

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

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

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
SIX MONTHS PERIOD ENDED
30 JUNE 2024

**(Convenience translation of a report and condensed consolidated financial statements
originally issued in Turkish)**

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Pegasus Hava Taşımacılığı Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Pegasus Hava Taşımacılığı Anonim Şirketi (the Company) and its subsidiaries ("the Group") as of June 30, 2024 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-months period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

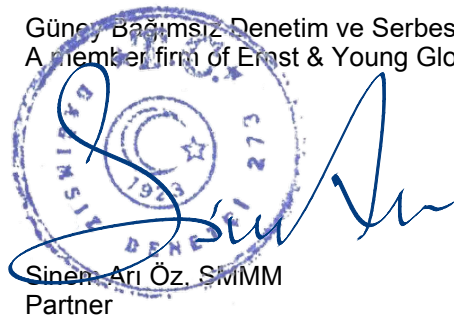
Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Sinem Arı Öz, SMMM
Partner

12 August 2024
İstanbul, Turkey

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(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024

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

		Current period (Reviewed) TL 30 June 2024	Prior period (Audited) TL 31 December 2023	(*) EUR 30 June 2024	(*) EUR 31 December 2023
Notes					
ASSETS					
Current assets		58.408.329.951	48.001.577.327	1.662.709.658	1.473.620.823
Cash and cash equivalents	27	30.837.871.427	16.078.358.927	877.861.543	493.596.374
Financial assets	22	9.317.939.199	18.534.625.942	265.253.732	569.002.359
Trade receivables	6	2.939.407.828	1.668.899.597	83.676.109	51.234.258
<i>Trade receivables from third parties</i>		<i>2.939.407.828</i>	<i>1.668.899.597</i>	<i>83.676.109</i>	<i>51.234.258</i>
Other receivables	6	178.310.881	184.612.285	5.075.975	5.667.491
<i>Other receivables from related parties</i>	5	-	<i>44.138</i>	-	<i>1.355</i>
<i>Other receivables from third parties</i>		<i>178.310.881</i>	<i>184.568.147</i>	<i>5.075.975</i>	<i>5.666.136</i>
Derivative financial instruments	21	303.691.482	12.607.533	8.645.184	387.044
Inventories		1.108.592.761	1.075.273.755	31.558.305	33.010.286
Prepaid expenses	7	13.494.227.581	10.201.603.776	384.140.114	313.183.370
Current income tax assets		41.014.058	19.552.842	1.167.547	600.261
Other current assets		187.274.734	226.042.670	5.331.149	6.939.380
Non-Current assets		180.242.564.986	153.953.502.230	5.130.960.926	4.726.283.979
Financial assets	22	4.386.820.260	1.674.235.495	124.879.592	51.398.067
Other receivables	6	2.032.214.965	1.778.877.878	57.851.054	54.610.528
<i>Other receivables from third parties</i>		<i>2.032.214.965</i>	<i>1.778.877.878</i>	<i>57.851.054</i>	<i>54.610.528</i>
Derivative financial instruments	21	110.095.567	-	3.134.090	-
Investments accounted by using the equity method	3	714.220.201	602.491.387	20.331.703	18.496.139
Property and equipment	8	13.792.986.262	10.377.700.527	392.641.541	318.589.424
Intangible assets	9	770.512.789	643.504.105	21.934.184	19.755.206
Right of use assets	10	129.564.112.251	113.509.023.248	3.688.300.983	3.484.661.746
Prepaid expenses	7	14.565.611.146	12.718.004.262	414.639.185	390.435.418
Deferred tax assets	26	14.305.991.545	12.649.665.328	407.248.594	388.337.451
TOTAL ASSETS		238.650.894.937	201.955.079.557	6.793.670.584	6.199.904.802

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024

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

		Current period (Reviewed) TL 30 June 2024	Prior period (Audited) TL 31 December 2023	(*) EUR 30 June 2024	(*) EUR 31 December 2023
Notes					
LIABILITIES					
Current liabilities		52.867.881.196	37.183.794.680	1.504.989.729	1.141.521.116
Short term borrowings	22	9.283.637.862	5.353.784.770	264.277.276	164.358.114
Short term portion of long term borrowings	22	2.116.495.831	1.944.707.759	60.250.277	59.701.410
Short term portion of long term lease liabilities	22	12.583.435.568	11.326.083.111	358.212.602	347.704.239
Trade payables	6	9.836.626.500	6.526.115.717	280.019.201	200.348.000
<i>Trade payables to related parties</i>	5	<i>24.229.111</i>	<i>17.811.962</i>	<i>689.730</i>	<i>546.817</i>
<i>Trade payables to third parties</i>		<i>9.812.397.389</i>	<i>6.508.303.755</i>	<i>279.329.471</i>	<i>199.801.183</i>
Employee benefit obligations		816.120.834	398.269.511	23.232.508	12.226.645
Other payables	6	422.201.811	260.455.138	12.018.817	7.995.823
<i>Other payables to third parties</i>		<i>422.201.811</i>	<i>260.455.138</i>	<i>12.018.817</i>	<i>7.995.823</i>
Passenger flight liabilities	7	14.722.775.195	8.418.318.534	419.113.173	258.437.538
Derivative financial instruments	21	-	109.079.828	-	3.348.688
Deferred income	7	1.260.862.072	782.027.857	35.892.955	24.007.806
Short term provisions		1.825.725.523	2.064.952.455	51.972.920	63.392.853
<i>Short term provisions for employee benefits</i>		<i>808.068.948</i>	<i>1.587.893.487</i>	<i>23.003.295</i>	<i>48.747.417</i>
<i>Other short term provisions</i>		<i>1.017.656.575</i>	<i>477.058.968</i>	<i>28.969.625</i>	<i>14.645.436</i>
Non-Current liabilities		126.108.296.394	110.102.098.656	3.589.924.289	3.380.071.120
Long term borrowings	22	12.817.660.928	12.312.016.907	364.880.294	377.971.840
Long term lease liabilities	22	99.979.676.050	88.581.646.542	2.846.120.975	2.719.405.614
Derivative financial instruments		-	64.250.780	-	1.972.462
Deferred income		6.365.703.885	3.506.810.209	181.212.463	107.657.057
Long term provisions		6.945.255.531	5.637.374.218	197.710.557	173.064.147
<i>Long term provisions for employee benefits</i>		<i>1.486.766.814</i>	<i>1.201.242.173</i>	<i>42.323.784</i>	<i>36.877.444</i>
<i>Other long term provisions</i>		<i>5.458.488.717</i>	<i>4.436.132.045</i>	<i>155.386.773</i>	<i>136.186.703</i>
SHAREHOLDERS' EQUITY		59.674.717.347	54.669.186.221	1.698.756.566	1.678.312.566
Paid-in share capital	14	500.000.000	102.299.707	230.037.951	60.544.134
Share premiums on capital stock		57.986.732	455.687.025	24.595.488	194.089.305
Other comprehensive income/expense not to be reclassified to profit or loss					
Actuarial losses on defined benefit plans		(139.490.310)	(105.998.793)	(3.970.870)	(3.254.102)
Currency translation differences		31.695.034.979	27.604.819.459	-	-
Other comprehensive income/expense to be reclassified to profit or loss					
Currency translation differences		427.828.917	368.154.236	9.564.373	8.808.787
Hedge fund		271.282.512	(129.997.940)	7.722.598	(3.990.862)
Gain on financial assets measured at fair value		39.992.665	48.328.332	1.138.471	1.483.652
Restricted profit reserves		20.459.941	20.459.941	4.047.406	4.047.406
Retained earnings		26.305.434.254	5.397.932.457	1.416.584.246	626.643.772
Net income for the period		496.187.657	20.907.501.797	9.036.903	789.940.474
TOTAL LIABILITIES AND EQUITY		238.650.894.937	201.955.079.557	6.793.670.584	6.199.904.802

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

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

		Current period (Reviewed) TL 1 January- 30 June 2024	Prior period (Reviewed) TL 1 January- 30 June 2023	Current period (Not reviewed) TL 1 April - 30 June 2024	Prior period (Not reviewed) TL 1 April - 30 June 2023	(*) EUR 1 January- 30 June 2024	(*) EUR 1 January- 30 June 2023	(*) EUR 1 April - 30 June 2024	(*) EUR 1 April - 30 June 2023
Profit or loss	Notes								
Sales	15	43.963.935.295	23.902.449.110	26.573.134.299	15.109.008.411	1.281.940.463	1.099.688.837	763.218.237	657.286.297
Cost of sales (-)	15	(38.009.155.704)	(19.753.371.707)	(20.056.594.636)	(11.202.646.737)	(1.108.019.228)	(906.240.169)	(575.936.270)	(482.959.162)
Gross profit		5.954.779.591	4.149.077.403	6.516.539.663	3.906.361.674	173.921.235	193.448.668	187.281.967	174.327.135
General administrative expenses (-)	16	(1.272.257.498)	(666.336.239)	(700.071.213)	(370.099.906)	(39.905.372)	(28.245.979)	(22.295.054)	(13.561.386)
Marketing expenses (-)	16	(1.008.304.085)	(578.495.908)	(556.895.162)	(360.653.108)	(30.085.043)	(24.454.637)	(16.522.665)	(13.817.360)
Other operating income	17	325.528.134	432.429	11.185.840	432.429	9.552.525	20.743	176.963	3.511.927
Other operating expenses (-)	17	(61.089.712)	(550.386.904)	(6.416.681)	(547.910.699)	(1.858.396)	(25.712.046)	(170.512)	(29.107.965)
Operating profit		3.938.656.430	2.354.290.781	5.264.342.447	2.628.130.390	111.624.949	115.056.749	148.470.699	121.352.351
Income from investing activities	18	1.029.684.253	691.981.066	288.959.346	551.213.005	29.078.798	26.053.085	7.836.143	19.250.269
Expenses from investing activities (-)	18	(213.537.473)	(92.154.371)	(43.589.813)	(99.196.045)	(6.064.225)	(3.359.853)	(1.176.247)	(3.696.972)
Share of investments income accounted for using the equity method	3	42.209.516	7.605.460	27.569.688	(2.434.497)	1.236.977	356.234	800.330	(140.102)
Operating profit before financial expense		4.797.012.726	2.961.722.936	5.537.281.668	3.077.712.853	135.876.499	138.106.215	155.930.925	136.765.546
Financial income	19	789.588.073	707.320.012	437.538.870	191.144.916	23.088.552	37.195.219	12.588.158	11.633.253
Financial expense (-)	19	(5.856.941.475)	(2.292.146.437)	(2.618.517.408)	(1.284.238.921)	(172.391.761)	(104.421.763)	(75.240.802)	(54.807.348)
Profit/(loss) before tax		(270.340.676)	1.376.896.511	3.356.303.130	1.984.618.848	(13.426.710)	70.879.671	93.278.281	93.591.451
Tax income/(expense)		766.528.333	(49.996.201)	640.858.861	(59.598.955)	22.463.613	(2.341.786)	18.715.399	(2.816.509)
Deferred tax income/(expense)	26	766.528.333	(49.996.201)	640.858.861	(59.598.955)	22.463.613	(2.341.786)	18.715.399	(2.816.509)
Profit for the period		496.187.657	1.326.900.310	3.997.161.991	1.925.019.893	9.036.903	68.537.885	111.993.680	90.774.942
Income/(loss) per share (TL) / (EUR)	20	2,92	12,97	16,81	18,82	0,05	0,67	0,66	0,89

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

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

	Current period (Reviewed) TL 1 January- 30 June 2024	Prior period (Reviewed) TL 1 January- 30 June 2023	Current period (Not reviewed) TL 1 April - 30 June 2024	Prior period (Not reviewed) TL 1 April - 30 June 2023	(*) EUR 1 January- 30 June 2024	(*) EUR 1 January- 30 June 2023	(*) EUR 1 April - 30 June 2024	(*) EUR 1 April - 30 June 2023
Other comprehensive income								
Items not to be reclassified to profit or loss								
Actuarial (losses) / gains on defined benefit plans	(44.655.348)	(34.115.051)	(54.417.486)	23.586.437	(955.691)	153.571	(1.514.008)	2.732.436
Deferred tax effect	11.163.837	6.823.010	13.604.372	(4.717.287)	238.923	(30.714)	378.502	(546.487)
Currency translation differences	4.090.215.520	7.829.737.791	447.027.760	6.775.539.949	-	-	-	-
Items to be reclassified to profit or loss								
Currency translation differences	59.674.681	120.061.738	11.334.903	267.889.970	755.586	148.488	158.533	337.158
Gain on financial assets measured at fair value	(11.114.202)	(15.649.499)	(8.463.047)	(3.458.565)	(460.241)	(1.047.313)	(257.399)	(391.089)
Cash flow hedge	535.040.628	(572.932.420)	94.234.067	(233.768.429)	15.617.947	(25.525.252)	2.611.214	(8.481.904)
Deferred tax effect	(130.981.647)	117.716.399	(21.442.772)	47.445.406	(3.789.427)	5.314.514	(588.453)	1.774.599
Other comprehensive income	4.509.343.469	7.451.641.968	481.877.797	6.872.517.481	11.407.097	(20.986.706)	788.389	(4.575.287)
Total comprehensive income	5.005.531.126	8.778.542.278	4.479.039.788	8.797.537.374	20.444.000	47.551.179	112.782.069	86.199.655

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

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

				Other comprehensive income items not to be reclassified to profit or loss		Other comprehensive income items to be reclassified to profit or loss			Retained earnings			
		Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	Shareholders' equity
As at 1 January 2023	TL	102.299.707	455.687.025	(74.584.475)	11.667.935.448	165.445.988	282.719.523	26.847.705	20.459.941	(1.702.212.691)	7.100.145.148	18.044.743.319
Transfers	TL	-	-	-	-	-	-	-	-	7.100.145.148	(7.100.145.148)	-
Net profit/(loss) for the period	TL	-	-	-	-	-	-	-	-	-	1.326.900.310	1.326.900.310
Other comprehensive income / (expense)	TL	-	-	(27.292.041)	7.829.737.791	120.061.738	(458.345.921)	(12.519.599)	-	-	-	7.451.641.968
As at 30 June 2023	TL	102.299.707	455.687.025	(101.876.516)	19.497.673.239	285.507.726	(175.626.398)	14.328.106	20.459.941	5.397.932.457	1.326.900.310	26.823.285.597
As at 1 January 2024	TL	102.299.707	455.687.025	(105.998.793)	27.604.819.459	368.154.236	(129.997.940)	48.328.332	20.459.941	5.397.932.457	20.907.501.797	54.669.186.221
Transfers	TL	397.700.293	(397.700.293)	-	-	-	-	-	-	20.907.501.797	(20.907.501.797)	-
Net profit/(loss) for the period	TL	-	-	-	-	-	-	-	-	-	496.187.657	496.187.657
Other comprehensive income / (expense)	TL	-	-	(33.491.517)	4.090.215.520	59.674.681	401.280.452	(8.335.667)	-	-	-	4.509.343.469
As at 30 June 2024	TL	500.000.000	57.986.732	(139.490.310)	31.695.034.979	427.828.917	271.282.512	39.992.665	20.459.941	26.305.434.254	496.187.657	59.674.717.347

In connection with the increase of the Company's current issued capital of TRY 102,299,707 to TRY 500,000,000, by an increase of TRY 397,700,293, through the conversion of funds available as part of the "Share Premiums on Capital Stock", within the TRY 500,000,000 authorized capital ceiling; the Issuance Certificate regarding the shares to be issued with a nominal value of TRY 397,700,293 and capital increase was registered with the Trade Registry on May 30, 2024.

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

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

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

				Other comprehensive income items not to be reclassified to profit or loss	Other comprehensive income items to be reclassified to profit or loss				Retained earnings		
		Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	Shareholders' equity
As at 1 January 2023	EUR	60.544.134	194.089.305	(3.741.402)	8.071.040	14.182.139	1.346.769	4.047.406	195.884.759	430.759.013	905.183.163
Transfers	EUR	-	-	-	-	-	-	-	430.759.013	(430.759.013)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	68.537.885	68.537.885
Other comprehensive income / (expense)	EUR	-	-	122.857	148.488	(20.420.201)	(837.850)	-	-	-	(20.986.706)
As at 30 June 2023	EUR	60.544.134	194.089.305	(3.618.545)	8.219.528	(6.238.062)	508.919	4.047.406	626.643.772	68.537.885	952.734.342
As at 1 January 2024	EUR	60.544.134	194.089.305	(3.254.102)	8.808.787	(3.990.862)	1.483.652	4.047.406	626.643.772	789.940.474	1.678.312.566
Transfers	EUR	169.493.817	(169.493.817)	-	-	-	-	-	789.940.474	(789.940.474)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	9.036.903	9.036.903
Other comprehensive income / (expense)	EUR	-	-	(716.768)	755.586	11.713.460	(345.181)	-	-	-	11.407.097
As at 30 June 2024	EUR	230.037.951	24.595.488	(3.970.870)	9.564.373	7.722.598	1.138.471	4.047.406	1.416.584.246	9.036.903	1.698.756.566

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

		Current period (Reviewed) TL 1 January- 30 June 2024	Prior period (Reviewed) TL 1 January- 30 June 2023	(*) EUR 1 January- 30 June 2024	(*) EUR 1 January- 30 June 2023
	Notes				
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Income/(loss) for the period		496.187.657	1.326.900.310	9.036.903	68.537.885
Adjustments to reconcile the income/(loss)					
Depreciation and amortization	8-9-10	5.584.589.446	3.047.808.964	163.660.012	142.757.235
Adjustments related with impairments		210.909.208	98.139.384	5.987.202	3.640.187
Provision for doubtful receivable		(2.628.265)	5.985.013	(77.023)	280.334
Adjustments related with financial investment impairments		213.537.473	92.154.371	6.064.225	3.359.853
Adjustments related with provisions		1.063.342.962	413.037.872	30.959.193	15.381.284
Provision for employee benefits		241.769.882	350.264.253	6.882.462	12.441.012
Legal provision		11.953.946	6.747.152	350.318	316.032
Change in redelivery provision		809.619.134	56.026.467	23.726.413	2.624.240
Interest and commission income		2.943.817.331	1.498.427.294	87.687.733	69.556.663
Adjustments related with fair value expense (income)		11.114.202	15.649.498	316.388	1.047.312
Adjustments related with fair value expense (income) of financial assets		11.114.202	15.649.498	316.388	1.047.312
Gain on equity investments accounted for using the equity method	3	(42.209.516)	(7.605.460)	(1.236.977)	(356.234)
Current tax expense		(766.528.333)	49.996.201	(22.463.613)	2.341.786
Other provisions related with investing or financing activities		1.132.351.788	(600.256.613)	33.634.483	(28.103.533)
Changes in working capital					
Increase in trade receivables		(1.104.388.758)	(353.243.498)	(32.364.828)	(16.545.678)
Increase in other receivables, prepayments and other assets		(5.564.897.013)	(1.367.944.385)	(168.769.290)	(67.573.301)
Increase in inventories		49.546.115	(52.208.339)	1.451.981	(2.445.402)
Increase in trade payables		2.718.629.580	681.841.225	79.671.201	31.936.965
Increase in deferred income, other payables and other current liabilities		8.211.490.743	2.989.174.223	243.086.848	135.234.307
Net cash generated from operating activities		14.943.955.412	7.739.716.676	430.657.236	355.409.476
Payment for the employee benefits provisions		(948.003.192)	(365.667.165)	(27.193.951)	(17.165.760)
Payment for other provisions		(1.113.558)	(287.908)	(32.634)	(13.485)
		13.994.838.662	7.373.761.603	403.430.651	338.230.231
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash changes from acquisition and sale of debt instruments of other entities		554.053.648	(749.455.062)	12.102.912	(34.423.664)
Net cash changes from purchase and sale of property, equipment and intangible assets		1.238.148.007	(232.153.974)	34.874.852	(10.873.929)
Interest received from financial investment		684.377.336	201.485.346	20.507.815	11.139.011
Changes in cash advances and payables		(4.114.166.280)	(392.665.554)	(120.568.308)	(18.392.179)
Other cash changes		7.061.846.087	(890.709.300)	221.911.282	(32.000.000)
		5.424.258.798	(2.063.498.544)	168.828.553	(84.550.761)
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in borrowings		3.468.955.783	3.275.626.200	103.184.210	159.650.000
Repayment of borrowings		(843.892.350)	(2.569.166.715)	(24.500.000)	(125.000.000)
Repayment of principal in lease liabilities		(5.869.011.260)	(3.573.253.683)	(171.995.177)	(167.368.698)
Interest and commission paid		(4.077.910.231)	(1.762.347.475)	(122.886.992)	(87.568.655)
Interest received		749.596.193	76.931.885	22.107.131	3.603.436
		(6.572.261.865)	(4.552.209.788)	(194.090.828)	(216.683.917)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE TRANSLATION EFFECT (A+B+C)		12.846.835.595	758.053.271	378.168.376	36.995.553
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		1.912.676.905	4.600.729.378	6.096.793	(1.276.273)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		14.759.512.500	5.358.782.649	384.265.169	35.719.280
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD					
AT THE BEGINNING OF THE PERIOD	27	16.078.358.927	10.558.266.871	493.596.374	529.637.313
AT THE END OF THE PERIOD (A+B+C+D+E)	27	30.837.871.427	15.917.049.520	877.861.543	565.356.593

(*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Pegasus Hava Taşımacılığı A.Ş. (the “Company” or “Pegasus”) and its subsidiaries (together “the Group”) is a low cost airline company. The Group operates under a low cost business model and employs low cost airline business practices which focus on providing affordable, reliable and simple service.

The shareholders and ownership of the Company as of 30 June 2024 and 31 December 2023 are as follows:

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

Shares of the Company have been started to be traded in İstanbul Stock Exchange since 26 April 2013, after the book building between the dates of 18-19 April 2013.

The Group’s total number of full time employees as of 30 June 2024 is 8.514 (31 December 2023: 7.670). The address of its principal office is Aeropark Yenışehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

Approval of Financial Statements

The interim condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 12 August 2024.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TAS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards Turkish Financial Reporting Standards and interpretations (“TAS/IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with TAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TAS

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. The accompanying interim condensed consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with Turkish Accounting Standards.

The interim condensed consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its liabilities in the subsequent year and in the natural process of its business operations.

Functional and Presentation Currency

Although there is no prominent currency affecting revenue and cost of sales, the Company's functional currency is determined as Euro because; material portion of scheduled flight revenues, which represents the Company's primary operations, is generated from European flights, Euro represents a significant component of the financial liabilities of the Company and management reports and budget enabling the Company's management to make executive decisions are prepared in Euro. The functional currency of the Company, its subsidiary and associates, other than Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar"), is Euro. Hitit Bilgisayar's functional currency is US Dollars.

If the legal records are kept in a currency other than the functional currency, the financial statements are initially translated into the functional currency and then translated to the Group's presentation currency, Turkish Lira ("TL").

For the companies in Türkiye that maintain financial records in TL, currency translation from TL to the functional currency is made under the framework described below:

- Monetary assets and liabilities have been converted to the functional currency with the The Central Bank of Turkish Republic (CBRT) foreign exchange rate.
- Non-monetary items have been converted into the functional currency at the exchange rates prevailing at the transaction date.
- Profit or loss accounts have been converted into the functional currency using the exchange rates at the transaction date, except for depreciation expenses.
- The capital is followed according to historical costs.

The translation differences resulting from the above mentioned conversions are recognized under financial income / expenses in the statement of profit or loss.

Presentation currency of the Group's financial statements is TL. Financial Statements have been translated from Euro to TL in accordance with the relevant provisions of TAS 21 ("The Effects of Changes in Foreign Exchange Rates") as follows:

- Assets and liabilities are translated using the Central Bank of the Republic of Turkey ("TCMB") Euro rate prevailing at the reporting date,
- Incomes are converted from Euros to TL using the monthly average exchange rates and expense items at the registered exchange rates on the relevant transaction date.

Translation gains or losses arising from the translations stated above are presented as foreign currency translation reserve under equity. Share capital amount, representing the nominal share capital of the Company, all other equity items are presented in historic TL terms where all translation gains or losses in relation to these balances are accounted under foreign currency translation reserve.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Financial Reporting in Hyperinflationary Economies

In accordance with the POA's announcement dated 23 November 2023, companies applying Turkish Financial Reporting Standards are required to present their financial statements for the annual reporting periods ending on or after 31 December 2023, adjusted for the effects of inflation in accordance with the relevant accounting principles in Turkish Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (TAS 29). Since the Company's functional currency is Euro as of the reporting date, there is no need to make any adjustments within the scope of TAS 29 in its financial statements to be prepared in accordance with TFRS. However, the financial statements as of 30 June 2024, prepared in accordance with the Tax Law, have been subject to inflation correction in accordance with the legislation.

Euro Amounts in the Financial Statements

The Euro amounts presented on the face of interim condensed consolidated financial statements refer to the original Euro (functional currency) denominated interim condensed consolidated financial statements as described under the Functional and Presentation Currency section above. In other words, the amounts shown in TL, which is the presentation currency, on the balance sheet, have been converted back to Euro using the official exchange rate announced by the CBRT as of the balance sheet date, and the Euro amounts shown on the consolidated profit or loss and other comprehensive income and consolidated cash flow statements have been converted from TL to Euro using the monthly average exchange rates.

Comparative Information and Reclassification of Prior Period Financial Statements

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of Consolidation

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

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

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

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Ownership type</u>	<u>Country of registration and operation</u>
		<u>30 June 2024</u>	<u>31 December 2023</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training	49,40%	49,40%	Joint venture	Turkiye
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	Information system solutions	36,82%	36,82%	Joint venture	Turkiye

(*) Following the sale of the simulator in January 2023, PUEM ceased its primary operations, and the liquidation process is ongoing.

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. Material 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 June 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

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

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

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

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

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

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

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

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

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

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

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

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the 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 TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

TFRS 17 - The new Standard for insurance contracts

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

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

Amendments to TAS 21 - Lack of exchangeability

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

iii) The amendments which are effective immediately upon issuance

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

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

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

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

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

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

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

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

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

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

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

TFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

2.4 Seasonality on Operations

Due to seasonality of air passenger transportation, it’s expected to incur higher revenues in the second half of the year compared to the first half. Besides, as a result of higher sales with the effect of summer season and growth in operations of the Company, trade receivables and passenger flight liabilities increased as of 30 June 2024 compared to last year-end.

2.5 Going Concern

The Group has prepared its financial statements in accordance with the going concern principle.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The details of investments accounted for using the equity method are as follows:

	30 June 2024	31 December 2023
Joint ventures		
Hitit Bilgisayar	669.836.898	559.924.216
PUEM	44.383.303	42.567.171
	714.220.201	602.491.387

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

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Hitit Bilgisayar	43.688.028	18.535.328	29.048.200	5.868.532
PUEM	(1.478.512)	(10.929.868)	(1.478.512)	(8.303.029)
Net profit	42.209.516	7.605.460	27.569.688	(2.434.497)

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

PUEM

	30 June 2024	31 December 2023
Current assets	92.183.554	86.234.637
Non-current assets	-	302.872
Current liabilities	(2.338.811)	(315.977)
Non-current liabilities	-	(53.169)
Net assets of joint venture	89.844.743	86.168.363
Group's ownership interest in the joint venture	49,40%	49,40%
Group's share in the net assets of the joint venture	44.383.303	42.567.171

PUEM	1 January- 30 June 2024	1 January- 30 June 2023
Depreciation and amortisation expense	(317.277)	(907.367)
Interest income/(expense), net	111.753	749.473
Profit for the year	(2.992.938)	(22.125.239)
Group's ownership interest	49,40%	49,40%
Group's share in the net profit of the joint venture	(1.478.512)	(10.929.868)

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NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Hitit Bilgisayar

	30 June 2024	31 December 2023
Current assets	755.298.298	741.667.453
Non-current assets	1.360.967.425	1.001.943.115
Current liabilities	(185.213.496)	(152.015.303)
Non-current liabilities	(122.671.870)	(80.609.652)
Net assets of joint venture	1.808.380.357	1.510.985.613
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	3.991.251	3.579.313
Group's share in the net assets of the joint venture	669.836.898	559.924.216
	1 January- 30 June 2024	1 January- 30 June 2023
Revenue	478.083.651	246.778.161
Depreciation and amortisation expense	(88.759.046)	(18.811.265)
Interest income/(expense), net	8.515.801	42.252.207
Profit for the year	118.652.983	50.340.380
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	43.688.028	18.535.328

NOTE 4 - SEGMENT REPORTING

The Group is managed as a single business unit that provides low fares airline-related services, including scheduled services, charter services, ancillary services and other services. The Group's Chief Operating Decision Maker is the Board of Directors. The resource allocation decisions are based on the entire network and the deployment of the entire aircraft fleet. The objective in making resource allocation decisions is to maximise consolidated financial results, rather than results on individual routes within the network. All other assets and liabilities have been allocated to the Group's single reportable segment.

NOTE 5 - RELATED PARTY TRANSACTIONS

The ultimate parent and controlling party of the Group is Esas Holding. The Group has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders (which will be referred to as "other related parties" below). The related party receivables and payables resulting from operating activities are generally not secured and interest free.

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NOTE 5 - RELATED PARTY TRANSACTIONS

(i) Balances with Related Parties:

a) Other receivables from related parties

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

b) Trade payables to related parties

	30 June 2024	31 December 2023
Balances with parent company:		
Balances with joint ventures:		
Hitit Bilgisayar	23.308.465	17.750.663
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	590.406	-
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	330.240	61.299
	24.229.111	17.811.962

(ii) Significant Transactions with Related Parties:

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

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

Until May 2024 , the Group leased their head office building from Esasburda, another Esas Holding subsidiary. Esasburda also charged dues, electricity, water and heating expenses for the head office, which is disclosed within “purchases of goods and services” section below.

The Group receives software and software support services from Hitit Bilgisayar that provides information system solutions for transportation industry.

The Group receives health services from Alarm Sağlık.

a) Other income from related parties

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Transactions with joint ventures:				
PUEM	-	1.592.144	-	601.991
	-	1.592.144	-	601.991

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NOTE 5 - RELATED PARTY TRANSACTIONS

(ii) Significant Transactions with Related Parties:

b) Purchases of goods or services

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Transactions with joint ventures:				
Hitit Bilgisayar	118.084.276	68.816.480	52.797.325	33.483.371
Transactions with other related parties:				
Alarm Sağlık	600.000	222.926	400.000	111.463
Esasburda	10.651.616	5.110.872	7.669.164	3.109.013
Other	8.927	-	-	-
	129.344.819	74.150.278	60.866.489	36.703.847

c) Lease expenses

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Esasburda	10.690.698	10.214.751	2.676.282	5.139.096
	10.690.698	10.214.751	2.676.282	5.139.096

Lease expenses are recorded as depreciation and interest under TFRS 16 leases standard. Amounts presented above represent issued invoices. In May 2024, the Group decided to purchase the office building which is the basis of the lease expense. The transactions in this context have been mediated by a bank for the financing of the purchase and the Company will obtain ownership of the building from the bank at the end of the three-year lease period. In this context, the discounted net present value of the payments to be made for the building is TL 757.620.000.

d) Commission expenses

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Esas Holding	-	9.470.785	-	5.038.331
	-	9.470.785	-	5.038.331

(iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 30 June 2024 and 30 June 2023 are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Salaries and other short term benefits	41.555.639	21.225.028	21.570.874	10.269.094
Other long term benefits	196.792.215	67.714.016	194.528.986	67.714.016
	238.347.854	88.939.044	216.099.860	77.983.110

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

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

	30 June 2024	31 December 2023
Trade receivables	1.693.075.160	1.057.076.364
Credit card receivables	1.314.994.101	649.502.013
Income accruals	56.562.162	73.473.828
	3.064.631.423	1.780.052.205
Allowance for credit risk adjustment under TFRS 9	(125.223.595)	(111.152.608)
	2.939.407.828	1.668.899.597

The average collection period of trade receivables is approximately 24 days (31 December 2023: 17 days).

Short term trade payables

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

	30 June 2024	31 December 2023
Trade payables	1.665.290.995	3.822.071.869
Accrued direct operational costs	8.147.106.394	2.686.231.886
Trade payables to related parties (Note 5)	24.229.111	17.811.962
	9.836.626.500	6.526.115.717

The average payment period of trade payables is approximately 39 days (31 December 2023: 35 days).

Short term other receivables

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

	30 June 2024	31 December 2023
Deposits and guarantees given	50.087.905	51.027.972
Receivables from pilots for flight training	21.281.836	18.950.846
Receivables from tax office	97.819.263	97.819.263
Receivables from other related parties (Note 5)	-	44.138
Other receivables	9.121.877	16.770.066
	178.310.881	184.612.285

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Long term other receivables

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

	30 June 2024	31 December 2023
Receivables from pilot trainings	959.139.209	650.003.925
Deposits given	1.073.075.756	1.128.873.953
	2.032.214.965	1.778.877.878

Short term other payables

	30 June 2024	31 December 2023
Taxes payables	197.203.206	167.648.460
Deposits received	224.998.605	92.806.678
	422.201.811	260.455.138

NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES

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

Short term prepayments

	30 June 2024	31 December 2023
Advances on aircraft purchases	9.046.589.396	7.039.814.255
Advances to suppliers	4.001.328.933	2.707.922.861
Prepaid insurance expenses	210.964.344	307.735.151
Other prepaid expenses	235.344.908	146.131.509
	13.494.227.581	10.201.603.776

Long term prepayments

	30 June 2024	31 December 2023
Advances on aircraft purchases	972.006.567	1.871.431.881
Prepaid maintenance expenses	13.564.591.378	10.797.055.265
Other prepaid expenses	29.013.201	49.517.116
	14.565.611.146	12.718.004.262

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NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND PASSENGER FLIGHT LIABILITIES

Passenger Flight Liabilities

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

	30 June 2024	31 December 2023
Flight liability from ticket sales	11.145.762.679	5.791.071.893
Passenger airport fees received from customers (*)	2.474.739.110	1.950.026.270
Flight liability from flight points	1.102.273.406	677.220.371
	14.722.775.195	8.418.318.534

(*) Passenger airport fees received from customers is included in the ticket price, but it is not recognized as revenue when the flight carried out. The amount represents the costs to be paid to airport operators and authorities in cash.

Deferred income (excluding contract liabilities)

Short term deferred income

	30 June 2024	31 December 2023
Advances received from customers	990.092.436	587.402.628
Other deferred revenue	270.769.636	194.625.229
	1.260.862.072	782.027.857

Long term deferred income

	30 June 2024	31 December 2023
Deferred revenue (*)	6.365.703.885	3.506.810.209
	6.365.703.885	3.506.810.209

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

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NOTE 8 - PROPERTY AND EQUIPMENT

30 June 2024	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	1.103.684.197	717.367.948	1.176.005.452	438.645.278	6.680.691.335	8.978.203.654	262.907.397	19.357.505.261
Additions	19.058.351	44.536.401	147.954.486	-	3.256.796.985	18.340.669	35.644.649	3.522.331.541
Disposals	-	-	-	-	-	(4.215.232.701)	-	(4.215.232.701)
Transfers (*)	-	-	-	-	(321.147.625)	4.215.232.701	-	3.894.085.076
Currency translation differences	87.114.239	57.569.266	96.583.140	34.399.301	610.717.796	704.626.150	21.667.750	1.612.677.642
Closing	1.209.856.787	819.473.615	1.420.543.078	473.044.579	10.227.058.491	9.701.170.473	320.219.796	24.171.366.819
Accumulated depreciation:								
Opening	(419.628.926)	(288.077.159)	(866.899.542)	(432.379.083)	(2.658.594.566)	(4.314.225.458)	-	(8.979.804.734)
Depreciation for the year	(36.890.143)	(32.179.434)	(48.044.643)	(1.764.007)	(333.991.193)	(221.624.090)	-	(674.493.510)
Disposals	-	-	-	-	-	1.738.071.184	-	1.738.071.184
Transfers (*)	-	-	-	-	-	(1.738.071.184)	-	(1.738.071.184)
Currency translation differences	(33.994.809)	(23.539.518)	(69.399.140)	(33.959.864)	(218.331.009)	(344.857.973)	-	(724.082.313)
Closing	(490.513.878)	(343.796.111)	(984.343.325)	(468.102.954)	(3.210.916.768)	(4.880.707.521)	-	(10.378.380.557)
Net book value	719.342.909	475.677.504	436.199.753	4.941.625	7.016.141.723	4.820.462.952	320.219.796	13.792.986.262

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

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NOTE 8 - PROPERTY AND EQUIPMENT

30 June 2023	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	spare engine and repairables	Construction in progress	Total
Cost:							
Opening	455.640.098	349.627.476	632.787.660	274.988.427	4.224.535.938	232.154.809	6.169.734.408
Additions	69.411.330	18.874.948	19.836.671	1.148.488	676.606.385	108.528.281	894.406.103
Transfers (*)	163.682.370	-	-	-	(975.850.241)	(163.682.370)	(975.850.241)
Currency translation differences	274.346.424	150.166.072	267.218.688	101.629.598	1.647.036.557	65.941.150	2.506.338.489
Closing	963.080.222	518.668.496	919.843.019	377.766.513	5.572.328.639	242.941.870	8.594.628.759
Accumulated depreciation:							
Opening	(222.188.743)	(147.055.884)	(497.562.637)	(269.887.379)	(1.518.444.770)	-	(2.655.139.413)
Depreciation for the year	(24.779.279)	(16.948.038)	(11.889.656)	(1.941.704)	(108.629.590)	-	(164.188.267)
Currency translation differences	(99.505.251)	(66.032.273)	(208.932.991)	(99.694.811)	(558.617.821)	-	(1.032.783.147)
Closing	(346.473.273)	(230.036.195)	(718.385.284)	(371.523.894)	(2.185.692.181)	-	(3.852.110.827)
Net book value	616.606.949	288.632.301	201.457.735	6.242.619	3.386.636.458	242.941.870	4.742.517.932

(*) Transfers at “components, spare engine and repairables” represent derecognition of components that are used as part of delivery maintenance provisions.

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NOTE 9 - INTANGIBLE ASSETS

Software	30 June 2024	30 June 2023
Cost:		
Opening	1.714.023.225	839.518.220
Additions	197.523.666	105.364.173
Currency translation differences	140.235.683	342.856.172
Closing	2.051.782.574	1.287.738.565
Accumulated amortization:		
Opening	(1.070.519.120)	(552.566.578)
Amortization for the year	(123.170.149)	(59.593.313)
Currency translation differences	(87.580.516)	(246.814.736)
Closing	(1.281.269.785)	(858.974.627)
Net book value	770.512.789	428.763.938

NOTE 10 – RIGHT OF USE ASSETS

30 June 2024	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	474.627.190	253.614.344	148.302.857.702	10.142.312	149.041.241.548
Additions	-	776.202.804	13.349.748.917	-	14.125.951.721
Disposals (*)	-	(265.676.247)	(4.998.083.097)	-	(5.263.759.344)
Transfers (*)	-	-	(4.215.232.701)	-	(4.215.232.701)
Currency translation differences	37.221.062	34.929.240	11.751.656.658	795.377	11.824.602.337
Closing	511.848.252	799.070.141	164.190.947.479	10.937.689	165.512.803.561
Accumulated depreciation:					
Opening	(367.824.706)	(161.309.673)	(34.992.941.609)	(10.142.312)	(35.532.218.300)
Depreciation for the period	(53.572.426)	(20.216.250)	(4.713.137.111)	-	(4.786.925.787)
Disposals (*)	-	220.131.747	4.998.083.097	-	5.218.214.844
Transfers (*)	34.182.625	(34.182.625)	1.738.071.184	-	1.738.071.184
Currency translation differences	(29.416.666)	(7.767.598)	(2.547.853.610)	(795.377)	(2.585.833.251)
Closing	(416.631.173)	(3.344.399)	(35.517.778.049)	(10.937.689)	(35.948.691.310)
Net book value	95.217.079	795.725.742	128.673.169.430	-	129.564.112.251

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

30 June 2023	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	283.893.559	148.455.626	82.964.106.462	6.206.993	83.402.662.640
Additions	-	-	7.591.988.207	-	7.591.988.207
Disposals	-	-	(4.652.292.638)	-	(4.652.292.638)
Transfers	-	-	262.791.078	-	262.791.078
Currency translation differences	117.048.470	61.207.813	35.279.878.001	2.559.125	35.460.693.409
Closing	400.942.029	209.663.439	121.446.471.110	8.766.118	122.065.842.696
Accumulated depreciation:					
Opening	(163.725.209)	(74.916.774)	(24.406.278.019)	(6.206.993)	(24.651.126.995)
Depreciation for the period	(32.796.886)	(11.360.975)	(2.779.869.523)	-	(2.824.027.384)
Disposals	-	-	4.652.292.638	-	4.652.292.638
Currency translation differences	(77.956.232)	(34.508.860)	(8.980.275.555)	(2.559.125)	(9.095.299.772)
Closing	(274.478.327)	(120.786.609)	(31.514.130.459)	(8.766.118)	(31.918.161.513)
Net book value	126.463.702	88.876.830	89.932.340.651	-	90.147.681.183

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NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation

The Group is involved in lawsuits and claims that have been filed against, the total amount of claims, excluding reserved rights for excess claims, litigation risks, and interest, is TL 167.411.068 as of 30 June 2024 (31 December 2023: TL 138.437.155). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of TL 44.084.381 (31 December 2023: TL 33.243.994) has been provided against claims for which management believes it is probable it will be required to make a payment. Disputes arise from guest complaints, claims by former employees of the Group and a limited number of commercial disputes.

Tax Inspection

The Group's VAT transactions regarding loyalty card practices in year 2018 have been examined in 2020. The Company have been notified with a report stating "no subject to be examined have been found" in May 2021. However the report evaluation commission has objected this verdict and TL 1.780.660 million of tax assessment has been declared to the Company. Against this tax assessment, the Company filed a tax lawsuit on September 6, 2021, the petition of the counter party was received on October 25, 2021 and the petition was answered on November 23, 2021. The 7th Tax Court of Istanbul decided to accept our case and reject all assessments on June 29, 2022, and the defendant Revenue Administration objected to the decision in August and submitted the petition of appeal to the Tax Court. The petition of appeal was notified to Company on September 28, 2022 and this petition answered within one month. Following the rejection of the opposite party's appeal, this time an appeal was made, and the defendant's appeal was served in April 2023. This petition was also answered by the Company within the time limit. The said lawsuit continues as of June 30, 2024. The Company has not recognized any provision in the financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

Passenger Service Fee

T&T Havalimanı İşletmeciliği İnşaat Sanayi ve Ticaret Şirketi Limited filed three lawsuits against the Company before North Cyprus Lefkoşa Court of First Instance with claims of Euro 765.689, Euro 988.985 and Euro 475.031, respectively. All three lawsuits act on same claims and the airports act no. 5/2013 whereby the plaintiff, as the operator of the Ercan Airport under North Cyprus Airports Services and Charges Law, claims Euro 15 passenger service fee for each Turkish Army Staff member traveling on the Company flights for the period between March 2013 and August 2020. Turkish Army Staff departing from North Cyprus are subject to an exemption from this fee under the law. The plaintiff's argument is based on the assumption that the Company has not carried any Turkish Army Staff members in this period of time. The Court of First Instance merged the first two lawsuits and rendered a judgment against the Company for a total principal payment obligation of Euro 1.679.114,2. 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 provision has been set recognised for these lawsuits.

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NOTE 12 - COMMITMENTS

Purchase Commitments

	30 June 2024	31 December 2023
Commitments to purchase aircraft	342.014.029.699	329.282.325.281
	342.014.029.699	329.282.325.281

As of 30 June 2024, the Group holds the right to purchase 63 aircraft on firm order. In accordance with agreement the expected deliveries are 11 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 TL 10.018.595.963 (31 December 2023: TL 8.911.246.136). Of this amount, TL 9.046.589.396 is reclassified as short-term, and TL 972.006.567 is reclassified as long-term prepayments (31 December 2023: TL 7.039.814.268 is reclassified as short-term, TL 1.871.431.868 is reclassified as long-term prepayments).

Collaterals-Pledges-Mortgages(“CPM”)

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

30 June 2024	TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	1.223.849.615	17.220.530	12.560.409	97.112.641	120.225.341
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
	1.223.849.615	17.220.530	12.560.409	97.112.641	120.225.341

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NOTE 12 - COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group’s equity as of 30 June 2024

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

31 December 2023	TL TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	1.166.226.910	20.033.224	12.074.404	96.652.641	86.521.786
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
	1.166.226.910	20.033.224	12.074.404	96.652.641	86.521.786

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group’s equity as of 31 December 2023.

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NOTE 13 - EXPENSES BY NATURE

The details of expenses by nature for the years periods 30 June 2024 and 30 June 2023 are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Jet fuel expenses	14.634.529.587	7.634.349.909	7.921.034.164	4.341.552.216
Depreciation and amortisation expenses	5.584.589.464	3.047.808.964	2.817.080.274	1.572.244.605
Personnel expenses	6.668.119.948	3.231.145.917	3.325.295.280	1.876.317.267
Handling and station fees	3.408.131.281	1.843.549.179	1.900.716.432	1.129.843.289
Navigation expenses	2.806.602.612	1.614.180.964	1.557.019.201	1.045.460.190
Maintenance expenses	1.789.513.319	564.088.071	966.295.580	217.618.784
Landing expenses	1.600.461.107	889.043.434	882.875.141	563.193.090
Passenger service and catering expenses	518.682.392	224.241.301	258.995.458	112.830.232
Commission expenses	338.306.746	255.516.035	175.626.725	150.724.314
Short term lease expenses	39.965.199	241.860.343	5.017.203	168.132.323
Advertising expenses	340.716.775	153.934.718	218.711.151	104.973.429
Other expenses	2.560.098.857	1.298.485.019	1.284.894.402	650.510.012
	40.289.717.287	20.998.203.854	21.313.561.011	11.933.399.751

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

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

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

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

Within the registered capital ceiling of TL 500.000.000, the Company's issued capital amounting to TL 102.299.707 was increased by TL 397.700.293 to TL 500.000.000, all of which was covered from the amounts in the " Share Premiums on Capital Stock" account, and capital increase was registered with the Trade Registry on May 30, 2024.

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NOTE 15 - REVENUE AND COST OF SALES

The details of revenue and cost of sales for the periods ended 30 June 2024 and 30 June 2023 are as follows:

Revenue:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Scheduled flight and service revenue	43.180.419.285	23.521.280.697	26.006.360.474	14.846.493.880
<i>International flight revenue</i>	21.736.462.576	12.996.853.050	13.474.610.243	8.586.402.832
<i>Domestic flight revenue</i>	5.670.060.554	2.700.677.932	3.401.667.164	1.564.088.663
<i>Service revenue</i>	15.773.896.155	7.823.749.715	9.130.083.067	4.696.002.385
Charter flight and service revenue	610.507.352	291.719.864	472.547.595	218.058.685
<i>Charter flight revenue</i>	610.507.352	291.719.864	472.547.595	218.058.685
Other revenue	173.008.658	89.448.549	94.226.230	44.455.846
	43.963.935.295	23.902.449.110	26.573.134.299	15.109.008.411

The Group's revenue is disaggregated into revenue from scheduled flights, revenue from chartered flights, and other revenues in accordance with the TFRS 15 "Revenue from Contracts with Customers" standard. However, although the Group does not consider service revenues within these disaggregated revenue items as a separate performance obligation, it presents additional information due to their frequent disclosure to investors and continuous review by the authorities empowered to make decisions regarding operations.

Geographical details of revenue from the scheduled flights are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Europe	15.593.012.370	9.503.703.451	10.147.137.714	6.601.873.587
Domestic	5.670.060.554	2.700.677.932	3.401.667.164	1.564.088.663
Other	6.143.450.206	3.493.149.599	3.327.472.529	1.984.529.245
	27.406.523.130	15.697.530.982	16.876.277.407	10.150.491.495

Cost of sales:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Jet fuel expenses	14.634.529.587	7.634.349.909	7.921.034.164	4.341.552.216
Depreciation and amortisation expenses	5.339.478.706	2.932.657.000	2.688.275.824	1.519.599.497
Personnel expenses	6.065.031.141	2.904.825.697	3.020.765.288	1.680.637.812
Handling and station fees	3.408.131.281	1.843.549.179	1.900.716.432	1.129.843.289
Navigation expenses	2.806.602.612	1.614.180.964	1.557.019.201	1.045.460.190
Maintenance expenses	1.789.513.319	564.088.071	966.295.580	217.618.784
Landing expenses	1.600.461.107	889.043.434	882.875.141	563.193.090
Passenger service and catering expenses	518.682.392	224.241.301	258.995.458	112.830.232
Insurance expenses	312.209.756	197.108.516	157.180.317	99.690.621
Short term lease expenses	39.965.199	241.860.343	5.017.203	168.132.323
Other expenses	1.494.550.604	707.467.293	698.420.028	324.088.683
	38.009.155.704	19.753.371.707	20.056.594.636	11.202.646.737

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NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Marketing expenses	1.008.304.085	578.495.908	556.895.162	360.653.108
General administrative expenses	1.272.257.498	666.336.239	700.071.213	370.099.906
	2.280.561.583	1.244.832.147	1.256.966.375	730.753.014

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

General administrative expenses:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Personnel expenses	474.829.333	247.837.302	239.765.307	142.963.549
Depreciation and amortisation expenses	196.088.606	92.121.571	103.043.560	42.116.086
IT expenses	312.110.570	137.522.133	172.749.801	78.742.612
Consultancy expenses	92.814.471	27.075.882	65.827.272	20.418.058
Communication expenses	44.980.223	20.887.297	31.953.611	13.485.618
Legal and notary expenses	30.726.134	18.230.307	16.516.236	8.467.012
Office utility expenses	33.790.469	14.012.326	15.863.794	6.001.391
Travel expenses	40.799.124	49.489.080	25.555.466	27.548.932
Training expenses	2.597.479	2.234.212	1.448.382	1.238.931
Other expenses	43.521.089	56.926.129	27.347.784	29.117.717
	1.272.257.498	666.336.239	700.071.213	370.099.906

Marketing expenses:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Commission expenses	338.306.746	255.516.035	175.626.725	150.724.314
Advertising expenses	340.716.775	153.934.718	218.711.151	104.973.429
Call center expenses	105.175.275	52.252.771	48.480.714	31.710.117
Personnel expenses	128.259.474	78.482.918	64.764.685	52.715.906
Depreciation and amortisation expenses	49.022.152	23.030.393	25.760.890	10.529.022
Other expenses	46.823.663	15.279.073	23.550.997	10.000.320
	1.008.304.085	578.495.908	556.895.162	360.653.108

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NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 30 June 2024 and 30 June 2023 are as follows:

Other operating income:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gain from operating activities	316.185.776	-	1.843.482	-
Other	9.342.358	432.429	9.342.358	432.429
	325.528.134	432.429	11.185.840	432.429

Other operating expenses:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange loss from operating activities	-	490.743.788	-	519.918.661
Penalty expense	9.615.070	2.626.794	4.873.138	881.677
Cash and cash equivalents allowance expense	4.111.768	3.112.961	(921.763)	2.571.770
Trade receivables allowance expense	8.168.026	1.462.134	702.620	8.231.428
Doubtful receivable allowance expense	1.730.671	7.697.998	(12.965.719)	3.316.281
Donations (*)	-	8.000.000	-	-
Other	37.464.177	36.743.229	14.728.405	12.990.882
	61.089.712	550.386.904	6.416.681	547.910.699

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

NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

Income from investing activities:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Interest income from eurobond	404.507.352	216.687.348	127.021.769	132.247.402
Interest income from currency protected instruments	347.492.118	460.806.290	155.533.872	406.803.536
Gain arising from aircraft sale	236.962.782	-	(31.465.931)	-
Gain from eurobond sales (*)	37.869.636	7.533.176	37.869.636	5.780.717
Other income	2.852.365	6.954.252	-	6.381.350
	1.029.684.253	691.981.066	288.959.346	551.213.005

(*) The amounts represents gains arising from the sale of financial investments that are carried at fair value through other comprehensive income.

Expense from investing activities:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Financial investments allowance expense	213.537.473	92.154.371	43.589.813	99.196.045
	213.537.473	92.154.371	43.589.813	99.196.045

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NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 30 June 2024 and 30 June 2023 are as follows:

Financial income:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gain	-	586.306.599	-	144.695.743
Interest income	749.488.241	116.225.505	399.288.764	41.661.265
Gain on derivative contracts	40.099.832	4.787.908	38.250.106	4.787.908
	789.588.073	707.320.012	437.538.870	191.144.916

Financial expenses:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Interest expense on leases	2.904.092.190	1.455.907.219	1.467.423.415	820.461.264
Interest expense on bank loans	343.325.105	124.453.581	161.968.506	57.870.047
Interest expense on issued debt instruments	559.031.502	373.113.856	282.891.822	211.176.070
Foreign exchange loss	1.411.636.433	-	354.894.742	-
Other commission expenses	638.856.245	338.671.781	351.338.923	194.731.540
	5.856.941.475	2.292.146.437	2.618.517.408	1.284.238.921

NOTE 20 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted number of shares that have been outstanding during the period concerned. Weighted average number of shares for 2023 and 2024 is calculated using the actual number of shares outstanding during the period, taking into consideration the actual date of capital increase.

Number of total shares and calculation of earnings per share at 30 June 2024 and 30 June 2023 are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Net profit	496.187.657	1.326.900.310	3.997.161.991	1.925.019.893
Weighted average number of shares issued in the year	170.039.867	102.299.707	237.780.027	102.299.707
Income per share	2,92	12,97	16,81	18,82

NOTE 21 – DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	30 June 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Short term	303.691.482	-	12.607.533	109.079.828
Long term	110.095.567	-	-	64.250.780
	413.787.049	-	12.607.533	173.330.608

Explanations related to derivative instruments are disclosed in Note 24.

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	30 June 2024	31 December 2023
Financial investments measured at amortized cost	3.568.766.700	7.042.103.028
Financial assets recognized at fair value through profit or loss	3.251.517.459	2.041.208.673
Time Deposit (*)	2.514.298.674	9.496.768.180
Allowance for credit risk adjustment under TFRS 9	(16.643.634)	(45.453.939)
	9.317.939.199	18.534.625.942

(*) The balance includes time deposits amounting to TL 3.306.557 TL and exchange rate protected time deposits amounting to TL 2.510.992.117, with original maturities between three months and one year.

Long term	30 June 2024	31 December 2023
Financial investments measured at amortized cost	4.696.749.177	1.741.816.637
Allowance for credit risk adjustment under TFRS 9	(309.928.917)	(67.581.142)
	4.386.820.260	1.674.235.495

Financial investments accounted at amortized cost

	30 June 2024	31 December 2023
Short term financial investments measured at amortized cost	3.568.766.700	7.042.103.028
Long term financial investments measured at amortized cost	4.696.749.177	1.741.816.637
	8.265.515.877	8.783.919.665

	30 June 2024	31 December 2023
Government Debt Securities	6.112.016.474	6.564.347.573
Corporate Debt Securities	2.153.499.403	2.219.572.092
	8.265.515.877	8.783.919.665

The Group's fixed income securities are accounted at their amortized costs using the effective interest rate. These securities are denominated in Euros, US Dollars and Pounds or pay fixed interest every year and every six months.

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

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,6	US Dollars	5.326.895.799
Government Debt Securities	6,0	Euro	361.669.014
Government Debt Securities	6,7	GBP	423.451.661
Corporate Debt Securities	8,2	US Dollars	1.278.303.531
Corporate Debt Securities	6,7	Euro	875.195.872
30 June 2024			8.265.515.877

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

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Financial investments at fair value through other comprehensive income

	30 June 2024	31 December 2023
Government Debt Securities	2.262.801.632	1.882.477.151
Corporate Debt Securities	988.715.827	158.731.522
	3.251.517.459	2.041.208.673

The weighted average coupon interest rates of the USD denominated financial investments that are measured at fair value are as follows.

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value TL
Government Debt Securities	7,8	US Dollars	2.262.801.632
Corporate Debt Securities	8,1	US Dollars	988.715.827
30 June 2024			3.251.517.459

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

The financial investments at fair value through other comprehensive income is composed of bonds. These investments are denominated in US Dollars and pay fixed interest every year or every six months.

Financial Liabilities

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

Short term financial liabilities	30 June 2024	31 December 2023
Short term bank borrowings	9.283.637.862	5.353.784.770
	9.283.637.862	5.353.784.770

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Short term portion of long term financial liabilities	30 June 2024	31 December 2023
Short term portion of long term bank borrowings	1.077.202.661	1.011.358.155
Principal and interest of bonds issued	1.078.505.907	968.515.134
Discount and commissions of bonds issued	(39.212.737)	(35.165.530)
Lease liabilities	12.583.435.568	11.326.083.111
<i>Short term portion of long term lease liabilities</i>	<i>1.354.817.102</i>	<i>1.372.450.408</i>
<i>Short term portion of long term lease liabilities with purchase option</i>	<i>11.228.618.466</i>	<i>9.953.632.703</i>
	14.699.931.399	13.270.790.870
Long term financial liabilities	30 June 2024	31 December 2023
Long term bank borrowings	1.422.465.505	2.106.183.775
Issued debt instruments (*)	11.427.854.756	10.252.656.283
Discount and commissions of bonds issued	(32.659.333)	(46.823.151)
Lease liabilities	99.979.676.050	88.581.646.542
<i>Long term lease liabilities</i>	<i>6.197.443.220</i>	<i>4.784.464.987</i>
<i>Long term lease liabilities with purchase option</i>	<i>93.782.232.830</i>	<i>83.797.181.555</i>
	112.797.336.978	100.893.663.449

(*) The Group issued bonds to qualified investors abroad on April 29, 2021, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of US\$ 375.000.000, at 9,25% interest rate and the maturity is 5 years with an early payment option in the third and fourth years.

The bonds are traded on the Irish Stock Exchange (Euronext Dublin). There are some financial covenants in the Terms and Conditions of the notes. The covenants of the notes are; negative pledge, limitation in indebtedness, publication of financial information, limitations on transactions with affiliates, minimum liquidity, merger, consolidation and sale of all assets substantially, limitation on asset sales, limitation on restricted payments. As of 30 June 2024, the Group complied with all covenants.

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Borrowings

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

30 June 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	6,23	Euro	264.862.720	9.283.637.862
				9.283.637.862
31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term bank borrowings	7,04	Euro	164.358.114	5.353.784.770
				5.353.784.770
30 June 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term portion of long term bank borrowings	5,26	Euro	30.664.723	1.077.202.661
				1.077.202.661
31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Short term portion of long term bank borrowings	5,42	Euro	31.048.114	1.011.358.155
				1.011.358.155
30 June 2024	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Long term bank borrowings	4,43	Euro	40.493.319	1.422.465.505
				1.422.465.505
31 December 2023	Weighted average interest rate (%)	Currency	Original amount	TL equivalent
Long term bank borrowings	5,57	Euro	64.658.631	2.106.183.775
				2.106.183.775

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Lease Liabilities

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

	30 June 2024	31 December 2023
Less than 1 year	17.675.831.539	15.612.828.462
Between 1 - 5 years	63.234.030.792	51.728.967.777
Over 5 years	56.777.581.074	51.771.613.861
	137.687.443.405	119.113.410.100
Less: Future interest expenses	(25.124.331.787)	(19.205.680.447)
	112.563.111.618	99.907.729.653

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

	30 June 2024	31 December 2023
Less than 1 year	12.583.435.568	11.326.083.111
Between 1 - 5 years	49.922.817.527	42.463.408.399
Over 5 years	50.056.858.523	46.118.238.143
	112.563.111.618	99.907.729.653

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,90 years. For the period ended 30 June 2024, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to TL 78.274.581.717, is 4,41% (31 December 2023: 3,92%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to TL 12.015.938.993, is 7,26% (31 December 2023: 6,71%).

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

Financial Risk Factors

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

Market risk

The Group's activities expose primarily to the financial risks of changes in foreign currency exchange rates, fuel price and interest rates. The Group enters into a variety of derivative financial instruments to manage exposure to foreign currency, fuel price and interest rate risk.

Foreign currency risk management

The Group has transactions in non-Euro currencies including Turkish Lira revenues, US Dollar borrowings and fuel purchases. These non-Euro denominated transactions expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

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

Financial Risk Factors

Foreign currency risk management

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

30 June 2024	TL Total	USD	TL	GBP	Other
1. Trade receivables	1.927.540.029	7.345.992	1.141.424.576	3.014.140	420.079.038
2a. Monetary financial assets	28.665.762.593	627.457.066	5.868.398.168	33.529.170	811.001.832
2b. Non monetary financial assets	-	-	-	-	-
3. Other	33.236.236	315.774	13.823.709	189.675	1.187.398
4. CURRENT ASSETS	30.626.538.858	635.118.832	7.023.646.453	36.732.985	1.232.268.268
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	4.386.820.264	133.637.773	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	1.082.258.958	31.489.701	647.542	63.000	45.313.694
8. NON CURRENT ASSETS	5.469.079.222	165.127.474	647.542	63.000	45.313.694
9. TOTAL ASSETS	36.095.618.080	800.246.306	7.024.293.995	36.795.985	1.277.581.962
10. Trade payables	3.996.571.280	72.478.235	1.473.676.119	470.251	124.224.568
11. Financial liabilities	4.179.372.596	127.019.572	9.802.722	-	-
12a. Other liabilities, monetary	3.433.924.707	45.539.850	1.893.747.082	277.692	33.770.816
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	11.609.868.583	245.037.657	3.377.225.923	747.943	157.995.384
14. Trade payables	-	-	-	-	-
15. Financial liabilities	39.111.950.730	1.191.151.123	10.985.736	-	-
16a. Other liabilities, monetary	5.458.488.713	166.284.514	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	44.570.439.443	1.357.435.637	10.985.736	-	-
18. TOTAL LIABILITIES	56.180.308.026	1.602.473.294	3.388.211.659	747.943	157.995.384
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	66.376.973	120.362.663	-	(93.750.000)	-
19.a Off-statement of financial position foreign currency derivative assets	3.951.048.848	120.362.663	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	3.884.671.875	-	-	93.750.000	-
20. Net foreign currency asset/(liability) position	(20.084.689.946)	(802.226.988)	3.636.082.336	36.048.042	1.119.586.578
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(20.084.689.946)	(802.226.988)	3.636.082.336	36.048.042	1.119.586.578

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

Financial Risk Factors

Foreign currency risk management

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

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

Financial Risk Factors

*Foreign currency risk management*Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising primarily with respect to the US Dollar and Turkish Lira. The following table details the Group's sensitivity to a 10% increase and decrease in US Dollar, and TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Foreign currency sensitivity tables as of 30 June 2024 and 31 December 2023 are as follows:

30 June 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)	(2.633.406.355)	2.633.406.355	-	-
Part of hedged from USD risk	395.104.885	(395.104.885)	-	-
USD net effect	(2.238.301.470)	2.238.301.470	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	363.608.234	(363.608.234)	5.940.343.484	(5.940.343.484)
Part of hedged from TL risk	-	-	-	-
TL net effect	363.608.234	(363.608.234)	5.940.343.484	(5.940.343.484)
Effect of 10% change in GBP rate				
GBP net asset / liability	149.370.469	(149.370.469)	-	-
Part of hedged from GBP risk	(388.467.188)	388.467.188	-	-
GBP net effect	(239.096.719)	239.096.719	-	-
31 December 2023	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)	(2.451.855.708)	2.451.855.708	-	-
Part of hedged from USD risk	28.215.043	(28.215.043)	-	-
USD net effect	(2.423.640.665)	2.423.640.665	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	79.094.724	(79.094.724)	5.479.918.416	(5.479.918.416)
Part of hedged from TL risk	-	-	-	-
TL net effect	79.094.724	(79.094.724)	5.479.918.416	(5.479.918.416)
Effect of 10% change in GBP rate				
GBP net asset / liability	36.787.013	(36.787.013)	-	-
Part of hedged from GBP risk	(32.574.279)	32.574.279	-	-
GBP net effect	4.212.734	(4.212.734)	-	-

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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

	Financial assets and liabilities at amortized cost	Financial assets and derivative instruments which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss	Carrying amount	Note
30 June 2024					
Financial assets					
Cash and cash equivalents	30.837.871.427	-	-	30.837.871.427	27
Trade receivables	2.939.407.828	-	-	2.939.407.828	6
- <i>Other</i>	2.939.407.828	-	-	2.939.407.828	6
Other receivables	2.210.525.846	-	-	2.210.525.846	
- <i>Related party</i>	-	-	-	-	5
- <i>Other</i>	2.210.525.846	-	-	2.210.525.846	
Financial investments	10.496.907.925	3.251.517.459	-	13.704.759.459	22
Derivative financial assets	-	361.710.020	52.077.029	413.787.049	21
Financial liabilities					
Bank borrowings	11.783.306.028	-	-	11.783.306.028	22
Issued debt instruments	12.306.132.053	-	-	12.434.488.593	
Trade payables	9.836.626.500	-	-	9.836.626.500	6
- <i>Related party</i>	24.229.111	-	-	24.229.111	5
- <i>Other</i>	9.812.397.389	-	-	9.812.397.389	
Other payables	422.201.811	-	-	422.201.811	

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

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

Fair Value of Financial Instruments

31 December 2023	Financial assets and derivative instruments			Carrying amount	Note
	Financial assets and liabilities at amortized cost	which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss		
Financial assets					
Cash and cash equivalents	16.078.358.927	-	-	16.078.358.927	27
Trade receivables	1.668.899.597	-	-	1.668.899.597	6
- <i>Other</i>	1.668.899.597	-	-	1.668.899.597	6
Other receivables	1.963.490.163	-	-	1.963.490.163	
- <i>Related party</i>	44.138	-	-	44.138	5
- <i>Other</i>	1.963.446.025	-	-	1.963.446.025	
Financial investments	18.514.030.082	2.041.208.673	-	20.208.861.437	22
Derivative financial assets	-	-	12.607.533	12.607.533	21
Financial liabilities					
Bank borrowings	8.471.326.700	-	-	8.471.326.700	22
Issued debt instruments	11.296.013.203	-	-	11.139.182.736	
Trade payables	6.526.115.717	-	-	6.526.115.717	6
- <i>Related party</i>	17.811.962	-	-	17.811.962	5
- <i>Other</i>	6.508.303.755	-	-	6.508.303.755	
Other payables	260.455.138	-	-	260.455.138	
Derivative financial liabilities	-	173.330.608	-	173.330.608	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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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
	30 June 2024	31 December 2023		
Fuel purchase option contracts	361.710.020	(173.330.608)	Level 2	Discounted cash flow method
Currency forward contracts	52.077.029	12.607.533	Level 2	Discounted cash flow method
		Currency forward contracts	Fuel purchase option contracts	Total
30 June 2024				
Fair value:				
Opening		12.607.533	(173.330.608)	(160.723.075)
Fair value increase				
Recognized in equity		-	535.040.628	535.040.628
Recognized in profit or loss		39.469.496	-	39.469.496
Closing		52.077.029	361.710.020	413.787.049
Assets		52.077.029	361.710.020	413.787.049
Total net assets and liabilities		52.077.029	361.710.020	413.787.049

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

Fair Value of Financial Instruments

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

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 49,9% and 20,9% of the total fuel consumption estimated to occur in a period shorter than 1 year and more than 1 year, respectively. In line with its hedging policy, the Group can conclude contracts with maturities up to 24 months. As of 30 June 2024, the contracts last until June 2026. The total nominal value of these contracts is USD 505,4 million, and the weighted average price is in the range of USD 68-88. The ineffective portion of the hedge is not material as of 30 June 2024. In the current period, the income that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to TL 68.799.836 (30 June 2023: TL 85.965.457 derivative expenses are charged to finance expenses).

NOTE 25 - EVENTS AFTER REPORTING PERIOD

Based on the decision of the Company's Board of Directors dated 14 June 2024, the issuance certificate for the issuance of debt instruments up to USD 750,000,000 in one or more series to be sold abroad was approved by the Capital Markets Board on 1 August 2024.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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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 30 June 2024 and 30 June 2023 are presented below:

	1 January- 30 June 2024	1 January- 30 June 2023
Tax income/(expense)		
- Deferred tax income/(expense)	766.528.333	(49.996.201)
Total tax income/(expense)	766.528.333	(49.996.201)

The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to TL 4.332.531.299 (31 December 2023: TL 4.665.178.489) that the Group will benefit from in the foreseeable future as of 30 June 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 30 June 2024, deferred tax income amounting to TL 678.509.100 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 30 June 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 reporting date. This evaluation is conducted based on business models that include estimations of taxable profits.

In the sensitivity analysis carried out as of 30 June 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.

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NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

The details of cash and cash equivalents as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Cash on hand	8.835.682	3.547.661
Cash at banks	30.840.732.282	16.082.396.035
- Demand deposits	3.755.080.481	1.013.999.269
- Time deposits	27.085.651.801	15.068.396.766
Allowance for credit risk adjustment under TFRS 9	(11.696.537)	(7.584.769)
	30.837.871.427	16.078.358.927

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

30 June 2024	Weighted average interest rates	Total
USD deposits	4,28 %	14.233.617.618
EUR deposits	3,68 %	8.209.124.893
TL deposits	49,56 %	3.750.081.898
GBP deposits	0,51 %	892.827.392
		27.085.651.801

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

As of 30 June 2024 and 31 December 2023 time deposits maturities are less than 90 days.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

APPENDIX : EURO SELECTED NOTES

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

Revenue

	Euro 1 January- 30 June 2024	Euro 1 January- 30 June 2023	Euro 1 April - 30 June 2024	Euro 1 April - 30 June 2023
Scheduled flight and service revenue	1.259.365.147	1.082.005.430	747.007.257	645.603.650
<i>International flight revenue</i>	633.598.875	595.150.705	387.022.689	371.848.256
<i>Domestic flight revenue</i>	165.560.934	124.913.716	97.695.521	68.250.948
<i>Service revenue</i>	460.205.338	361.941.009	262.289.047	205.504.446
Charter flight and service revenue	17.616.467	13.053.568	13.558.879	9.425.829
<i>Charter flight revenue</i>	17.616.467	13.053.568	13.558.879	9.425.829
Other revenue	4.958.849	4.629.839	2.652.101	2.256.818
	1.281.940.463	1.099.688.837	763.218.237	657.286.297

Expenses by Nature

	Euro 1 January- 30 June 2024	Euro 1 January- 30 June 2023	Euro 1 April - 30 June 2024	Euro 1 April - 30 June 2023
Jet fuel expenses	427.380.069	349.807.317	227.456.337	187.036.878
Depreciation and amortisation expenses	163.660.012	142.757.235	81.116.382	69.811.087
Personnel expenses	195.709.172	141.885.952	97.296.529	76.082.611
Handling and station fees	99.180.311	82.380.067	54.518.086	47.279.406
Navigation expenses	81.072.733	69.389.002	44.521.785	41.472.206
Maintenance expenses	52.614.489	30.530.079	28.294.678	11.699.886
Landing expenses	46.593.773	39.561.376	25.327.312	23.521.616
Commission expenses	9.874.805	10.774.339	5.014.777	5.684.356
Advertising expenses	10.035.056	7.015.603	6.335.480	4.610.886
Passenger service and catering expenses	14.832.632	10.545.810	7.157.911	5.186.278
Short term lease expenses	1.209.149	11.215.275	145.969	7.556.799
Other expenses	75.847.442	63.078.730	37.568.743	30.395.899
	1.178.009.643	958.940.785	614.753.989	510.337.908