

**PEGASUS HAVA TAřIMACILIĐI
ANONİM řİRKETİ AND ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
THREE MONTH PERIOD ENDED
31 MARCH 2025

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

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

		Current period 31 March 2025	Prior period 31 December 2024
	Notes		
ASSETS			
Current assets		1.639.643.787	1.891.835.243
Cash and cash equivalents	27	767.560.260	1.258.979.406
Financial assets	22	479.833.015	302.048.311
Trade receivables	6	71.321.474	73.467.728
<i>Trade receivables from third parties</i>		71.321.474	73.467.728
Other receivables	6	8.591.339	2.892.392
<i>Other receivables from third parties</i>		8.591.339	2.892.392
Derivative financial instruments	21	-	3.963.837
Inventories		41.634.160	41.520.211
Prepayments	7	265.485.346	201.897.122
Current income tax assets		2.953.383	2.327.277
Other current assets		2.264.810	4.738.959
Non-Current assets		5.973.427.701	5.819.032.995
Financial assets	22	187.127.342	125.770.276
Other receivables	6	82.849.902	84.911.131
<i>Other receivables from third parties</i>		82.849.902	84.911.131
Investments accounted by using the equity method	3	21.017.838	21.115.937
Property and equipment	8	501.989.905	470.967.606
Intangible assets	9	29.422.885	24.046.619
Right of use assets	10	4.130.823.578	4.172.222.342
Prepayments	7	570.317.532	493.115.950
Deferred tax assets	26	449.878.719	426.883.134
TOTAL ASSETS		7.613.071.488	7.710.868.238

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 FINANCIAL POSITION
AS OF 31 MARCH 2025

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

	Notes	Current period 31 March 2025	Prior period 31 December 2024
LIABILITIES			
Current liabilities		1.540.600.047	1.482.289.523
Short term borrowings	22	81.542.015	172.048.659
Short term portion of long term borrowings	22	213.899.279	218.212.572
Short term portion of long term lease liabilities	22	404.380.712	405.833.468
Trade payables	6	246.655.546	216.174.134
<i>Trade payables to related parties</i>	5	1.684.244	1.194.536
<i>Trade payables to third parties</i>		244.971.302	214.979.598
Employee benefit obligations		35.770.554	14.704.364
Other payables	6	15.564.839	12.519.590
<i>Other payables to third parties</i>		15.564.839	12.519.590
Contract liabilities	7	435.874.755	333.941.687
Derivative financial instruments	21	4.401.024	4.645.693
Deferred income	7	34.301.542	40.016.533
Short term provisions		68.209.781	64.192.823
<i>Short term provisions for employee benefits</i>		64.206.021	62.635.867
<i>Other short term provisions</i>		4.003.760	1.556.956
Non-Current liabilities		4.096.894.260	4.189.573.178
Long term borrowings	22	456.205.339	469.797.544
Long term lease liabilities	22	3.176.303.149	3.260.356.410
Derivative financial instruments	7	1.077.465	364.343
Deferred income		218.408.517	202.964.552
Long term provisions		244.899.790	256.090.329
<i>Long term provisions for employee benefits</i>		48.692.526	48.123.147
<i>Other long term provisions</i>		196.207.264	207.967.182
SHAREHOLDERS' EQUITY		1.975.577.181	2.039.005.537
Paid-in share capital	14	230.037.951	230.037.951
Share premiums on capital stock		24.595.488	24.595.488
Other comprehensive income/expense not to be reclassified to profit or loss			
Actuarial losses on defined benefit plans		(4.305.490)	(4.263.048)
Currency translation differences		1.770	6.188
Other comprehensive income/expense to be reclassified to profit or loss			
Currency translation differences		8.411.102	8.445.337
Hedge fund		(4.108.866)	(3.757.527)
Gain on financial assets measured at fair value		694.525	1.816.800
Restricted profit reserves		4.047.406	4.047.406
Retained earnings		1.778.076.942	1.416.584.246
Net income for the period		(61.873.647)	361.492.696
TOTAL LIABILITIES AND EQUITY		7.613.071.488	7.710.868.238

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 FINANCIAL POSITION
AS OF 31 MARCH 2025**

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

		Current period	Prior period
		1 January-	1 January-
Profit or loss	Notes	31 March 2025	31 March 2024
Revenue	15	621.659.742	518.722.226
Cost of sales (-)	15	(635.772.723)	(532.082.958)
Gross profit		(14.112.981)	(13.360.732)
General administrative expenses (-)	16	(23.965.902)	(17.610.318)
Selling and marketing expenses (-)	16	(16.693.419)	(13.562.378)
Other operating income	17	294.588	9.375.562
Other operating expenses (-)	17	(39.808.554)	(1.687.884)
Operating profit		(94.286.268)	(36.845.750)
Income from investing activities	18	28.186.410	21.242.655
Expenses from investing activities (-)	18	(1.764.439)	(4.887.978)
Share of investments income accounted for using the equity method	3	594.197	436.647
Operating profit before financial expense		(67.270.100)	(20.054.426)
Financial income	19	67.963.006	10.500.394
Financial expense (-)	19	(68.902.507)	(97.150.959)
Profit/(loss) before tax		(68.209.601)	(106.704.991)
Tax income/(expense)		6.335.954	3.748.214
Deferred tax income/(expense)	26	6.335.954	3.748.214
Net profit for the period		(61.873.647)	(102.956.777)
Income/(loss) per share EUR cents	20	(0,12)	(1,01)
Other comprehensive income			
Items not to be reclassified to profit or loss			
Actuarial (losses) / gains on defined benefit plans		(56.589)	558.317
Deferred tax effect		14.147	(139.579)
Currency translation differences		(4.418)	-
Items to be reclassified to profit or loss			
Currency translation differences		(34.235)	597.053
Gain on financial assets measured at fair value		(1.496.367)	(202.842)
Cash flow hedge		(468.453)	13.006.733
Deferred tax effect		491.206	(3.200.974)
Other comprehensive income		(1.554.709)	10.618.708
Total comprehensive income		(63.428.356)	(92.338.069)

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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

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

				Other comprehensive income items not to be reclassified to profit or loss		Other comprehensive income items to be reclassified to profit or loss			Retained earnings			Shareholders' equity
		Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	
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	-	-	-	-	-	3.990.862	-	-	789.940.474	(793.931.336)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	-	(102.956.777)	(102.956.777)
Other comprehensive income / (expense)	EUR	-	-	418.738	-	597.053	5.764.187	(152.132)	-	-	3.990.862	10.618.708
As at 31 March 2024	EUR	60.544.134	194.089.305	(2.835.364)	-	9.405.840	5.764.187	1.331.520	4.047.406	1.416.584.246	(102.956.777)	1.585.974.497
As at 1 January 2025	EUR	230.037.951	24.595.488	(4.263.048)	6.188	8.445.337	(3.757.527)	1.816.800	4.047.406	1.416.584.246	361.492.696	2.039.005.537
Transfers	EUR	-	-	-	-	-	-	-	-	361.492.696	(361.492.696)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	-	(61.873.647)	(61.873.647)
Other comprehensive income / (expense)	EUR	-	-	(42.442)	(4.418)	(34.235)	(351.339)	(1.122.275)	-	-	-	(1.554.709)
As at 31 March 2025	EUR	230.037.951	24.595.488	(4.305.490)	1.770	8.411.102	(4.108.866)	694.525	4.047.406	1.778.076.942	(61.873.647)	1.975.577.181

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 31 MARCH 2025

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

		Current period 1 January- 31 March 2025	Prior period 1 January- 31 March 2024
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(loss) for the period		(61.873.647)	(102.956.777)
Adjustments to reconcile the income/(loss)			
Depreciation and amortization	8-9-10	97.225.841	82.543.630
Adjustments related with impairments		1.418.576	4.788.631
<i>Provision for doubtful receivable</i>		(345.863)	(99.347)
Adjustments related with financial investment impairments		1.764.439	4.887.978
Adjustments related with provisions		16.255.000	2.705.135
<i>Provision for employee benefits</i>		13.475.258	1.946.091
<i>Legal provision</i>		2.779.742	133.295
Interest and commission income		28.909.566	41.741.985
Adjustments related with fair value expense (income)		1.260.744	76.178
<i>Adjustments related with fair value expense (income) of financial assets</i>		1.260.744	76.178
Gain on equity investments accounted for using the equity method	3	(594.197)	(436.647)
Current tax expense		(6.335.954)	(3.748.214)
Adjustments for (income)/expense caused by sale or changes in share of joint ventures		-	-
Other provisions related with investing or financing activities		(35.970.649)	23.684.705
Changes in working capital			
Increase in trade receivables		2.492.117	(32.247.747)
Increase in other receivables, prepayments and other assets		(83.416.059)	(90.654.009)
Increase in inventories		(113.949)	(5.092.133)
Increase in trade payables		30.481.412	15.995.884
Increase in deferred income, other payables and other current liabilities		125.128.754	221.182.764
Net cash generated from operating activities		114.867.555	157.583.385
Payment for the employee benefits provisions		(318.012)	(752.789)
Payment for other provisions		(821)	(7.165)
		114.548.722	156.823.431
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash changes from acquisition and sale of debt instruments of other entities		(80.351.719)	55.413.333
Net cash changes from purchase and sale of property, equipment and intangible assets		13.418.950	43.121.685
Interest received from financial investment		8.302.271	15.860.686
Changes in cash advances and payables		(130.975.497)	(43.820.166)
Other cash changes (*)		(161.703.350)	146.932.472
		(351.309.345)	217.508.010
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in borrowings		22.849.967	93.184.210
Repayment of borrowings		(116.720.982)	(14.500.000)
Repayment of principal in lease liabilities		(99.543.021)	(84.169.612)
Interest and commission paid		(58.499.627)	(51.042.810)
Interest received		3.106.346	10.363.418
		(248.807.317)	(46.164.794)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
BEFORE TRANSLATION EFFECT (A+B+C)		(485.567.940)	328.166.647
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		(5.851.206)	(8.375.030)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(491.419.146)	319.791.617
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
AT THE BEGINNING OF THE PERIOD	27	1.258.979.406	493.596.374
AT THE END OF THE PERIOD (A+B+C+D+E)	27	767.560.260	813.387.991

(*) The change in foreign currency-protected deposits and time deposits with a maturity of more than three months, classified as financial investments, has been presented.

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 31 MARCH 2025

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

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

The shareholders and ownership of the Company as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Esas Holding A.Ş. (“Esas Holding”)	52,81%	52,81%
Publicly held	45,37%	45,37%
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 31 March 2025 is 9.020 (31 December 2024: 8.459). The address of its principal office is Aeropark Yenişehir Mah. Osmanlı Bulvarı No: 11/A Kurtköy-Pendik İstanbul.

Approval of Financial Statements

The interim condensed consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2025.

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 31 MARCH 2025

(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 and PIL, is Euro. Hitit Bilgisayar's and PIL'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 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 2024, 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 31 March 2025 and 31 December 2024 are 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 31 MARCH 2025

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of Consolidation

The following table illustrates the condensed consolidated subsidiaries and the Group's ownership percentage in these subsidiaries as of 31 March 2025 and 31 December 2024:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Country of registration and operation</u>
		<u>31 March 2025</u>	<u>31 December 2024</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 31 March 2025, 31 December 2024:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Ownership type</u>	<u>Country of registration and operation</u>
		<u>31 March 2025</u>	<u>31 December 2024</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training Information	-	49,40%	Joint venture	Turkiye
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	system solutions	36,82%	36,82%	Joint venture	Turkiye

(*) The liquidation process of PUEM, in which the Company held a 49.40% stake, was completed and the entity was deregistered from the trade registry as of February 27, 2025.

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 March 31, 2025 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 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025**

(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, 2025 are as follows:

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. 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 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 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 derecognized on the 'settlement date'. It also introduces an accounting policy option to derecognize 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025**

(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

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

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.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments did not have a significant impact on the financial position or performance of the Group.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025**

(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

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 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.

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 31 March 2025 compared to last year-end.

2.5 Going Concern

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

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	31 March 2025	31 December 2024
Joint ventures		
Hitit Bilgisayar	21.017.838	21.115.937
	21.017.838	21.115.937

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

	1 January- 31 March 2025	1 January- 31 March 2024
Hitit Bilgisayar	594.197	436.647
Net profit	594.197	436.647

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

Hitit Bilgisayar

	31 March 2025	31 December 2024
Current assets	27.424.292	24.590.146
Non-current assets	49.153.300	46.605.202
Current liabilities	(14.778.814)	(10.381.617)
Non-current liabilities	(5.022.510)	(3.781.199)
Net assets of joint venture	56.776.268	57.032.532
Group's ownership interest in the joint venture	36,82%	36,82%
Goodwill	112.816	116.559
Group's share in the net assets of the joint venture	21.017.838	21.115.937
	1 January- 31 March 2025	1 January- 31 March 2024
Revenue	9.021.501	6.435.547
Depreciation and amortisation expense	(1.895.387)	(1.209.534)
Interest income/(expense), net	129.490	(856.856)
Profit for the year	1.613.788	1.185.896
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	594.197	436.647

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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.

(i) Balances with Related Parties:

a) Trade payables to related parties

	31 March 2025	31 December 2024
Balances with joint ventures:		
Hitit Bilgisayar	1.308.838	1.078.540
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda")	7.388	25.774
Ere Avm İnşaat A.Ş. ("Ere Avm")	368.018	90.222
	1.684.244	1.194.536

(ii) Significant Transactions with Related Parties:

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.

The Group receives project consultancy services from Ere Avm İnşaat for the hangar project.

a) Purchases of goods or services

	1 January- 31 March 2025	1 January- 31 March 2024
Transactions with joint ventures:		
Hitit Bilgisayar	2.371.776	1.938.894
Transactions with other related parties:		
Ere Avm	462.693	6.019
Esasburda	93.700	88.887
Other	-	262
	2.928.169	2.034.062

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

NOTE 5 - RELATED PARTY TRANSACTIONS

(ii) Significant Transactions with Related Parties:

b) Lease expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Esasburda (*)	-	239.763
	-	239.763

(*)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 20.619.494.

(iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 31 March 2025 and 31 March 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Salaries and benefits	557.258	663.568
	557.258	663.568

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

The details of short term trade receivables as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Trade receivables	34.931.646	41.528.451
Credit card receivables	38.169.213	32.630.019
Income accruals	2.030.516	3.310.224
	75.131.375	77.468.694
Allowance for credit risk adjustment under TFRS 9	(3.809.901)	(4.000.966)
	71.321.474	73.467.728

The average collection period of trade receivables is approximately 23 days (31 December 2024: 19 days).

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

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade payables

The details of short term trade payables as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Trade payables	73.219.884	132.529.077
Accrued direct operational costs	171.751.418	82.450.521
Trade payables to related parties (Note 5)	1.684.244	1.194.536
	246.655.546	216.174.134

The average payment period of trade payables is approximately 33 days (31 December 2024: 30 days).

Short term other receivables

The details of short term other receivables as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Deposits and guarantees given (*)	7.272.850	1.415.373
Receivables from pilots for flight training	247.821	284.615
Receivables from tax office	868.893	724.261
Other receivables	201.775	468.143
	8.591.339	2.892.392

(*) The amount of EUR 5.999.829 in deposits given, consists of guarantees given to the banks regarding the valuation of derivative transactions.

Long term other receivables

The details of long term other receivables as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Receivables from pilot trainings	42.818.728	42.738.065
Deposits given	40.031.174	42.173.066
	82.849.902	84.911.131

Short term other payables

	31 March 2025	31 December 2024
Taxes payables	10.391.443	10.170.687
Deposits received	5.173.396	2.348.903
	15.564.839	12.519.590

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NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

The details of prepayments as of 31 March 2025 and 31 December 2024 are as follows:

Short term prepayments

	31 March 2025	31 December 2024
Advances on aircraft purchases	152.738.886	122.857.877
Advances to suppliers	90.365.746	51.230.811
Prepaid insurance expenses	13.759.484	18.002.352
Other prepaid expenses	8.621.230	9.806.082
	265.485.346	201.897.122

Long term prepayments

	31 March 2025	31 December 2024
Advances on aircraft purchases	104.642.843	57.215.071
Prepaid maintenance expenses	465.400.988	435.654.062
Other prepaid expenses	273.701	246.817
	570.317.532	493.115.950

Deferred Income

Contract Liabilities

The details of passenger flight liabilities as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Flight liability from ticket sales	311.041.295	218.926.889
Passenger airport fees received from customers (*)	82.863.233	73.165.429
Flight liability from flight points	41.970.227	41.849.369
	435.874.755	333.941.687

(*) 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

	31 March 2025	31 December 2024
Advances received from customers	22.620.269	27.513.947
Other deferred income	11.681.273	12.502.586
	34.301.542	40.016.533

Long term deferred income

	31 March 2025	31 December 2024
Deferred income (*)	218.408.517	202.964.552
	218.408.517	202.964.552

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

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

NOTE 8 - PROPERTY AND EQUIPMENT

31 March 2025	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Components, spare engine and repairables	Owned Aircraft	Construction in progress	Total
Cost:								
Opening	35.481.715	27.496.286	41.168.819	13.821.667	373.458.634	286.150.383	9.424.254	787.001.758
Additions	263.813	1.309.857	1.285.383	-	40.725.729	-	1.944.927	45.529.709
Disposals	-	-	-	-	-	(74.052.284)	-	(74.052.284)
Transfers (*)	-	-	-	-	(1.209.417)	74.052.284	(924.337)	71.918.530
Closing	35.745.528	28.806.143	42.454.202	13.821.667	412.974.946	286.150.383	10.444.844	830.397.713
Accumulated depreciation:								
Opening	(15.096.358)	(10.151.943)	(29.459.673)	(13.358.614)	(102.323.065)	(145.644.499)	-	(316.034.152)
Depreciation for the year	(576.417)	(671.112)	(755.724)	(20.687)	(6.902.142)	(3.447.574)	-	(12.373.656)
Disposals	-	-	-	-	-	27.255.841	-	27.255.841
Transfers (*)	-	-	-	-	-	(27.255.841)	-	(27.255.841)
Closing	(15.672.775)	(10.823.055)	(30.215.397)	(13.379.301)	(109.225.207)	(149.092.073)	-	(328.407.808)
Net book value	20.072.753	17.983.088	12.238.805	442.366	303.749.739	137.058.310	10.444.844	501.989.905

(*) 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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AS OF 31 MARCH 2025**

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

NOTE 8 - PROPERTY AND EQUIPMENT

31 March 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	191.395	64.168	2.756.054	-	42.675.687	-	191.538	45.878.842
Transfers (*)	-	-	-	-	(8.348.532)	-	-	(8.348.532)
Closing	34.073.865	22.086.951	38.858.745	13.466.158	239.379.900	275.625.690	8.262.644	631.753.953
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	(534.552)	(456.191)	(672.586)	(34.068)	(4.394.459)	(3.241.593)	-	(9.333.449)
Closing	(13.416.918)	(9.299.994)	(27.285.903)	(13.307.858)	(85.971.161)	(135.685.834)	-	(284.967.668)
Net book value	20.656.947	12.786.957	11.572.842	158.300	153.408.739	139.939.856	8.262.644	346.786.285

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

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NOTE 9 - INTANGIBLE ASSETS

Software	31 March 2025	31 March 2024
Cost:		
Opening	64.273.293	52.619.528
Additions	7.579.669	2.880.889
Closing	71.852.962	55.500.417
Accumulated amortization:		
Opening	(40.226.674)	(32.864.322)
Amortization for the year	(2.203.403)	(1.771.551)
Disposals	-	-
Closing	(42.430.077)	(34.635.873)
Net book value	29.422.885	20.864.544

NOTE 10 – RIGHT OF USE ASSETS

31 March 2025	Field Rental	Building	Aircraft	Other	Total
Cost:					
Opening	14.570.782	24.733.613	5.219.572.081	311.363	5.259.187.839
Additions	-	-	88.471.841	-	88.471.841
Transfers (*)	-	-	(74.052.284)	-	(74.052.284)
Closing	14.570.782	24.733.613	5.233.991.638	311.363	5.273.607.396
Accumulated depreciation:					
Opening	(13.340.574)	(396.120)	(1.072.917.440)	(311.363)	(1.086.965.497)
Depreciation for the period	(321.783)	(154.585)	(82.172.414)	-	(82.648.782)
Disposals	-	-	(425.380)	-	(425.380)
Transfers (*)	-	-	27.255.841	-	27.255.841
Closing	(13.662.357)	(550.705)	(1.128.259.393)	(311.363)	(1.142.783.818)
Net book value	908.425	24.182.908	4.105.732.245	-	4.130.823.578

(*) Aircraft whose lease liabilities have ended are classified as transfers to property and equipment.

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

(*) Aircraft which are sold presented as disposals and aircraft whose lease liabilities have ended are classified as transfers to property and equipment.

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NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Litigation

The Group is involved in lawsuits and claims that have been filed against, the total claims constituted by which, excluding reserved rights for claiming excess amounts, risk of litigation and interest, is EUR 5.128.722 as of 31 March 2025 (31 December 2024: EUR 5.093.269). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of EUR 4.003.760 (31 December 2024: EUR 1.556.956) 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 report evaluation 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 petition of the counter party was received on October 25, 2021 and the petition was answered on November 23, 2021. The 7th Tax Court of Istanbul decided to accept our case and reject all assessments on June 29, 2022, and the defendant Revenue Administration objected to the decision in August and submitted the petition of appeal to the Tax Court. The petition of appeal was notified to Company on September 28, 2022 and this petition answered within one month. Following the rejection of the opposite party's appeal, this time an appeal was made, and the defendant's appeal was served in April 2023. This petition was also answered by the Company within the time limit. The said lawsuit continues as of March 31, 2025. The Company has not recognized any provision in the financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

Passenger Service Fee

T&T Havalimanı İşletmeciliği İnşaat Sanayi ve Ticaret Şirketi Limited filed three lawsuits against the Company before North Cyprus Lefkoşa Court of First Instance with claims of 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. No decision has yet been issued regarding the third lawsuit. The Company is of the opinion that it is legally impossible to obtain the requested documents related to the transported passengers from the relevant public authorities, and that the responsibility for implementing the requested additional inspections lies with the operating plaintiff. A legal appeal process has been initiated against the unfavorable first-instance court decision. In prior reporting periods, no provisions were recognized in relation to these cases, as the claims were not supported by concrete evidence and were based on unreasonable assumptions. Following the Company's appeal, upon the approval of the first-instance court's decision as of April 18, 2025, the Company has recognized a provision corresponding to the claimed amounts for all three lawsuits as of the end of the interim period ended March 31, 2025. It is anticipated that the payment related to the first two consolidated lawsuit files, including accrued interest, will be made within the subsequent three-month period.

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NOTE 12 - COMMITMENTS

Purchase Commitments

	31 March 2025	31 December 2024
Commitments to purchase aircraft	28.071.760.963	29.164.611.749
	28.071.760.963	29.164.611.749

As of 31 March 2025, the Group holds the right to purchase 151 aircraft on firm order. In accordance with agreement the expected deliveries are 8 aircraft in 2025, 8 aircraft in 2026, 13 aircraft in 2027, 23 aircraft in 2028, 21 aircraft in 2029, 15 aircraft in 2030, 17 aircraft in 2031, 16 aircraft in 2032, 15 aircraft in 2033, 15 aircraft in 2034. 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 257.381.729 (31 December 2024: EUR 180.072.948). Of this amount, EUR 152.738.886 is reclassified as short-term, and EUR 104.642.843 is reclassified as long-term prepayments (31 December 2024: EUR 122.857.877 is reclassified as short-term, EUR 57.215.071 is reclassified as long-term prepayments).

Collaterals-Pledges-Mortgages("CPM")

The details of the CPMs given by the Group as of 31 March 2025 is as follows:

31 March 2025		EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity						
	-Collateral	38.433.615	22.155.935	13.833.284	30.419.352	3.295.391
	-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	-	-	-	-	-
		38.433.615	22.155.935	13.833.284	30.419.352	3.295.391

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 March 2025.

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NOTE 12 – COMMITMENTS

Collaterals-Pledges-Mortgages(“CPM”)

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

31 December 2024		EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity						
	-Collateral	37.857.724	19.818.530	12.544.285	109.847.593	3.324.929
	-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	-	-	-	-	-
		37.857.724	19.818.530	12.544.285	109.847.593	3.324.929

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 2024.

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NOTE 13 - EXPENSES BY NATURE

The details of expenses by nature for the years periods 31 March 2025 and 31 March 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Jet fuel expenses	195.634.186	199.923.732
Personnel expenses	148.075.747	98.412.643
Depreciation and amortisation expenses	97.225.841	82.543.630
Handling and station fees	55.414.432	44.662.225
Navigation expenses	46.004.330	36.550.948
Maintenance expenses	28.478.459	24.319.811
Landing expenses	26.876.878	21.266.461
Passenger service and catering expenses	11.186.054	7.674.721
Advertising expenses	6.642.584	3.699.576
Commission expenses	3.999.369	4.860.028
Short term lease expenses (*)	-	1.063.180
Other expenses	60.405.241	38.278.699
	679.943.121	563.255.654

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

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

The Company's shareholding structure as of 31 March 2025 and 31 December 2024 are as follows:

		31 March 2025		31 December 2024
Shareholders	(%)	EUR	(%)	EUR
Esas Holding	52,81	121.485.811	52,81	121.485.811
Publicly held	45,37	104.375.962	45,37	104.375.962
Emine Kamışlı	0,61	1.392.059	0,61	1.392.059
Ali İsmail Sabancı	0,61	1.392.059	0,61	1.392.059
Kazım Köseoğlu	0,30	696.030	0,30	696.030
Can Köseoğlu	0,30	696.030	0,30	696.030
EUR historic capital	100,00	230.037.951	100,00	230.037.951

The Company's share capital consists of 500.000.000 shares of par value TL 1 each (31 December 2024: 500.000.000 shares). All issued shares are fully paid in cash.

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

NOTE 15 - REVENUE AND COST OF SALES

The details of revenue and cost of sales for the periods ended 31 March 2025 and 31 March 2024 are as follows:

Revenue:

	1 January- 31 March 2025	1 January- 31 March 2024
Scheduled flight and service revenue	615.064.932	512.357.890
<i>International flight revenue</i>	267.732.280	246.576.186
<i>Domestic flight revenue</i>	85.088.538	67.865.413
<i>Service revenue</i>	262.244.114	197.916.291
Charter flight and service revenue	3.400.602	4.057.588
<i>Charter flight revenue</i>	3.400.602	4.057.588
Other revenue	3.194.208	2.306.748
	621.659.742	518.722.226

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- 31 March 2025	1 January- 31 March 2024
Europe	171.760.702	162.186.289
Domestic	85.088.538	67.865.413
Other	95.971.578	84.389.897
	352.820.818	314.441.599

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NOTE 15 - REVENUE AND COST OF SALES**Cost of sales:**

	1 January- 31 March 2025	1 January- 31 March 2024
Jet fuel expenses	195.634.186	199.923.732
Personnel expenses	135.224.679	89.039.467
Depreciation and amortisation expenses	92.836.995	79.074.682
Handling and station fees	55.414.432	44.662.225
Navigation expenses	46.004.330	36.550.948
Maintenance expenses	28.478.459	24.319.811
Landing expenses	26.876.878	21.266.461
Passenger service and catering expenses	11.186.054	7.674.721
Insurance expenses	5.060.836	4.767.597
Short term lease expenses	-	1.063.180
Other expenses	39.055.874	23.740.134
	635.772.723	532.082.958

NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 31 March 2025	1 January- 31 March 2024
General administrative expenses	23.965.902	17.610.318
Marketing expenses	16.693.419	13.562.378
	40.659.321	31.172.696

The details of general administrative expenses and marketing expenses for the periods ended 31 March 2025 and 31 March 2024 are as follows (there are no research & development expenses in the periods ended in respective dates):

General administrative expenses:

	1 January- 31 March 2025	1 January- 31 March 2024
Personnel expenses	10.231.668	7.432.410
IT expenses	5.815.131	4.276.552
Depreciation and amortisation expenses	3.511.077	2.775.158
Consultancy expenses	1.280.825	798.342
Office utility expenses	625.968	532.256
Legal and notary expenses	555.734	420.823
Communication expenses	506.576	381.446
Travel expenses	515.192	457.001
Training expenses	84.649	35.868
Other expenses	839.082	500.462
	23.965.902	17.610.318

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NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES**Marketing expenses:**

	1 January- 31 March 2025	1 January- 31 March 2024
Advertising expenses	6.642.584	3.699.576
Commission expenses	3.999.369	4.860.028
Personnel expenses	2.619.400	1.940.766
Call center expenses	1.828.411	1.671.419
Depreciation and amortisation expenses	877.769	693.790
Other expenses	725.886	696.799
	16.693.419	13.562.378

NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 31 March 2025 and 31 March 2024 are as follows:

Other operating income:

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gain from operating activities	-	9.375.562
Reversal of doubtful cash and cash equivalents	236.465	-
Reversal of trade receivable impairment	58.123	-
	294.588	9.375.562

Other operating expenses:

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange loss from operating activities	36.168.847	
Legal provision and penalty expense	3.180.321	141.433
Doubtful receivable allowance expense	55.900	439.073
Trade receivables allowance expense	-	222.663
Cash and cash equivalents allowance expense	-	150.130
Other	403.486	734.585
	39.808.554	1.687.884

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NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 31 March 2025 and 31 March 2024 are as follows:

Income from investing activities:

	1 January- 31 March 2025	1 January- 31 March 2024
Interest income from time and currency protected deposits	14.075.066	5.463.736
Gain arising from aircraft sale	6.991.027	7.712.959
Interest income from eurobond	6.946.927	7.981.655
Gain from eurobond sales (*)	168.267	-
Other income	5.123	84.305
	28.186.410	21.242.655

(*) 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- 31 March 2025	1 January- 31 March 2024
Financial investments allowance expense	1.764.439	4.887.978
	1.764.439	4.887.978

NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 31 March 2025 and 31 March 2024 are as follows:

Financial income:

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gain	52.801.604	-
Interest income	15.161.402	10.445.243
Gain on derivative contracts	-	55.151
	67.963.006	10.500.394

Financial expenses:

	1 January- 31 March 2025	1 January- 31 March 2024
Interest expense on leases	39.367.070	43.345.991
Interest expense on issued debt instruments	13.227.905	7.934.524
Commission and other expenses	10.453.731	8.677.197
Losses from derivative contracts	3.809.546	-
Interest expense on bank loans	2.044.255	5.674.907
Foreign exchange loss	-	31.518.340
	68.902.507	97.150.959

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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 2024 and 2025 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 31 March 2025 and 31 March 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Net profit	(61.873.647)	(102.956.777)
Weighted average number of shares issued in the year	500.000.000	102.299.707
Income per share	(0,12)	(1,01)

NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	31 March 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Short term	-	4.401.024	3.963.837	4.645.693
Long term	-	1.077.465	-	364.343
	-	5.478.489	3.963.837	5.010.036

Explanations related to derivative instruments are disclosed in Note 24.

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	31 March 2025	31 December 2024
Financial investments measured at amortized cost	177.342.634	172.455.687
Financial assets recognized at fair value through profit or loss	98.609.035	101.104.332
Time Deposit (*)	204.614.378	28.842.985
Less: Allowance for impairment under IFRS 9	(733.032)	(354.693)
	479.833.015	302.048.311

(*) The balance includes time deposits and currency protected time deposits with original maturities between three months and one year. As of March 31, 2025, there are no outstanding exchange rate protected time deposits.

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Long term	31 March 2025	31 December 2024
Financial investments measured at amortized cost	192.252.307	129.950.216
Less: Allowance for impairment under IFRS 9	(5.124.965)	(4.179.940)
	187.127.342	125.770.276

Financial investments accounted at amortized cost

	31 March 2025	31 December 2024
Short term financial investments measured at amortized cost	177.342.634	172.455.687
Long term financial investments measured at amortized cost	192.252.307	129.950.216
	369.594.941	302.405.903

	31 March 2025	31 December 2024
Government Debt Securities	152.908.436	192.939.473
Corporate Debt Securities	216.686.505	109.466.430
	369.594.941	302.405.903

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 31 March 2025 and 31 December 2024 are as follows:

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,5	US Dollars	119.958.732
Government Debt Securities	6,7	GBP	32.949.704
Corporate Debt Securities	6,3	US Dollars	185.763.969
Corporate Debt Securities	5,9	Euro	25.484.416
Corporate Debt Securities	6,6	GBP	5.438.120
31 March 2025			369.594.941

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,6	US Dollars	180.234.119
Government Debt Securities	6,7	GBP	12.705.354
Corporate Debt Securities	7,2	US Dollars	84.170.737
Corporate Debt Securities	6,7	Euro	25.295.693
31 December 2024			302.405.903

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Financial investments at fair value through other comprehensive income

	31 March 2025	31 December 2024
Government Debt Securities	84.280.318	72.038.270
Corporate Debt Securities	14.328.717	29.066.062
	98.609.035	101.104.332

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	8,0	US Dollars	84.280.318
Corporate Debt Securities	8,0	US Dollars	14.328.717
31 March 2025			98.609.035

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	8,4	US Dollars	72.038.270
Corporate Debt Securities	8,1	US Dollars	29.066.062
31 December 2024			101.104.332

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

Financial Liabilities

The details of financial liabilities as of 31 March 2025 and 31 December 2024 are as follows:

Short term financial liabilities	31 March 2025	31 December 2024
Short term bank borrowings	81.542.015	172.048.659
	81.542.015	172.048.659

Short term portion of long term financial liabilities	31 March 2025	31 December 2024
Short term portion of long term bank borrowings	22.117.267	21.884.352
Principal and interest of bonds issued	192.856.076	198.049.610
Discount and commissions of bonds issued	(1.074.064)	(1.721.390)
Lease liabilities	404.380.712	405.833.468
<i>Short term portion of long term lease liabilities</i>	54.904.526	50.453.044
<i>Short term portion of long term lease liabilities with purchase option</i>	349.476.186	355.380.424
	618.279.991	624.046.040

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Long term financial liabilities	31 March 2025	31 December 2024
Long term bank borrowings	29.418.995	22.009.344
Issued debt instruments (*)	431.464.220	452.471.482
Discount and commissions of bonds issued	(4.677.876)	(4.683.282)
Lease liabilities	3.176.303.149	3.260.356.410
<i>Long term lease liabilities</i>	<i>199.074.866</i>	<i>205.615.854</i>
<i>Long term lease liabilities with purchase option</i>	<i>2.977.228.283</i>	<i>3.054.740.556</i>
	3.632.508.488	3.730.153.954

(*) 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 11, 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 31 March 2025, the Group complied with all covenants.

Bank Borrowings

The effective interest rates, original currency and EUR equivalents of the short and long term bank borrowings as of 31 March 2025 and 31 December 2024 are as follows :

31 March 2025	Weighted average interest rate (%)	Currency	Original amount	EUR equivalent
Short term bank borrowings	4,74	Euro	81.542.015	81.542.015
Short term portion of long term bank borrowings	4,20	Euro	22.117.267	22.117.267
Long term bank borrowings	3,88	Euro	29.418.995	29.418.995
				133.078.277
31 December 2024	Weighted average interest rate (%)	Currency	Original amount	EUR equivalent
Short term bank borrowings	6,09	Euro	172.048.659	172.048.659
Short term portion of long term bank borrowings	4,22	Euro	21.884.352	21.884.352
Long term bank borrowings	4,19	Euro	22.009.344	22.009.344
				215.942.355

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NOTE 22 - FINANCIAL INSTRUMENTS

Financial Liabilities

Lease Liabilities

The details of lease liabilities as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Less than 1 year	516.044.907	542.771.838
Between 1 - 5 years	1.998.368.742	2.028.348.701
Over 5 years	1.729.653.837	1.808.218.806
	4.244.067.486	4.379.339.345
Less: Future interest expenses	(663.383.626)	(713.149.467)
	3.580.683.860	3.666.189.878

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

	31 March 2025	31 December 2024
Less than 1 year	404.380.712	405.833.468
Between 1 - 5 years	1.633.772.389	1.659.063.767
Over 5 years	1.542.530.760	1.601.292.643
	3.580.683.861	3.666.189.878

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 6,0 years. For the period ended 31 March 2025, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to EUR 2.502.405.926, is 3,20% (31 December 2024: 3,40%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to EUR 350.337.177, is 6,05% (31 December 2024: 6,28%).

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

Financial Risk Factors

Market risk

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.

Foreign currency risk management

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

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

Financial Risk Factors

Foreign currency risk management

The Group's foreign currency position of monetary and non-monetary assets/liabilities for the years ended 31 March 2025 and 31 December 2024 are as follows:

31 March 2025	EUR Total	USD	TL	GBP	Other
1. Trade receivables	47.250.542	8.576.309	1.229.025.166	1.278.275	7.564.687
2a. Monetary financial assets	1.092.905.328	775.444.180	10.541.014.463	31.187.098	77.032.748
2b. Non monetary financial assets	-	-	-	-	-
3. Other	7.596.441	7.225.754	25.596.983	214.453	5.974
4. CURRENT ASSETS	1.147.752.311	791.246.243	11.795.636.612	32.679.826	84.603.409
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	187.127.342	201.676.615	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	9.084.562	4.944.059	1.898.791	63.000	4.374.995
8. NON CURRENT ASSETS	196.211.904	206.620.674	1.898.791	63.000	4.374.995
9. TOTAL ASSETS	1.343.964.215	997.866.917	11.797.535.403	32.742.826	88.978.405
10. Trade payables	118.619.486	80.861.491	1.579.390.313	508.161	4.178.405
11. Financial liabilities	300.279.371	323.315.477	11.737.949	-	-
12a. Other liabilities, monetary	130.805.048	13.614.582	4.262.267.340	187.525	13.228.701
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	549.703.905	417.791.550	5.853.395.602	695.686	17.407.106
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.327.931.330	1.431.127.925	1.923.446	-	-
16a. Other liabilities, monetary	196.207.264	211.462.507	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.524.138.594	1.642.590.432	1.923.446	-	-
18. TOTAL LIABILITIES	2.073.842.499	2.060.381.982	5.855.319.048	695.686	17.407.106
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	-	-	-	-	-
19.a Off-statement of financial position foreign currency derivative assets	-	-	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(729.878.284)	(1.062.515.065)	5.942.216.355	32.047.140	71.571.298
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(729.878.284)	(1.062.515.065)	5.942.216.355	32.047.140	71.571.298

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

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

Financial Risk Factors

Foreign currency risk management

31 December 2024	EUR Total	USD	TL	GBP	Other
1. Trade receivables	52.554.233	7.421.689	1.404.084.196	1.817.410	5.037.207
2a. Monetary financial assets	1.252.994.150	1.163.326.747	4.022.451.465	14.824.938	10.452.061
2b. Non monetary financial assets	-	-	-	-	-
3. Other	6.221.712	1.727.019	166.711.936	23.797	206
4. CURRENT ASSETS	1.311.770.095	1.172.475.455	5.593.247.597	16.666.145	15.489.474
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	125.770.279	131.196.247	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	7.828.521	6.695.999	1.543.144	63.000	1.291.589
8. NON CURRENT ASSETS	133.598.800	137.892.246	1.543.144	63.000	1.291.589
9. TOTAL ASSETS	1.445.368.895	1.310.367.701	5.594.790.741	16.729.145	16.781.063
10. Trade payables	124.022.824	90.371.223	1.020.393.435	2.635.892	6.443.828
11. Financial liabilities	300.796.277	313.459.380	11.053.764	-	-
12a. Other liabilities, monetary	103.036.729	10.378.007	3.369.137.300	254.401	1.086.662
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	527.855.830	414.208.610	4.400.584.499	2.890.293	7.530.490
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.373.954.809	1.433.084.260	5.127.331	-	-
16a. Other liabilities, monetary	207.967.182	216.939.281	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.581.921.991	1.650.023.541	5.127.331	-	-
18. TOTAL LIABILITIES	2.109.777.821	2.064.232.151	4.405.711.830	2.890.293	7.530.490
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	488.885	21.424.898	-	(16.650.000)	-
19a Off-statement of financial position foreign currency derivative assets	20.538.815	21.424.898	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	20.049.930	-	-	16.650.000	-
20. Net foreign currency asset/(liability) position	(664.408.926)	(753.864.450)	1.189.078.911	13.838.852	9.250.573
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(664.408.926)	(753.864.450)	1.189.078.911	13.838.852	9.250.573

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

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

Financial Risk Factors

Foreign currency risk management

Foreign currency sensitivity

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

Foreign currency sensitivity tables as of 31 March 2025 and 31 December 2024 are as follows:

31 March 2025	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)	(98.586.353)	98.586.353	-	-
Part of hedged from USD risk	-	-	-	-
USD net effect	(98.586.353)	98.586.353	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	14.599.359	(14.599.359)	197.968.605	(197.968.605)
Part of hedged from TL risk	-	-	-	-
TL net effect	14.599.359	(14.599.359)	197.968.605	(197.968.605)
Effect of 10% change in GBP rate				
GBP net asset / liability	3.842.037	(3.842.037)	-	-
Part of hedged from GBP risk	-	-	-	-
GBP net effect	3.842.037	(3.842.037)	-	-
31 December 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)	(72.268.639)	72.268.639	-	-
Part of hedged from USD risk	2.053.881	(2.053.881)	-	-
USD net effect	(70.214.758)	70.214.758	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	3.236.214	(3.236.214)	204.276.306	(204.276.306)
Part of hedged from TL risk	-	-	-	-
TL net effect	3.236.214	(3.236.214)	204.276.306	(204.276.306)
Effect of 10% change in GBP rate				
GBP net asset / liability	1.666.475	(1.666.475)	-	-
Part of hedged from GBP risk	(2.004.993)	2.004.993	-	-
GBP net effect	(338.518)	338.518	-	-

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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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

31 March 2025	Financial assets and liabilities at amortized cost	Financial assets and derivative instruments which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss	Carrying amount	Note
Financial assets					
Cash and cash equivalents	767.560.260	-	-	767.560.260	27
Trade receivables	71.321.474	-	-	71.321.474	6
- <i>Other</i>	71.321.474	-	-	71.321.474	6
Other receivables	91.441.241	-	-	91.441.241	
- <i>Other</i>	91.441.241	-	-	91.441.241	
Financial investments	204.614.378	98.609.035	-	666.960.357	22
Financial liabilities					
Bank borrowings	133.078.278	-	-	133.078.278	22
Issued debt instruments	615.833.379	-	-	618.568.355	
Trade payables	246.655.546	-	-	246.655.546	6
- <i>Related party</i>	1.684.244	-	-	1.684.244	5
- <i>Other</i>	244.971.302	-	-	244.971.302	
Other payables	15.564.839	-	-	15.564.839	
Derivative financial liabilities	-	5.478.489	-	5.478.489	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025**

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

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

Fair Value of Financial Instruments

31 December 2024	Financial assets and liabilities at amortized cost	Financial assets and derivative instruments which are recognized at fair value in shareholders' equity	Derivative instruments which are recognized at fair value in profit/loss	Carrying amount	Note
Financial assets					
Cash and cash equivalents	1.258.979.406	-	-	1.258.979.406	27
Trade receivables	73.467.728	-	-	73.467.728	6
- <i>Other</i>	73.467.728	-	-	73.467.728	6
Other receivables	87.803.523	-	-	87.803.523	
- <i>Other</i>	87.803.523	-	-	87.803.523	
Financial investments	301.757.198	101.104.332	-	427.818.587	22
Derivative financial assets	-	-	3.963.837	3.963.837	21
Financial liabilities					
Bank borrowings	215.942.354	-	-	215.942.355	22
Issued debt instruments	636.265.140	-	-	644.116.420	
Trade payables	216.174.134	-	-	216.174.134	6
- <i>Related party</i>	1.194.536	-	-	1.194.536	5
- <i>Other</i>	214.979.598	-	-	214.979.598	
Other payables	12.519.590	-	-	12.519.590	
Derivative financial liabilities	-	5.010.036	-	5.010.036	21

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

Fair Value of Financial Instruments

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

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

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique
	31 March 2025	31 December 2024		
Fuel purchase option contracts	(5.478.489)	(5.010.036)	Level 2	Discounted cash flow method
Currency forward contracts	-	3.963.837	Level 2	Discounted cash flow method
		Currency forward contracts	Fuel purchase option contracts	Total
31 March 2025				
Fair value:				
Opening		3.963.837	(5.010.036)	(1.046.199)
Fair value increase				
Recognized in equity		-	(468.453)	(468.453)
Recognized in profit or loss		(3.963.837)	-	(3.963.837)
Closing		-	(5.478.489)	(5.478.489)
Assets	-	-	-	-
Liabilities	-	(5.478.489)	(5.478.489)	(5.478.489)
Total net assets and liabilities	-	-	(5.478.489)	(5.478.489)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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

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

Fair Value of Financial Instruments

31 December 2024	Currency forward contracts	Fuel purchase option contracts	Total
Fair value:			
Opening	387.044	(5.321.150)	(4.934.106)
Fair value increase / (decrease)			
Recognized in equity	-	311.114	311.114
Recognized in profit or loss	3.576.793	-	3.576.793
Closing	3.963.837	(5.010.036)	(1.046.199)
Assets	3.963.837	-	3.963.837
Liabilities	-	(5.010.036)	(5.010.036)
Total net assets and liabilities	3.963.837	(5.010.036)	(1.046.199)

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 50,2% and 24,6% 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 31 March 2025, the contracts last until March 2027. The total nominal value of these contracts is USD 530,8 million, and the weighted average price is in the range of USD 65-80. The ineffective portion of the hedge is not material as of 31 March 2025. 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 633.642 (31 March 2024: EUR 589.665 derivative income are charged to finance expenses).

NOTE 25 - EVENTS AFTER BALANCE SHEET DATE

Not available.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025

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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 2024 taxation period. It continues to be applied as 25% for the 2025 taxation period. While calculating deferred tax on temporary differences, the Company takes into account the tax rates applicable at the date of closing of the temporary differences.

The tax expense components of 31 March 2025 and 31 March 2024 are presented below:

	1 January- 31 March 2025	1 January- 31 March 2024
Tax income/(expense)		
- Deferred tax income/(expense)	6.335.954	3.748.214
Total tax income/(expense)	6.335.954	3.748.214

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 250.564.467 (31 December 2024: EUR 203.282.895) that the Group will benefit from in the foreseeable future as of 31 March 2025 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 31 March 2025, deferred tax income amounting to EUR 47.281.572 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 31 March 2025.

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 31 March 2025, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the duration of the foreseen period for recognizing deferred tax assets related to investment incentives remains unchanged.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts are expressed full Euros (EUR) unless otherwise stated.)

NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

The details of cash and cash equivalents as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Cash on hand	136.345	50.008
Cash at banks	767.853.226	1.259.666.911
- Demand deposits	28.584.905	23.318.830
- Time deposits	739.268.321	1.236.348.081
Less: Allowance for impairment under IFRS 9	(429.311)	(737.513)
	767.560.260	1.258.979.406

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

31 March 2025	Weighted average interest rates	Total
USD deposits	4,49 %	560.351.605
EUR deposits	2,83 %	90.015.420
TL deposits	43,29 %	72.943.187
GBP deposits	1,95 %	11.741.833
IRR deposits	5,00 %	4.216.276
		739.268.321

31 December 2024	Weighted average interest rates	Total
USD deposits	4,51 %	847.775.086
EUR deposits	2,65 %	271.336.285
TL deposits	48,88 %	108.344.284
GBP deposits	0,50 %	3.115.816
IRR deposits	5,00 %	5.776.610
		1.236.348.081

As of 31 March 2025 and 31 December 2024 time deposits maturities are less than 90 days.