

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

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

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

		Current period 30 September 2024	Prior period 31 December 2023
	Notes		
ASSETS			
Current assets		1.877.280.156	1.473.620.823
Cash and cash equivalents	27	1.237.324.715	493.596.374
Financial assets	22	221.899.113	569.002.359
Trade receivables	6	80.830.899	51.234.258
<i>Trade receivables from third parties</i>		80.830.899	51.234.258
Other receivables	6	2.016.094	5.667.491
<i>Other receivables from related parties</i>	5	-	1.355
<i>Other receivables from third parties</i>		2.016.094	5.666.136
Derivative financial instruments	21	-	387.044
Inventories		37.075.993	33.010.286
Prepayments	7	296.361.874	313.183.370
Current income tax assets		1.591.500	600.261
Other current assets		179.968	6.939.380
Non-Current assets		5.388.646.719	4.726.283.979
Financial assets	22	120.439.962	51.398.067
Other receivables	6	74.547.726	54.610.528
<i>Other receivables from third parties</i>		74.547.726	54.610.528
Investments accounted by using the equity method	3	20.127.172	18.496.139
Property and equipment	8	432.578.378	318.589.424
Intangible assets	9	21.721.180	19.755.206
Right of use assets	10	3.880.662.212	3.484.661.746
Prepayments	7	460.537.448	390.435.418
Deferred tax assets	26	378.032.641	388.337.451
TOTAL ASSETS		7.265.926.875	6.199.904.802

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

	Notes	Current period 30 September 2024	Prior period 31 December 2023
LIABILITIES			
Current liabilities		1.468.986.706	1.141.521.116
Short term borrowings	22	133.739.682	164.358.114
Short term portion of long term borrowings	22	203.247.407	59.701.410
Short term portion of long term lease liabilities	22	372.923.398	347.704.239
Trade payables	6	256.869.035	200.348.000
<i>Trade payables to related parties</i>	5	850.666	546.817
<i>Trade payables to third parties</i>		256.018.369	199.801.183
Employee benefit obligations		27.930.703	12.226.645
Other payables	6	12.650.093	7.995.823
<i>Other payables to third parties</i>		12.650.093	7.995.823
Contract liabilities	7	329.084.734	258.437.538
Derivative financial instruments	21	7.814.471	3.348.688
Deferred income	7	43.486.948	24.007.806
Short term provisions		81.240.235	63.392.853
<i>Short term provisions for employee benefits</i>		52.207.093	48.747.417
<i>Other short term provisions</i>		29.033.142	14.645.436
Non-Current liabilities		3.814.010.885	3.380.071.120
Long term borrowings	22	456.235.969	377.971.840
Long term lease liabilities	22	2.974.768.212	2.719.405.614
Derivative financial instruments	7	7.150.922	1.972.462
Deferred income		206.016.914	107.657.057
Long term provisions		169.838.868	173.064.147
<i>Long term provisions for employee benefits</i>		49.153.293	36.877.444
<i>Other long term provisions</i>		120.685.575	136.186.703
SHAREHOLDERS' EQUITY		1.982.929.284	1.678.312.566
Paid-in share capital	14	230.037.951	60.544.134
Share premiums on capital stock		24.595.488	194.089.305
Other comprehensive income/expense not to be reclassified to profit or loss			
Actuarial losses on defined benefit plans		(4.033.347)	(3.254.102)
Other comprehensive income/expense to be reclassified to profit or loss			
Currency translation differences		8.936.283	8.808.787
Hedge fund		(9.965.365)	(3.990.862)
Gain on financial assets measured at fair value		2.505.495	1.483.652
Restricted profit reserves		4.047.406	4.047.406
Retained earnings		1.416.584.246	626.643.772
Net income for the period		310.221.127	789.940.474
TOTAL LIABILITIES AND EQUITY		7.265.926.875	6.199.904.802

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

		Current period 1 January- 30 September 2024	Prior period 1 January- 30 September 2023	Current period 1 July - 30 September 2024	Prior period 1 July - 30 September 2023
Profit or loss	Notes				
Revenue	15	2.373.341.712	2.061.478.639	1.091.401.249	961.789.802
Cost of sales (-)	15	(1.789.909.299)	(1.497.926.741)	(681.890.071)	(592.068.184)
Gross profit		583.432.413	563.551.898	409.511.178	369.721.618
General administrative expenses (-)	16	(71.984.146)	(50.291.990)	(32.078.774)	(21.664.399)
Selling and marketing expenses (-)	16	(50.220.872)	(38.325.197)	(20.135.829)	(13.870.560)
Other operating income	17	422.705	667.888	136.209	861.439
Other operating expenses (-)	17	(19.136.331)	(19.578.384)	(26.543.964)	5.919.368
Operating profit		442.513.769	456.024.215	330.888.820	340.967.466
Income from investing activities	18	39.109.669	34.286.538	10.030.871	8.233.453
Expenses from investing activities (-)	18	(6.227.904)	(2.702.732)	(163.679)	657.121
Share of investments income accounted for using the equity method	3	1.812.701	270.150	575.724	(86.084)
Operating profit before financial expense		477.208.235	487.878.171	341.331.736	349.771.956
Financial income	19	46.775.852	17.079.252	66.231.680	7.596.604
Financial expense (-)	19	(201.549.475)	(171.396.815)	(71.702.094)	(94.687.623)
Profit/(loss) before tax		322.434.612	333.560.608	335.861.322	262.680.937
Tax income/(expense)		(12.213.485)	(12.420.529)	(34.677.098)	(10.078.743)
Deferred tax income/(expense)	26	(12.213.485)	(12.420.529)	(34.677.098)	(10.078.743)
Net profit for the period		310.221.127	321.140.079	301.184.224	252.602.194
Income/(loss) per share EUR cents	20	1,10	3,14	0,60	2,47
Other comprehensive income					
Items not to be reclassified to profit or loss					
Actuarial (losses) / gains on defined benefit plans		(1.038.993)	4.418	(83.302)	(149.153)
Deferred tax effect		259.748	(884)	20.826	29.831
Items to be reclassified to profit or loss					
Currency translation differences		127.496	1.212.611	(628.090)	1.064.123
Gain on financial assets measured at fair value		1.362.458	(665.255)	1.822.699	382.058
Cash flow hedge		(7.966.004)	(6.049.738)	(23.583.951)	19.475.514
Deferred tax effect		1.650.886	1.342.999	5.440.313	(3.971.515)
Other comprehensive income		(5.604.409)	(4.155.849)	(17.011.505)	16.830.858
Total comprehensive income		304.616.718	316.984.230	284.172.719	269.433.052

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

				Other comprehensive income items not to be reclassified to profit or loss	Other comprehensive income items to be reclassified to profit or loss				Retained earnings		
		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	-	-	-	-	-	-	-	-	321.140.079	321.140.079
Other comprehensive income / (expense)	EUR	-	-	3.534	1.212.611	(4.839.790)	(532.204)	-	-	-	(4.155.849)
As at 30 September 2023	EUR	60.544.134	194.089.305	(3.737.868)	9.283.651	9.342.349	814.565	4.047.406	626.643.772	321.140.079	1.222.167.393
As at 1 January 2024	EUR	60.544.134	194.089.305	(3.254.102)	8.808.787	(3.990.862)	1.483.652	4.047.406	626.643.772	789.940.474	1.678.312.566
Transfers	EUR	169.493.817	(169.493.817)	-	-	-	-	-	789.940.474	(789.940.474)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	310.221.127	310.221.127
Other comprehensive income / (expense)	EUR	-	-	(779.245)	127.496	(5.974.503)	1.021.843	-	-	-	(5.604.409)
As at 30 September 2024	EUR	230.037.951	24.595.488	(4.033.347)	8.936.283	(9.965.365)	2.505.495	4.047.406	1.416.584.246	310.221.127	1.982.929.284

Within the registered capital ceiling of EUR 230.037.951, the Company's issued capital amounting to EUR 60.544.134 was increased by EUR 169.493.817 to EUR 230.037.951, all of which was covered from the amounts in the " Share Premiums on Capital Stock" account, and capital increase was registered with the Trade Registry on May 30, 2024.

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

		Current period 1 January- 30 September 2024	Prior period 1 January- 30 September 2023
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(loss) for the period		310.221.127	321.140.079
Adjustments to reconcile the income/(loss)			
Depreciation and amortization	8-9-10	249.382.550	220.596.763
Adjustments related with impairments		6.152.882	2.866.217
<i>Provision for doubtful receivable</i>		(75.022)	163.485
Adjustments related with financial investment impairments		6.227.904	2.702.732
Adjustments related with provisions		76.976.144	19.078.875
<i>Provision for employee benefits</i>		44.135.962	23.069.657
<i>Legal provision</i>		512.522	420.276
<i>Change in redelivery provision</i>		32.327.660	(4.411.058)
Interest and commission income		131.759.953	115.066.333
Adjustments related with fair value expense (income)		(1.645.733)	137.806
<i>Adjustments related with fair value expense (income) of financial assets</i>		(1.645.733)	137.806
Gain on equity investments accounted for using the equity method	3	(1.812.701)	(270.150)
Current tax expense		12.213.485	12.420.529
Other provisions related with investing or financing activities		(15.525.840)	5.242.489
Changes in working capital			
Increase in trade receivables		(29.521.619)	(19.196.738)
Increase in other receivables, prepayments and other assets		(108.382.776)	(71.554.803)
Increase in inventories		(4.065.707)	(6.496.020)
Increase in trade payables		56.521.035	51.017.024
Increase in deferred income, other payables and other current liabilities		85.943.730	104.959.389
Net cash generated from operating activities		768.216.530	755.007.793
Payment for the employee benefits provisions		(27.642.310)	(16.087.136)
Payment for other provisions		(27.747)	(17.686)
		740.546.473	738.902.971
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash changes from acquisition and sale of debt instruments of other entities		(2.624.554)	(36.316.812)
Net cash changes from purchase and sale of property, equipment and intangible assets		63.582.380	(13.062.409)
Interest received from financial investment		33.062.751	25.183.648
Changes in cash advances and payables		(141.583.462)	(61.610.155)
Other cash changes		273.013.992	(46.000.000)
		225.451.107	(131.805.728)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in borrowings		556.110.541	209.150.000
Repayment of borrowings		(346.613.064)	(165.500.000)
Repayment of principal in lease liabilities		(256.813.807)	(267.270.475)
Interest and commission paid		(196.293.675)	(139.932.150)
Interest received		36.443.069	14.339.401
		(207.166.936)	(349.213.224)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
BEFORE TRANSLATION EFFECT (A+B+C)		758.830.644	257.884.019
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		(15.102.303)	(16.861.111)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		743.728.341	241.022.908
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
AT THE BEGINNING OF THE PERIOD	27	493.596.374	529.637.313
AT THE END OF THE PERIOD (A+B+C+D+E)	27	1.237.324.715	770.660.221

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

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

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

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

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

The Group’s total number of full time employees as of 30 September 2024 is 8.553 (31 December 2023: 7.670). The address of its principal office is Aeropark Yenişehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

Approval of Financial Statements

The interim condensed consolidated financial statements of the Company and its subsidiaries for the nine month ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 11 November 2024.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Financial reporting standards

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

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Functional and Presentation Currency

Although there is no prominent currency affecting revenue and cost of sales, the Company's functional currency is determined as Euro because; significant portion of scheduled flight revenues, which represents the Company's primary operations, is generated from European flights, Euro represents a significant component of the financial liabilities of the 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.

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

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

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

Financial Reporting in Hyperinflationary Economies

In accordance with the POA's announcement dated 23 November 2023, companies applying International 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 International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (IAS 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 IAS 29 in its financial statements to be prepared in accordance with IFRS. However, the financial statements as of 30 September 2024, prepared in accordance with the Tax Law, have been subject to inflation correction in accordance with the legislation.

Comparative Information and Reclassification of Prior Period Financial Statements

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of Consolidation

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

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

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

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

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

2.2 Changes in Accounting Estimates

Changes in accounting estimates are applied prospectively. If the change is effective for a specific period, it impacts only that period. If they relates to future periods, they are recognized prospectively both in the current period and in the future period. Significant errors identified by the Group in the accounting estimates are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in accounting estimates in the current reporting period.

2.3 The new standards, amendments and interpretations

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

(Amounts are expressed full Euros (EUR) 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 IAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and October 2022, IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 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, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with IAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

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

In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 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.

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(Amounts are expressed full Euros (EUR) 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 IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

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

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

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

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

In December 2015, IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

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

Amendments to IAS 21 - Lack of exchangeability

In August 2023, the Board issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. 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.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

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

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

In May 2024, the Board 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 amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. The amendments did not have a significant impact on the financial position or performance of the Group.

Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all. The amendments did not have a significant impact on the financial position or performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

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

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

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the Board issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 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 IFRS accounting standards may elect to apply IFRS 19. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.3 The new standards, amendments and interpretations

iii) The amendments which are effective immediately upon issuance

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

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

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

2.4 Seasonality on Operations

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

2.5 Going Concern

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

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NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	30 September 2024	31 December 2023
Joint ventures		
Hitit Bilgisayar	18.937.881	17.189.351
PUEM	1.189.291	1.306.788
	20.127.172	18.496.139

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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Hitit Bilgisayar	1.930.198	838.114	649.892	(30.068)
PUEM	(117.497)	(567.964)	(74.168)	(56.016)
Net profit	1.812.701	270.150	575.724	(86.084)

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

PUEM

	30 September 2024	31 December 2023
Current assets	2.407.472	2.647.354
Non-current assets	-	9.298
Current liabilities	-	(9.700)
Non-current liabilities	-	(1.632)
Net assets of joint venture	2.407.472	2.645.320
Group's ownership interest in the joint venture	49,40%	49,40%
Group's share in the net assets of the joint venture	1.189.291	1.306.788

PUEM	1 January- 30 September 2024	1 January- 30 September 2023
Depreciation and amortisation expense	(9.298)	(69.272)
Interest income/(expense), net	3.833	127.059
Profit for the year	(237.847)	(1.149.724)
Group's ownership interest	49,40%	49,40%
Group's share in the net profit of the joint venture	(117.497)	(567.964)

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NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Hitit Bilgisayar

	30 September 2024	31 December 2023
Current assets	23.953.564	22.768.764
Non-current assets	39.677.816	30.759.077
Current liabilities	(9.200.928)	(4.666.782)
Non-current liabilities	(3.292.874)	(2.474.670)
Net assets of joint venture	51.137.578	46.386.389
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	109.025	109.883
Group's share in the net assets of the joint venture	18.937.881	17.189.351

	1 January- 30 September 2024	1 January- 30 September 2023
Revenue	22.312.371	17.620.476
Depreciation and amortisation expense	(4.091.862)	(2.827.906)
Interest income/(expense), net	729.344	2.532.201
Profit for the year	5.242.253	3.670.173
Other equity changes	-	(1.393.927)
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	1.930.198	838.114

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

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NOTE 5 - RELATED PARTY TRANSACTIONS

(i) Balances with Related Parties:

a) Other receivables from related parties

	30 September 2024	31 December 2023
Balances with joint ventures:		
PUEM	-	1.355
	-	1.355

b) Trade payables to related parties

	30 September 2024	31 December 2023
Balances with parent company:		
Balances with joint ventures:		
Hitit Bilgisayar	828.233	544.935
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	22.433	-
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	1.882
	850.666	546.817

(ii) Significant Transactions with Related Parties:

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

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

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

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

The Group receives health services from Alarm Sağlık.

a) Other income from related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Transactions with joint ventures:				
PUEM	-	89.449	-	14.921
	-	89.449	-	14.921

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 5 - RELATED PARTY TRANSACTIONS

(ii) Significant Transactions with Related Parties:

b) Purchases of goods or services

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Transactions with joint ventures:				
Hitit Bilgisayar	5.377.226	4.598.914	1.923.618	1.463.594
Transactions with other related parties:				
Alarm Sağlık	22.946	19.101	5.451	8.288
Esasburda	492.242	8.706.473	183.298	8.462.285
Other	262	-	-	-
	5.892.676	13.324.488	2.112.367	9.934.167

c) Lease expenses

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Esasburda	317.004	15.390.542	-	14.890.074
	317.004	15.390.542	-	14.890.074

(*)Lease expenses are recorded as depreciation and interest under IFRS 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 EUR 23.104.933.

d) Commission expenses

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Esas Holding	-	624.974	-	256.572
	-	624.974	-	256.572

(iii) Compensation of Key Management Personnel:

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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Salaries and other short term benefits	4.913.841	1.515.775	775.978	538.239
Other long term benefits	2.735.025	3.321.508	-	-
	7.648.866	4.837.283	775.978	538.239

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

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

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

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

	30 September 2024	31 December 2023
Trade receivables	54.118.589	32.451.637
Credit card receivables	29.519.049	19.939.338
Income accruals	1.040.286	2.255.604
	84.677.924	54.646.579
Allowance for credit risk adjustment under TFRS 9	(3.847.025)	(3.412.321)
	80.830.899	51.234.258

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

Short term trade payables

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

	30 September 2024	31 December 2023
Trade payables	68.264.470	117.335.409
Accrued direct operational costs	187.753.899	82.465.774
Trade payables to related parties (Note 5)	850.666	546.817
	256.869.035	200.348.000

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

Short term other receivables

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

	30 September 2024	31 December 2023
Deposits and guarantees given	944.488	1.566.529
Receivables from pilots for flight training	331.651	581.780
Receivables from tax office	368.500	3.002.995
Receivables from other related parties (Note 5)	-	1.355
Other receivables	371.455	514.832
	2.016.094	5.667.491

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Receivables from pilot trainings	35.595.338	19.954.747
Deposits given	38.952.388	34.655.781
	74.547.726	54.610.528

Short term other payables

	30 September 2024	31 December 2023
Taxes payables	4.581.957	5.146.711
Deposits received	8.068.136	2.849.112
	12.650.093	7.995.823

(*) The amount of EUR 1.058.083 in deposits received, consists of guarantees received from the banks regarding the valuation of derivative transactions.

NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

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

Short term prepayments

	30 September 2024	31 December 2023
Advances on aircraft purchases	203.298.375	216.118.250
Advances to suppliers	85.415.305	83.131.675
Prepaid insurance expenses	3.130.180	9.447.292
Other prepaid expenses	4.518.014	4.486.153
	296.361.874	313.183.370

Long term prepayments

	30 September 2024	31 December 2023
Advances on aircraft purchases	47.523.130	57.451.883
Prepaid maintenance expenses	411.365.282	331.463.388
Other prepaid expenses	1.649.036	1.520.147
	460.537.448	390.435.418

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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 September 2024 and 31 December 2023 are as follows:

	30 September 2024	31 December 2023
Flight liability from ticket sales	227.935.126	177.782.577
Passenger airport fees received from customers (*)	67.261.901	59.864.685
Flight liability from flight points	33.887.707	20.790.276
	329.084.734	258.437.538

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

Deferred income (excluding contract liabilities)

Short term deferred income

	30 September 2024	31 December 2023
Advances received from customers	36.336.125	18.032.923
Other deferred income	7.150.823	5.974.883
	43.486.948	24.007.806

Long term deferred income

	30 September 2024	31 December 2023
Deferred income	206.016.914	107.657.057
	206.016.914	107.657.057

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

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NOTE 8 - PROPERTY AND EQUIPMENT

30 September 2024	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	33.882.470	22.022.783	36.102.691	13.466.158	205.052.745	275.625.690	8.071.106	594.223.643
Additions	1.104.658	2.555.449	4.525.974	95.888	161.387.839	5.847.917	512.453	176.030.178
Disposals	-	-	-	-	-	(235.278.255)	-	(235.278.255)
Transfers (*)	-	-	-	-	(31.750.976)	235.278.255	-	203.527.279
Closing	34.987.128	24.578.232	40.628.665	13.562.046	334.689.608	281.473.607	8.583.559	738.502.845
Accumulated depreciation:								
Opening	(12.882.366)	(8.843.803)	(26.613.317)	(13.273.790)	(81.576.702)	(132.444.241)	-	(275.634.219)
Depreciation for the year	(1.643.061)	(1.460.735)	(2.135.952)	(66.437)	(15.252.905)	(9.731.158)	-	(30.290.248)
Disposals	-	-	-	-	-	94.663.905	-	94.663.905
Transfers (*)	-	-	-	-	-	(94.663.905)	-	(94.663.905)
Closing	(14.525.427)	(10.304.538)	(28.749.269)	(13.340.227)	(96.829.607)	(142.175.399)	-	(305.924.467)
Net book value	20.461.701	14.273.694	11.879.396	221.819	237.860.001	139.298.208	8.583.559	432.578.378

(*) 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.

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NOTE 8 - PROPERTY AND EQUIPMENT

30 September 2023	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	22.856.402	17.538.461	31.742.705	13.794.322	211.916.764	-	11.645.647	309.494.301
Additions	2.570.688	1.688.952	1.940.310	53.794	46.600.890	-	5.424.596	58.279.230
Disposals	-	(100.706)	-	(430.253)	-	-	-	(530.959)
Transfers (*)	8.100.000	-	-	-	(59.294.605)	269.156.334	(8.100.000)	209.861.729
Closing	33.527.090	19.126.707	33.683.015	13.417.863	199.223.049	269.156.334	8.970.243	577.104.301
Accumulated depreciation:								
Opening	(11.145.716)	(7.376.805)	(24.959.374)	(13.538.437)	(76.170.728)	-	-	(133.191.060)
Depreciation for the year	(2.808.329)	(1.162.925)	(1.085.070)	(129.349)	(7.503.779)	-	-	(12.689.452)
Disposals	-	100.706	-	433.253	-	-	-	533.959
Transfers (*)					3.625.409	(128.589.049)		(124.963.640)
Closing	(13.954.045)	(8.439.024)	(26.044.444)	(13.234.533)	(80.049.098)	(128.589.049)	-	(270.310.193)
Net book value	19.573.045	10.687.683	7.638.571	183.330	119.173.951	140.567.285	8.970.243	306.794.108

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 9 - INTANGIBLE ASSETS

Software	30 September 2024	30 September 2023
Cost:		
Opening	52.619.528	42.112.988
Additions	7.450.473	6.791.586
Disposals	-	(1.309.075)
Closing	60.070.001	47.595.499
Accumulated amortization:		
Opening	(32.864.322)	(27.718.552)
Amortization for the year	(5.484.499)	(4.955.867)
Disposals	-	1.309.075
Closing	(38.348.821)	(31.365.344)
Net book value	21.721.180	16.230.155

NOTE 10 – RIGHT OF USE ASSETS

30 September 2024	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	14.570.782	7.785.814	4.552.802.090	311.363	4.575.470.049
Additions	-	24.066.431	723.332.152	-	747.398.583
Disposals (*)	-	(7.785.815)	(178.441.294)	-	(186.227.109)
Transfers (*)	-	-	(235.278.255)	-	(235.278.255)
Closing	14.570.782	24.066.430	4.862.414.693	311.363	4.901.363.268
Accumulated depreciation:					
Opening	(11.292.007)	(4.952.114)	(1.074.263.186)	(311.363)	(1.090.818.670)
Depreciation for the period	(2.363.588)	(740.995)	(210.503.218)	-	(213.607.801)
Disposals (*)	-	6.451.103	182.610.407	-	189.061.510
Transfers (*)	1.001.744	(1.001.744)	94.663.905	-	94.663.905
Closing	(12.653.851)	(243.750)	(1.007.492.092)	(311.363)	(1.020.701.056)
Net book value	1.916.931	23.822.680	3.854.922.601	-	3.880.662.212

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

NOTE 10 – RIGHT OF USE ASSETS

30 September 2023	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	14.241.033	7.447.021	4.161.751.825	311.363	4.183.751.242
Additions	-	-	546.001.459	-	546.001.459
Disposals	-	-	(218.010.908)	-	(218.010.908)
Transfers	-	-	(264.584.004)	-	(264.584.004)
Closing	14.241.033	7.447.021	4.225.158.372	311.363	4.247.157.789
Accumulated depreciation:					
Opening	(8.212.994)	(3.758.071)	(1.224.298.994)	(311.363)	(1.236.581.422)
Depreciation for the period	(2.400.371)	(802.620)	(199.748.453)	-	(202.951.444)
Disposals	-	-	219.805.439	-	219.805.439
Transfers	-	-	144.383.267	-	144.383.267
Closing	(10.613.365)	(4.560.691)	(1.059.858.741)	(311.363)	(1.075.344.160)
Net book value	3.627.668	2.886.330	3.165.299.631	-	3.171.813.629

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation

The Group is involved in lawsuits and claims that have been filed against, the total claims constituted by which, excluding reserved rights for claiming excess amounts, risk of litigation and interest, is EUR 4.878.108 as of 30 September 2024 (31 December 2023: EUR 4.249.941). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of EUR 1.321.146 (31 December 2023: EUR 1.020.572) has been provided against claims for which management believes it is probable it will be required to make a payment.

Tax Inspection

The Group's VAT transactions regarding loyalty card practices in year 2018 have been examined in 2020. The Company have been notified with a report stating "no subject to be examined have been found" in May 2021. However the judgement commission has objected this verdict and EUR 51.165 (equivalent of TL 1.780.660) tax assessment has been declared to the Company. Against the assessment, the Company filed a tax lawsuit on September 6, 2021, the counterparty's petition was received on October 25, 2021 and the petition was answered on November 23, 2021.

The 7th Tax Court of Istanbul decided to accept the Company's case and rejected all assessments on June 29, 2022, and the defendant Revenue Administration objected to the decision in August and submitted the petition of appeal to the Tax Court. The petition of appeal was notified to the Company on September 28, 2022, and it was answered within one month. Following the rejection of the opposite party's appeal, this time an appeal was made, and the defendant's appeal was served in April 2023. This petition was also answered by the Company within the time limit. The said lawsuit continues as of 30 September 2024. The Company has not recognised any provision in the financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Passenger Service Fee

T&T Havalimanı İşletmeciliği İnşaat Sanayi ve Ticaret Şirketi Limited filed three lawsuits against the Company before North Cyprus Lefkoşa Court of First Instance with claims of EUR 765.689, EUR 988.985 and EUR 475.031, respectively. All three lawsuits act on same claims and the airports no. 5/2013 whereby the plaintiff, as the operator of the Ercan Airport under North Cyprus Airports Services and Charges Law, claims EUR 15 passenger service fee for each Turkish Army Staff member traveling on the Company flights for the period between March 2013 and August 2020. Turkish Army Staff departing from North Cyprus are subject to an exemption from this fee under the law. The plaintiff's argument is based on the assumption that the Company has not carried any Turkish Army Staff members in this period of time. The Court of First Instance merged the first two lawsuits and rendered a judgment against the Company for a total principal payment obligation of EUR 1.679.114,2. The Company argues the legal prohibition to produce the documentation on traveling Army personnel requested by the airport operator, and further suggests that the additional controls sought by the airport operator is the responsibility of the airport operator. A judgment has not been rendered on the third lawsuit. The Company filed objection against the judgments rendered by the Court of First Instance. Considering that the claims do not rely on specific evidence and is judged on unreasonable assumptions, further taking into account the ongoing legal process, no contingency has been set aside for these lawsuits.

NOTE 12 - COMMITMENTS

Purchase Commitments

	30 September 2024	31 December 2023
Commitments to purchase aircraft	8.649.705.738	10.108.778.049
	8.649.705.738	10.108.778.049

As of 30 September 2024, the Group holds the right to purchase 58 aircraft on firm order. In accordance with agreement the expected deliveries are 6 aircraft in 2024, 9 aircraft in 2025, 10 aircraft in 2026, 11 aircraft in 2027, 11 aircraft in 2028, 11 aircraft in 2029. The purchase commitments for these aircraft were calculated based on their list prices and actual purchase prices are typically lower than the list prices.

The Group has provided advances on aircraft purchases amounting to EUR 250.821.504 (31 December 2023: EUR 273.570.132). Of this amount, EUR 203.298.375 is reclassified as short-term, and EUR 47.523.130 is reclassified as long-term prepayments (31 December 2023: EUR 216.118.250 is reclassified as short-term, EUR 57.451.882 is reclassified as long-term prepayments).

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

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

NOTE 12 - COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

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

30 September 2024	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	36.779.999	20.318.530	12.683.914	96.877.672	3.328.650
-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	-	-	-	-	-
	36.779.999	20.318.530	12.683.914	96.877.672	3.328.650

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

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 12 – COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

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

31 December 2023	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	35.802.496	20.033.224	12.074.404	96.652.641	2.656.169
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
	35.802.496	20.033.224	12.074.404	96.652.641	2.656.169

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

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

NOTE 13 - EXPENSES BY NATURE

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

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

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

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

	30 September 2024		31 December 2023	
Shareholders	(%)	EUR	(%)	EUR
Esas Holding	56,65	130.332.361	56,65	34.302.427
Publicly held	41,53	95.529.412	41,53	25.142.571
Emine Kamışlı	0,61	1.392.059	0,61	366.379
Ali İsmail Sabancı	0,61	1.392.059	0,61	366.379
Kazım Köseoğlu	0,30	696.030	0,30	183.189
Can Köseoğlu	0,30	696.030	0,30	183.189
EUR historic capital	100,00	230.037.951	100,00	60.544.134

The Company's share capital consists of 500.000.000 shares of par value TL 1 each (31 December 2023: 102.299.707 shares). All issued shares are fully paid in cash.

Within the registered capital ceiling of EUR 230.037.951, the Company's issued capital amounting to EUR 60.544.134 was increased by EUR 169.493.817 to EUR 230.037.951, all of which was covered from the amounts in the " Share Premiums on Capital Stock" account, and capital increase was registered with the Trade Registry on May 30, 2024.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 15 - REVENUE AND COST OF SALES

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

Revenue:

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

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

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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Europe	937.072.074	871.958.817	484.340.899	352.716.838
Domestic	310.461.681	229.617.422	144.900.747	104.703.706
Other	303.390.579	312.897.675	122.522.879	236.988.949
	1.550.924.334	1.414.473.914	751.764.525	694.409.493

Cost of sales:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Jet fuel expenses	671.302.439	606.255.673	243.922.370	256.448.356
Depreciation and amortisation expenses	238.353.574	210.455.223	81.876.692	73.091.625
Personnel expenses	311.397.801	209.847.944	136.163.039	77.850.218
Handling and station fees	162.703.478	137.871.278	63.523.167	55.491.211
Navigation expenses	132.632.765	114.703.376	51.560.032	45.314.374
Maintenance expenses	80.619.737	48.626.873	28.005.248	18.095.326
Landing expenses	76.019.426	67.516.762	29.425.653	27.955.386
Passenger service and catering expenses	27.052.803	18.477.865	12.220.171	7.932.055
Insurance expenses	14.479.156	14.161.148	4.866.907	4.450.019
Short term lease expenses	1.222.828	21.256.275	13.679	10.041.000
Other expenses	74.125.292	48.754.324	30.313.113	15.398.614
	1.789.909.299	1.497.926.741	681.890.071	592.068.184

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NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Marketing expenses	50.220.872	38.325.197	20.135.829	13.870.560
General administrative expenses	71.984.146	50.291.990	32.078.774	22.046.011
	122.205.018	88.617.187	52.214.603	35.916.571

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

General administrative expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Personnel expenses	34.057.975	16.921.768	17.885.734	8.352.882
Depreciation and amortisation expenses	8.823.179	8.113.232	3.076.675	3.798.322
IT expenses	15.165.117	10.965.503	5.682.981	4.329.659
Consultancy expenses	4.154.393	2.080.911	1.460.666	840.414
Communication expenses	1.909.899	1.961.128	550.664	1.025.596
Legal and notary expenses	2.159.030	1.482.074	1.262.648	599.627
Office utility expenses	1.577.722	966.849	589.520	313.691
Travel expenses	2.516.813	4.002.416	1.321.193	1.665.965
Training expenses	216.976	219.223	139.413	111.812
Other expenses	1.403.042	3.578.886	109.280	626.431
	71.984.146	50.291.990	32.078.774	21.664.399

Marketing expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Commission expenses	18.703.819	16.364.727	8.829.014	5.590.388
Advertising expenses	13.769.647	11.221.206	3.734.591	4.205.603
Call center expenses	4.440.030	3.167.408	1.379.630	842.999
Personnel expenses	9.040.810	4.515.415	4.738.641	1.959.078
Depreciation and amortisation expenses	2.205.795	2.028.308	769.169	949.581
Other expenses	2.060.771	1.028.133	684.784	322.911
	50.220.872	38.325.197	20.135.829	13.870.560

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NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

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

Other operating income:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Reversal of doubtful cash and cash equivalents	-	429.981	-	429.981
Reversal of trade receivable impairment	-	217.164	-	217.164
Other	422.705	20.743	136.209	214.294
	422.705	667.888	136.209	861.439

Other operating expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange loss from operating activities	14.492.137	14.600.050	23.758.166	(8.171.751)
Penalty expense	274.454	113.189	(7.322)	(9.848)
Cash and cash equivalents allowance expense	447.569	-	327.071	(145.809)
Trade receivables allowance expense	233.149	-	(6.220)	(68.485)
Doubtful receivable allowance expense	481.383	491.114	431.312	129.258
Donations (*)	-	396.814	-	-
Other	3.207.639	3.977.217	2.040.957	2.347.267
	19.136.331	19.578.384	26.543.964	(5.919.368)

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

NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

Income from investing activities:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income from eurobond	16.919.725	14.827.777	5.330.776	5.812.674
Interest income from currency protected instruments	14.425.304	18.522.213	4.592.236	2.154.866
Gain arising from aircraft sale	6.493.452	-	-	-
Gain from eurobond sales (*)	1.186.883	443.458	107.859	86.490
Other income	84.305	493.090	-	179.423
	39.109.669	34.286.538	10.030.871	8.233.453

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

Expense from investing activities:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Financial investments allowance expense	6.227.904	2.702.732	163.679	(657.121)
	6.227.904	2.702.732	163.679	(657.121)

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NOTE 19 - FINANCIAL INCOME AND EXPENSES

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

Financial income:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange gain	11.129.252	-	52.498.172	-
Interest income	35.646.600	17.079.252	13.733.508	7.596.604
	46.775.852	17.079.252	66.231.680	7.596.604

Financial expenses:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest expense on leases	127.056.912	107.371.681	41.575.819	40.430.437
Interest expense on bank loans	13.458.477	9.472.219	2.853.627	3.177.199
Interest expense on issued debt instruments	22.197.083	24.098.230	6.193.411	8.399.683
Foreign exchange loss	-	4.450.409	-	31.912.599
Losses from derivative contracts	2.797.894	1.450.830	3.973.354	1.701.209
Commission and other expenses	36.039.109	24.553.446	17.105.883	9.066.496
	201.549.475	171.396.815	71.702.094	94.687.623

NOTE 20 - EARNINGS PER SHARE

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

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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Net profit	310.221.127	321.140.079	301.184.224	252.602.194
Weighted average number of shares issued in the year	280.829.401	102.299.707	500.000.000	102.299.707
Income per share	1,10	3,14	0,60	2,47

NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	30 September 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Short term	-	7.814.471	387.044	3.348.688
Long term	-	7.150.922	-	1.972.462
	-	14.965.393	387.044	5.321.150

Explanations related to derivative instruments are disclosed in Note 24.

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	30 September 2024	31 December 2023
Financial investments measured at amortized cost	112.148.464	216.188.514
Financial assets recognized at fair value through profit or loss	93.755.192	62.663.933
Time Deposit (*)	16.436.724	291.545.322
Less: Allowance for impairment under IFRS 9	(441.267)	(1.395.410)
	221.899.113	569.002.359

(*) The balance includes exchange rate protected time deposits amounting to EUR 16.436.724, with original maturities between three months and one year.

Long term	30 September 2024	31 December 2023
Financial investments measured at amortized cost	129.236.883	53.472.769
Less: Allowance for impairment under IFRS 9	(8.796.921)	(2.074.702)
	120.439.962	51.398.067

Financial investments accounted at amortized cost

	30 September 2024	31 December 2023
Short term financial investments measured at amortized cost	112.148.464	216.188.514
Long term financial investments measured at amortized cost	129.236.883	53.472.769
	241.385.347	269.661.283

	30 September 2024	31 December 2023
Government Debt Securities	171.921.086	201.521.696
Corporate Debt Securities	69.464.261	68.139.587
	241.385.347	269.661.283

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 September 2024 and 31 December 2023 are as follows:

Weighted average			
	Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,6	US Dollars	150.137.313
Government Debt Securities	6,0	Euro	10.466.331
Government Debt Securities	6,7	GBP	11.317.442
Corporate Debt Securities	8,1	US Dollars	44.360.040
Corporate Debt Securities	6,7	Euro	25.104.221
30 September 2024			241.385.347
Weighted average			
	Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	6,9	US Dollars	201.521.696
Corporate Debt Securities	8,5	US Dollars	68.139.587
31 December 2023			269.661.283

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Financial investments at fair value through other comprehensive income

	30 September 2024	31 December 2023
Government Debt Securities	65.778.497	57.790.966
Corporate Debt Securities	27.976.695	4.872.967
	93.755.192	62.663.933

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

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	8,3	US Dollars	65.778.497
Corporate Debt Securities	8,1	US Dollars	27.976.695
30 September 2024			93.755.192

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,8	US Dollars	57.790.966
Corporate Debt Securities	9,3	US Dollars	4.872.967
31 December 2023			62.663.933

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.

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

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

Short term financial liabilities	30 September 2024	31 December 2023
Short term bank borrowings	133.739.682	164.358.114
	133.739.682	164.358.114
Short term portion of long term financial liabilities	30 September 2024	31 December 2023
Short term portion of long term bank borrowings	39.007.687	31.048.114
Principal and interest of bonds issued	166.284.797	29.732.858
Discount and commissions of bonds issued	(2.045.077)	(1.079.562)
Lease liabilities	372.923.398	347.704.239
<i>Short term portion of long term lease liabilities</i>	42.841.994	42.133.438
<i>Short term portion of long term lease liabilities with purchase option</i>	330.081.404	305.570.801
	576.170.805	407.405.649
Long term financial liabilities	30 September 2024	31 December 2023
Long term bank borrowings	24.028.260	64.658.631
Issued debt instruments (*)	434.290.581	314.750.653
Discount and commissions of bonds issued	(2.082.872)	(1.437.444)
Lease liabilities	2.974.768.212	2.719.405.614
<i>Long term lease liabilities</i>	178.460.739	146.880.324
<i>Long term lease liabilities with purchase option</i>	2.796.307.473	2.572.525.290
	3.431.004.181	3.097.377.454

(*) The Group issued bonds to qualified investors abroad on April 29, 2021, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of US\$ 375.000.000, at 9,25% interest rate and the maturity is 5 years with an early payment option in the third and fourth years. As of September 12, 2024, tender offer process is completed and the purchase and settlement by the Group of notes with a total nominal value of US\$ 211.086.000 are concluded. Following the settlement of the notes that are purchased, the total nominal value of the outstanding notes due 2026 will be US 163.914.000.

The Group issued bonds to qualified investors abroad on September 30, 2024, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of US\$ 500.000.000, at 8,00% interest rate and the maturity is 7 years with an early payment option starting at the end of three years.

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

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Borrowings

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

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

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

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

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

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

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

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Lease Liabilities

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

	30 September 2024	31 December 2023
Less than 1 year	519.460.358	479.304.856
Between 1 - 5 years	1.883.242.447	1.588.049.567
Over 5 years	1.669.328.215	1.589.358.777
	4.072.031.020	3.656.713.200
Less: Future interest expenses	(724.339.410)	(589.603.347)
	3.347.691.610	3.067.109.853

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

	30 September 2024	31 December 2023
Less than 1 year	372.923.398	347.704.239
Between 1 - 5 years	1.495.869.003	1.303.602.221
Over 5 years	1.478.899.209	1.415.803.393
	3.347.691.610	3.067.109.853

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,90 years. For the period ended 30 September 2024, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to EUR 2.421.441.781, is 4,33% (31 December 2023: 3,92%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to EUR 318.611.611, is 7,24% (31 December 2023: 6,71%).

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

Financial Risk Factors

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

Market risk

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

Foreign currency risk management

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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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 September 2024 and 31 December 2023 are as follows:

30 September 2024	EUR Total	USD	TL	GBP	Other
1. Trade receivables	52.697.932	7.077.282	1.328.809.755	2.185.052	8.782.331
2a. Monetary financial assets	1.226.152.734	1.194.187.131	4.571.025.052	14.485.322	17.763.616
2b. Non monetary financial assets	-	-	-	-	-
3. Other	5.730.379	4.477.772	55.401.928	189.376	31.145
4. CURRENT ASSETS	1.284.581.045	1.205.742.185	5.955.236.735	16.859.750	26.577.092
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	120.439.963	134.317.586	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	40.294.112	43.467.874	647.541	63.000	1.224.818
8. NON CURRENT ASSETS	160.734.075	177.785.460	647.541	63.000	1.224.818
9. TOTAL ASSETS	1.445.315.120	1.383.527.645	5.955.884.276	16.922.750	27.801.909
10. Trade payables	115.849.961	76.987.762	1.562.692.055	333.552	5.312.976
11. Financial liabilities	255.294.894	284.405.744	10.409.464	-	-
12a. Other liabilities, monetary	136.676.632	46.329.423	3.556.880.649	220.338	1.312.199
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	507.821.487	407.722.929	5.129.982.168	553.890	6.625.174
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.193.850.001	1.331.171.748	8.144.465	-	-
16a. Other liabilities, monetary	120.685.575	134.591.499	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.314.535.576	1.465.763.247	8.144.465	-	-
18. TOTAL LIABILITIES	1.822.357.063	1.873.486.176	5.138.126.633	553.890	6.625.174
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	(1.668.211)	45.897.963	-	(35.750.000)	-
19.a Off-statement of financial position foreign currency derivative assets	41.155.809	45.897.963	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	42.824.020	-	-	35.750.000	-
20. Net foreign currency asset/(liability) position	(377.041.943)	(489.958.531)	817.757.643	16.368.860	21.176.735
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(377.041.943)	(489.958.531)	817.757.643	16.368.860	21.176.735

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

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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 September 2024 and 31 December 2023 are as follows:

30 September 2024	Profit/(Loss)		Shareholders' equity	
	If foreign currency appreciated 10%	If foreign currency depreciated 10%	If foreign currency appreciated 10%	If foreign currency depreciated 10%
Effect of 10% change in USD rate				
USD net asset / (liability)	(43.933.627)	43.933.627	-	-
Part of hedged from USD risk	4.115.581	(4.115.581)	-	-
USD net effect	(39.818.046)	39.818.046	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	2.150.975	(2.150.975)	199.289.465	(199.289.465)
Part of hedged from TL risk	-	-	-	-
TL net effect	2.150.975	(2.150.975)	199.289.465	(199.289.465)
Effect of 10% change in GBP rate				
GBP net asset / liability	1.960.784	(1.960.784)	-	-
Part of hedged from GBP risk	(4.282.402)	4.282.402	-	-
GBP net effect	(2.321.618)	2.321.618	-	-
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)	(75.270.560)	75.270.560	-	-
Part of hedged from USD risk	866.186	(866.186)	-	-
USD net effect	(74.404.374)	74.404.374	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	2.428.163	(2.428.163)	168.230.343	(168.230.343)
Part of hedged from TL risk	-	-	-	-
TL net effect	2.428.163	(2.428.163)	168.230.343	(168.230.343)
Effect of 10% change in GBP rate				
GBP net asset / liability	1.129.340	(1.129.340)	-	-
Part of hedged from GBP risk	(1.000.012)	1.000.012	-	-
GBP net effect	129.328	(129.328)	-	-

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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

30 September 2024	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	1.237.324.715	-	-	1.237.324.715	27
Trade receivables	80.830.899	-	-	80.830.899	6
- <i>Other</i>	80.830.899	-	-	80.830.899	6
Other receivables	76.563.820	-	-	76.563.820	
- <i>Related party</i>	-	-	-	-	5
- <i>Other</i>	76.563.820	-	-	76.563.820	
Financial investments	246.752.756	93.755.192	-	342.339.075	22
Financial liabilities					
Bank borrowings	196.775.629	-	-	196.775.629	22
Issued debt instruments	336.154.318	-	-	596.447.429	
Trade payables	256.869.035	-	-	256.869.035	6
- <i>Related party</i>	850.666	-	-	850.666	5
- <i>Other</i>	256.018.369	-	-	256.018.369	
Other payables	12.650.093	-	-	12.650.093	

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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	Financial assets 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	493.596.374	-	-	493.596.374	27
Trade receivables	51.234.258	-	-	51.234.258	6
- <i>Other</i>	51.234.258	-	-	51.234.258	6
Other receivables	60.278.019	-	-	60.278.019	
- <i>Related party</i>	1.355	-	-	1.355	5
- <i>Other</i>	60.276.664	-	-	60.276.664	
Financial investments	568.370.078	62.663.933	-	620.400.426	22
Derivative financial assets	-	-	387.044	387.044	21
Financial liabilities					
Bank borrowings	260.064.859	-	-	260.064.859	22
Issued debt instruments	346.781.110	-	-	341.966.505	
Trade payables	200.348.000	-	-	200.348.000	6
- <i>Related party</i>	546.817	-	-	546.817	5
- <i>Other</i>	199.801.183	-	-	199.801.183	
Other payables	7.995.823	-	-	7.995.823	
Derivative financial liabilities	-	5.321.150	-	5.321.150	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

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

Fair Value of Financial Instruments

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

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

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique
	30 September 2024	31 December 2023		
Fuel purchase option contracts	(13.287.154)	(5.321.150)	Level 2	Discounted cash flow method
Currency forward contracts	(1.678.239)	387.044	Level 2	Discounted cash flow method
		Currency forward contracts	Fuel purchase option contracts	Total
30 September 2024				
Fair value:				
Opening		387.044	(5.321.150)	(4.934.106)
Fair value increase				
Recognized in equity		-	(8.727.981)	(8.727.981)
Recognized in profit or loss		(2.065.283)	-	(2.065.283)
Closing		(1.678.239)	(13.287.154)	(14.965.393)
Liabilities		(1.678.239)	(13.287.154)	(14.965.393)
Total net assets and liabilities		(1.678.239)	(13.287.154)	(14.965.393)

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

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

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

Fair Value of Financial Instruments

	Currency forward contracts	Fuel purchase option contracts	Total
31 December 2023			
Fair value:			
Opening	-	10.849.159	10.849.159
Fair value increase / (decrease)			
Recognized in equity	-	(16.170.309)	(16.170.309)
Recognized in profit or loss	387.044	-	387.044
Closing	387.044	(5.321.150)	(4.934.106)
Assets	387.044	-	387.044
Liabilities	-	(5.321.150)	(5.321.150)
Total net assets and liabilities	387.044	(5.321.150)	(4.934.106)

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 49,2% and 24,3% of the total fuel consumption estimated to occur in a period shorter than 1 year and more than 1 year, respectively. In line with its hedging policy, the Group can conclude contracts with maturities up to 24 months. As of 30 September 2024, the contracts last until December 2025. The total nominal value of these contracts is USD 499,9 million, and the weighted average price is in the range of 68-88. The ineffective portion of the hedge is not material as of 30 September 2024. In the current period, the income that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to EUR 2.251.191 (30 September 2023: EUR 6.293.783 derivative expenses are charged to finance expenses).

NOTE 25 - EVENTS AFTER BALANCE SHEET DATE

Not available.

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

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

NOTE 26 – INCOME TAX EXPENSE

The Group is subject to corporate tax applicable in Türkiye. The corporate tax rate in Türkiye is applied as 25% for the 2023 taxation period. It continues to be applied as 25% for the 2024 taxation period. While calculating deferred tax on temporary differences, the Company takes into account the tax rates applicable at the date of closing of the temporary differences.

The tax expense components of 30 September 2024 and 30 September 2023 are presented below:

	1 January- 30 September 2024	1 January- 30 September 2023
Tax income/(expense)		
- Deferred tax income/(expense)	(12.213.485)	(12.420.529)
Total tax income/(expense)	(12.213.485)	(12.420.529)

The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to EUR 196.128.593 (31 December 2023: EUR 143.218.297) that the Group will benefit from in the foreseeable future as of 30 September 2024 is reflected in the interim condensed consolidated financial statements as a deferred tax asset. As a result of the recognition of the mentioned tax advantage as of 30 September 2024, deferred tax income amounting to EUR 48.756.631 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 30 September 2024.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the interim condensed consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each reporting date. This evaluation is conducted based on business models that include estimations of taxable profits.

In the sensitivity analysis carried out as of 30 September 2024, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the duration of the foreseen period for recognizing deferred tax assets related to investment incentives remains unchanged.

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

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

NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

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

	30 September 2024	31 December 2023
Cash on hand	123.643	108.911
Cash at banks	1.237.813.009	493.720.311
- Demand deposits	16.957.915	31.129.195
- Time deposits	1.220.855.094	462.591.116
Less: Allowance for impairment under IFRS 9	(611.937)	(232.848)
	1.237.324.715	493.596.374

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

30 September 2024	Weighted average interest rates	Total
USD deposits	4,26 %	910.455.288
EUR deposits	2,68 %	189.568.497
TL deposits	47,17 %	105.937.561
GBP deposits	0,57 %	3.489.230
IRR deposits	5,00 %	11.404.518
		1.220.855.094

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

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