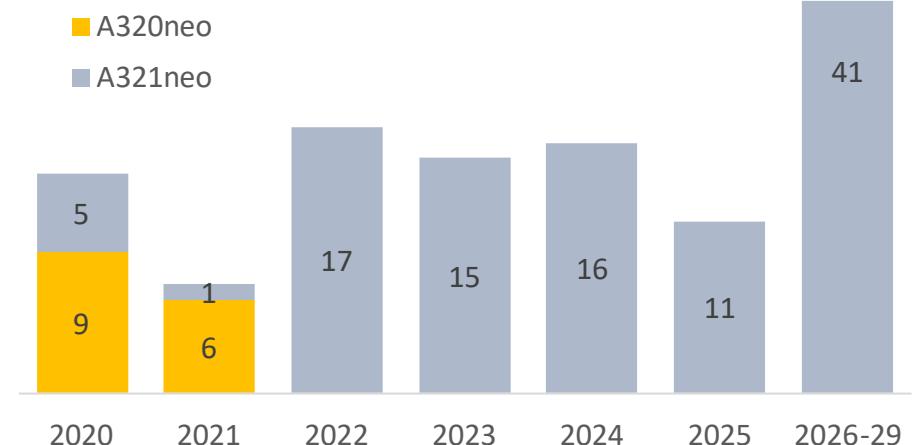
FLEET (as of March 31, 2024)

	Owned	Financial Lease	Operational Lease	Total
Boeing 737-800	6	3	1	10
Airbus A320ceo	-	-	7*	7
Airbus A320neo	-	35	11**	46
Airbus A321neo	-	41	1	42
Total	6	79	20	105

* 1 A320ceo on damp lease

**5 A320neo was subject to S&LB contracts in 1Q24

A320NEO-A321NEO ORDER BOOK



FLEET INFORMATION

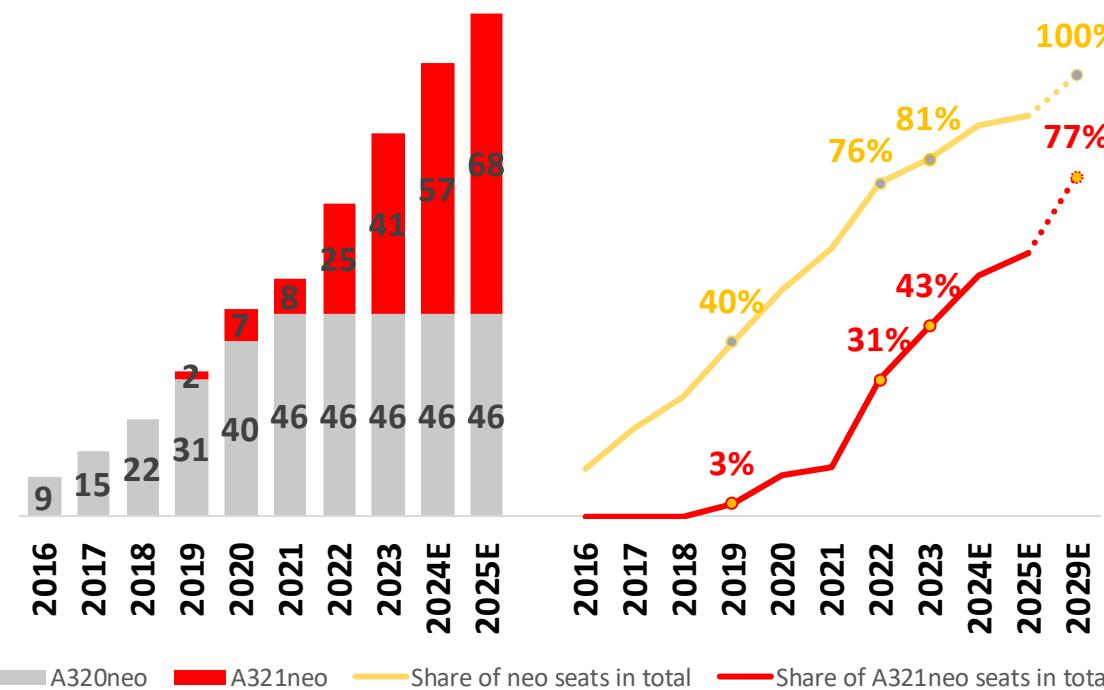
- Youngest fleet in Türkiye and one of the youngest among LCCs globally: **4.5 years**.
- **42 A320neo (all delivered)** and **108 A321neo (41 delivered)** on order.
- Fleet size is planned to be **118 aircraft** at the end of 2024.
 - ✓ **15 A321neo** delivery planned in the remainder of 2024, while **1 737-800** 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** at the end of 2029, from **191** at the end of 2021



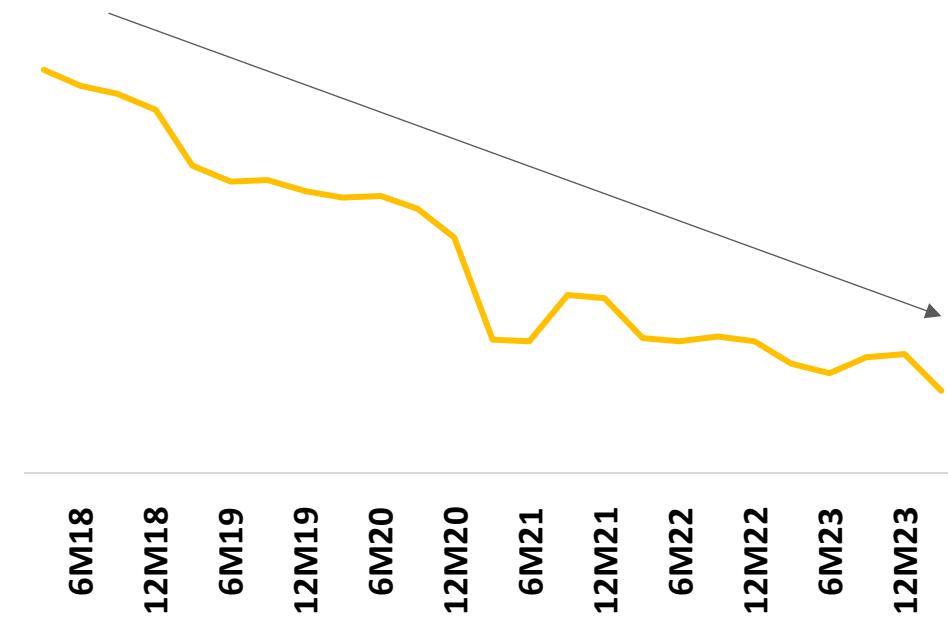
FLEET DEVELOPMENT

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

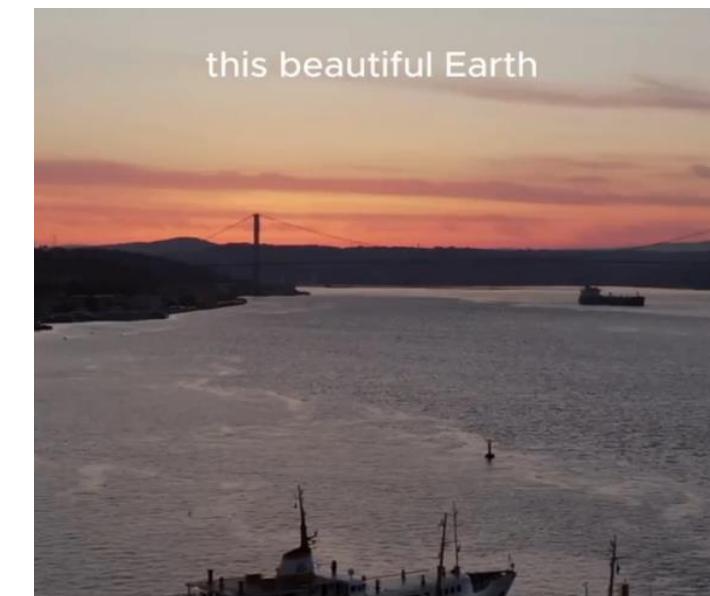
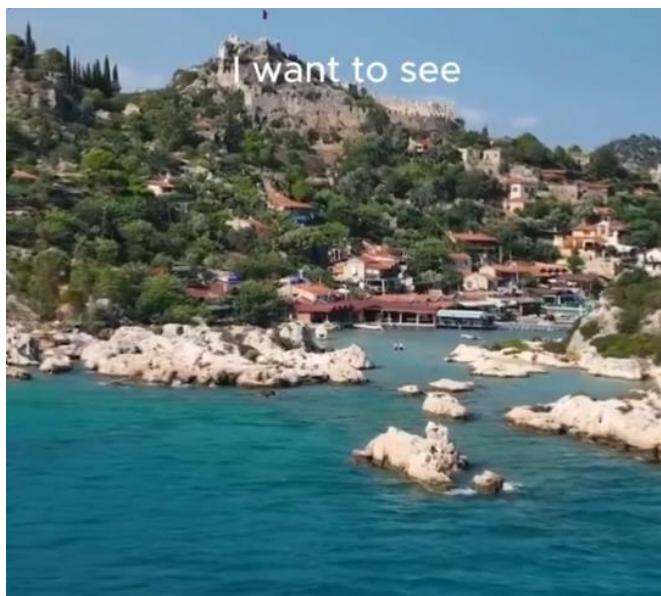
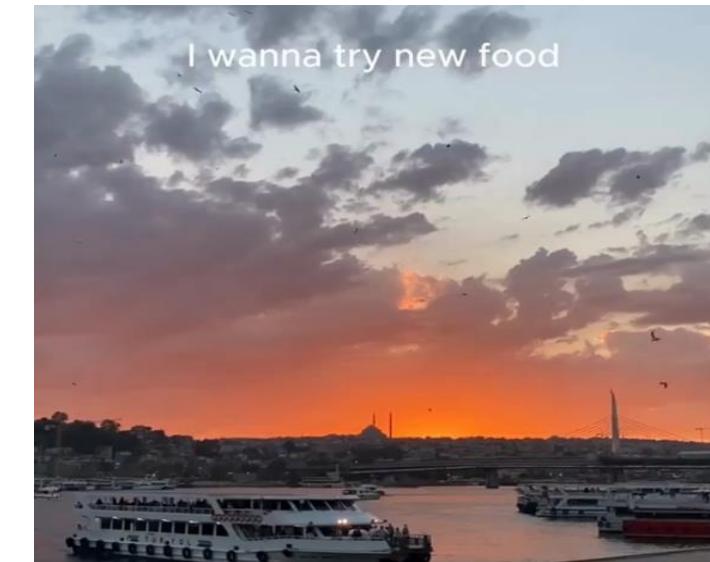
Evolution of the A320neo and A321neo fleet



Fuel consumption per ASK

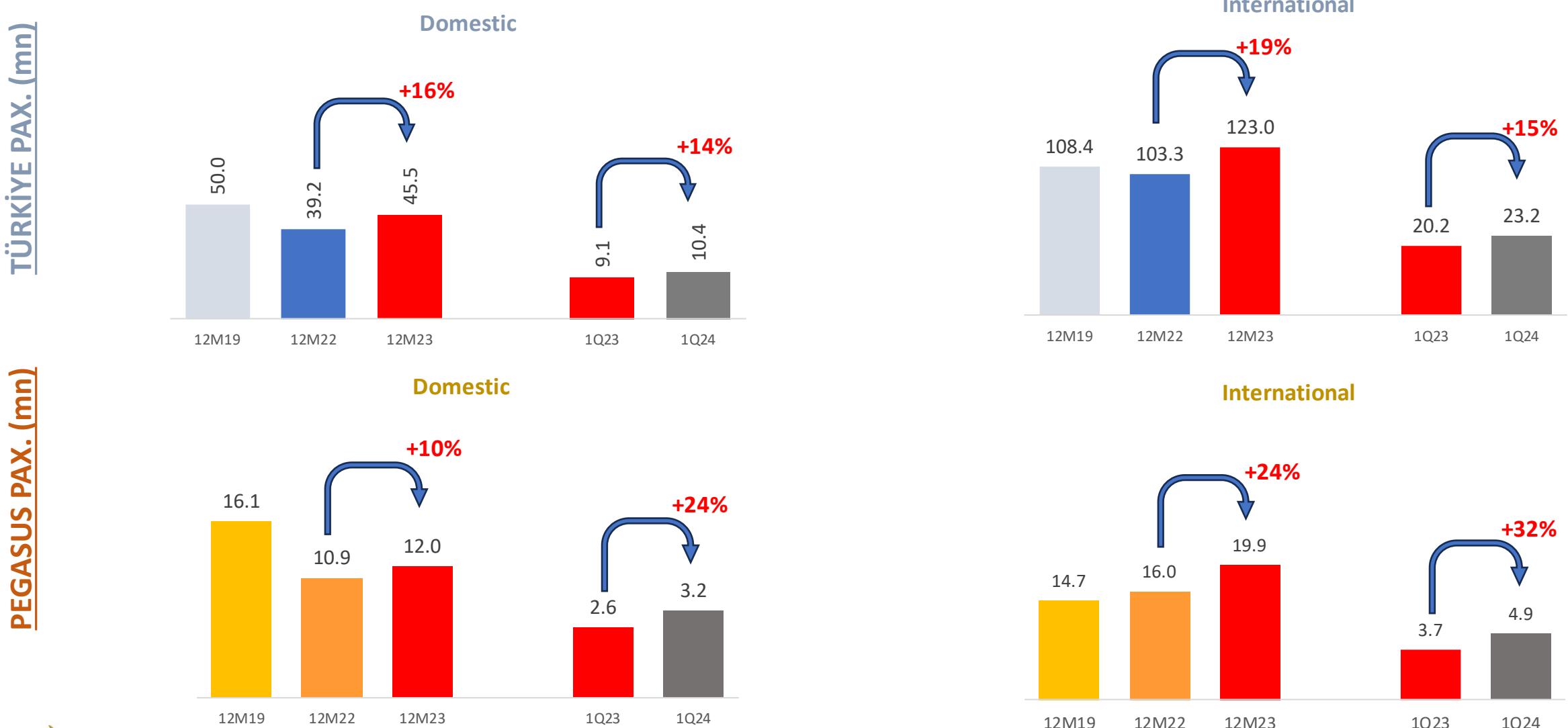


- **OPERATING ENVIRONMENT**
- **P&L + BS DETAILS**



OPERATING ENVIRONMENT

International passengers of Pegasus grew by 32% YoY in 1Q24.

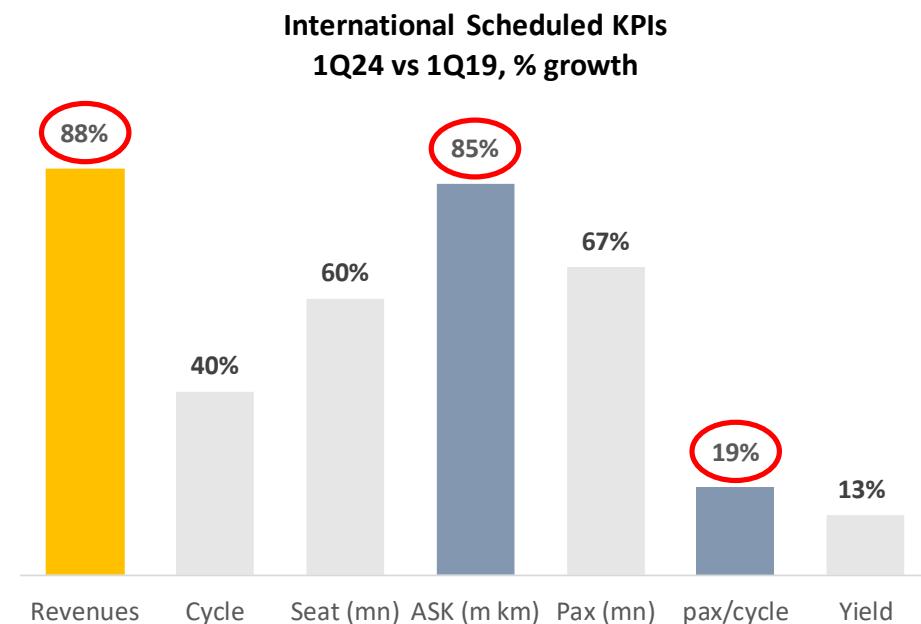


Türkiye passenger data is taken from General Directorate of State Airports Authority, domestic passengers are divided by 2 in order to avoid double counting.
Pegasus figures reflect booked passengers, international pax includes charter pax

REVENUES

1Q24 international scheduled revenues stand 88% higher compared to 1Q19.

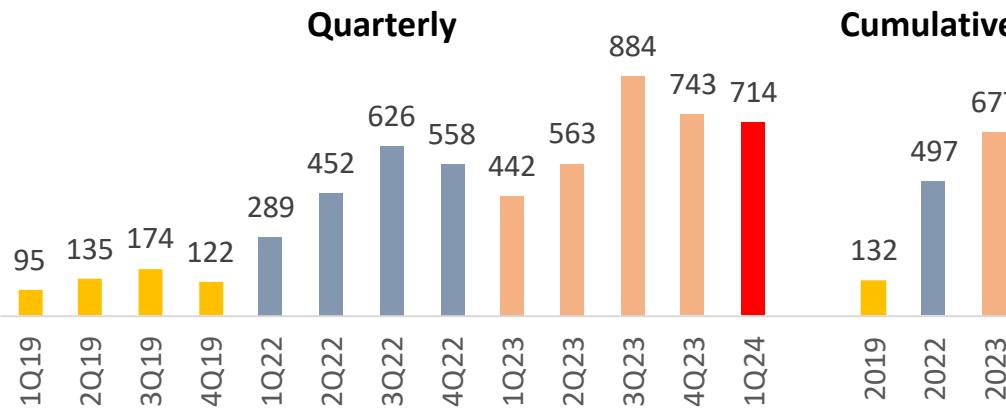
EURmn	2023 Q1	2024 Q1	YoY chg.
TOTAL REVENUES	442	519	17%
Domestic scheduled	57	68	20%
International scheduled	223	247	10%
Ancillary	156	198	27%
Charter and Other	6.0	6.4	6%



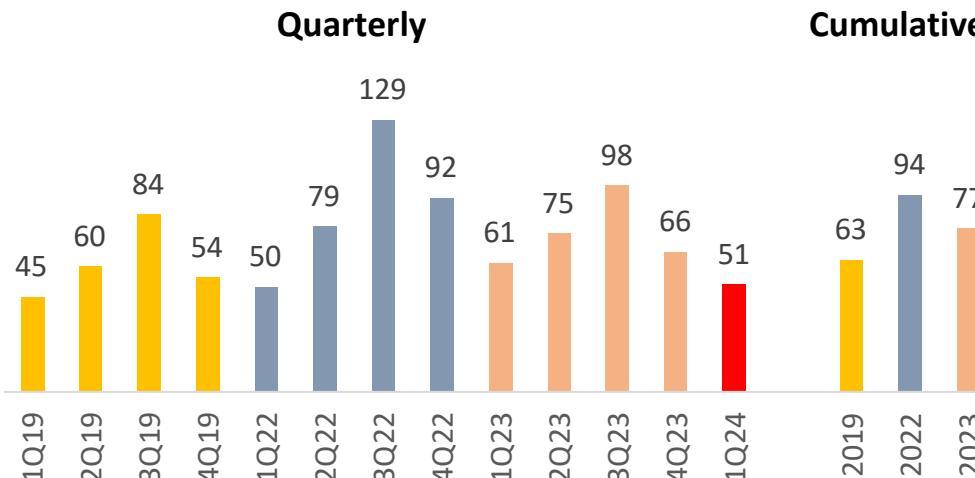
SCHEDULED PASSENGER REVENUES

In 1Q24 vs 1Q19, while total capacity in ASK grew by 50%, the total scheduled unit revenue increased by 54%.

Passenger Yield - Sch. Domestic (TL)

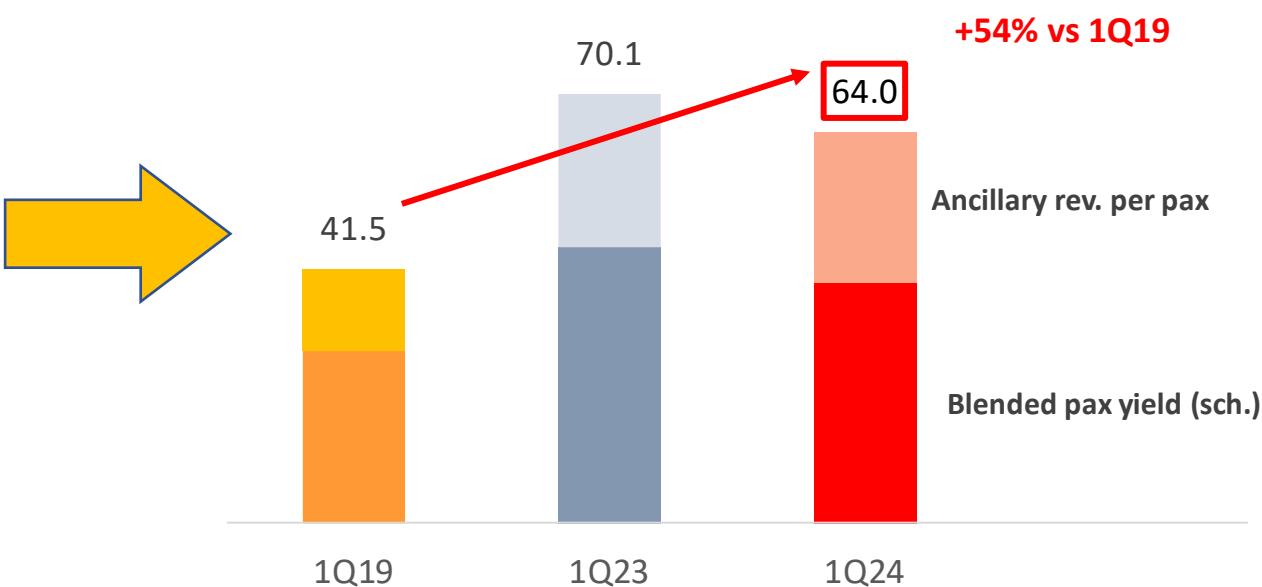


Passenger Yield - Sch. Int'l (EUR)



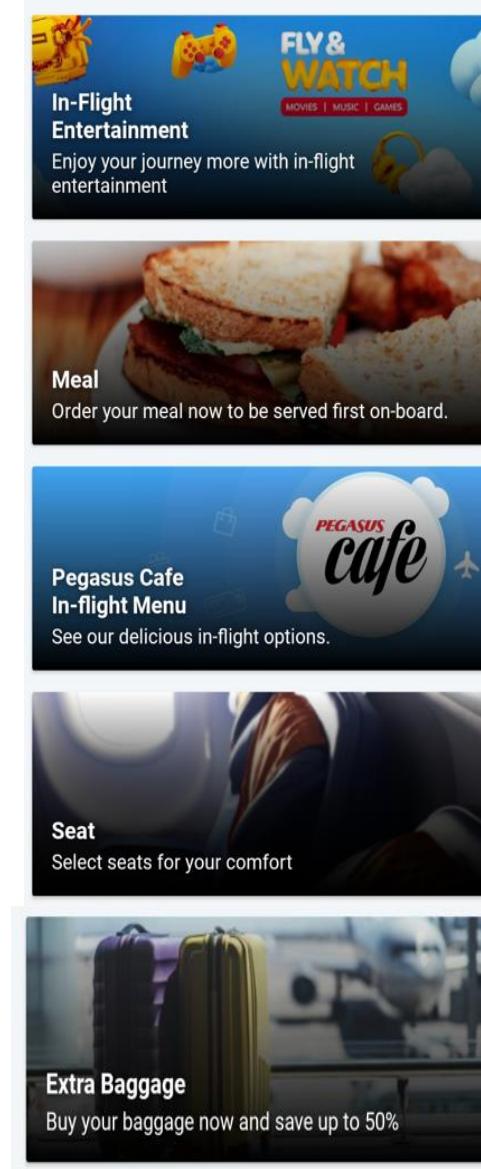
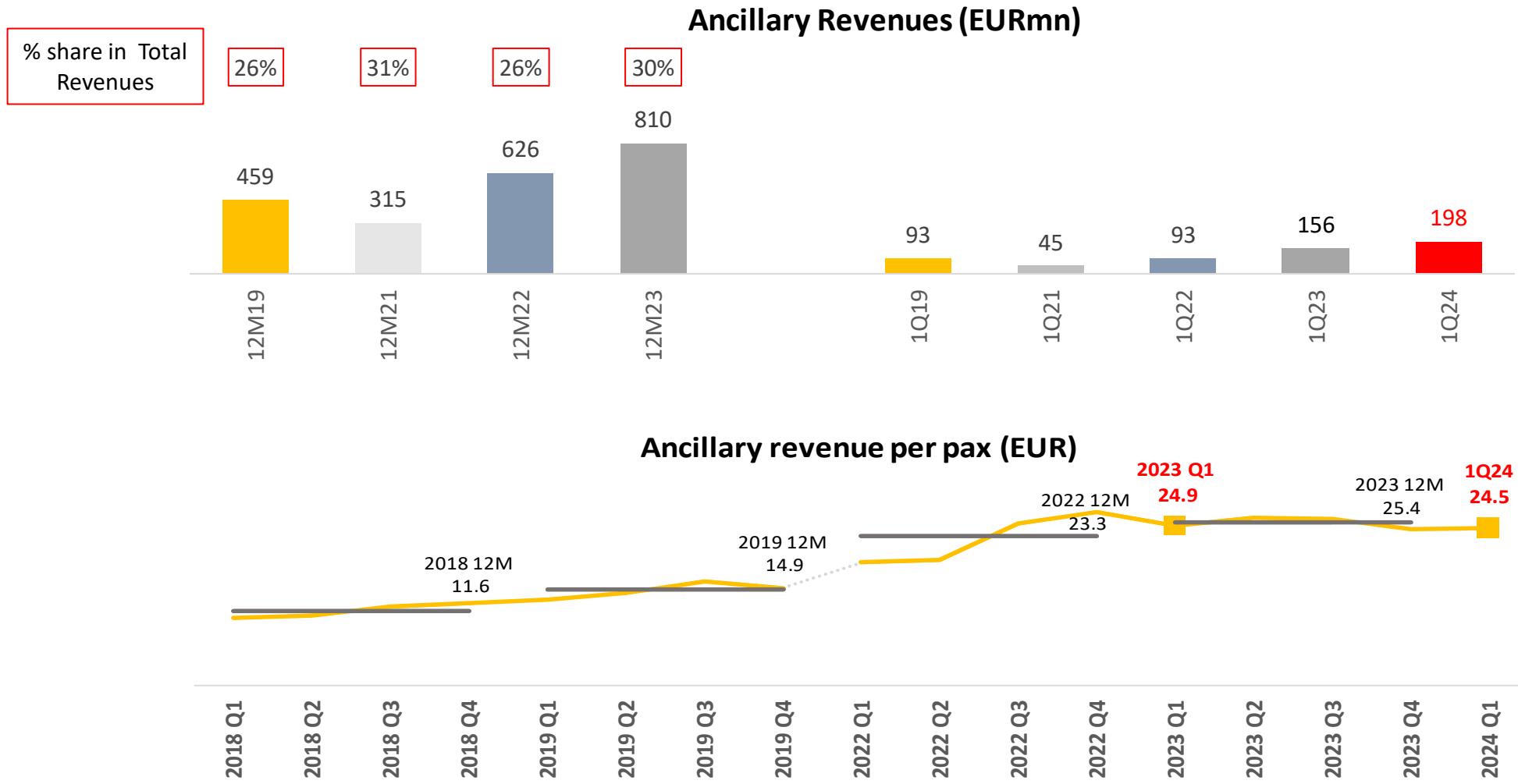
Total Scheduled Passenger Revenue / Pax (EUR)

1Q19-1Q23-1Q24



ANCILLARY REVENUES

Ancillary revenue/pax amounted to EUR24.5 in 1Q24.

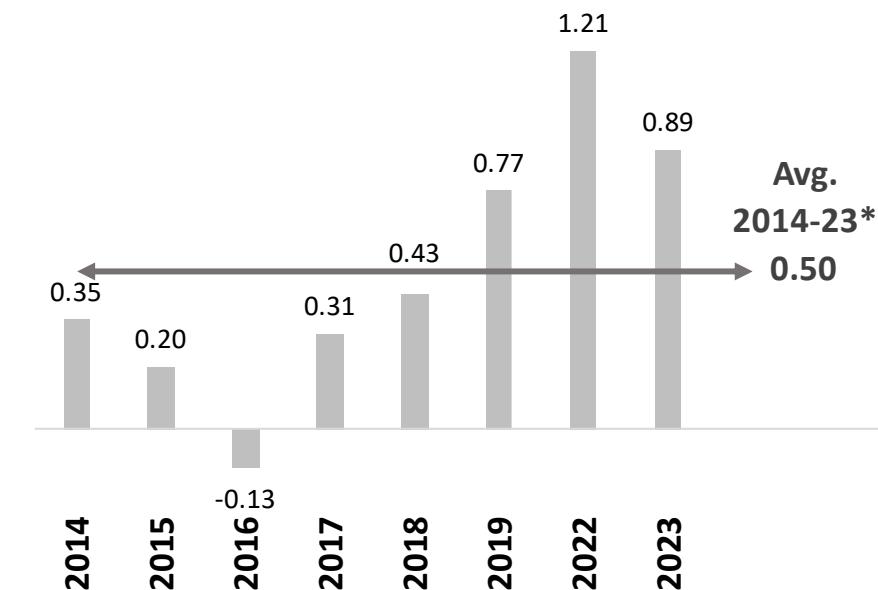


COSTS

CASK non-fuel fell 2% YoY in 1Q24.

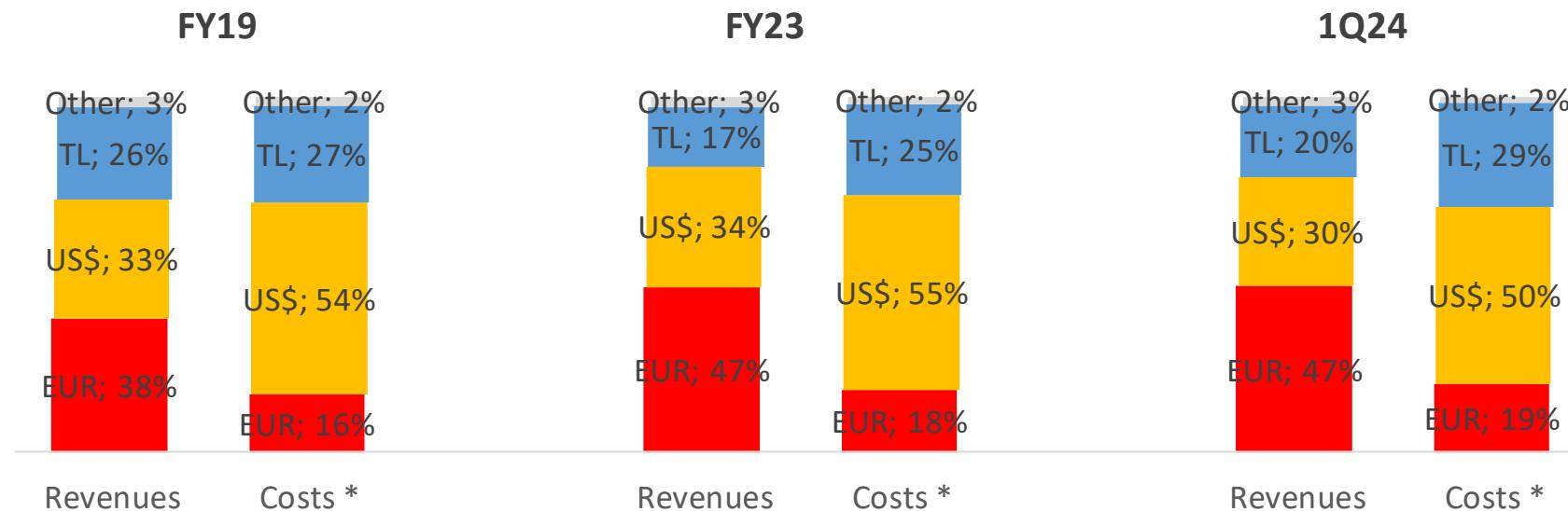
Costs (EURmn)	2023	2024	YoY	Costs (per ASK, EURc)	2023	2024	YoY
	Q1	Q1	% chg		Q1	Q1	% chg
Jet fuel	163	200	23%	Jet fuel	1.49	1.41	-5%
Personnel	66	97	48%	Personnel	0.60	0.69	14%
Maintenance	19	24	29%	Maintenance	0.17	0.17	0%
Depreciation	73	83	13%	Depreciation	0.67	0.58	-13%
Handling	35	45	27%	Handling	0.32	0.32	-2%
Navigation	28	37	31%	Navigation	0.25	0.26	1%
Landing	16	21	33%	Landing	0.15	0.15	2%
Pax service & catering	5	8	43%	Pax service & catering	0.05	0.05	11%
ST leases	4	1	-71%	ST lease	0.03	0.00	-78%
Other	40	48	19%	Other	0.37	0.34	-8%
TOTAL COSTS	449	563	26%	CASK (€ cent)	4.10	3.97	-3%
				CASK non fuel (€ cent)	2.61	2.56	-2%

RASK-CASK spread (annual, EURc)



CURRENCY BREAKDOWN – OPERATIONAL PERSPECTIVE

Revenues and costs are mainly based on hard currencies.



* Costs excluding depreciation expenses

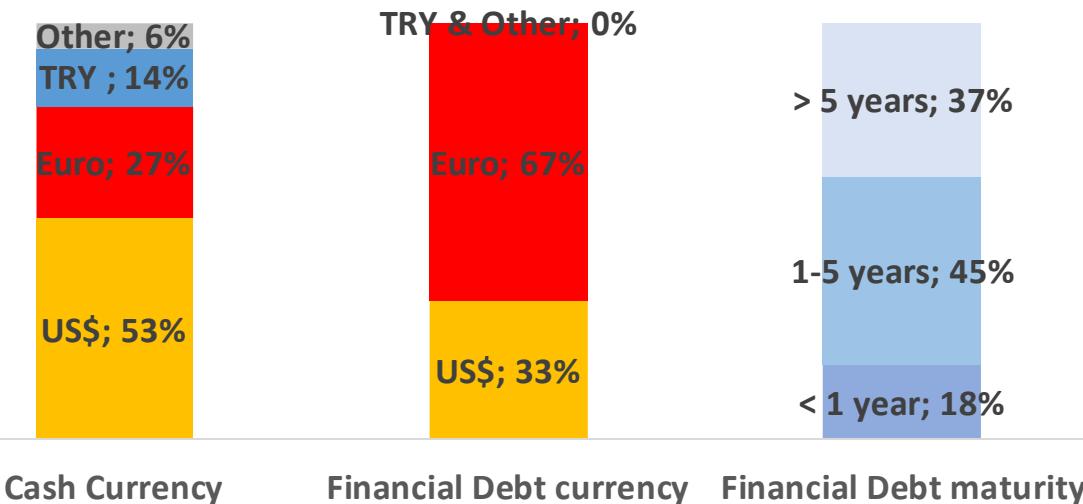
LIQUIDITY

Net debt stands at EUR2.4bn as of the end of March 2024.

EURmn	Dec 31, 2022	Dec 31, 2023	Mar 31, 2024
Cash & Equivalents	858	1,114	1,231
Other Assets	216	194	264
Pre-delivery payment	313	274	280
Fixed Assets	3,419	4,617	4,638
Total Assets	4,806	6,200	6,413
Liabilities	841	852	1,079
Bank Loans & Debt Instruments	485	602	700
Leasing Liabilities	2,575	3,067	3,048
Shareholders' Equity	905	1,678	1,586
Total Liab. & Sh. Equity	4,806	6,200	6,413
Net Debt, EURmn	2,046	2,418	2,377

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

Breakdown of currencies and financial debt maturity

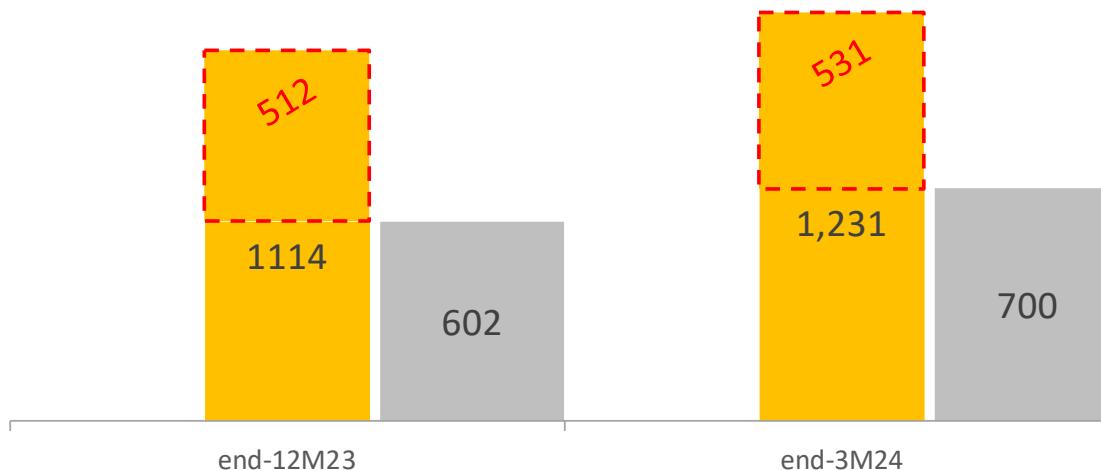


CASH RESERVES

Positive cash reserves are at EUR531mn as of the end of March 2024.

Cash reserves vs. Loans

- Cash reserves
- Positive cash after deducting bank loans
- Bank loans and debt instruments (total)



- Total cash reserves stood at EUR1,231mn at the end of March 2024, compared to EUR1,114mn at 2023-end.
- Positive cash reserve after deducting total short and long term bank loans and issued debt instruments is at EUR531mn as of the end of March 2024.

- Cash reserves include short and long term financial assets.

HEDGING & RISK MANAGEMENT

49% of the estimated jet fuel consumption for 2024 is hedged.

HEDGE VOLUME AND PRICE

	2024FY	2025FY
Hedge Ratio	49%	27%
Hedged Price range, \$/mt	749-895	759-929
Brent equivalent*	68-81	69-84

Price ranges are calculated by using market data of March 31, 2024

** 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



Moving towards an equal and harmonious future



Moving towards a better future together



With YEK-G, we certified that 5,041 MWh of electricity, corresponding to our **2023 electricity consumption at our HQ and at our home base SAW**, is sourced from **renewable energy sources**. YEK-G refers to the block chain based renewable energy resource guarantee certification system developed by EPIAŞ, designed to track the entire energy process from production to consumption. We aim to continue renewable energy certification in the coming years, building upon our first initiative in this area through certification of 4,242 MWh of electricity in 2022.



We carry-out our emission management work in line with the **Climate Transition Roadmap** on our [Sustainability Hub](#). In 2024Q1, we achieved the lowest level of emission intensity to date, achieving unit carbon emissions of **58.2 grCO2/RPK**.



We complied our work on **Diversity, Equality & Inclusion** in 2023 in our **2023 Harmony Report** and published it on our [Sustainability Hub](#). Volunteers from different business units continue to identify specific initiatives and targets and implement them, with specific focus on design, engagement and communication.



Based on our independently appraised **Corporate Governance Compliance Rating of 97.5%**, [we were awarded](#) as the Company with the **3rd Highest Ranking in the BIST Corporate Governance Index** at the XIV. Corporate Governance Awards hosted by the Turkish Corporate Governance Association, TKYD.



We are supporting the Turkish Sustainable Aviation Alliance, initially launched by Boeing, Istanbul Technical University and THY in 2023. We are actively involved in the work of the Alliance 2024. The platform aims to adopt a multidisciplinary approach and cooperative perspective to support decarbonization and sustainability transition of Turkish aviation in the future, to facilitate collaborations and joint projects regarding sustainable aviation and to conduct training and increase awareness in this area.

Moving towards a sustainable future

OPERASYONEL - FINANSAL VERİLER VE MALİ TABLOLAR



OPERATIONAL & FINANCIAL HIGHLIGHTS

	2019	2022	2023		2019	2019	2019	2019		2022	2022	2022	2022		2023	2023	2023	2023		2024	Q1
	12M	12M	12M		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	YoY chg
TOTAL REVENUE (€mn)	1,739	2,449	2,670		290	407	647	396		270	504	1,000	675		442	657	962	609		519	17%
ANCILLARY REVENUE (€mn)	459	626	810		93	107	143	116		93	127	214	192		156	206	251	198		198	27%
EBITDA (€mn) *	580	835	838		42	131	314	93		33	104	469	230		69	221	418	131		39	-44%
EBITDA Margin	33.3%	34.1%	31.4%		14.5%	32.1%	48.6%	23.5%		12.1%	20.6%	46.9%	34.1%		15.5%	33.6%	43.4%	21.5%		7.4%	-8.1pp
Net profit/loss (€mn)	212	431	790		-42	59	183	12		-60	-40	278	254		-22	91	253	469		-103	n.m
PAX (mn)	30.8	26.9	31.9		6.90	7.41	8.80	7.64		4.85	6.51	8.48	7.09		6.27	7.85	9.67	8.13		8.06	28%
LOAD FACTOR	88.6%	83.6%	84.8%		86.9%	87.3%	91.3%	88.4%		80.8%	78.7%	88.0%	85.5%		84.4%	81.3%	87.7%	85.2%		87.2%	2.8pp
ASK (bn)	43.9	47.6	58.2		9.5	10.8	12.7	10.9		8.4	11.9	14.8	12.5		11.0	15.2	17.5	14.6		14.2	29%
AVG. STAGE LENGTH (km)	1,266	1,479	1,546		1,192	1,275	1,320	1,264		1,399	1,443	1,540	1,501		1,473	1,574	1,583	1,531		1,533	4%
RASK, (€c)	3.96	5.14	4.59		3.07	3.76	5.08	3.62		3.21	4.22	6.74	5.42		4.04	4.32	5.51	4.17		3.66	-9%
CASK, (€c)	3.19	3.93	3.69		3.24	3.10	3.10	3.36		3.57	3.94	4.02	4.05		4.10	3.36	3.60	3.86		3.97	-3%
Non-fuel CASK, (€c)	2.06	2.18	2.26		2.14	1.96	1.95	2.24		2.38	2.07	2.06	2.29		2.61	2.13	2.13	2.30		2.56	-2%
ANCILLARY PER PAX (€)	14.9	23.3	25.4		13.4	14.4	16.3	15.2		19.2	19.5	25.2	27.1		24.9	26.2	25.9	24.3		24.5	-2%
EUR/US\$ rate (avg.)	1.12	1.05	1.08		1.14	1.12	1.11	1.11		1.12	1.07	1.01	1.02		1.07	1.09	1.09	1.08		1.09	1%
EUR/TRY rate (avg.)	6.35	17.34	25.65		6.09	6.59	6.30	6.40		15.60	16.77	18.04	18.97		20.21	22.64	29.12	30.63		33.52	66%



* EBITDA: Core EBIT+Depreciation expenses+55% of wet lease expenses

P&L STATEMENT

P&L STATEMENT, EURmn	2023 3M	2024 3M
Sales	442	519
Cost of sales	-423	-532
Gross profit	19	-14
General administrative expenses (-)	-15	-17
Marketing expenses (-)	-11	-14
Other operating income	2	9
Other operating expenses (-)	-2	-2
Operating profit	-6	-37
Income/expense from investing activities	7	16
Share of investments income (equity method)	0	0
Operating profit before financial expense	1	-20
Financial income	26	11
Financial expense (-)	-50	-97
Profit / (loss) before tax	-23	-107
Current tax expense	0	0
Deferred tax income / (expense)	0	4
Profit / (loss) for the period	-22	-103

BALANCE SHEET

ASSETS, EURmn	2023 12M	2024 3M	LIABILITIES, EURmn	2023 12M	2024 3M
Current assets	1,474	1,647	Current liabilities	1,142	1,439
Cash and cash equivalents	494	813	Short term financial liabilities	572	679
Financial assets	569	341	Trade payables	200	216
Trade receivables	51	84	Passenger flight liabilities	258	409
Other receivables	6	5	Derivative financial instruments	3	0
Derivative financial instruments	0	5	Short term provisions	63	60
Inventories	33	38	Other current liabilities	44	74
Prepaid expenses	313	353	Non-Current liabilities	3,380	3,388
Other current assets	8	7	Long term financial liabilities	3,097	3,069
Non-Current assets	4,726	4,765	Derivative financial instruments	2	0
Financial assets	51	76	Deferred income	108	149
Other receivables	55	59	Long term provisions	173	170
Derivative financial instruments	0	3	Deferred tax liabilities	0	0
Investments (equity method)	18	19	SHAREHOLDERS' EQUITY	1,678	1,586
Property and equipment	319	347	Paid-in share capital	61	61
Intangible assets	20	21	Share premiums on capital stock	194	194
Right of use assets	3,485	3,441	Other	797	-85
Prepaid expenses	390	411	Retained earnings	627	1,417
Deferred tax assets	388	389	Net profit/loss	790	-103
TOTAL ASSETS	6,200	6,413	TOTAL LIABILITIES AND EQUITY	6,200	6,413

CASH FLOW STATEMENT

CASH FLOW STATEMENT, EURmn	2023 3M	2024 3M
A. CASH FLOWS FROM OPERATING ACTIVITIES	117	142
Net cash generated from operating activities	62	48
Changes in working capital	55	94
B. CASH FLOWS FROM INVESTING ACTIVITIES	-45	218
Cash payments to acquire debt instruments of other entities	1	55
Proceeds from sale of property, equipment and intangible assets	-4	43
Interest received from financial investment	8	16
Changes in cash advances and payables	-43	-44
Other cash changes	-7	147
C. CASH FLOWS FROM FINANCING ACTIVITIES	-78	-35
Increase in borrowings	112	93
Repayment of borrowings	-79	-15
Repayment of principal in lease liabilities	-84	-84
Interest and commission paid	-31	-40
Interest received	3	10
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS	-2	-4
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	-8	320
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	530	494
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	522	813

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