

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

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
NINE MONTH PERIOD ENDED
30 SEPTEMBER 2025

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2025

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

		Current Period 30 September 2025	Prior Period 31 December 2024
	Notes		
ASSETS			
Current assets		1.734.340.766	1.891.835.243
Cash and cash equivalents	27	1.036.708.210	1.258.979.406
Financial assets	22	370.627.684	302.048.311
Trade receivables	6	91.877.297	73.467.728
<i>Trade receivables from third parties</i>		<i>91.877.297</i>	<i>73.467.728</i>
Other receivables	6	15.018.230	2.892.392
<i>Other receivables from third parties</i>		<i>15.018.230</i>	<i>2.892.392</i>
Derivative financial instruments	21	-	3.963.837
Inventories		44.100.081	41.520.211
Prepayments	7	169.178.176	201.897.122
Current income tax assets		6.652.835	2.327.277
Other current assets		178.253	4.738.959
Non-Current assets		6.247.151.373	5.819.032.995
Financial assets	22	141.346.381	125.770.276
Other receivables	6	79.262.127	84.911.131
<i>Other receivables from third parties</i>		<i>79.262.127</i>	<i>84.911.131</i>
Investments accounted by using the equity method	3	20.719.664	21.115.937
Property and equipment	8	521.918.783	470.967.606
Intangible assets	9	31.903.634	24.046.619
Right of use assets	10	4.383.228.259	4.172.222.342
Prepayments	7	697.191.610	493.115.950
Deferred tax assets		371.580.915	426.883.134
TOTAL ASSETS		7.981.492.139	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 30 SEPTEMBER 2025

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

	Notes	Current Period 30 September 2025	Prior Period 31 December 2024
LIABILITIES			
Current liabilities		1.537.841.734	1.482.289.523
Short term borrowings	22	235.611.463	172.048.659
Short term portion of long term borrowings	22	60.430.537	218.212.572
Short term portion of long term lease liabilities	22	438.027.373	405.833.468
Trade payables	6	300.605.476	216.174.134
<i>Trade payables to related parties</i>	5	<i>1.202.578</i>	<i>1.194.536</i>
<i>Trade payables to third parties</i>		<i>299.402.898</i>	<i>214.979.598</i>
Employee benefit obligations		33.746.327	14.704.364
Other payables	6	21.149.898	12.519.590
<i>Other payables to third parties</i>		<i>21.149.898</i>	<i>12.519.590</i>
Contract liabilities	7	311.415.848	333.941.687
Derivative financial instruments	21	12.828.951	4.645.693
Deferred income	7	73.104.735	40.016.533
Short term provisions		50.921.126	64.192.823
<i>Short term provisions for employee benefits</i>		<i>16.507.547</i>	<i>62.635.867</i>
<i>Other short term provisions</i>		<i>34.413.579</i>	<i>1.556.956</i>
Non-Current liabilities		4.127.054.459	4.189.573.178
Long term borrowings	22	493.235.000	469.797.544
Long term lease liabilities	22	3.281.103.440	3.260.356.410
Derivative financial instruments	21	508.628	364.343
Deferred income	7	201.315.176	202.964.552
Long term provisions		150.892.215	256.090.329
<i>Long term provisions for employee benefits</i>		<i>53.794.445</i>	<i>48.123.147</i>
<i>Other long term provisions</i>		<i>97.097.770</i>	<i>207.967.182</i>
SHAREHOLDERS' EQUITY		2.316.595.946	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		(4.364.597)	(4.263.048)
Other comprehensive income/expense to be reclassified to profit or loss			
Currency translation differences		7.011.677	8.451.525
Hedge fund		(10.003.184)	(3.757.527)
Gain on financial assets measured at fair value		740.303	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		286.453.960	361.492.696
TOTAL LIABILITIES AND EQUITY		7.981.492.139	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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2025

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

		Current Period 1 January- 30 September 2025	Prior Period 1 January- 30 September 2024	Current Period 1 July - 30 September 2025	Prior Period 1 July - 30 September 2024
Profit or loss	Notes				
Revenue	15	2.600.637.236	2.373.341.712	1.102.952.451	1.091.401.249
Cost of sales (-)	15	(2.096.205.703)	(1.806.420.840)	(776.161.032)	(692.605.390)
Gross profit		504.431.533	566.920.872	326.791.419	398.795.859
General administrative expenses (-)	16	(74.062.468)	(57.423.483)	(28.615.851)	(22.926.347)
Selling and marketing expenses (-)	16	(55.724.470)	(48.269.994)	(19.658.512)	(18.572.937)
Other operating income	17	324.106	422.705	(15.226)	136.209
Other operating expenses (-)	17	(141.914.696)	(19.136.331)	(14.811.688)	(26.543.964)
Operating profit		233.054.005	442.513.769	263.690.142	330.888.820
Income from investing activities	18	59.153.403	39.109.669	13.969.551	10.030.871
Expenses from investing activities (-)	18	(33.566)	(6.227.904)	(10.907)	(163.679)
Share of investments income accounted for using the equity method	3	2.388.623	1.812.701	860.155	575.724
Operating profit before financial expense		294.562.465	477.208.235	278.508.941	341.331.736
Financial income	19	240.062.051	46.775.852	26.086.476	66.231.680
Financial expense (-)	19	(190.395.728)	(201.549.475)	(61.623.251)	(71.702.094)
Profit/(loss) before tax		344.228.788	322.434.612	242.972.166	335.861.322
Tax income/(expense)		(57.774.828)	(12.213.485)	(16.311.426)	(34.677.098)
Deferred tax income/(expense)	26	(57.774.828)	(12.213.485)	(16.311.426)	(34.677.098)
Net profit for the period		286.453.960	310.221.127	226.660.740	301.184.224
Income/(loss) per share EUR cents	20	0,57	0,62	0,45	0,60
Other comprehensive income					
Items not to be reclassified to profit or loss					
Actuarial (losses) / gains on defined benefit plans		(135.399)	(1.038.993)	141.858	(83.302)
Deferred tax effect		33.850	259.748	(35.465)	20.826
Items to be reclassified to profit or loss					
Currency translation differences		(1.439.848)	127.496	(42.249)	(628.090)
Gain on financial assets measured at fair value		(1.435.330)	1.362.458	(252.772)	1.822.699
Cash flow hedge		(8.327.543)	(7.966.004)	5.027.841	(23.583.951)
Deferred tax effect		2.440.719	1.650.886	(1.193.766)	5.440.313
Other comprehensive income / (expense)		(8.863.551)	(5.604.409)	3.645.447	(17.011.505)
Total comprehensive income / (expense)		277.590.409	304.616.718	230.306.187	284.172.719

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 30 SEPTEMBER 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		
		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 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
As at 1 January 2025	EUR	230.037.951	24.595.488	(4.263.048)	8.451.525	(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	-	-	-	-	-	-	-	-	286.453.960	286.453.960
Other comprehensive income / (expense)	EUR	-	-	(101.549)	(1.439.848)	(6.245.657)	(1.076.497)	-	-	-	(8.863.551)
As at 30 September 2025	EUR	230.037.951	24.595.488	(4.364.597)	7.011.677	(10.003.184)	740.303	4.047.406	1.778.076.942	286.453.960	2.316.595.946

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 2025

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

		Current Period 1 January- 30 September 2025	Prior Period 1 January- 30 September 2024
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(loss) for the period		286.453.960	310.221.127
Adjustments to reconcile the income/(loss)			
Depreciation and amortization	8-9-10	306.698.333	249.382.550
Adjustments related with impairments		(1.096.926)	6.152.882
<i>Provision for doubtful receivable</i>		175.248	(75.022)
Adjustments related with financial investment impairments		(1.272.174)	6.227.904
Adjustments related with provisions		34.177.524	44.648.484
<i>Provision for employee benefits</i>		31.302.955	44.135.962
<i>Legal provision</i>		2.874.569	512.522
Interest and commission income		90.544.559	131.759.953
Adjustments related with fair value expense (income)		842.526	(1.645.733)
<i>Adjustments related with fair value expense (income) of financial assets</i>		842.526	(1.645.733)
Gain on equity investments accounted for using the equity method	3	(2.388.623)	(1.812.701)
Current tax (income)/expense		57.774.828	12.213.485
Adjustments for (income)/expense caused by sale or changes in share of joint ventures		(1.138.222)	-
Other provisions related with investing or financing activities		(38.455.949)	(15.525.840)
Changes in working capital			
Increase in trade receivables		(18.584.817)	(29.521.619)
Increase in other receivables, prepayments and other assets		(49.637.930)	(108.382.776)
Increase in inventories		(2.579.870)	(4.065.707)
Increase in trade payables		84.431.342	56.521.035
Increase in deferred income, other payables and other current liabilities		(24.232.806)	118.271.390
Net cash generated from operating activities		722.807.929	768.216.530
Payment for the employee benefits provisions		(71.808.504)	(27.642.310)
Payment for other provisions		(1.714.119)	(27.747)
		649.285.306	740.546.473
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash changes from acquisition and sale of debt instruments of other entities		(128.582.462)	(2.624.554)
Net cash changes from purchase and sale of property, equipment and intangible assets		(58.110.216)	63.582.380
Interest received from financial investment		46.097.030	33.062.751
Changes in cash advances and payables		(192.582.971)	(141.583.462)
Other cash changes (*)		(866.286)	273.013.992
		(334.044.905)	225.451.107
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in borrowings		296.200.607	556.110.541
Repayment of borrowings		(291.917.043)	(346.613.064)
Repayment of principal in lease liabilities		(296.951.385)	(256.813.807)
Interest and commission paid		(186.908.778)	(196.293.675)
Interest received		47.847.740	36.443.069
		(431.728.859)	(207.166.936)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
BEFORE TRANSLATION EFFECT (A+B+C)		(116.488.458)	758.830.644
D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS		(105.782.738)	(15.102.303)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(222.271.196)	743.728.341
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	1.036.708.210	1.237.324.715

(*) The change in 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 30 SEPTEMBER 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 30 September 2025 and 31 December 2024 are as follows:

	30 September 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 30 September 2025 is 9.223 (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 nine months ended 30 September 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 7 November 2025.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED 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.

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”), Pegasus Innovation Lab, Inc. (“PIL”) and Pegasus Airlines Ventures LP (“PAV”) is Euro. Hitit Bilgisayar’s, PIL’s and PAV’s functional currency is US Dollar.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2025**

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

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

2.1 Basis of Presentation (cont'd)

Functional and Presentation Currency (cont'd)

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 30 September 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 30 SEPTEMBER 2025

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation

The following table illustrates the condensed consolidated subsidiaries and the Group's ownership percentage in these subsidiaries as of 30 September 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>30 September 2025</u>	<u>31 December 2024</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Türkiye
Pegasus Airlines Innovation Lab, Inc.	Technology – R&D	100%	100%	USA
Pegasus Airlines Ventures LP (*)	Technology – R&D	100%	0%	USA

(*) Pegasus Airlines Ventures LP, in which the Group holds a 100% ownership stake, was incorporated in the United States as of August 20, 2025, to evaluate investment opportunities in innovative technology and software solution ventures focused on the practical application of artificial intelligence in air transportation, with a capital amount of USD 1,000,000.

The following table illustrates the affiliates and joint ventures then indicates the Group's ownership percentage in these joint ventures as of 30 September 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>30 September 2025</u>	<u>31 December 2024</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM") (**)	Simulator training	-	49,40%	Joint venture	Türkiye
Hitit Bilgisayar	Information system solutions	36,20%	36,82%	Joint venture	Türkiye

(**) 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.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2025

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

Amendments to IAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

b) New and revised IFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to IFRS 9 and IFRS 7	<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i>
Amendments IFRS 9 and IFRS 7	<i>Regarding power purchase arrangements</i>
IFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosure</i>
Annual Improvements	<i>Annual Improvements to IFRS Accounting Standards - Volume 11</i>
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. Annual reporting periods beginning on or after 1 January 2026.

Amendments IFRS 9 and IFRS 7 regarding power purchase arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Annual reporting periods beginning on or after 1 January 2026.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosure

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised IFRSs in issue but not yet effective (cont'd)

Annual Improvements to IFRS Accounting Standards - Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

Annual reporting periods beginning on or after 1 January 2026.

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued. Annual reporting periods beginning on or after 1 January 2027.

2.4 Seasonality on Operations

Due to seasonality of air passenger transportation, it's expected to incur higher revenues in the second and third quarter of the year compared to the first and forth quarter. Besides, as a result of higher sales with the effect of summer season and growth in operations of the Company, trade receivables increased as of 30 September 2025 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 2025	31 December 2024
Joint ventures		
Hitit Bilgisayar	20.719.664	21.115.937
	20.719.664	21.115.937

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

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Hitit Bilgisayar	2.388.623	1.930.198	860.155	649.892
PUEM	-	(117.497)	-	(74.168)
Net profit	2.388.623	1.812.701	860.155	575.724

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

Hitit Bilgisayar

	30 September 2025	31 December 2024
Current assets	21.274.365	24.590.146
Non-current assets	49.143.983	46.605.202
Current liabilities	(9.025.976)	(10.381.617)
Non-current liabilities	(4.442.245)	(3.781.199)
Net assets of joint venture	56.950.127	57.032.532
Group's ownership interest in the joint venture	36,20%	36,82%
Goodwill	103.718	116.559
Group's share in the net assets of the joint venture	20.719.664	21.115.937

	1 January- 30 September 2025	1 January- 30 September 2024
Revenue	27.864.050	22.312.371
Depreciation and amortisation expense	(5.683.836)	(4.091.862)
Interest income/(expense), net	3.162.742	729.344
Profit for the year	6.487.297	5.242.253
Group's weighted average ownership interest	36,82%	36,82%
Group's share in the net profit of the joint venture	2.388.623	1.930.198

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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

	30 September 2025	31 December 2024
Balances with joint ventures:		
Hitit Bilgisayar	1.070.596	1.078.540
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda")	6.180	25.774
Ere Avm İnşaat A.Ş. ("Ere Avm")	125.802	90.222
	1.202.578	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 - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Transactions with joint ventures:				
Hitit Bilgisayar	6.442.400	5.377.226	2.137.532	1.923.618
Transactions with other related parties:				
Ere Avm	1.131.125	-	251.725	-
Esasburda	105.424	492.242	-	183.298
Alarm Sağlık	-	22.946	-	5.451
Other	1.941	262	1.941	-
	7.680.890	5.892.676	2.391.198	2.112.367

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NOTE 5 - RELATED PARTY TRANSACTIONS (cont'd)

(ii) Significant Transactions with Related Parties: (cont'd)

b) Lease expenses

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Esasburda (*)	-	317.004	-	-
	-	317.004	-	-

(*) 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.

(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 2025 and 30 September 2024 are as follows:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Salaries and benefits	13.682.980	4.582.576	4.731.047	456.020
	13.682.980	4.582.576	4.731.047	456.020

NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

Short term trade receivables

The details of short term trade receivables as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Trade receivables	52.977.069	41.528.451
Credit card receivables	41.264.240	32.630.019
Income accruals	1.555.853	3.310.224
	95.797.162	77.468.694
Allowance for credit risk adjustment under TFRS 9	(3.919.865)	(4.000.966)
	91.877.297	73.467.728

The average collection period of trade receivables is approximately 16 days (31 December 2024: 19 days).

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2025**

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NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES (cont'd)**Short term trade payables**

The details of short term trade payables as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Trade payables	80.392.874	132.529.077
Accrued direct operational costs	219.010.024	82.450.521
Trade payables to related parties (Note 5)	1.202.578	1.194.536
	300.605.476	216.174.134

The average payment period of trade payables is approximately 32 days (31 December 2024: 30 days).

Short term other receivables

The details of short term other receivables as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Deposits and guarantees given (*)	6.405.552	1.415.373
Receivables from pilots for flight training	5.468.929	284.615
Receivables from tax office	726.971	724.261
Other receivables	2.416.778	468.143
	15.018.230	2.892.392

(*) The amount of EUR 4.929.800 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 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Receivables from pilot trainings	39.430.520	42.738.065
Deposits given	39.831.607	42.173.066
	79.262.127	84.911.131

Short term other payables

	30 September 2025	31 December 2024
Taxes payables	13.019.297	10.170.687
Deposits received	8.130.601	2.348.903
	21.149.898	12.519.590

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NOTE 7 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

The details of prepayments as of 30 September 2025 and 31 December 2024 are as follows:

Short term prepayments

	30 September 2025	31 December 2024
Advances on aircraft purchases	70.551.679	122.857.877
Advances to suppliers	87.197.873	51.230.811
Prepaid insurance expenses	4.604.524	18.002.352
Other prepaid expenses	6.824.100	9.806.082
	169.178.176	201.897.122

Long term prepayments

	30 September 2025	31 December 2024
Advances on aircraft purchases	137.972.024	57.215.071
Prepaid maintenance expenses	559.207.392	435.654.062
Other prepaid expenses	12.194	246.817
	697.191.610	493.115.950

Deferred Income**Contract Liabilities**

The details of passenger flight liabilities as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Flight liability from ticket sales	194.454.317	218.926.889
Passenger airport fees received from customers (*)	73.716.567	73.165.429
Flight liability from flight points	43.244.964	41.849.369
	311.415.848	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**

	30 September 2025	31 December 2024
Advances received from customers	40.178.538	27.513.947
Other deferred income	32.926.197	12.502.586
	73.104.735	40.016.533

Long term deferred income

	30 September 2025	31 December 2024
Deferred income (**)	201.315.176	202.964.552
	201.315.176	202.964.552

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

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NOTE 8 - PROPERTY AND EQUIPMENT

30 September 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	995.085	2.376.109	4.502.740	5.360	68.696.389	362.353	34.766.588	111.704.624
Transfers (*)	-	-	-	-	(22.190.061)	-	-	(22.190.061)
Closing	36.476.800	29.872.395	45.671.559	13.827.027	419.964.962	286.512.736	44.190.842	876.516.321
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	(1.755.600)	(2.135.323)	(2.371.226)	(75.988)	(21.755.824)	(10.469.425)	-	(38.563.386)
Closing	(16.851.958)	(12.287.266)	(31.830.899)	(13.434.602)	(124.078.889)	(156.113.924)	-	(354.597.538)
Net book value	19.624.842	17.585.129	13.840.660	392.425	295.886.073	130.398.812	44.190.842	521.918.783

(*) 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 8 - PROPERTY AND EQUIPMENT (cont'd)

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
Transfers (*)	-	-	-	-	(31.750.976)	-	-	(31.750.976)
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)
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.

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NOTE 9 - INTANGIBLE ASSETS

Software	30 September 2025	30 September 2024
Cost:		
Opening	64.273.293	52.619.528
Additions	14.875.749	7.450.473
Closing	79.149.042	60.070.001
Accumulated amortization:		
Opening	(40.226.674)	(32.864.322)
Amortization for the year	(7.018.734)	(5.484.499)
Closing	(47.245.408)	(38.348.821)
Net book value	31.903.634	21.721.180

NOTE 10 – RIGHT OF USE ASSETS

30 September 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	10.581.580	-	508.772.742	-	519.354.322
Disposals (*)	-	-	(74.052.284)	-	(74.052.284)
Closing	25.152.362	24.733.613	5.654.292.539	311.363	5.704.489.877
Accumulated depreciation:					
Opening	(13.340.574)	(396.120)	(1.072.917.440)	(311.363)	(1.086.965.497)
Depreciation for the period	(2.284.981)	(463.755)	(258.367.477)	-	(261.116.213)
Disposals (*)	-	-	26.820.092	-	26.820.092
Closing	(15.625.555)	(859.875)	(1.304.464.825)	(311.363)	(1.321.261.618)
Net book value	9.526.807	23.873.738	4.349.827.714	-	4.383.228.259

(*) Aircraft which are sold presented as disposals.

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)	(413.719.549)	-	(421.505.364)
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	277.274.312	-	283.725.415
Transfers	1.001.744	(1.001.744)	-	-	-
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.

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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 4.669.129 as of 30 September 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 2.206.511 (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 Company'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 September 30, 2025. The Company has not recognized any provision in the consolidated 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 payment related to the first two consolidated case files, amounting to a principal of EUR 1.679.114, was made together with interest and a provision corresponding to the claimed amount has been recognized for the ongoing third lawsuit as of the end of the interim period ended September 30, 2025.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2025

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NOTE 12 - COMMITMENTS

Purchase Commitments

	30 September 2025	31 December 2024
Commitments to purchase aircraft	24.734.943.062	29.164.611.749
	24.734.943.062	29.164.611.749

As of 30 September 2025, the Group holds the right to purchase 143 aircraft on firm order. In accordance with agreement the expected deliveries are 8 aircraft in 2026, 13 aircraft in 2027, 20 aircraft in 2028, 23 aircraft in 2029, 16 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 208.523.704 (31 December 2024: EUR 180.072.948). Of this amount, EUR 70.551.679 is reclassified as short-term, and EUR 137.972.024 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 30 September 2025 is as follows:

30 September 2025	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	50.519.070	22.456.235	27.177.460	27.307.070	3.624.317
-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	-	-	-	-	-
	50.519.070	22.456.235	27.177.460	27.307.070	3.624.317

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 2025.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2025

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NOTE 12 – COMMITMENTS (cont'd)

Collaterals-Pledges-Mortgages(“CPM”) (cont'd)

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 30 September 2025 and 30 September 2024 are as follows:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Jet fuel expenses	662.887.140	671.302.439	252.350.652	243.922.370
Personnel expenses	459.455.501	354.496.586	161.490.638	158.787.414
Depreciation and amortisation expenses	306.698.333	249.382.548	108.086.170	85.722.536
Handling and station fees	192.382.583	162.703.478	74.068.406	63.523.167
Navigation expenses	172.774.752	132.632.765	67.873.797	51.560.032
Maintenance expenses	90.522.447	80.619.737	31.961.566	28.005.248
Landing expenses	93.788.878	76.019.426	35.133.657	29.425.653
Passenger service and catering expenses	33.420.057	27.052.803	12.321.349	12.220.171
Advertising expenses	18.905.276	13.769.647	6.778.603	3.734.591
Commission expenses	18.317.247	18.703.819	6.839.499	8.829.014
Short term operational lease expenses	19.606.789	1.222.828	16.085.446	13.679
Other expenses	157.233.638	124.208.241	51.445.612	48.360.799
	2.225.992.641	1.912.114.317	824.435.395	734.104.674

NOTE 14 - SHAREHOLDERS' EQUITY

The Company's shareholding structure as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 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 30 September 2025 and 30 September 2024 are as follows:

Revenue:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Scheduled flight and service revenue	2.562.510.649	2.329.145.183	1.085.819.307	1.069.780.036
<i>International flight revenue</i>	<i>1.267.858.242</i>	<i>1.240.462.653</i>	<i>570.388.939</i>	<i>606.863.778</i>
<i>Domestic flight revenue</i>	<i>351.793.668</i>	<i>310.461.681</i>	<i>152.197.549</i>	<i>144.900.747</i>
<i>Service revenue</i>	<i>942.858.739</i>	<i>778.220.849</i>	<i>363.232.819</i>	<i>318.015.511</i>
Charter flight and service revenue	31.099.705	36.347.990	15.974.990	18.731.523
<i>Charter flight revenue</i>	<i>31.099.705</i>	<i>36.347.990</i>	<i>15.974.990</i>	<i>18.731.523</i>
Other revenue	7.026.882	7.848.539	1.158.154	2.889.690
	2.600.637.236	2.373.341.712	1.102.952.451	1.091.401.249

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 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Europe	974.571.678	937.072.074	471.338.272	484.340.899
Domestic	351.793.668	310.461.681	152.197.549	144.900.747
Other	293.286.564	303.390.579	99.050.667	122.522.879
	1.619.651.910	1.550.924.334	722.586.488	751.764.525

Cost of sales:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Jet fuel expenses	662.887.140	671.302.439	252.350.652	243.922.370
Personnel expenses	424.996.338	327.909.342	149.378.840	146.878.358
Depreciation and amortisation expenses	292.870.789	238.353.574	103.272.149	81.876.692
Handling and station fees	192.382.583	162.703.478	74.068.406	63.523.167
Navigation expenses	172.774.752	132.632.765	67.873.797	51.560.032
Maintenance expenses	90.522.447	80.619.737	31.961.566	28.005.248
Landing expenses	93.788.878	76.019.426	35.133.657	29.425.653
Passenger service and catering expenses	33.420.057	27.052.803	12.321.349	12.220.171
Insurance expenses	15.375.367	14.479.156	5.189.409	4.866.907
Short term lease expenses	19.606.789	1.222.828	17.670.051	13.679
Other expenses	97.580.563	74.125.292	26.941.156	30.313.113
	2.096.205.703	1.806.420.840	776.161.032	692.605.390

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NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
General administrative expenses	74.062.468	57.423.483	28.615.851	22.926.347
Marketing expenses	55.724.470	48.269.994	19.658.512	18.572.937
	129.786.938	105.693.477	48.274.363	41.499.284

The details of general administrative expenses and marketing expenses for the periods ended 30 September 2025 and 30 September 2024 are as follows (there are no research & development expenses in the periods ended in respective dates):

General administrative expenses:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Personnel expenses	25.270.053	19.497.312	8.881.985	8.733.307
IT expenses	19.321.282	15.165.117	7.174.906	5.682.981
Depreciation and amortisation expenses	11.062.035	8.823.179	3.851.217	3.076.675
Consultancy expenses	5.101.286	4.154.393	1.947.950	1.460.666
Office utility expenses	1.743.916	1.577.722	572.660	589.520
Legal and notary expenses	4.530.835	2.159.030	3.106.577	1.262.648
Communication expenses	1.520.138	1.909.899	757.916	550.664
Travel expenses	2.830.239	2.516.813	1.632.058	1.321.193
Training expenses	317.035	216.976	100.829	139.413
Other expenses	2.365.649	1.403.042	589.753	109.280
	74.062.468	57.423.483	28.615.851	22.926.347

Marketing expenses:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Advertising expenses	18.905.276	13.769.647	6.778.603	3.734.591
Commission expenses	18.317.247	18.703.819	6.839.499	8.829.014
Personnel expenses	9.189.110	7.089.932	3.229.813	3.175.749
Call center expenses	4.532.156	4.440.030	1.242.040	1.379.630
Depreciation and amortisation expenses	2.765.509	2.205.795	962.804	769.169
Other expenses	2.015.172	2.060.771	605.753	684.784
	55.724.470	48.269.994	19.658.512	18.572.937

NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 30 September 2025 and 30 September 2024 are as follows:

Other operating income:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Reversal of doubtful cash and cash equivalents	301.616	-	(37.716)	-
Reversal of doubtful provision	22.490	-	22.490	-
Other	-	422.705	-	136.209
	324.106	422.705	(15.226)	136.209

Other operating expenses:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Foreign exchange loss from operating activities, net	134.657.589	14.492.137	13.082.002	23.758.166
Legal provision and penalty expense	3.505.895	274.454	192.392	(7.322)
Doubtful receivable allowance expense	-	481.383	13.855	431.312
Trade receivables allowance expense	377.561	233.149	(147.983)	(6.220)
Cash and cash equivalents allowance expense	-	447.569	-	327.071
Other	3.373.651	3.207.639	1.671.422	2.040.957
	141.914.696	19.136.331	14.811.688	26.543.964

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NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 30 September 2025 and 30 September 2024 are as follows:

Income from investing activities:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Interest income from time deposits	22.574.387	14.425.304	358.074	4.592.236
Gain arising from aircraft sale	6.991.027	6.493.452	-	-
Interest income from eurobond	26.066.841	16.919.725	12.461.629	5.330.776
Gain on sale of joint venture shares	1.138.222	-	1.138.222	-
Gain from eurobond sales (*)	737.609	1.186.883	324.240	107.859
Income from sale of fixed assets	1.272.174	-	(394.948)	-
Other income	373.143	84.305	82.334	-
	59.153.403	39.109.669	13.969.551	10.030.871

(*) 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 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Loss from eurobond sales	33.566	-	10.907	-
Financial investments allowance expense	-	6.227.904	-	163.679
	33.566	6.227.904	10.907	163.679

NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 30 September 2025 and 30 September 2024 are as follows:

Financial income:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Foreign exchange gain, net	194.714.534	11.129.252	11.172.064	52.498.172
Interest income	45.347.517	35.646.600	14.914.412	13.733.508
	240.062.051	46.775.852	26.086.476	66.231.680

Financial expenses:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Interest expense on leases	113.663.095	127.056.912	35.285.130	41.575.819
Interest expense on issued debt instruments	30.652.560	22.197.083	10.502.118	6.193.411
Commission and other expenses	31.249.975	36.039.109	10.312.907	17.105.883
Losses from derivative contracts	5.862.424	2.797.894	1.235.571	3.973.354
Interest expense on bank loans	8.967.674	13.458.477	4.287.525	2.853.627
	190.395.728	201.549.475	61.623.251	71.702.094

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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 30 September 2025 and 30 September 2024 are as follows:

	1 January- 30 September 2025	1 January- 30 September 2024	1 July - 30 September 2025	1 July - 30 September 2024
Net profit	286.453.960	310.221.127	226.660.740	301.184.224
Weighted average number of shares issued in the year	500.000.000	500.000.000	500.000.000	500.000.000
Income per share	0,57	0,62	0,45	0,60

NOTE 21 - DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value of Derivative Instruments

	30 September 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Short term	-	12.828.951	3.963.837	4.645.693
Long term	-	508.628	-	364.343
	-	13.337.579	3.963.837	5.010.036

Explanations related to derivative instruments are disclosed in Note 24.

NOTE 22 - FINANCIAL INSTRUMENTS

Financial Assets

Short term	30 September 2025	31 December 2024
Financial investments measured at amortized cost	246.479.570	172.455.687
Financial assets recognized at fair value through profit or loss	94.082.985	101.104.332
Time deposit (*)	30.301.348	28.842.985
Less: Allowance for impairment under IFRS 9	(236.219)	(354.693)
	370.627.684	302.048.311

(*) The balance includes time deposits and with original maturities between three months and one year.

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NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Assets (cont'd)

Long term	30 September 2025	31 December 2024
Financial investments measured at amortized cost	143.262.916	129.950.216
Less: Allowance for impairment under IFRS 9	(1.916.535)	(4.179.940)
	141.346.381	125.770.276

Financial investments accounted at amortized cost

	30 September 2025	31 December 2024
Short term financial investments measured at amortized cost	246.479.570	172.455.687
Long term financial investments measured at amortized cost	143.262.916	129.950.216
	389.742.486	302.405.903

	30 September 2025	31 December 2024
Government Debt Securities	142.249.001	192.939.473
Corporate Debt Securities	247.493.485	109.466.430
	389.742.486	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 30 September 2025 and 31 December 2024 are as follows:

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,5	US Dollar	124.705.310
Government Debt Securities	6,2	GBP	17.543.691
Corporate Debt Securities	6,4	US Dollar	216.166.396
Corporate Debt Securities	5,9	Euro	25.467.349
Corporate Debt Securities	6,2	GBP	5.859.740
30 September 2025			389.742.486

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,6	US Dollar	180.234.119
Government Debt Securities	6,7	GBP	12.705.354
Corporate Debt Securities	7,2	US Dollar	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 (cont'd)

Financial Assets (cont'd)

Financial investments at fair value through other comprehensive income

	30 September 2025	31 December 2024
Government Debt Securities	84.401.139	72.038.270
Corporate Debt Securities	9.681.846	29.066.062
	94.082.985	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	7,9	US Dollar	84.401.139
Corporate Debt Securities	7,7	US Dollar	9.681.846
30 September 2025			94.082.985

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	8,4	US Dollar	72.038.270
Corporate Debt Securities	8,1	US Dollar	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 30 September 2025 and 31 December 2024 are as follows:

Short term financial liabilities	30 September 2025	31 December 2024
Short term bank borrowings	235.611.463	172.048.659
	235.611.463	172.048.659

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

NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

Short term portion of long term financial liabilities	30 September 2025	31 December 2024
Short term portion of long term bank borrowings	29.795.686	21.884.352
Principal and interest of bonds issued	31.465.703	198.049.610
Discount and commissions of bonds issued	(830.852)	(1.721.390)
Lease liabilities	438.027.373	405.833.468
<i>Short term portion of long term</i>		
<i>lease liabilities</i>	52.695.327	50.453.044
<i>Short term portion of long term</i>		
<i>lease liabilities with purchase option</i>	385.332.046	355.380.424
	498.457.910	624.046.040
Long term financial liabilities	30 September 2025	31 December 2024
Long term bank borrowings	101.785.495	22.009.344
Issued debt instruments (*)	396.118.448	452.471.482
Discount and commissions of bonds issued	(4.668.943)	(4.683.282)
Lease liabilities	3.281.103.440	3.260.356.410
<i>Long term lease liabilities</i>	159.101.945	205.615.854
<i>Long term lease liabilities with purchase option</i>	3.122.001.495	3.054.740.556
	3.774.338.440	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. The settlement process was completed and the bonds were fully redeemed following the repurchase by the Group of bonds amounting to USD 211,086,000 on September 12, 2024, and the remaining bonds amounting to USD 163,914,000 on April 28, 2025, from the respective investors.

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 30 September 2025, the Group complied with all covenants.

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NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

Bank Borrowings

The effective interest rates, original currency and EUR equivalents of the short and long term bank borrowings as of 30 September 2025 and 31 December 2024 are as follows :

30 September 2025	Weighted average interest rate (%)	Currency	Original amount	EUR equivalent
Short term bank borrowings	5,08	Euro	235.611.463	235.611.463
Short term portion of long term bank borrowings	4,11	Euro	29.795.686	29.795.686
Long term bank borrowings	3,78	Euro	101.785.495	101.785.495
			367.192.644	
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	

Lease Liabilities

The details of lease liabilities as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Less than 1 year	558.069.806	542.771.838
Between 1 - 5 years	2.084.557.051	2.028.348.701
Over 5 years	1.757.729.135	1.808.218.806
	4.400.355.992	4.379.339.345
Less: Future interest expenses	(681.225.179)	(713.149.467)
	3.719.130.813	3.666.189.878

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

	30 September 2025	31 December 2024
Less than 1 year	438.027.373	405.833.468
Between 1 - 5 years	1.712.587.864	1.659.063.767
Over 5 years	1.568.515.576	1.601.292.643
	3.719.130.813	3.666.189.878

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,82 years. For the period ended 30 September 2025, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to EUR 2.735.866.145, is 3,27% (31 December 2024: 3,40%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to EUR 302.630.305, is 5,87% (31 December 2024: 6,28%).

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NOTE 22 - FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

Reconciliation of obligations arising from financing activities

The changes in the Group's liabilities arising from financing activities are given in the following table:

	1 January 2025	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	30 September 2025
Bank loans and Issued debt instruments	860.058.775	(76.216.539)	-	5.434.764	789.277.000
Lease payables	3.666.189.878	-	(403.360.060)	456.300.995	3.719.130.813
	4.526.248.653	(76.216.539)	(403.360.060)	461.735.759	4.508.407.813

	1 January 2024	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	30 September 2024
Bank loans and Issued debt instruments	602.031.364	130.858.287	-	60.333.407	793.223.058
Lease payables	3.067.109.853	-	(374.468.292)	655.050.049	3.347.691.610
	3.669.141.217	130.858.287	(374.468.292)	715.383.456	4.140.914.668

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 (cont'd)

Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

The Group's foreign currency position of monetary and non-monetary assets/liabilities for the years ended 30 September 2025 and 31 December 2024 are as follows:

30 September 2025	EUR Total	USD	TL	GBP	Other
1. Trade receivables	61.363.449	8.829.595	2.002.069.818	2.738.912	9.542.936
2a. Monetary financial assets	1.125.656.229	895.508.148	6.598.125.945	22.819.602	200.011.987
2b. Non monetary financial assets	-	-	-	-	-
3. Other	6.264.321	4.469.432	2.519.338	214.331	2.154.680
4. CURRENT ASSETS	1.193.283.999	908.807.175	8.602.715.101	25.772.845	211.709.603
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	115.755.307	135.698.066	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	5.865.604	5.402.059	1.878.341	63.000	1.146.750
8. NON CURRENT ASSETS	121.620.911	141.100.125	1.878.341	63.000	1.146.750
9. TOTAL ASSETS	1.314.904.910	1.049.907.300	8.604.593.442	25.835.845	212.856.353
10. Trade payables	129.034.725	96.684.460	2.045.450.461	3.118.136	945.178
11. Financial liabilities	144.259.154	168.916.402	8.144.465	-	-
12a. Other liabilities, monetary	117.578.114	56.346.113	3.177.937.851	297.235	3.847.440
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	390.871.993	321.946.975	5.231.532.777	3.415.371	4.792.618
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.202.288.962	1.409.423.814	-	-	-
16a. Other liabilities, monetary	144.487.511	113.783.615	2.307.176.018	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.346.776.473	1.523.207.429	2.307.176.018	-	-
18. TOTAL LIABILITIES	1.737.648.466	1.845.154.404	7.538.708.795	3.415.371	4.792.618
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	(422.743.556)	(795.247.104)	1.065.884.647	22.420.474	208.063.735
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(422.743.556)	(795.247.104)	1.065.884.647	22.420.474	208.063.735

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NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

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	249.540.410	216.012.353	1.560.170.434	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.623.495.219	1.649.096.613	1.565.297.765	-	-
18. TOTAL LIABILITIES	2.151.351.049	2.063.305.223	5.965.882.264	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	(705.982.154)	(752.937.522)	(371.091.523)	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)	(705.982.154)	(752.937.522)	(371.091.523)	13.838.852	9.250.573

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NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

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 2025 and 31 December 2024 are as follows:

30 September 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)	(67.837.424)	67.837.424	-	-
Part of hedged from USD risk	-	-	-	-
USD net effect	(67.837.424)	67.837.424	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	2.191.019	(2.191.019)	232.659.913	(232.659.913)
Part of hedged from TL risk	-	-	-	-
TL net effect	2.191.019	(2.191.019)	232.659.913	(232.659.913)
Effect of 10% change in GBP rate				
GBP net asset / liability	2.565.677	(2.565.677)	-	-
Part of hedged from GBP risk	-	-	-	-
GBP net effect	2.565.677	(2.565.677)	-	-
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	-	-

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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 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	1.036.708.210	-	-	1.036.708.210	27
Trade receivables	91.877.297	-	-	91.877.297	6
- <i>Other</i>	91.877.297	-	-	91.877.297	6
Other receivables	94.280.357	-	-	94.280.357	
- <i>Other</i>	94.280.357	-	-	94.280.357	
Financial investments	388.964.137	94.082.985	-	511.974.065	22
Financial liabilities					
Bank borrowings	367.192.643	-	-	367.192.643	22
Issued debt instruments	566.172.503	-	-	422.084.357	
Trade payables	300.605.476	-	-	300.605.476	6
- <i>Related party</i>	1.202.578	-	-	1.202.578	5
- <i>Other</i>	299.402.898	-	-	299.402.898	
Other payables	21.149.898	-	-	21.149.898	
Derivative financial liabilities	-	13.337.579	-	13.337.579	21

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

Fair Value of Financial Instruments (cont'd)

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

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

Fair Value of Financial Instruments (cont'd)

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 2025	31 December 2024		
Fuel purchase option contracts	(13.337.579)	(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
30 September 2025				
Fair value:				
Opening		3.963.837	(5.010.036)	(1.046.199)
Fair value increase				
Recognized in equity		-	(8.327.543)	(8.327.543)
Recognized in profit or loss		(3.963.837)	-	(3.963.837)
Closing		-	(13.337.579)	(13.337.579)
Assets	-	-	-	-
Liabilities	-	(13.337.579)	(13.337.579)	(13.337.579)
Total net assets and liabilities	-	-	(13.337.579)	(13.337.579)

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

Fair Value of Financial Instruments (cont'd)

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 65,2% and 27,7% 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 2025, the contracts last until September 2027. The total nominal value of these contracts is USD 618,3 million, and the weighted average price is in the range of USD 62-77. The ineffective portion of the hedge is not material as of 30 September 2025. In the current period, the expense that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to EUR 1.786.370 (30 September 2024: EUR 2.251.191 derivative income are charged to finance expenses).

NOTE 25 - EVENTS AFTER BALANCE SHEET DATE

Not available.

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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 30 September 2025 and 30 September 2024 are presented below:

	1 January- 30 September 2025	1 January- 30 September 2024
Tax income/(expense)		
- Deferred tax income/(expense)	(57.774.829)	(12.213.485)
Total tax income/(expense)	(57.774.829)	(12.213.485)

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 265.869.065 (31 December 2024: EUR 203.282.895) that the Group will benefit from in the foreseeable future as of 30 September 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 30 September 2025, deferred tax income amounting to EUR 62.586.171 has recognised in the interim condensed consolidated profit or loss statement for the period 1 January - 30 September 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 30 September 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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NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

The details of cash and cash equivalents as of 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025	31 December 2024
Cash on hand	99.279	50.008
Cash at banks	1.036.864.345	1.259.666.911
- Demand deposits	62.485.188	23.318.830
- Time deposits	974.379.157	1.236.348.081
Less: Allowance for impairment under IFRS 9	(255.414)	(737.513)
	1.036.708.210	1.258.979.406

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

30 September 2025	Weighted average interest rates	Total
USD deposits	4,32 %	441.973.099
EUR deposits	2,29 %	214.340.219
TL deposits	41,34 %	130.707.515
GBP deposits	0,50 %	379.372
CHF deposits	4,13 %	185.312.784
IRR deposits	5,00 %	1.666.168
		974.379.157
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 30 September 2025 and 31 December 2024 time deposits maturities are less than 90 days.