



**PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ**  
**ACTIVITY REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE PERIOD BETWEEN JANUARY 1 – DECEMBER 31, 2024**

**MARCH 4, 2025**

*our lowest fares are @*  
**flypgs.com** | **PEGASUS**



**Shape the future  
with confidence**

Güney Bağımsız Denetim ve SMMM A.Ş.  
Maslak Mah. Eski Büyükdere Cad.  
Orjin Maslak İş Merkezi No: 27  
Daire: 57 34485 Sarıyer  
İstanbul - Türkiye

Tel: +90 212 315 3000  
Fax: +90 212 230 8291  
ey.com  
Ticaret Sicil No : 479920  
Mersis No: 0-4350-3032-6000017

**(Convenience translation of a report originally issued in Turkish)**

## **INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**

**To the Shareholders of Pegasus Hava Taşımacılığı Anonim Şirketi**

### **1) Opinion**

We have audited the annual report of Pegasus Hava Taşımacılığı Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1 January – 31 December 2024.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

### **2) Basis for Opinion**

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements**

We have expressed an unqualified opinion in our auditor's report dated March 4, 2025 on the full set consolidated financial statements of the Group for the period of 1 January – 31 December 2024.

### **4) The Responsibility of the Board of Directors on the Annual Report**

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- c) The annual report also includes the matters below:
  - Subsequent events occurred after the end of the fiscal year which have significance,
  - The research and development activities of the Group,
  - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Customs and Trade and related institutions.



Shape the future  
with confidence

(Convenience translation of a report originally issued in Turkish)

**5) Auditor's Responsibilities for the Audit of the Annual Report**

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Kaan Birdal.

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



Kaan Birdal, SMMM  
Partner

March 4, 2025  
İstanbul, Turkey

**PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ**  
**ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2024**

*This Report is prepared in accordance with the Regulation on the Determination of the Minimum Content of Company Annual Reports published by the Turkish Ministry of Trade, the Corporate Governance Communiqué No. II-17.1 and the Corporate Governance Principles published by the Turkish Capital Markets Board and other applicable provisions of Turkish law.*

*As used in this Report, the following terms shall have the meanings indicated below:*

- **“Board”** or **“Board of Directors”** refers to the Pegasus Airlines Board of Directors.
- **“Company”** or **“Pegasus Airlines”** refers to Pegasus Hava Taşımacılığı A.Ş., more fully described in Section 1/A of this Report.
- **“Esas Holding”** or **“Esas”** refers to Esas Holding A.Ş.
- **“Hitit CS”** refers to Hitit Bilgisayar Hizmetleri A.Ş.
- **“PIN Lab”** or **“Innovation Lab”** refers to Pegasus Innovation Lab, Inc.
- **“PFTC in Liquidation”** refers to Tasfiye Halinde Pegasus Uçuş Eğitim Merkezi A.Ş.
- **“PAT”** refers to Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.
- **“Principles”** refers to the Corporate Governance Principles published by the Turkish Capital Markets Board.
- **“Report”** refers to this Annual Report of the Pegasus Airlines Board of Directors.

**1- GENERAL INFORMATION**

**A- GENERAL INFORMATION ON PEGASUS AIRLINES**

Reporting Period	: January 1, 2024 – December 31, 2024
Commercial Title	: Pegasus Hava Taşımacılığı A.Ş.
Trade Registration	: Istanbul Trade Registry / 261186
Central Registry No.	: 0-7230-0470-8500017
Headquarters	: Aeropark, Yenişehir Mahallesi, Osmanlı Bulvarı, No: 11/A Kurtköy 34912 Pendik / Istanbul
Contact Information	: Telephone. +90 216 560 7000 Corporate Website. <a href="http://www.flypgs.com">www.flypgs.com</a> Investor Relations Website. <a href="http://www.pegasusinvestorrelations.com">http://www.pegasusinvestorrelations.com</a>

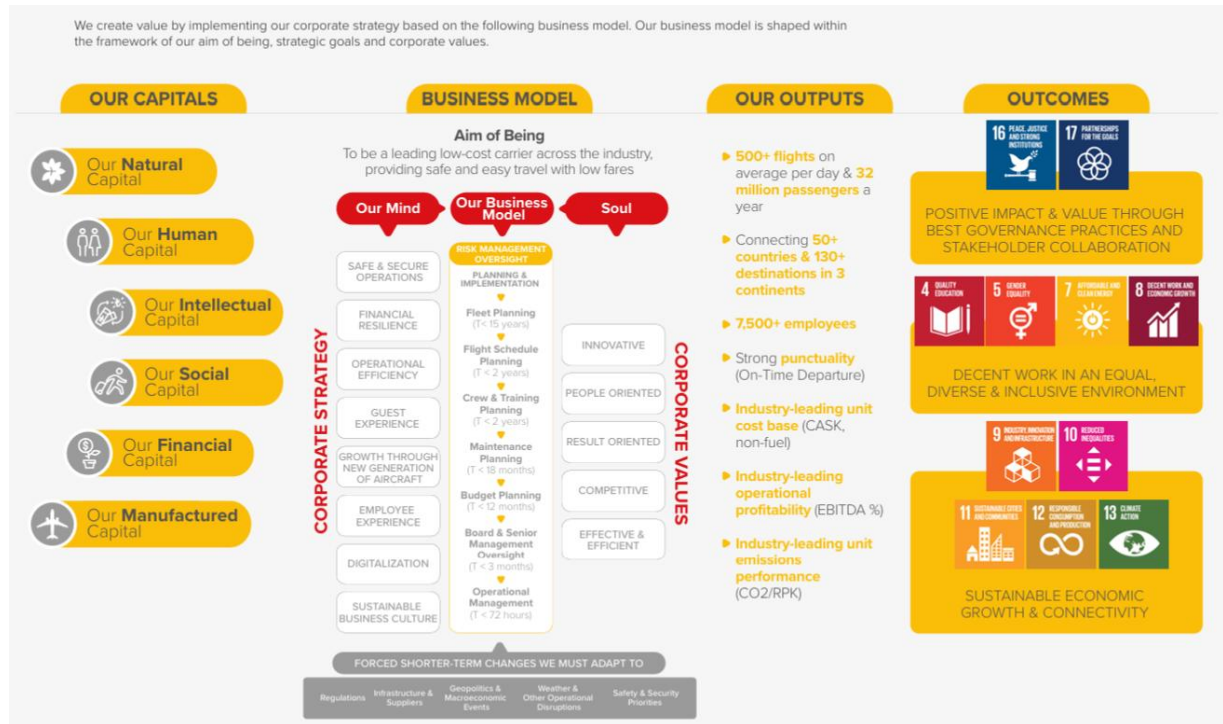
**B- VISION, MISSION, AND STRATEGIC TARGETS OF PEGASUS AIRLINES**

We operate in line with the strategic targets under the auspices of our Board of Directors in accordance with our aim of being: *“To be a leading low-cost carrier across the industry, providing safe and easy travel with low fares”* and our motto: *“Everybody has the right to fly.”*

Our strategic targets are underpinned by our key corporate values: Innovation, People Orientation, Competitiveness, Result Orientation, and Effectiveness & Efficiency.

Our annual budget is approved by our Board of Directors before each fiscal year. Our operational and financial results are monitored by the Board of Directors on a regular basis, against budgeted targets. The Board of Directors reviews our strategic targets and the Company's progress in terms of strategic key performance indicators on a regular basis.

Our value model, first developed in 2024 and shown below, provides a more holistic approach on the value impact of our business. For more information on our value model, please refer to the 2023 Pegasus Airlines Sustainability Report.



### C- CAPITAL, SHAREHOLDING AND ORGANIZATION STRUCTURE OF PEGASUS AIRLINES

Our issued capital is ₺500,000,000 and our authorized capital ceiling is ₺500,000,000. Our issued capital was increased from TL 102,299,707 to TL 500,000,000 on May 31, 2024, following a 388.75995% bonus share issuance. Information on our capital and shareholding structure as of January 1, 2024, and December 31, 2024, respectively, is shown in the table below.

Shareholder	January 1, 2024		December 31, 2024	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Esas Holding	57,959,838	56.66%	264,056,018	52.81%
Publicly Traded	42,482,689	41.53%	226,866,830	43.57%
Emine KAMIŞLI	619,060	0.61%	3,025,717	0.61%
Ali İsmail SABANCI	619,060	0.61%	3,025,717	0.61%
Kazım KÖSEOĞLU	309,530	0.30%	1,152,859	0.30%
Can KÖSEOĞLU	309,530	0.30%	1,152,859	0.30%
<b>Total</b>	<b>102,299,707</b>	<b>100.00%</b>	<b>500,000,000</b>	<b>100.00%</b>

As of December 31, 2024, Esas Holding is the controlling shareholder of Pegasus Airlines. Established in 2000, Esas Holding is the largest family-owned investment firm in Türkiye and is backed by the first- and second-generation family members of Şevket SABANCI, one of the five founding members of H. Ö. Sabancı Holding A.Ş., a leading Turkish conglomerate. With

offices in Istanbul and London, Esas invests in various asset classes globally including private equity, real estate, venture capital and public markets.

Our Company's management organization chart as of December 31, 2024, is provided in Section 1/F of this Report.

#### **D- INFORMATION ON BUSINESS ACTIVITIES**

We are a globally leading low-cost airline based in Türkiye. We operated charter flights since 1990. Following our acquisition by Esas at the beginning of 2005, we changed our business model, introducing a low-cost network carrier model for the first time and focused on providing affordable and on-time air travel service with a young fleet.

As a result of the successful implementation of this low-cost strategy, we experienced rapid expansion of our operations both in domestic and international routes. Between 2009 and 2019, our cumulative average annual passenger growth reached 18%, significantly outpacing the 9% annual average growth recorded by the Turkish market. The international travel restrictions introduced due to COVID pandemic negatively affected the demand through 2020 and 2021. Parallel to the gradual easing in restrictions starting 2022, we recovered back our capacity and recorded 18% CAGR in number of passengers in the 2022-2024 period, outpacing the 13% CAGR realized in the total Turkish market. We operate a growing young and modern fleet of 118 aircraft with 4.49 average aircraft age as of December 31, 2024.

We provide high-frequency services on short- and medium-haul, point-to-point, and transit routes on its domestic and international network primarily from our main hub in Istanbul Sabiha Gökçen International Airport. As of December 31, 2024, we offered scheduled passenger services on 37 domestic routes in Türkiye and 109 international routes to European (including North Cyprus), CIS, Middle Eastern and African destinations, serving a flight network covering 146 destinations in 53 different countries.

Our business model is based on a strong focus on efficient operations and cost control, and revenue generation through various services ancillary to the core air passenger services. In 2024, our CASK, non-fuel was recorded as €c2.55, while revenue recorded from ancillary services constituted 34% of total revenue for the period. In 2024, we continued to derive revenue from other services, primarily consisting of cargo services and a relatively low volume of charter and split charter flights for tour operators, which represented 2% of total revenue for the period.

We rank among the best performers in the airline industry globally on the cost efficiency and operating profitability fronts. In 2019 which is used as a benchmark year for the industry for demonstrating the “last normal year before COVID pandemic”, we stood out among the global airlines with a CASK non-fuel figure of EURc2.06 and an EBITDA margin of 33.3%. We repeated our performance in the post-COVID era, from 2022 to 2024 (CASK non fuel – 2022: EURc2.18, 2023: EURc2.26, 2024: EURc2.55. EBITDA margin – 2022: 34.1%, 2023: 31.4%, 2024: 28.4%).

#### **E- INFORMATION ON PRIVILEGED SHARES**

We do not have any privileged shares. Therefore, there are no voting privileges attached to Pegasus Airlines shares or any preference in respect of the nomination of Board members or the allocation of any distribution or payment to be made from Company profits.

## F- INFORMATION ON THE MANAGEMENT BODY, SENIOR MANAGEMENT AND PEGASUS AIRLINES EMPLOYEES

**a) Management Body:** Our management body is the Board of Directors. Within the framework of Article 10 of our Articles of Association, the Board of Directors must be composed of at least five members. Also, pursuant to the Principles, one third of the members of the Board must fulfill the independence criteria determined by the Turkish Capital Markets Board.

Three independent members served in our Board of Directors in 2024. They were appointed at the General Assembly Meeting in Marh 28, 2024. All independent Board members were nominated by the Corporate Governance Committee, and each nominee obtained the Capital Markets Board non-objection before taking office as an independent Board member.

Apart from independent Board members, three other members served in the capacity of non-executive Board member at the end of 2024.

The identity, duty and term of office of each Board member are indicated below.

Name / SURNAME	Duty	Serves Since <sup>(1)</sup>	Committee Duties
Mehmet Tevfik NANE	Chairperson of the Board (Executive)	2022	Member, Technology Comm.
Ali İsmail SABANCI	Executive Board Member	2005	-
Mehmet Cem KOZLU	Non-Executive Board Member	2013	Member, Corp. Gov. Comm.
Hatice Zeynep Bodur OKYAY	Non-Executive Board Member	2016	Member, Risk Comm.
Stephen Mark GRIFFITHS	Non-Executive Board Member	2016	Member, Corp. Gov. Comm.
Agah UĞUR	Independent Board Member	2019	Chair, Audit Comm. Member, Risk Comm.
David Florenz Alexander VISMANS	Independent Board Member	2022	Chair, Risk Comm. Member, Technology Comm.
Ayşegül İLDENİZ	Independent Board Member	2022	Chair, Corp. Gov. Comm. Member, Audit Comm., Technology Comm.

<sup>(1)</sup> Board appointments are made annually at the discretion of our shareholders and our current Board members were appointed for a term of one year at the Annual General Assembly Meeting dated March 28, 2024.

Information on the duties assumed elsewhere by our Board members in 2024 is provided in **Annex-2** to this Report. Independence statements by our independent Board members are provided in **Annex-3** to this Report.

**b) Senior Management:** Our senior management comprises the General Manager (CEO) and department heads directly reporting to the CEO. Information on Pegasus senior management and their duties as of December 31, 2024, is provided in the following chart.

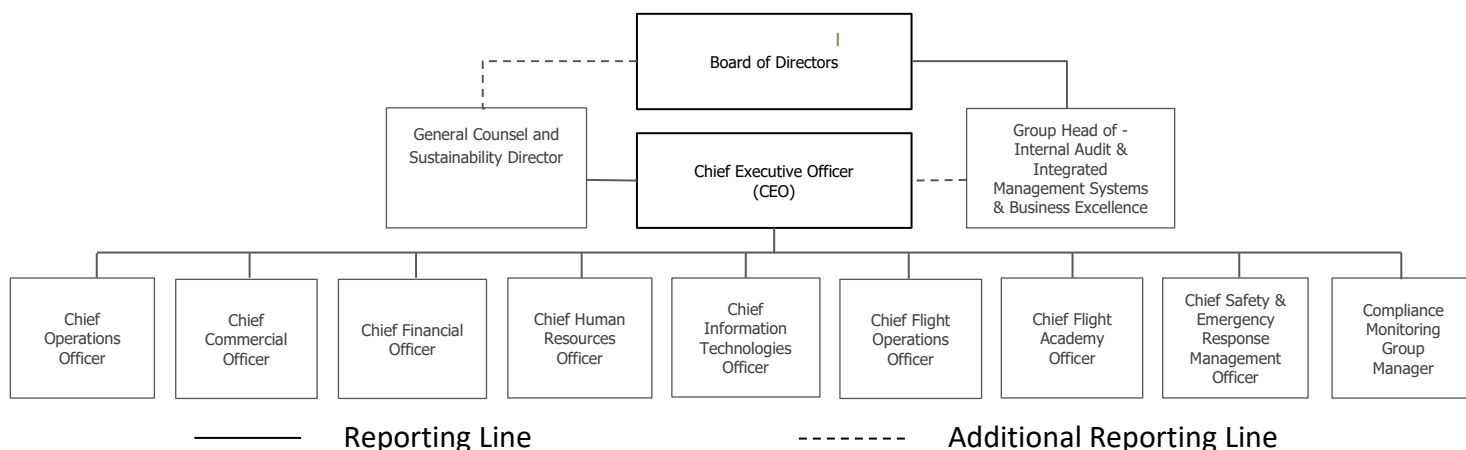
Name / SURNAME	Duty	Serves Since <sup>(1)</sup>	Serves in Position Since <sup>(2)</sup>
Güliz ÖZTÜRK	Chief Executive Officer	2005	2022
M. Barbaros KUBATOĞLU	Chief Financial Officer	2007	2018
Onur DEDEKÖYLÜ	Chief Commercial Officer	2010	2022
Ergün DEMİRCİ	Chief Operations Officer	2013	2022
Gençer KARATEPE	Chief Flight Operations Officer	2018	2020
Dilara OĞUR	Chief Human Resources Officer	2015	2015
Barış FINDIK	Chief Information Technologies Officer	2017	2017
Murat TÜNAY	Chief Safety & Security Officer	2011	2020
Yavuz Selim ÖZMEN	Chief Flight Academy Officer	2016	2020
Ali UZUN	General Counsel and Sustainability Director	2013	2022

Sinan Onur ÖZTUNA	Compliance Monitoring Group Manager	2016	2020
Ayşe Naz ÇAĞIL	Group Head of – Internal Audit & Integrated Management Systems and Business Excellence	2023	2023

(1) Indicates service in Pegasus Airlines Group Companies.

(2) Indicates service in the stated duty.

Our management organization chart is shown below:



**c) Number of Employees:** The total number of our full-time employees, including the employees of our consolidated subsidiary defined in Section 4/D of this Report, as of December 31, 2024, was 8,459. This number includes the members of our senior management listed above. There are no employees under a collective bargaining agreement.

**G- INFORMATION ON TRANSACTIONS BETWEEN PEGASUS AIRLINES AND BOARD MEMBERS, COMPETING BUSINESS ACTIVITIES OF BOARD MEMBERS AND CONFLICT OF INTEREST REGARDING INVESTMENT ADVICE, RATING AND SIMILAR SERVICES PROCURED BY PEGASUS AIRLINES**

At the Annual General Assembly Meeting held on March 28, 2024, our shareholders authorized our Board members, in accordance with Articles 395 and 396 of the Turkish Commercial Code No. 6102, to enter transactions with Pegasus Airlines on their own behalf and on behalf of others and to engage in commercial business falling within the area of activity of Pegasus Airlines.

At the same meeting, our shareholders were informed, under a separate agenda item, as per the provisions of Principle 1.3.6, that in the previous year:

- no material transactions realized between Pegasus Airlines or its subsidiaries on one hand and our controlling shareholders, Board members, members of our senior management with administrative responsibility or their spouses or relatives up to and including the second degree on the other hand, which would create a conflict of interest, or
- any other instance where any of the foregoing persons engaged in competing business on their own account or on the account of others or through any enterprise where they act as a shareholder with unlimited liability.

Information on the related party transactions entered into by us in 2024 was provided in Note 5 to the Consolidated Financial Statements for the Accounting Period between January 1 – December 31, 2024, "Related Party Transactions".



In 2024, several Board members held executive and non-executive duties in entities that operate in the field of aviation. None of these entities competed with or entered into a significant transaction with us in a manner that would fall within the scope of Principle 1.3.6.

- Our Chairperson of the Board of Directors Mehmet T. NANE served as a non-executive board member of Flybondi Limited (United Kingdom), investing in the first low-cost airline based in Argentina.
- Stephen M. GRIFFITHS served as managing director at East Midlands Airport and Group Operational Transformation Director, as part of the Manchester Airports Group (United Kingdom) in 2024.
- Our non-executive Board member M. Cem KOZLU served as a member of the supervisory board and the audit committee of DO & CO AG (Austria).

The above transactions and engagements do not create any conflict of interest for us or our subsidiaries.

We act diligently to prevent any conflict of interest with the entities providing us services such as investment advice, corporate governance advice and rating services. In 2024, there are no transactions to report that gave rise to a conflict of interest in this respect.

#### **H- WORKING PRINCIPLES OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES**

The [Working Procedures and Principles of our Board of Directors](#) are determined in writing and are published on our Investor Relations Website. Subject to the provisions of the mandatory provisions of Turkish law and the Articles of Association regarding the authority, responsibilities, duties of the members of the Board of Directors and the delegation thereof, the Board of Directors:

- provides entrepreneurial leadership of the Company by taking decisions and guiding and overseeing the Company management, maintaining its risk, growth and income balance at the most appropriate level and by giving priority to the long-term interests of Pegasus Airlines with a diligent risk-management approach;
- guides corporate strategy, determines the human and financial resources required by Pegasus Airlines and approves the Company's annual budget, and while preventing conflicts of interest and balancing competing demands on Pegasus Airlines, supervises the performance of Pegasus Airlines and its management; and
- supervises the compliance of Pegasus Airlines' operations with the applicable legislation, the Articles of Association, the internal regulations, and corporate policies.

Our Articles of Association authorize our Board of Directors to resolve on donations on behalf of the Company, within the ceiling to be determined by the General Assembly and subject to the restrictions that may be brought by the Capital Markets Board pursuant to Article 19 of the Capital Markets Law and to resolve on all matters that do not fall within the explicit authority of the General Assembly under the applicable law and the Articles of Association.

In line with the relevant provisions in our Articles of Association, our Board of Directors convenes for meetings and adopts resolutions whenever the Company business requires. However, the Board of Directors meets at least four times a year. Board members are expected to attend all meetings, devote sufficient preparation time ahead of each meeting

and present their opinions at each meeting. The Chairperson of the Board is expected to facilitate the efficient participation of all Board members at the meeting.

Records relating to the work of the Board of Directors are kept in writing and available to all Board members. Board members dissenting on any matter discussed during the meeting records his/her reasonable and detailed dissenting opinion in the records.

Save for special quorum requirements of the law, the Board meets at the presence of simple majority of its members and adopts decisions by simple majority of those that are present at the meeting. Each Board member has one vote. Unless one of the Board members requests a meeting, the Board can adopt decisions by the written approval of simple majority of its members to a written proposal submitted by a Board member or by the Company management. Each resolution passed at the Board of Directors is signed by a sufficient number of Board members and are kept in the Resolution Ledger of the Board of Directors.

Based on the resolution of our Board of Directors dated March 28, 2024, Committees and duties were identified as follows.

<b>Audit Committee</b>		
Chairperson	Agah UĞUR	<i>Independent Board Member</i>
Member	Ayşegül İLDENİZ	<i>Independent Board Member</i>
<b>Corporate Governance Committee</b>		
Chairperson	Ayşegül İLDENİZ	<i>Independent Board Member</i>
Member	Stephen Mark GRIFFITHS	<i>Non-Executive Board Member</i>
Member	Mehmet Cem KOZLU	<i>Non-Executive Board Member</i>
Member	Ömer L. ÖMERBAŞ	<i>Group Head of – Investment Relations</i>
<b>Committee on Early Detection of Risks</b>		
Chairperson	David F. A. VISMANS	<i>Independent Board Member</i>
Member	Agah UĞUR	<i>Independent Board Member</i>
Member	H. Zeynep Bodur OKYAY	<i>Non-Executive Board Member</i>
Member	Mustafa TERCAN	<i>Non-Board Member Expert</i>
<b>Technology Committee</b>		
Member	Ayşegül İLDENİZ	<i>Independent Board Member</i>
Member	David F. A. VISMANS	<i>Independent Board Member</i>
Member	Mehmet Tevfik NANE	<i>Chairperson of the Board</i>

In determining the composition of the structure of the Board Committees, the Board of Directors aims to form a balanced distribution of work in consideration of the number of non-executive and independent Board Members and the legal requirements for the composition of each Board Committee.

In accordance with the requirements of the Principles, all the members of the Audit Committee and the chairpersons of the Corporate Governance and Risk Committees are appointed from among independent Board members. Executive Board members assume no active duty in these Committees. Our Board did not establish separate Compensation and Nomination Committees, and, in accordance with the Principles, the duties pertaining to such functions are assumed by the Corporate Governance Committee.

The Committees record and maintain all their work in writing and submit regular reports on their work and results of Committee meetings to the Board.

Summary of the work undertaken by the Board Committees is provided below.

### **Audit Committee**

The Audit Committee held four meetings on March 1, May 8, August 9, and November 8, 2024. The Committee engaged in works within the framework of its Charter and in this respect reviewed our Company's financial reports for the periods ending on December 31, 2023, and on March 31, June 30, and September 30, 2024, and shared its favorable opinion with the Board. The Committee prepared the proposal for the appointment of the independent audit firm for 2024 audit requirements, oversaw the activities of the Company's Internal Audit Department, its work plan and budget. In 2024, the Committee continued to oversee ethics governance work. The Committee informed the Board of its activities at each Board meeting held in 2024.

### **Corporate Governance Committee**

The Corporate Governance Committee held four meetings on March 20, May 29, September 18, and December 11, 2024. The Committee engaged in works within the framework of its Charter and in this respect oversaw corporate governance compliance, the nomination of independent directors and the determination of nomination and compensation principles for Board members in 2024, succession planning for executive management and key positions, scrutinized the operations of the Investor Relations Department. In 2024, the Committee reviewed the Company's Sustainability/ESG actions on a regular basis. The Committee oversaw the completion of the action items of Board Self-Evaluation Study. In 2024, Pegasus Airlines retained one of the highest Corporate Governance Compliance Ratings across BIST, with a compliance rating of 97.9%. Pegasus Airlines remained the top-rated aviation stock on BIST in 2024. The Committee informed the Board of its activities at each Board meeting held in 2024.

### **Committee on Early Detection of Risks**

The Committee on the Early Detection of Risks held four meetings on March 20, May 28, September 16, and December 10, 2024. The Committee engaged in works within the framework of its Charter and in this respect established the main principles and control mechanisms for the determination and management of main risks on commercial, operational, financial, legal, IT, HR and sustainability, that may endanger the existence, development and future of the Company and oversaw the implementation of such principles and mechanisms. The Committee conducted its annual review of Safety Emergency Response and IT Business Continuity actions in 2024. The Committee informed the Board of its activities at each Board meeting held in 2024. The Committee also provided information on its work and its periodic evaluation of risks once every two months in accordance with the provisions of Article 378 of the Turkish Commercial Code.

### **Technology Committee**

The Technology Committee held two meetings on May 7 and October 31, 2024. The Committee engaged in works within the framework of its Charter and in this respect, evaluated technological and digital innovation initiatives within the Company, focusing particularly on cybersecurity and digitalization in operations.

The overall attendance rate for Board and Committee meetings was 96.0% in 2024. A breakdown of individual attendance is provided below:

Board / Committee Member	Attendance				
	Audit Comm.	Corp. Gov. Comm.	Risk Comm.	Technology Comm.	Board of Directors
Mehmet Tevfik NANE	-	-	-	2/2 (100%)	4/4 (100%)
Ali İsmail SABANCI	-	-	-	-	4/4 (100%)
Mehmet Cem KOZLU	-	4/4 (100%)	-	-	4/4 (100%)
Hatice Zeynep Bodur OKYAY	1/1 (100%)	-	3/4 (75%)	-	3/4 (75%)
Stephen Mark GRIFFITHS	-	3/3 (100%)	-	-	3/3 (100%)
Agah UĞUR	4/4 (100%)	-	4/4 (100%)	-	4/4 (100%)
David F. A. VISMANS	-	-	4/4 (100%)	2/2 (100%)	4/4 (100%)
Ayşegül İLDENİZ	4/4 (100%)	4/4 (100%)	-	2/2 (100%)	4/4 (100%)
H. Çağatay ÖZDOĞRU <sup>(1)</sup>	-	-	-	-	1/1(100%)
Mustafa TERCAN	-	-	3/4 (75%)	-	-
Ömer Lütfü ÖMERBAŞ	-	4/4 (100%)	-	-	-
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>83.3%</b>	<b>100%</b>	<b>97%</b>

<sup>(1)</sup> Served until March 28, 2024.

We run an effective mechanism to identify and follow-up on the completion of action items decided by the Board of Directors or by Board Committees. All action items raised for 2024 were completed by the end of 2024. There are no material overdue action items as of December 31, 2024.

#### I- INFORMATION ON THE EFFICIENT EXERCISE OF SHAREHOLDER RIGHTS

Pegasus Airlines Investor Relations is responsible for managing shareholder relations and reports to the Company CFO. Corporate Secretary works in collaboration with Pegasus Airlines Investor Relations on all corporate governance matters. Our senior management staff responsible for shareholder relations and their contact information are provided below:

Mr. M. Barbaros KUBATOĞLU  
Chief Financial Officer

Mr. Ömer L. ÖMERBAŞ  
Group Head of Investment Relations

Telephone : +90 216 560 7542

Fax : +90 216 560 8087

E-mail : [pegasusyatirimciiliskileri@flypgs.com](mailto:pegasusyatirimciiliskileri@flypgs.com)

Website : <http://www.pegasusinvestorrelations.com/>

In accordance with the requirements of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, Ömer L. ÖMERBAŞ is the Group Head of Investment Relations unit and serves as a member of our Corporate Governance Committee. Ömer L. ÖMERBAŞ is a full-time employee reporting to the CFO. He holds Capital Markets–Level 3 and Corporate Governance Rating Licenses. As the head of Pegasus Airlines Investment Relations, he carries out all investor relations activities under the scrutiny of the Committee. Pegasus Airlines investor relations strategy, key targets, activities, performance results are regularly reported to the Committee and the Board of Directors. In 2024, the regular updates were reported to the Board and the Committee on March 20-21, May 29-30, September 18-19, and December 11-12.

Throughout 2024, we responded to inquiries submitted by our shareholders without discrimination, through telephone, e-mails or meetings and attended nine targeted investor events.

Information on the principles, methods and frequency of communication of information to our shareholders is detailed in the [Pegasus Information Policy](#) available on our Investor Relations Website.

We undertake to act in an honest, respectful, fair, and trustful behavior based on reason, conscience, and common sense with all stakeholders. In this respect, we aim to establish a sustainable, efficient, and transparent communication with stakeholders and to enable stakeholders to achieve correct and complete information on time, in equal terms and in a way that is comprehensible, interpretable, and easily accessible at low cost. Pegasus Investor Relations Website forms the principal communication platform for investor communication.

Also, information we are required to make available as per the "**Information Society Services**" related provisions of the Turkish Commercial Code No. 6102, is published on the e-COMPANY platform of the Central Registry Agency accessible by a link on our Investor Relations Website (<https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/11366>).

The inquiries received by the Investor Relations Unit were answered within the framework of the law and the Pegasus Information Policy.

No requests for special audit of a specific matter were submitted to Pegasus in 2024. Our shareholders are entitled by law to request the appointment of a special auditor to review specific matters, and this statutory right is explicitly recognized in Article 16 of our Articles of Association.

In accordance with the provisions of Article 137 paragraph 3 of the Capital Markets Law No. 6362, our Articles of Association do not contain any restrictions with respect to the transfer of Company shares that are traded on Borsa Istanbul. Article 7 of our Articles of Association grants our Board of Directors the right not to approve the transfer of Company shares in specific circumstances and for the purpose of our Company's ability to resume its operations within the framework of the Turkish Civil Aviation Law No. 2920. Such authority of the Board of Directors will only become exercisable to the extent at least 50% of Pegasus shares are held by non-Turkish citizens.

#### **J- INFORMATION ON SHAREHOLDER MEETINGS HELD IN THE REPORTING PERIOD**

The Annual General Assembly meeting of our Company for the year 2023 was held on March 28, 2024, at 10:00 am local time at our Company Headquarters in Istanbul.

The meeting invitation and the agenda were published in the Trade Registry Gazette dated March 6, 2024, and numbered 11037, on page 420, on our Investor Relations Website, on the Public Disclosure Platform and the Electronic General Assembly Portal within the time limits prescribed by the law. Written invitations were also communicated to the shareholders that are not subject to the exception set out in Article 29 Paragraph 2 of the Capital Markets Law No. 6362.

Shareholders representing ₺66,173,159 (64.69% of the Company capital) were represented at the meeting, thereby constituting the requisite meeting quorum. Mr. Mehmet T. NANE, Chairperson of the Board of Directors, Ms. Güliz ÖZTÜRK, CEO, Mr. M. Barbaros KUBATOĞLU, CFO, responsible for financial reporting, and Ms. Sinem ARI ÖZ representing the Company's

independent auditor, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, attended the meeting in person.

The decisions of our shareholders adopted at the Annual General Assembly meeting held on March 28, 2024, are indicated in the table below:

<b>March 28, 2024 Annual General Assembly Resolutions</b>	<b>Vote</b>
• Approval of the appointment made for the replacement of the resigning member of the Board of Directors in accordance with Article 363 of Turkish Commercial Code,	Majority
• Approval of the Annual Activity Report, the Auditor Report, and the Financial Statements for the year 2023	Majority
• Release of the members of the Board of Directors for operations and accounts pertaining to the year 2023	Majority
• Determination of no distributable profit for the year 2024	Majority
• Appointment of the members of the Board of Directors for a term of one year	Majority
• Determination of payments to be made to Board members during the term of appointment	Majority
• Authorization of the members of the Board of Directors for transactions falling within the scope of Articles 395 and 396 of the Turkish Commercial Code	Majority
• Appointment of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst & Young Global Limited) as the independent audit firm for the year 2024 as per the provisions of Article 399 of the Turkish Commercial Code	Majority
• Determination of a ceiling for donations to be made by the Company in 2024	Majority

The agenda, list of attendees and meeting minutes at the meeting are published on our Investor Relations website.

There were no transactions to report in 2024 that had to be submitted for the approval of our shareholders, where the approval of the majority of the independent Board members was required and not received with respect to a resolution of the Board of Directors.

#### **K- AMENDMENTS TO THE ARTICLES OF ASSOCIATION IN THE REPORTING PERIOD**

Article 6 of the Company Articles of Association was amended effective as of May 31, 2024, following the increase of the Company's current issued capital of TRY 102,299,707 to TRY 500,000,000, by an increase of TRY 397,700,293, through the conversion of funds available as part of the "Share Premiums on Capital Stock", within the TRY 500,000,000 authorized capital ceiling.

#### **L- AMENDMENTS TO THE POLICIES APPROVED BY THE GENERAL ASSEMBLY OR THE BOARD IN THE REPORTING PERIOD**

There was no policy amendments proposed or adopted by the Board of Directors or the General Assembly in the reporting period.

#### **2- FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR MANAGEMENT**

Pursuant to our Articles of Association, Board members are paid a monthly or annual salary or meeting-based remuneration to be determined by the General Assembly. Principles relating to the compensation of Directors are set out in the [Pegasus Airlines Compensation and Indemnification Policy](#).

With respect to the remuneration of independent Board members, stock options or payment plans based on the Company's performance cannot be used. Nevertheless, remuneration of independent Board members should be at a level sufficient to protect their independence.

The criteria and procedures relating to the compensation of Board members and proposals for the remuneration of and other benefits to be provided to them are annually determined by the Corporate Governance Committee and submitted for the evaluation of our shareholders at the Annual General Assembly Meeting. In this respect, “**2024 Nomination and Compensation Principles and Criteria for Pegasus Board of Directors**” was determined by the decision of the Corporate Governance Committee, which was published as **Annex-4** to the [Information Document](#) prepared for the Annual General Assembly meeting held on March 28, 2024 and communicated to our investors through our Investor Relations Website, the Public Disclosure Platform and the Electronic General Assembly Portal.

The cumulative ceiling for honorary payments to be made to our Board members based on their attendance to Board meetings and the annual payments made for their duty as chairperson or member in the Board Committees, and the main principles applicable to such payments, were determined by the shareholders at the Annual General Assembly meeting held on March 28, 2024 and was published in the meeting minutes.

Total financial benefits provided to Board Members and Senior Management in 2024 amounted to ₺176,198,899. This amount includes the gross honorary fees paid to the members of our Board of Directors for the Board meetings they attended in 2024 as well as gross payments for their duties as chairperson or member at the relevant Board committees, the total salary and bonus fees paid to the CEO and other C-level executives, and the income tax and social security contributions with respect to the same persons.

In 2024, there were no loans or security extended by Pegasus to the members of the Board or senior management.

### **3- RESEARCH AND DEVELOPMENT ACTIVITIES**

We are dedicated to allocating resources for in-house aviation technology developments and research & development activities.

In 2024, within the Performance and Navigation Department, we have undertaken significant efforts to enhance the effectiveness and efficiency of monitoring and managing operations through the components of the Electronic Flight Bag (EFB) system. A major focus of these efforts has been on projects aimed at advancing the integration of EFB with internal and external systems, thereby contributing to the digital transformation of flight management.

One of the most notable projects in this regard is the "Aircraft Defect Management" initiative. Previously, defects on our aircraft were recorded manually in the aircraft's technical logbook. However, with the integration established between Pegasus EFB and the Technical Maintenance System AMOS, the process has been fully digitalized, streamlining communication between the cockpit and the technical units. This digital transformation enables pilots to view existing aircraft defects, report new defects and defer items, access previous defect records, receive closure notifications and accept the aircraft—all within a single application on their EFB tablets. This ensures a fast, controlled, and error-free process, achieving full integration with the technical unit.

Another key development is the integration we have established between our flight planning system LIDO and Pegasus Electronic Flight Bag (EFB) in accordance with the ARINC 633-2 standard. Through this integration, meteorological and operational notification (NOTAM) information has been digitalized and transferred to the aircraft's EFB, providing cockpit crews

with an interactive and up-to-date briefing. This enhancement also allows pilots to query flight data online, reducing workload and improving efficiency in flight operations.

In 2023, we launched the Pegasus Connect system to enable digital communication between flight crews and ground staff. In 2024, this system was further enhanced with the inclusion of the Integrated Operations Control Center (IOCC), transforming it into a fully integrated platform that enables all operational units to communicate on a flight- and aircraft-specific basis through a unified channel. As a result, requests from aircraft or flights can now be directed to the relevant unit via the IOCC, allowing for rapid resolution. By the end of 2024, we are also working towards integrating the flight crew into this system via Mobile EFB.

To enhance safety and situational awareness in operations, we have introduced various improvements for cockpit crews. Bulletins, which were previously distributed as general publications, are now being issued via EFB on a flight-specific basis (including departure, destination, and alternate airports) to improve focus on relevant information. Additionally, for enhanced flight safety, the Aerodromes Information Guide (AIG), which provides situational awareness and guidance for cockpit crews, has been integrated into the terminal charts within the EFB.

Furthermore, we have developed several applications within the Flight Management System (FMS) to ensure real-time and effective monitoring of operations. One key enhancement is the visualization of apron vehicles such as Pushback trucks, Apron Buses, and Ambulifts on live map within the FMS. Tracking pushback vehicles is particularly crucial for ensuring that aircraft ready for operation can receive service quickly, positively impacting on-time performance. Additionally, as part of our live operations tracking initiatives, we have begun displaying TAF and METAR weather data for airports directly on the live map, providing real-time meteorological conditions for flight crews. Moreover, the remaining fuel levels of aircraft in operation, as retrieved from aircraft systems, are also displayed on live maps. All these initiatives have made significant contributions to the effective planning and management of flight operations.

Besides our in-house development projects for our flight operations, in 2024, we continued to improve digitalized functions for both passengers and employees, further strengthening our position as your “Digital Airline”. These improvements not only improve user experience across the board but also empower both passengers and employees. In 2024, our digitalization initiatives continued to be driven under the “N+1” standard which signifies our aspiration to be better than the best, to support our business through technologic improvements. Major novelties in 2024 on the digital front included the following:

- In 2024, the Fast Fare project was completed to enhance the efficiency and speed of Revenue Management pricing strategies as part of an agile transformation for product continuity. This project enabled the implementation of Continuous Pricing across all routes, including those previously excluding connected routes, while ensuring the system was developed to be high-performing, functional, and user-friendly. By enabling more frequent and faster fare updates, this initiative has strengthened our company’s competitive advantage.
- Significant progress was made in enhancing the agency experience and driving revenue growth. Comprehensive sales data was made easily accessible to agencies, facilitating more informed decision-making. Personalized recommendations were provided to



guests, increasing both customer satisfaction and sales potential. Additionally, the AI assistant **Peggy** was deployed to offer 24/7 support, ensuring greater efficiency and convenience in daily operations. These advancements played a crucial role in strengthening agency relationships and driving revenue growth.

- To enhance our passengers' digital experience, we integrated the iOS Live Activity feature into our mobile app. With this feature, users can view real-time flight information, departure time, gate number, gate changes, delays, boarding notifications, and baggage details directly on their iPhone Lock Screen or Dynamic Island up to four hours before their flight. Through Live Activity, we enabled passengers to instantly access critical updates throughout their travel journey, creating a seamless and uninterrupted experience.
- We added Arabic language support to our website to expand our user base, particularly in the Middle East, and to gain a competitive advantage among companies operating in Arabic-speaking regions. This culturally sensitive approach has strengthened our brand reputation while helping us earn our customers' trust. Through Arabic content, we enhanced the user experience, encouraging visitors to spend more time on the website and driving growth in both organic traffic and conversion rates.
- We enhanced the infrastructure of our personalization engine in the current campaign architecture to offer more and diverse campaign recommendations. New solution enables the automated management of personalized campaigns and communications for passengers. With this improved solution, we provided a highly flexible development environment allowing data scientists to work on various AI models and enabling rapid development.
- In 2024, new features has been added in the loyalty management program. With an important feature of 2024 named as the BolPoint Dashboard, members can keep track of their BolPoints on an infographic so that which of the products included in the BolBol program and they can purchase, and the amount of BolPoints required for each product or service.
- In 2024, we unified all customer experience surveys under a single platform. We streamlined feedback management by centralizing responses, leveraging AI for faster insights, additionally enhancing decision-making by dashboards and a robust alert system. Our surveys are now faster, more effective, and AI-powered for smarter feedback analysis.
- In partnership with Multinet, we developed a meal voucher solution for flight delays. When a delay occurs, the balance will be automatically loaded onto passengers' boarding passes, and they will be notified via SMS, email, or app notification. Passengers can use this balance at partner restaurants. The pilot launch is set for Istanbul Sabiha Gökçen, Antalya, and North Cyprus Ercan airports in 2025.
- In 2024, we completed the technological transformation of our in-flight sales. By replacing old POS devices with the next-generation Android POS terminals, we now offer passengers a faster and more modern payment experience. Thanks to contactless payment capability, 92% of all card transactions are now contactless. Additionally, transactions are now 1.5 times faster. With a larger screen, a more responsive

touchscreen, a powerful processor, and expanded storage, we have elevated the user experience to the next level.

- In 2024, we made advancements in our baggage operations. A new infrastructure has been established to collect baggage location data from all stations. Staff will be able to scan bag tags and collect location data in all online stations by using our mobile in-house solution. With this development, we can accurately monitor whether baggage has been loaded onto the aircraft and has reached the arrival port.
- In 2024, we implemented projects and introduced new features to enhance Flight Operations. Improvements such as crew duty time tracking, turnaround delay monitoring, runway wait analysis, and dynamically calculated estimated departure times enable better aircraft and crew utilization, as well as more effective operational monitoring.
- The transition to the new version of IATA's Timatic service, which checks the compliance of passenger travel documents with the destination country's regulations, was completed. With this update, document check results are simplified, and new language options were added, making information clearer and more accessible for passengers.
- Last year, we developed the Inadmissible Passenger Management Application to replace manual excel sheets with the system for managing inadmissible passenger operations. In 2024, we automated the recourse process of fines and costs. With the new automatic status update feature, we fully transitioned to an automated system, improving efficiency and accuracy in operations.
- We established an infrastructure that allows for the optimization and tracking of annual leave planning for flight crews, in line with the growth of our flight operations and crew numbers. We collected the annual leave requests for 2025 through our new application and carried out the planning. This has resulted in a more efficient and fair process.
- To enhance communication between our flight crews and Crew Assignment teams, we implemented an Interactive Voice Response (IVR) system. This system prioritizes crews with duties on the same day and includes a feature that recognizes the caller. Additionally, we enabled certain announcements to be made by the system directly without human intervention, contributing to workforce efficiency.
- To improve guest experience on our flights and allow announcements in different languages, we introduced an innovative system where cockpit announcements are made in the desired language using AI technology, with the captain's voice being cloned. Currently, the system supports Spanish and English, with plans to add Russian and Arabic language options. This was one of the first implementation of AI partnerships scouted by Innovation Lab, our recently established subsidiary operating in the Silicon Valley.
- We upgraded our document management system to ensure a more streamlined compliance with constantly changing aviation regulations. This change allows us to have a systematic, end-to-end content and document management system within a centralized framework.

- We continuously improved our crew planning systems by adding new features to ensure greater alignment with our planning and optimization processes. We updated our notification delivery infrastructure to make communications with flight crews clearer and more effective.
- We continue to add new features to the mobile applications used by our flight crews. We revised the display of notifications and introduced a new function that allows the crew to call for pick-ups before flights. This contributes to service optimization, while also ensuring that the flight crew does not experience service-related delays during their rest period after their duties.
- Our Corporate Portal and Mobile Application were enhanced to enable persona-based experience customization. Announcements can now be published for specific groups, and screen sections have been configured to display content based on personas. A survey application was introduced to increase employee engagement. Additionally, to allow employees to experience technological innovations and reinforce Pegasus' digital airline perception, a QR code-based door access system has been developed at our headquarters for employees and visitors.
- Our Human Resources virtual assistant, HERO, was further developed with AI to enable employees to access information faster and to reduce the workload in relevant departments, thereby improving process efficiency.
- To manage recruitment processes more efficiently, reach the right candidates faster, and measure and enhance candidate experience, the Applicant Tracking and Onboarding System has been fully digitized with the support of advanced technology and artificial intelligence.
- Several applications used in corporate processes have been integrated into the mobile portal, enabling employees to perform their transactions anytime and effortlessly.
- We have integrated our new AI assistant into the Papyrus system, enhancing our OCR (Optical Character Recognition) technology with AI to enable faster and more accurate invoice processing. This allows invoices to be interpreted and automatically processed with a single click, minimizing errors and improving efficiency. By strengthening our OCR technology with AI, we made it possible for invoices to be interpreted and automatically processed faster and error-free.
- In 2024, we integrated SkyBreathe application to our systems to achieve fuel and carbon emission efficiency on our operations. Our pilots are using SkyBreathe My Fuel Coach module to see their flight details. With the aid of this module, pilots can see the next steps for their following flights to reach potential efficiency points. By using SkyBreathe Analytics module, flights can be analyzed, and achievements can be seen for each flight.
- In 2024, new features were added to our SmartTechnic technician mobile application and web application within the scope of digitalization of Aircraft Maintenance and Repair operations. Among the new developments, there are the display of repetitive maintenance actions, the amount of oil to be consumed on future flights and until returning to the base station, and new alert systems.

The highlights on the web are the implementation of Flight Log Forms, Acceptance & Arrival in the Smart Technic Cabin application, the display of open, postponed, closed and canceled work orders has been provided. It has been allowed for cabin crew to make their defect entries through the application. In this way, the logbook processes of technicians and cabin crew have been completely transferred to the digital environment.

- AMOS & Smart Technic integration has been provided with EFB application. Cockpit Crew defect entries and work order transfer processes are provided via EFB application. In the operations carried out by the cockpit crew on defects, technicians take the necessary actions via Smart Technic application. Within the scope of the projects, six logbooks in the aircraft have been digitalized.

In 2023, Pegasus Airlines had taken a significant step to take its “Digital Airline” promise to the next level by breaking the mold of “traditional” practices and driving innovation using cutting-edge technologies with the launch of the Pegasus Airlines Innovation Lab Inc. Located in Silicon Valley, the global technology hub, this move places the Innovation Lab at the forefront of technological advancements and innovation. The Innovation Lab began operations in the second half of 2024 with the goal of scouting and adopting the latest technologies, while strategically investing in startups to improve services, streamline operations, and enhance the passenger experience. By embedding itself in the vibrant tech ecosystem, Pegasus aims to stay ahead of industry trends and continuously explore new solutions for modern air travel.

The Innovation Lab specializes in implementing cutting-edge technologies like artificial intelligence, data analytics, and automation to optimize various airline services. By collaborating with big tech companies and academic institutions, it pushes the technology boundaries in aviation. This strategic initiative strengthens Pegasus Airlines’ competitive edge, reinforcing its commitment to excellence and continuous improvement in delivering value to passengers.

- Since its launch in the second half of 2024, the Innovation Lab engaged with over 250 startups and actively communicated with 50 of them regarding potential airline use cases. The lab has completed 15 Proof of Concept (PoC) studies and initiated 4 projects with the collaboration of relevant teams at Pegasus headquarters and designated partners in Silicon Valley.
- 2024 marked a year of evolution for Agentic AI. Sparked by advancements in Generative AI in 2022 and 2023, numerous startups were established in Silicon Valley to create AI agents and AI workers designed to integrate artificial intelligence into enterprise workflows. The Innovation Lab joined this trend with various enterprise-level and airline-specific use cases.
- In 2024, the Innovation Lab partnered with Apple to enhance baggage tracking through the use of Apple’s AirTag. A new AirTag feature was introduced, to enable users to report on the latest location of lost items. This feature was subsequently integrated into Pegasus' lost baggage claim process, allowing passengers to report a lost item along with its location. In 2025, with the app integration capabilities of AirTag, new use cases for "frictionless travel" will be further developed.

- The Innovation Lab also worked with Silicon Valley startups to develop enterprise use cases. Automation of recruitment reference checks and hotel invoice reconciliation has reached 90%, allowing administrative staff to focus on value-added tasks instead of repetitive, tedious ones.
- One of the most promising low-effort applications of Generative AI is the use of Voice AI Agents in Contact Center Transformation. The Innovation Lab has formed design partnerships with leading Voice and Chat AI startups in Silicon Valley. With Pegasus managing both customer-facing and internal contact centers, automation potential of up to 80% in this area will boost efficiency and service excellence. These efforts will continue into 2025.
- In 2024, the Innovation Lab also completed other PoCs aimed at achieving operational excellence in Ground Operations and Maintenance-Repair-Overhaul (MRO) activities. Visual Computing and Retrieval-Augmented Generation (RAG)—a sub-field of Generative AI—hold great potential for automating physical processes and making Standard Operating Procedures (SOPs) and aviation document references more accessible. These initiatives are expected to lead to the launch of projects in 2025.
- The Innovation Lab has partnered with the world’s leading low-cost carriers to co-found the Airline Innovation Community (AIC), which focuses on sharing best practices, identifying common technology needs, and collaborating on tech projects.
- Together with Berkeley University, the Innovation Lab initiated an Industry Affiliated Program and began collaborating on specialized research projects with dedicated academics and students from the university. A joint project on the utilization of AI in flight safety, already underway at Pegasus, was selected for further work. The research topic selected is "Trends and Future Projections in Seamless Air Travel," and discussions for additional collaborations with Stanford and Carnegie Mellon Universities are ongoing.

#### **4- COMPANY'S BUSINESS AND MATERIAL DEVELOPMENTS RELATING TO THE COMPANY ACTIVITIES**

##### **A- SECTOR OUTLOOK**

###### ***International Aviation Market***

According to IATA’s (International Air Transport Association) “Air Passenger Market Analysis” published on January 30, 2025, world total passenger traffic measured in RPK (Revenue Passenger Kilometers) grew by 10% YoY in 2024, surpassing the 2019 threshold (by 4%) for the first time in the post-COVID era. Industry RPK’s had grown by 37% in 2023. In Europe, RPK increased by 9% YoY and lagged behind the market growth, while in Middle East, RPKs were 10% higher YoY in 2024. IATA expects the industry RPK to increase by 8.0% in 2025, driven by 7.5% capacity growth (in ASK – Available Seat Kilometer) and 0.4ppt increase in load factor to 83.4% (“Global Outlook for Air Transport – December 2024, published on December 10, 2024).

###### ***Turkish Aviation Market***

According to the data published by the General Directorate of State Airports Authority (DHMI), the number of total passengers in Türkiye grew by 8% YoY in 2024 following the 18% YoY growth recorded in 2023. Consequently, the total passenger number of Türkiye stood 11%

higher than the 2019 level, as of the end of 2024. As for a breakdown, domestic passengers in Türkiye grew by 5% YoY while international passengers increased by 9% YoY in 2024.

#### **Development of Pegasus Airlines Market Share Since 2005**

Following the acquisition by Esas at the beginning of 2005, we changed our business model, introducing a low-cost network carrier model and focused on providing an affordable and on-time air travel service with a young fleet.

As a result of the successful implementation of this low-cost strategy, we experienced rapid expansion of our operations both in domestic and international routes. Between 2009 and 2019, our cumulative average annual passenger growth reached 18%, significantly outpacing the 9% annual average growth recorded by the Turkish market.

However, parallel to the decline in demand and negative impact of the travel restrictions with the COVID-19 pandemic, our total booked passenger number declined by 34% in the two-year period from 2019 to 2021. In the same period, total number of passengers in the overall Turkish market contracted by 38%. In the 2022-2024 period, our booked passenger number grew by 18% on average annually, further outpacing the 13% average annual growth realized in the total Turkish market

The table below indicates Pegasus market share trend in terms of domestic and international scheduled passenger numbers between 2016 and 2024:

#### **Pegasus Market Share Data (2016 – 2024)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Domestic	29.8%	30.8%	31.5%	31.3%	37.5%	34.1%	27.2%	25.9%	28.8%
International	11.8%	12.4%	12.2%	12.9%	15.0%	13.0%	14.9%	15.6%	16.8%

Source: Pegasus Airlines (carried passengers), DHMI

#### **Explanations on the Company's Production Units, Information on Sales, Sales Conditions and Productivity**

Comparative data on our Company's revenue generating activities, sales, and productivity in 2024 is provided in Section 5/C of this Report.

#### **B- INFORMATION ON INVESTMENTS MADE BY PEGASUS AIRLINES IN THE RELEVANT ACCOUNTING PERIOD**

Information relating to our fleet as of December 31, 2024, is shown below:

AIRCRAFT TYPE	RANGE (KM)	NUMBER OF AIRCRAFT			SEAT CAPACITY			AVERAGE FLEET AGE
		31.12.2024	31.12.2023	Growth (%)	31.12.2024	31.12.2023	Growth (%)	31.12.2024
B737-800	4,163	9	15	-40%	1,701	2,835	-40%	10.49
A320CEO	4,074	6	7	-14%	1,092	1,272	-14%	9.27
A320NEO	4,740	46	46	0%	8,556	8,556	0%	5.97
A321NEO	4,237	57	41	39%	13,623	9,799	39%	1.85
<b>TOTAL</b>		<b>118</b>	<b>109</b>	<b>8%</b>	<b>24,972</b>	<b>22,282</b>	<b>12%</b>	<b>4.49</b>

In July 2012, we placed an order with Airbus for 57 firm order A320neo and 18 firm order A321 neo aircraft, totaling 75, and an additional 25 optional aircraft, thereby constituting a purchase order for 100 new aircraft. This was the largest single aircraft order in Turkish civil aviation history at the time. In December 2017, we exercised our option for 25 additional aircraft and converted these option aircraft to firm orders in A321neo configuration. In October 2021, we

placed an order with Airbus for 6 additional A321neo aircraft, and in June 2022, we placed an order with Airbus for 8 additional A321neo aircraft and in July 2023, we placed an order with Airbus for 36 additional A321neo aircraft. The 2012 Airbus Order, as amended, comprised a total of 42 A320neo and 108 A321neo aircraft. Pegasus is the first customer of CFM-Leap series engine used on A320neo aircraft. 16 aircraft joined Pegasus fleet in 2024.

In line with our fleet management strategy and in addition to the existing firm aircraft orders, in December 2024 we placed an order with Boeing covering up to 200 B737-10 aircraft to satisfy our aircraft requirements envisaged for 2028 and beyond. As part of this agreement, we placed a firm order for 100 B737-10 aircraft with expected deliveries starting from 2028, and secured options for up to 100 additional B737-10 aircraft, convertible to firm orders in the upcoming years.

The delivery schedule for the A320neo/A321neo aircraft under our Airbus order and the B737-10 aircraft under our Boeing order is as follows:

Aircraft Type	2024	2025	2026	2027	2028	2029	2030-2034
A320neo	0	0	0	0	0	0	0
A321neo	16	9	10	11	11	11	0
B737-10	0	0	0	0	12	10	78

**C- EVALUATION OF INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS**

Our Internal Audit Department was first established in June 2006 and since April 2011, our Internal Audit Department works under the auspices of the Audit Committee. The Audit Committee was reorganized on August 17, 2013, to align its structure with the Principles determined by the Capital Markets Board.

The establishment of an efficient internal control system at Pegasus Airlines is carried out under the responsibility of the Board and under the scrutiny of the Audit Committee. In this context, the Committee takes into consideration information received from the Company management, the Internal Audit Department and the independent auditor and shares its opinion and recommendations on internal controls with the Board. The Audit Committee ensures that all actions are taken so that internal controls can be carried out in a sufficient and transparent manner. Pegasus Airlines Internal Audit Department performs its task under the scrutiny of the Audit Committee and according to the audit plan approved by the Committee. Besides the internal control function operated by the Internal Audit Department, we benefit from the work of various operational internal control units acting as part of management in accordance with civil aviation rules and Company policies.

As of December 31, 2024, our Internal Audit Department of Pegasus is formed by our Group Head of Internal Audit, IMS & Business Excellence, Lead Internal Auditor, three senior Internal Auditor and one senior IT Auditor, two senior Internal Control specialist, one Integrated Management System Operations Leader, two senior and one support specialist of Integrated Management System Operations.

**D- INFORMATION ON DIRECT AND INDIRECT INVESTMENTS BY PEGASUS AIRLINES IN OTHER VENTURES**

The table below lists information relating to our direct subsidiaries and joint ventures as of December 31, 2024. As of December 31, 2024, we did not have any indirect subsidiaries or joint ventures. We were not subject to any cross-shareholding in 2024.

<b>Affiliate</b>	<b>Nationality / Area of Activity</b>	<b>Issued Share Capital</b>	<b>Nominal Shareholding</b>	<b>Share %</b>	<b>Affiliation with Pegasus</b>
Hitit CS	Türkiye / Information Technologies Solutions	₺127,500,00	₺46,939,893	36.82%	Joint Venture
PFTC in Liquidation	Türkiye / Simulated flight training	₺200,000	₺98,800	49.40%	Joint Venture*
PAT	Türkiye / Simulated flight training	₺100,000	₺100,000	100.00%	Subsidiary
PIN Lab	U.S.A. / Collaboration for and Development of Applicable Aviation Technology and Software Solutions	\$200,000**	\$150,000	100.00%	Subsidiary

\* As a result of the liquidation process, the entity was de-registered from the trade registry as of February 27, 2025.

\*\* Issued share capital of PIN Lab is increased from USD 150,000 to USD 200,000 effective as of December 12, 2024.

Pegasus Uçuş Eğitim Merkezi A.Ş. (PFTC) in which our Company has 49.40% ownership stake, provided Boeing 737 simulator flight training services to our Company, in line with the training requirements arising from our fleet planning between 2010 and 2023 entered into liquidation by the shareholders' approval at the General Assembly Meeting dated December 28, 2023. As a result of the liquidation process, PFTC in Liquidation was de-registered from the trade registry as of February 27, 2025.

Pegasus Airlines Innovation Lab, Inc. (PIN Lab) in which our Company has 100% ownership stake is incorporated in the State of Delaware, U.S.A., effective as of December 28, 2023, to undertake operations primarily in the Silicon Valley with the aim of identifying collaboration and development opportunities for technology and software applicable in the air transport industry.

#### **E- SHARE BUYBACK TRANSACTIONS**

There were no share buyback transactions for the year 2024.

Pursuant to the [Pegasus Share Buyback Policy](#) adopted by the resolution of Board of Directors dated November 20, 2013, and amended on December 16, 2021, we will implement any share buyback or accepting our own shares as lien in accordance with the mandatory provisions of the Turkish Commercial Code and the rules determined by the Capital Markets Board under the authority granted by the Capital Markets Law and all share buyback transactions are publicly announced within the framework of the regulatory framework.

#### **F- INFORMATION ON SPECIAL AUDIT AND PUBLIC AUDITS DURING THE REPORTING PERIOD**

There were no requests for special audit by Pegasus shareholders in 2024.

In 2024, we were subject to several planned and non-planned investigations and audits by various civil aviation authorities, authorized environment protection, consumer protection, data protection, competition, fiscal and labor bodies in Türkiye and in several other countries where we perform operations, with respect to operational, technical, environmental, and regulatory compliance. Our operations may, from time to time, be subject to routine or one-off investigations by other administrative bodies authorized in Türkiye and abroad. As a result of the said inspections and audits, we paid administrative fines in the amount of ₺ 13,027,355.



## **G- IMPORTANT LEGISLATIVE AND REGULATORY CHANGES THAT MAY HAVE MATERIAL IMPACT ON THE COMPANY'S OPERATIONS**

The following legislative and regulatory changes in 2024 were important for our operations and triggered considerable work in terms of compliance planning and execution:

- In March 2024, amendments were made with the Law Amending the Code of Criminal Procedure Numbered 7499 and Certain Other Laws, with changes to the Personal Data Protection Law (Law No. 6698), which came into effect in June 2024. The amendments introduced secure data transfer methods for cross-border data transfers (e.g., standard contractual clauses), clarified ambiguities regarding the processing of special categories of personal data, changed the appeal process for decisions made by the Personal Data Protection Board to administrative courts, and introduced new sanctions for data controllers who fail to notify the Personal Data Protection Authority about the signing of standard contractual clauses for secure data transfer. Following these changes, the Regulation on Procedures and Principles for Cross-Border Transfer of Personal Data was published in the Official Gazette on July 10, 2024, and became effective. Given these changes, we completed the necessary compliance actions.
- In June 2024, it was announced that as of December 28, 2024, the liability limits under the Montreal Convention would be updated. These limits, concerning passenger, baggage, and cargo transportation, increased by 17.9% as notified by ICAO on June 28, 2024. The updated limits are applied starting from December 28, 2024, and our operational processes are updated to ensure compliance with the new limits.
- In December 2024, amendments to the SHY-PASSENGER (*SHY-YOLCU*) Regulation were published in the Official Gazette, introducing: (i) obligation to compensate for delays of three (3) hours or more in both domestic and international flights if passengers are not delivered to their destination within three (3) hours of the planned arrival time, with compensation based on distance, and (ii) that compensation will be paid based on the exchange rate at the date of payment, not the exchange rate on the day of ticket purchase. We completed the necessary compliance actions concerning the amendments to the SHY-PASSENGER.

## **H- LAWSUITS FILED AGAINST PEGASUS WITH A POTENTIAL TO AFFECT THE COMPANY'S FINANCIAL STATUS AND OPERATIONS AND POSSIBLE OUTCOME OF DISPUTES**

As of December 31, 2024, Pegasus Airlines or its consolidated subsidiaries are not defendants in any lawsuit the outcome of which, alone, is expected to affect the Company's financial status and its operations, especially that would affect the Company's scheduled and unscheduled flight operations. The total risk arising from these lawsuits and the contingency allocation for the said risk as of December 31, 2024, as well as information on lawsuits that have not been made subject to any contingency calculations but, if finalized against Pegasus Airlines, may affect the Company's financial status and its shares in subsidiaries negatively are provided in Note 15 to the Consolidated Financial Statements for the Accounting Period between January 1 – December 31, 2024. The said financial statements are available on our Investor Relations Website.

**I- ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED AGAINST THE COMPANY OR THE BOARD MEMBERS FOR ACTIONS IN VIOLATION OF THE LAW**

Save as disclosed in Section 4/F of this Report, there were no administrative or judicial sanctions imposed against Pegasus or our Board members for any action in violation of the law in 2024.

**J- EVALUATION OF FULFILMENT OF TARGETS SET OUT BY THE COMPANY, FULFILMENT OF SHAREHOLDER DECISIONS ADOPTED AT THE GENERAL ASSEMBLY MEETING, EXPLANATIONS ON ANY FAILURE TO MEET THE FOREGOING**

There is no shareholder decisions adopted at the Annual General Assembly Meeting held in 2024 that are not fulfilled. Our operational results in the year 2024 were periodically shared with the investor community.

**K- DATE OF EXTRAORDINARY GENERAL ASSEMBLY MEETINGS HELD IN THE REPORTING PERIOD AND INFORMATION ON DECISIONS ADOPTED AT THE RELEVANT MEETINGS**

There were no extraordinary General Assembly meetings held in 2024.

**L- INFORMATION ON DONATIONS BY THE COMPANY AND CORPORATE SOCIAL RESPONSIBILITY PROJECTS WHERE THE COMPANY PARTICIPATED IN THE REPORTING PERIOD**

Pegasus carried out donations, charitable contributions and social responsibility projects in line with the [Pegasus Donations and Charitable Contributions Policy](#) and the [Pegasus Corporate Social Responsibility Policy](#) in 2024. Both policies are available on our Investor Relations Website.

At the Annual General Assembly Meeting held on March 28, 2024, the General Assembly, in accordance with Article 19 of the Capital Markets Law No. 6362 and Article 11 of the Company Articles of Association, determined the ceiling for donations to be made by the Company in 2024 as ₺50,000,000.

The donations we made in 2024, totaled ₺ 33,393,255. 93.2% of the total donations were made for education purposes, 5.56% were civil aviation and 1.22% were solidarity related.

**M- TRANSACTIONS ENTERED INTO WITH OR UNDERTAKEN BY OR REFRAINED FROM FOR THE BENEFIT OF THE CONTROLLING PARENT COMPANY OR ANY OTHER ENTITY CONTROLLED BY THE CONTROLLING PARENT; WHETHER A REASONABLE CONSIDERATION WAS OBTAINED IN EACH INSTANCE AND WHETHER SUCH TRANSACTIONS HAVE RESULTED IN ANY LOSS FOR THE COMPANY**

Pursuant to Article 199 of the Turkish Commercial Code, the Board of Directors is required to prepare a report with respect to our Company's transactions with its controlling parent Esas and other entities controlled by Esas and disclose the outcome of this report in the Annual Activity Report.

The relevant report prepared by the Company's Board of Directors on March 4, 2025, notes that "*in all transactions between the Company and Esas Holding or its subsidiaries between January 1, 2024 and December 31, 2024, according to the circumstances and conditions known to us at the time the transaction was made or a precaution was taken or not taken, an appropriate consideration was received, there are no precautions the Company has refrained from and there are no transactions or precautions that would require a settlement.*"

Information on related party transactions entered by our Company and our subsidiaries is provided in Note 5 to the Consolidated Financial Statements for the Accounting Period

between January 1 – December 31, 2024. The said financial statements are available on our Investor Relations Website.

## **5-FINANCIAL STATUS**

### **A- PEGASUS SHARE**

Pegasus shares started trading on Borsa Istanbul on April 26, 2013. As of December 31, 2024, the indices including Pegasus Airlines shares and information on Pegasus Airlines shares are as follows:

Issuer	: PEGASUS HAVA TAŞIMACILIĞI A.Ş.
Trade Platforms	: BORSA ISTANBUL (BIST)
Market Segment	: STAR MARKET
Indices	: BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES / BIST SUSTAINABILITY / BIST SUSTAINABILITY 25 / BIST PARTICIPATION 30 / BIST TRANSPORTATION / BIST SERVICES / BIST 100 / BIST PARTICIPATION 100 / BIST 50 / BIST ISTANBUL / BIST PARTICIPATION ALL SHARES / BIST SUSTAINABILITY PARTICIPATION / BIST PARTICIPATION 50 / BIST 30
BIST Ticker	: PGSUS
Bloomberg Ticker	: PGSUS.TI
Reuters Ticker	: PGSUS.IS

Pegasus shares closed the year 2024 at a price of ₺213.00/share with an annual increase of 60% compared to the year-end 2023 closing.

### **B- ANALYSIS OF FINANCIAL STATUS AND OPERATIONAL RESULTS; SUCCESS IN MEETING PLANNED OPERATIONAL TARGETS AND THE COMPANY'S STRATEGIC POSITIONING WITH RESPECT TO STRATEGIC TARGETS**

As of December 31, 2024, Pegasus Airlines is the second largest airline and the leading low-cost carrier in Türkiye in terms of passengers carried. The Company's performance within the operational and financial targets regularly disclosed in investor presentations is set out in detail in Sections 4/J and 5/C of this Report.

### **C- SALES AND PROFITABILITY IN THE REPORTING PERIOD, REVENUE GENERATION, DEBT/EQUITY RATIO AND OTHER ASPECTS THAT PROVIDE INFORMATION ON THE COMPANY'S OPERATIONAL RESULTS COMPARED AGAINST PREVIOUS YEARS**

Our key operational, financial, and non-financial results and main ESG KPIs for the period between January 1 – December 31, 2024, compared against the same period in 2023 and the year-over-year changes for the relevant line items are set out in the following charts.

The tables are complemented by a Management Discussion & Analysis.

## ***Management Discussion & Analysis***

### ***Operational Metrics***

<b><i>Overall Traffic Results</i></b>	<b><i>Jan. – Dec. 2024</i></b>	<b><i>Jan. – Dec. 2023</i></b>	<b><i>Y-O-Y Change %</i></b>
Number of passengers ( <i>million</i> )	37.48	31.93	17.4
Cycles	206,048	187,071	10.1
Number of seats ( <i>million</i> )	42.75	37.66	13.5
Load factor (%)	87.7	84.8	2.9
ASK <sup>(1)</sup> ( <i>million</i> )	66,808	58,217	14.8

Passengers per cycle	182	171	6.6
Avg. daily aircraft utilization (hours) <sup>(2)</sup>	12.9	12.6	2.9

### **Domestic**

Number of passengers (million)	14.06	11.98	17.3
Cycle	74,275	68,748	8.0
Number of seats (million)	15.38	13.66	12.6
Load factor (%)	91.4	87.7	4.2
ASK <sup>(1)</sup> (million)	11,400	10,052	13.4
Passengers per cycle	189	174	8.6

### **International**

Number of passengers (million)	22.94	19.47	17.8
Cycle	129,103	115,710	11.6
Number of seats (million)	26.89	23.53	14.3
Load factor (%)	85.3	82.8	2.6
ASK <sup>(1)</sup> (million)	54,586	47,375	15.2
Passengers per cycle	178	168	5.6

### **Charter**

Number of passengers (million)	0.48	0.48	1.2
Cycle	2,670	2,613	2.2
Number of seats (million)	0.49	0.48	1.8
ASK <sup>(1)</sup> (million)	823	790	4.2

<sup>(1)</sup> Refers to available seat kilometers and is equal to the number of seats available for passengers during a specified period multiplied by the number of kilometers that those seats are flown.

<sup>(2)</sup> Refers to the hours from an aircraft's take-off to landing (including taxi time).

In 2024, capacity in ASK increased by 15%, average aircraft utilization per day increased by 3%, while total number of passengers increased by 17% compared to 2023, resulting in record annual passenger numbers. Total load factor increased 3 percentage point compared to 2023.

### **Financial Metrics**

<b>Summary Balance Sheet ('000 TL)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change (%)</b>
Current assets	69,511,513	48,001,577	45%
Non-current assets	213,808,264	153,953,503	39%
Total assets	283,319,777	201,955,080	40%
Current liabilities	54,463,616	37,183,795	46%
Non-current liabilities	153,937,068	110,102,099	40%
Shareholders' equity	74,919,093	54,669,186	37%
<b>Summary P&amp;L ('000 TL)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change (%)</b>
Sales	111,822,522	70,531,532	59%
Gross (loss) / profit	25,225,825	16,818,399	50%
(Loss) / profit from operations	20,807,221	13,087,349	59%
Operating (loss) / profit before financial income/(expense)	22,629,347	14,450,345	57%
(Loss) / profit before tax	11,922,458	10,114,684	18%
(Loss) / profit for the period	13,285,438	20,907,502	-36%
(Loss) / profit per share	39,55	204,37	-81%
<b>Changes in Financial Position ('000 TL)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>Change (%)</b>
Cash and cash equivalents	46,258,554	16,078,359	188%
Financial Investments	15,719,296	20,208,861	-22%
Financial liabilities	166,307,502	119,518,239	39%

Net debt position <sup>(1)</sup>	104,329,652	83,231,019	25%
----------------------------------	-------------	------------	-----

<sup>(1)</sup> Net debt position = Financial liabilities - Cash and cash equivalents – Financial Investments

Operational performance metrics directly reflected on financial performance in 2024. Increase in revenues with increased operational activity led to balance sheet growth. Liabilities, financial liabilities, and net debt position increased with new aircraft deliveries and related borrowings.

Sales increased by 59% over 2024, through increased operational volume and revenue performance on scheduled flights and ancillary revenue. Overall, costs increased through both TRY and foreign currency inflation. The Company was able to conclude the year with net profit.

In 2024, the Company continued to generate net cash from operations.

### **Non-Financial Metrics**

We regularly monitor certain non-financial key performance indicators in the performance of our operations that relate to flight safety, carbon emissions, waste management, customer satisfaction, employee composition, professional and organizational development, succession planning, operational efficiency, and Board of Directors effectiveness, among others. We consolidate and share certain aspects of this performance monitoring as part of our Corporate Sustainability (ESG) actions. An overview of these indicators is provided below.

<b>Non-Financial Indicator</b>	<b>ESG</b>	<b>Indicator</b>	<b>Target</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
CO2 grams per revenue passenger km (RPK)	E	Emissions Intensity	Mid-Term Intensity Target for 2030	58.3	61.1	61.9
CDP Report Score	E	Emissions Reporting	Attain Top 3 Level Score	A-	A-	A-
Waste Recycle & Reuse Contribution Ratio % for Ground Ops., Technic and Administrative Waste	E	Waste Management	Remain Above 99.50%	99.72%	99.70%	99.76%
Total Passengers Carried (millions)	S	Low-Fare Accessibility	Increase	37.48	31.93	26.94
Destinations and Countries Served	S	Network Accessibility	Increase	146 & 53	134 & 50	125&47
Safety Assessment of Foreign Aircraft (SAFA) Ratio	S	Flight Safety Assessment	Do Not Exceed National Average (0.52 for 2024)	0.07	0.21	0.19
% of Female Employees in Workforce	S	Gender Equality	Increase / Minimum Target for 2025	34.9%	35.0%	34.5%
Insourced Successor Readiness for Key Positions	S	Succession Planning	75%	78%	77%	66%

Turnover Rate in Critical Positions	S	Retaining Employees	3%	3%	0	6.4%
Employee Trainings Total in Hours and by Subject	S	Personal & Professional Development	-	548,953 & 1,470	392,789 & 1,241	420,585 & 821
Number of Digitalization Initiatives Reported Annually	S	Digital Airline Proposition	-	41	32	18
% of ESG-linked KPIs in Key Company KPIs	G	ESG Focus on Company Targets	Remain Above 33%	50%	50%	50%
Board & Committee Attendance %	G	Board Effectiveness	Maximum Attainable	96%	96%	100%
Board & Committee Actions Completed in %	G	Board Effectiveness	Maximum Attainable	100.0%	95.3%	97.0%
BIST Corporate Governance Index Rating	G	Governance Performance	Increase	97.9%	97.5%	97.1%

## Environmental Metrics

In October 2021, Pegasus Airlines joined other leading global airlines to commit to the "2050 Net Zero Carbon Emissions" target set at the 77th Annual General Assembly of the International Air Transport Association (IATA). Under the motto "Fly Net Zero," we commit to reaching net zero carbon emissions by 2050.

In December 2021, we strengthened our 2050 net zero commitment by setting an interim carbon emissions intensity goal for 2030. With this target, we aim to decrease flight-related carbon emissions per unit per passenger kilometer (RPK) by 20% by 2030, compared to 2019.

As of October 2021, we started announcing our carbon emission data benchmarked against previous years as part of our monthly traffic data.

In 2019, our flight-related carbon emissions were 65.1 grCO<sub>2</sub>/RPK. Due to COVID-19-related restrictions, our seat capacity offered dropped significantly, and our performance deteriorated in 2020 (71.3 grCO<sub>2</sub>/RPK) and 2021 (71.0 grCO<sub>2</sub>/RPK). We built on the improvement in 2021, and achieved reductions in 2022, 2023 and 2024 bringing us to 58.3 grCO<sub>2</sub>/RPK in 2024, marking a 10.4% improvement from the 2019 baseline.

Our 2024 CDP Climate Change Report score was A- in 2024, repeating the strong performance in 2022 and in 2023. In 2023, we submitted our first-ever CDP Water report, receiving a score of C. Building on this foundation, we improved our performance in 2024, raising our score to a B. We remain among the highest-scored transportation entities in Türkiye and abroad and remain within our target of attaining Top 3 Level Score.

Waste management performance is well above our target. In 2024, in order to maximize the efficiency in the recycling/upcycling of wastes arising from the activities of our guests in the cabin, we have positioned a two-compartment garbage trolley on all our aircraft, which will

enable us to separate our wastes at the source, and which we can collect separately according to their types, by taking it beyond the regulatory expectations.

### **Social Metrics**

In the post-Covid-19 normalization period, we were able to increase the number of passengers carried and the destinations and countries served in 2022 and in 2023, compared to the previous two years. In 2024, total number of passengers exceeded 37 million passengers, representing the highest ever annual number of passengers.

As in previous years, SAFA performance was in line with the target in 2024.

The recovery from COVID-19 in 2022, reflected positively on female employment and turnover in critical roles in 2022 and in 2023, and this trend continued in 2024. Female employment metrics in various levels is monitored quarterly within the scope of our 2025 female employment commitment. In sourced successor readiness improved 1 pp in 2024.

On trainings, total training hours increased both in terms of flight and non-flight related trainings. The total number of subjects covered also increased in line with changes associated with operations.

Living up to our Digital Airline proposition we continued to implement digitalization initiatives that are explained in more detail in Section 3 of this Report. Through punctuality and customer metrics, ESG focus on Company Targets remained at 50%.

### **Governance Metrics**

We completed another year of efficient Board and overall governance performance. Board members' attendance to the Board & Committee meetings was strong. Board & Committee actions requested for the year were fully completed. We continued to increase our BIST Corporate Governance Index Rating to 97.9% and we remained the highest ranked aviation entity.

### **D- FINANCING SOURCES AND CAPITAL MARKETS INSTRUMENTS ISSUED BY PEGASUS**

We finance approximately 85% of the purchase price for the Boeing and Airbus aircraft acquired by way of financial lease through loans obtained from various banks. As of December 31, 2024, the outstanding balance of the total loans borrowed for the financing of 90 aircraft acquired by way of financial lease is ₺124,064,668,060.

Furthermore, as of December 31, 2024, together with our subsidiary, we had drawn ₺7,934,348,335 on cash loans and ₺1,391,002,578 on non-cash loans under credit lines with various Turkish and foreign banks. These credit lines are open-credit facilities that can be generally used for terms ranging from 12 to 24 months.

We issued debts in capital markets as a separate source of financing. Within the issuance limit of US\$750,000,000, approved by the Capital Markets Board by its decision dated April 1, 2021, and numbered 17/524, we concluded an issue of Eurobonds with a nominal value of US\$375,000,000 on April 30, 2021. The bonds carrying the ISIN XS2337336445 and US705567AA31 were issued for a term of 1,826 days and variable rate interest coupon payment in six-month arrears and will mature on April 30, 2026 ("2026 Eurobonds"). We concluded another issue of Eurobonds, within the issuance limit of US\$750,000,000, approved by the Capital Markets Board by its decision dated August 1, 2024 and numbered 41/1181, with a nominal value of US\$500,000,000 on September 11, 2024. The bonds carrying the ISIN

XS2897383043 and US705567AB14 were issued for a term of 2,556 days ad variable rate interest coupon payment in six-month arrears and will mature on September 11, 2031 (“**2031 Eurobonds**”).

A tender offer process was also carried out with the holders and owners of the 2026 Eurobonds in September 2024. The said tender offer process was completed and the purchase and settlement by our Company of 2026 Eurobonds with a total nominal value of USD 211,086,000 were concluded on September 13, 2024. Following the settlement of the notes that are purchased, the total nominal value of the outstanding 2026 Eurobonds was USD 163,914,000. The funds necessary for this purchase were financed by the proceeds of the 2031 Eurobonds that were issued and sold on September 11, 2024.

#### **E- MANAGEMENT BODY EVALUATION AS TO THE COMPANY'S PRESERVATION OF ITS PAID CAPITAL**

It is determined that as of December 31, 2024, our issued capital of ₺500,000,000 is maintained and we are not insolvent.

#### **F- MEASURES TO IMPROVE THE FINANCIAL STRUCTURE OF THE COMPANY, IF ANY**

As of December 31, 2024, the Company’s shareholders’ equity totaled ₺74,919,092,796.

#### **G- INFORMATION ON DIVIDEND DISTRIBUTION POLICY AND EXPLANATION ON THE USE OF PROFITS IF NOT USED TO PAY DIVIDENDS**

[Pegasus Dividend Policy](#), adopted by our shareholders, is published on our Investor Relations Website and comprises the following principles with which we adhere to in terms of dividend distributions:

- The main principles relating to the distribution of profit are laid out in Article 21 of our Articles of Association.
- In this framework, in the event there remains distributable profit following the deduction of previous years' losses from the net annual profit relating to a fiscal year, our shareholders have the authority to resolve on the distribution of profit, by taking into consideration our Company's targets and its financing requirements, in cash, in shares or a by using a combination of the two and the completion of distribution within the timeframe foreseen in the applicable law.
- The proposal for distribution of profit by our Board of Directors will be prepared in consideration of the above needs and will be submitted to the attention of our shareholders for discussion at the General Assembly. The Board of Directors must inform our shareholders at the General Assembly on how the profit will be used in the event there is no dividend distribution.
- Pegasus complies with the provisions of the Turkish Commercial Code No. 6102, the Capital Markets Law No. 6362 and the Corporate Governance Principles determined by the Capital Markets Board relating to the right to receive dividends and distribution of profit.

Pursuant to our accounts based on Turkish Financial Reporting Standards, the profit for the year 2024 realized as ₺13,285,437,677. The proposal of the Board of Directors regarding the use of profit for the year 2024 will be communicated to our shareholders prior to the Annual General Assembly Meeting relating to the year 2024.



The Company Articles of Association do not provide for any privileges in respect of profit distribution.

## **6- RISKS AND THE EVALUATION OF THE MANAGEMENT BODY**

### **A- INFORMATION ON THE RISK MANAGEMENT POLICY ADOPTED BY PEGASUS AIRLINES WITH RESPECT TO FORSEEABLE RISKS**

Our Board of Directors is responsible for protecting the long-term benefits of our Company through a rational and prudent risk management approach by performing optimum balance between risk, growth and returns.

The Committee on the Early Detection of Risks (Risk Committee) assists the Board with respect to the determination in advance, management and mitigation of the risks that may endanger the existence, development, and the future of Pegasus Airlines.

When performing its risk detection and management duties, the Committee cooperates with other Board Committees and the Company management. In this respect, the Committee works in cooperation with the Audit Committee with respect to risks inherent to financial reporting and internal control mechanisms, with the Corporate Governance Committee with respect to human resources related risks involving the Board and the senior management.

The main risks to which the Company is exposed, the relevant departments responsible for the scrutiny and management of these risks and the measurement tools and tolerance limits applicable to these risks are determined by the Risk Committee. Risk areas thus defined are regularly reviewed, re-evaluated and the mitigating actions implemented by Company management in response to these risks are periodically submitted for the review and evaluation of the Committee. The risk evaluation analysis reviewed by the Committee and recommendations by the Committee are communicated to the Board once every two months.

### **B- INFORMATION ON THE WORK AND REPORTING OF THE COMMITTEE ON THE EARLY DETECTION OF RISKS**

Committee on the Early Detection of Risks (Risk Committee) was established by the resolution of our Board of Directors dated August 17, 2013, and is composed of three members, including the Committee Chairperson. The Committee Charter is available on our Investor Relations Website. In 2024, David F. A. VISMANS, an independent Board member, acted as the Committee Chairperson while our independent Board member Agah UĞUR, non-executive Board member H. Zeynep Bodur OKYAY and Mustafa TERCAN served as members of the Committee. Pursuant to its Charter, the Committee convenes and adopts decisions by majority. The Committee convenes meetings at least four times a year. The timing of Committee meetings follows, to the extent possible, the schedule of the meetings of the Board of Directors by having a meeting ahead of each scheduled Board meeting. In case of urgency the Committee may convene for meetings at the request of the chairperson of the Committee or the chairperson of the Board of Directors. In 2024, the Committee held four meetings on March 20, May 28, September 16, and December 10.

The Committee performed duties determined in its Charter and in this respect, established the main principles and review processes with respect to the main risks determined on commercial, operational, financial, legal, IT, HR and sustainability that may endanger the existence, development and the future of Pegasus, and the implementation of necessary precautionary measures and the management of detected risks and periodically reports its findings to the Board of Directors. The Committee reported its works and its findings and

recommendations on risks faced by the Company to the Board of Directors once every two months in accordance with the provisions of Article 378 of the Turkish Commercial Code.

### **C- FORWARD LOOKING RISKS WITH RESPECT TO SALES, PROFITABILITY, REVENUE GENERATION, EFFICIENCY, DEBT/EQUITY RATIO AND SIMILAR EVENTS**

These have been evaluated as part of the above explanations.

## **7- OTHER MATTERS**

### **A- STAKEHOLDER INITIATIVES**

#### ***Overview***

In 2024, we implemented important initiatives aiming to create value for the investors, employees, customers, and the community. These initiatives include the following:

- We continued growth in our operations both in terms of fleet size, passengers carried, number of flights and destinations served across our network. We improved our services through enhancements and improvements explained in more detail in the relevant sections of this Report.
- Growth in operations is reflected in growth in number of total employees. We focused on improving the working conditions of our workforce. Key enablers were achieved through digitalization initiatives, flexible working hours and home office practices for relevant employees and training & development. Focused Company training, personal development and personal education programs were developed and implemented for a wide group of participants. Participation of all employees in Company management was actively supported through written company policies and management initiatives in the areas of career planning and development, performance management, improvement of workplace environment and development of creative/innovative business ideas. In 2024, we conducted a Company-wide employee experience survey.
- We carried out significant actions as part of our sustainability (ESG) work.

In Q1:

- With **YEK-G**, we certified that **5,041 MWh of electricity**, corresponding to our **2023 electricity consumption at our HQ and at our home base SAW**, is sourced from **renewable energy sources**. YEK-G refers to the block chain based renewable energy resource guarantee certification system developed by EPIAŞ, designed to track the entire energy process from production to consumption. We aim to continue renewable energy certification in the coming years, building upon our first initiative in this area through certification of 4,242 MWh of electricity in 2022.
- We carry-out our emission management work in line with the **Climate Transition Roadmap on our [Sustainability Hub](#)**. We achieved the **lowest level of emission intensity** to date, achieving unit carbon emissions of **58.2 grCO2/RPK**.
- We compiled our work on **Diversity, Equality & Inclusion** in 2023 in our **[2023 Harmony Report](#)** and published it on our Sustainability Hub. Volunteers from different business units continue to identify specific initiatives and targets and

implement them, with specific focuses on design, engagement and communication.

- Based on our independently appraised Corporate Governance Compliance Rating of 97.5%, we were awarded as the Company with the **3rd Highest Ranking in the BIST Corporate Governance Index at the XIV. Corporate Governance Awards** hosted by the Turkish Corporate Governance Association, TKYD.
- We are supporting the **Türkiye Sustainable Aviation Alliance**, initially launched by Boeing, Istanbul Technical University and THY in 2023. We are actively involved in the work of the Alliance 2024. The platform aims to adopt a multidisciplinary approach and cooperative perspective to **support decarbonization and sustainability transition of Turkish aviation** in the future, to facilitate collaborations and joint projects regarding sustainable aviation and to conduct training and increase awareness in this area.

In Q2:

- Pegasus Airlines [2023 Sustainability Report](#) was published on our Investor Relations Website. The report presents **our work on sustainability, our relationships with our stakeholders, our impact on important environmental, social and governance issues, and the value we create**. The content of the report is shaped in line with the core topics obtained from the materiality analysis we concluded with our stakeholders, the management of their impact and good practices.
- The report was **prepared in accordance with the Global Reporting Initiative (GRI) Standards**. In addition to our corporate goals, the report **discusses our approach to the UN Global Compact (UNGC), IATA 2050 Net Zero Target and the IATA 25by25 targets**. For the first time in our corporate history, the report **presents our business model, the capitals we use, the results we achieve, and our contribution to the United Nations Sustainable Development Goals, through the Integrated Reporting value model approach**.
- Following the description of our sustainability strategy and governance structure, the report includes information about **our safety and security-oriented business approach and our digitalization and innovation-oriented work**, each of which directly interact with our **sustainability strategy**. Later, our work reflecting our sustainability strategy is explained within the context of the three main pillars of sustainability statement: “Moving Towards a Sustainable Future”. In this context, our work on “Moving Towards a Cleaner Future”, “Moving Towards and Equal and Harmonious Future” and “Moving Towards a Better Future Together” are presented. Our report includes performance data from January 1, 2023 to December 31, 2023. In order to make the data comparable, performance for the last three years is included.

In Q3:

- We **received the 2024 Global Environmental Sustainability Airline/Airline Group of the Year Award at CAPA’s (Centre for Aviation) annual Environmental Sustainability Awards for Excellence**. This follows our

recognition at the regional (EMEA) level by CAPA in 2023. CAPA Aviation Sustainability Awards utilizes a range of independently sourced data and analysis, as well as a thorough evaluation process to recognize aviation leaders putting environmental sustainability at the forefront of their strategy.

- We carry-out our emission management work in line with the Climate Transition Roadmap published on our Sustainability Hub. In August 2024, we **achieved the lowest level of emission intensity to date at 57.1 grCO<sub>2</sub>/RPK**. Our unit emissions in the first nine-months of 2024 was 58.3 grCO<sub>2</sub>/RPK (significantly below the most recent annual reading of 61.3 for 2023FY).
- Our Diversity, Equality & Inclusion initiative “Harmony” received **bronze award at the International Stevie Awards for Great Employers on “Achievement in Diversity & Inclusion”**. As part of the 2024 Stevie Awards, we also received the **Gold Stevie for “Employer of the Year” in Aviation & Defense, Bronze Stevie for “Best Talent Acquisition Process” for our “GoYoung” program, and Bronze Stevie for “Achievement in Leadership Development” for our “GoYoung” program**.
- Our 2024 Corporate Governance Compliance Rating resulted in an **increased compliance score of 97.9%**. This marks **the highest compliance score in the aviation industry** and one of the highest overall scores across Borsa Istanbul.
- Our **“Zero Waste Now in the Skies”** project, launched in collaboration with Pendik Municipality, was **awarded in the ‘Partnership’ category at this year’s [11th Sustainable Business Awards](#)**. We are also proud to be the first airline in Türkiye to implement on-board waste segregation with specially designed vehicles that recycle cabin waste into recyclable and nonrecyclable categories.

In Q4:

- In 2024, we [reached](#) our **lowest annual emission intensity level with 58.3 grCO<sub>2</sub>/RPK** & reduced our emission intensity by **more than 10% compared to 2019**. We are progressing towards our 2030 target of reducing our unit emission intensity by 20% compared to 2019.
- We [participated](#) in the first large-scale procurement event for **CORSIA Phase 1 eligible emission units (EEUs)**, organized by IATA and supported by the Government of Guyana, Mercuria & Xpansiv. These are Jurisdictional REDD+ ART Trees credits, the only CORSIA EEUs available. These credits will help us meet our **CORSIA Phase 1 offsetting obligations** for the **2024-2026** period.
- Our [new aircraft order](#) with **Boeing for up to 200 aircraft**, the largest aircraft order in our history also **represents a significant step towards achieving our sustainability goals for 2050**. Powered by **CFM International LEAP-1B engines**, the **Boeing 737-10 stands out with 20% lower fuel consumption compared to previous-generation aircraft**.
- Our **Diversity, Equality & Inclusion** initiative «**Harmony**» contributed to better employee experience throughout 2024. We improved our employee engagement score in numerous areas including sustainable employee

engagement which is now above Türkiye and global industry norm levels for 2024.

- In 2024, we improved our independent assessment on sustainability performance. **For a fourth year** following 2020, 2022 and 2023, **we attained [Leadership Level Score \(A-\)](#) for our CDP Climate Change Reporting**. In 2024, we also published our **Water Security Report** as part of CDP, and in our second year, we improved our score to **Management (B)** level. As of the end of 2024, our **[LSEG ESG score](#)** was **80.7%**, giving us the **3rd highest ranking** among 129 passenger transport service companies.
- In 2024, we were also **[awarded](#)** the **Global Environmental Sustainability Airline/Airline Group of the Year Award** by CAPA, and maintained one of the highest overall ratings in BIST on Corporate Governance Compliance with a **[score](#)** of **97.9%**.

The foregoing efforts were recognized by several Turkish and international awards, ratings, and recognitions, including the following:

- Our CEO, Güliz ÖZTÜRK was awarded “Executive Leadership: Europe Award” in The Airline Strategy Awards, 50 Most Powerful Female CEOs in Ekonomist Magazine and Leadership Award in the Commercial Aviation Category in Aviation Week Network’s Laureate Awards in 2024.
- In 2024, we were awarded TIM 31<sup>st</sup> General Assembly and Export Champions Award.
- In CAPA Sustainability Awards 2024, we received Global Environmental Sustainability Airline of the Year Award.
- We received Collaboration Award for Zero Waste Now in the Skies Project in Sustainable Business Awards.
- We were awarded Digital and Innovative Airline of the Year Award in Bluesky Awards 2024.
- We received Future Travel Experience Airline Digital Transformation Power List EMEA 2024.
- We received the 50 Most Innovative Companies Award, the 50 Most Innovative HR Leaders, and the 50 Most Influential Technology Leaders Awards in Fast Company Awards.
- We received Gold Award in the category of Employer of the Year, Aerospace & Defense, three Bronze Awards in the categories of Achievement in Diversity and Inclusion, Best Talent Acquisition Process and Achievement in Leadership Development in Stevie Awards.
- We received two Gold Awards in the categories of Best Talent Management Strategy and Best Employee Engagement in Brandon Hall Group HCM Excellence Awards.
- We were received Gold Award in the category of Most Admired Transportation Company and Achievement Award for the GoYoung Young Talent Programme in the category of Most Admired Recruitment Program in Youth Awards.
- We were awarded Cyrstal Award for the “Bu Kadar Özlemeye Gerek Yok” film in the category of TV, Cinema & Online film, Cyrstal Award for the “Genç Olmak Lazım” radio spot in the category of Radio and Sound Special and Bronze Award for the “Dünyayı

Gezenler Bilir” radio spot in the category of Radio and Sound Sector in Crystal Apple Awards.

- In 2024, we received Silver Award in the category of Airlines Social Brand Data Analytics in Brandverse Awards 2024.
- In 2024, we received Gold Award for the “Bu Kadar Özlemeye Gerek Yok” campaign in the category of Transformative Marketing Strategy and Silver Award in the category of Creative Strategy in Felis Awards.
- In 2024, we attained Carbon Disclosure Reporting Project (CDP) Climate Change reporting score of A- and we were ranked among the highest-rated airlines for the fourth time following the same feat in 2020,2022 and 2023 fulfilling continuous CDP reporting of nine years. CDP is a voluntary platform focused on combat against climate change.
- In 2024, we increased our Turkish Capital Markets Board Corporate Governance Principles Compliance Rating to 97.9%, attaining one of the highest compliance scores in Türkiye and remaining the highest rated Turkish aviation stock in the index.

### ***Participation of Stakeholders in Company Management***

Pegasus believes that everybody has the right to fly, and in this respect, we value the opinion of and recommendations by all stakeholders in consideration of which we seek to introduce new practices that will improve our operations.

Through contact means provided in our corporate website ([www.flypgs.com](http://www.flypgs.com)) and Pegasus Call Center we are receiving and evaluating requests, questions and complaints from all stakeholders.

Pegasus encourages and incentivizes all employees to engage in business management processes. In this respect:

- Within the framework of Pegasus Ethical Behavior Guide, Pegasus undertakes to facilitate for all Employees easy access to their superiors and members of our senior management and actively implements this principle.
- Studies are carried out to improve all matters directly affecting our Company’s profitability and our work environments. Meeting minutes, progress reports and other relevant information and documents are regularly made available to all Employees through our corporate intranet portal.

### ***Human Resources Policy***

As Pegasus Airlines Human Resources, we aim to develop and implement fair, transparent, sensitive, and innovative human resources strategies for sustainable and constantly improving success in business.

Pegasus Airlines Human Resources strategy is to be the Company everyone would like to work for in the aviation industry.

To achieve our goals:

- We design all our practices based on the principle of diversity, equality, and inclusion (DEI).

- Considering the sectoral dynamics, we design and implement solution-oriented and innovative human resources practices in line with organizational requirements and our talent management strategy.
- We build and continuously improve our Human Resources processes with a focus on employee experience.
- By accurately and effectively determining workforce needs, we aim to manage the organization efficiently and plan the norm staff correctly through a job evaluation system based on the scope and the size of the work.
- We align all human resources systems and processes with our Company values, ensuring that employees' experiences during their time at Pegasus reflect these values. Our goal is continuous improvement, fostering a high-performance culture, and implementing reward systems that encourage high performance.
- In line with our employee development approach, we set and measure our goals using concrete and measurable performance indicators within our performance evaluation process. As part of our talent and reward management strategy, we incorporate performance evaluation results into our employees' compensation and career planning processes.
- We conduct employee engagement surveys and take improvement actions to ensure and sustain employee engagement.
- We design a fair, transparent and competitive compensation management policy based on a total cash approach. We believe the most distinguishing element of total cash is the performance-based premium.
- We collaborate to ensure sustainable and profitable growth, aligning our company's performance and rewarding systems.
- To contribute to our growth and development, we seek to bring high potential individuals who align with Pegasus values into our company.
- We implement talent management and succession planning processes to ensure organizational continuity.
- We track our employees' development, offer both horizontal and vertical career opportunities cross-functionally, and ensure that these opportunities are open to all employees.
- We implement innovative tools and platforms for employees to express their ideas and opinions. We listen to our employees and strive to understand their perspectives.

The organizational structure of our Company, as well as the performance and reward criteria, are communicated to our employees and made available on our corporate intranet portal and our document management system. The criteria for recruitment are also documented in writing.

As Pegasus Airlines, we are further making the following commitments to our Employees within the scope of the Pegasus Ethical Behavior Guide:

- Maintain honest, respectful, fair and trustful Behavior based on reason, conscience and common sense while performing all our activities,

- Establish open, collaborative and friendly relationships in every aspect,
- Uphold, protect and incentivize the protection of the values set out in the Pegasus Ethical Behavior Guide,
- Act in conformity with all applicable laws, rules and regulations,
- Act honestly and ethical in case of conflicts of interest between responsibilities towards Pegasus and personal interests,
- Provide full, accurate and comprehensible information in the reports and documents which are made public or sent to the registered regulatory bodies,
- Work to preserve a Company culture and a working environment that promotes the ethical principles set out in the Ethical Behavior Guide in order to achieve Company targets, provide safety and satisfaction to our guests.

### ***Ethical Rules and Social Responsibility***

Following the initial public offering of its shares in April 2013, we published our first set of ethical rules, the Pegasus Rules of Business Ethics on December 4, 2013. The document was later superseded on December 15, 2016, by the Pegasus Airlines Ethical Behavior Guide, which includes more comprehensive and explanatory rules of ethical behavior especially for our employees, has been adopted in the same date. Information on the [Pegasus Airlines Ethical Behavior Guide](#) is published on the Public Disclosure Platform and is available on our Investor Relations Website.

[Pegasus Airlines Corporate Social Responsibility Policy](#) was adopted by the decision of our Board of Directors dated November 20, 2013, and has subsequently been published on our Investor Relations Website and the Public Disclosure Platform November 22, 2013.

Pegasus Airlines Ethical Behavior Guide defines Rules of Ethical Behavior as honest, respectful, fair, and trustful behavior based on reason, conscience and common sense when interacting with Pegasus Airlines employees, guests, customers, suppliers and other persons and entities we work and interact with and sets this as the basis of all of its relations. Pegasus Airlines Ethical Behavior Guide covers all Pegasus Airlines employees, including all Pegasus Airlines Board members and employees and board members and employees of our subsidiaries. Pegasus Airlines Ethical Behavior Guide determines the framework of the system which is implemented for the responsibilities of both our Company and employees, the implementation of the rules and resolution of conflicts.

On the other hand, Pegasus Airlines Corporate Social Responsibility Policy determines the main values we care to address in our corporate social responsibility projects and our main goals as part of these projects within our strife to be a good corporate member of the society.

### **B- MATERIAL EVENTS TAKING PLACE AFTER PERIOD END THAT MAY AFFECT THE RIGHTS AND BENEFITS OF THE SHAREHOLDERS, CREDITORS AND OTHER RELATED PERSONS AND ENTITIES**

Members of the Board of Directors will be appointed at the Annual General Assembly Meeting to be held in 2025. In this context, the Capital Markets Board has informed us of its non-objection for the nomination of Ms. Ayşegül İLDENİZ and Mr. David F. A. VISMANS, currently serving as independent Board members, as independent Board member nominees for the new term. Mr. Agah UĞUR, currently serving as an independent Board member, has served as a Board member at our company since 29.08.2019. Due to the exhaustion of six-year tenure at the Board of Directors, we have requested Mr. Agah UĞUR to be exempted from the



maximum tenure independence criterion as per Article 6, Paragraph 5 of the Corporate Governance Communiqué, and our request was approved by the Capital Markets Board. Consequently, Ms. Ayşegül İLDENİZ, Mr. David F. A. VISMANS and Mr. Agah UĞUR will be nominated as independent Board members at the upcoming Annual General Assembly Meeting.

When assessing the nominees, our Corporate Governance Committee evaluated that despite Mr. Agah UĞUR exhausting his sixth year as a member of the Board of Directors in 2025, he continues to fulfill all the other independence criteria sought by the Communiqué, and that the exhaustion of the six-year term alone will not infringe his independency. The Committee also considered that the continuity of his role as the Chairperson of the Audit Committee, assumed on 30.03.2023, is an important necessity for a reliable reorganization of the Committee membership in the coming years.

Pursuant to its resolution dated 28.01.2025, our Board of Directors resolved on the filing of the necessary applications for increasing the Company's authorized capital ceiling of TL 500,000,000 valid for 2023-2027 to TL 2,500,000,000 to cover the period between 2025-2029 and the amendment of Article 6 of the Company's Articles of Association in this regard. The proposed amendments to the Articles of Association is provided as a separate attachment. The proposed amendments have been approved by the Capital Markets Board and the Ministry of Trade, and will be submitted for the approval of our shareholders at the Annual General Assembly Meeting to be held in 2025.

On December 28, 2023 that the shareholders of PFTC unanimously resolved at the General Assembly Meeting for the liquidation of the entity. Between 2010 and 2023, PFTC provided Boeing 737 simulator flight training services to our Company, in line with the training requirements arising from our fleet planning. As a result of the liquidation process, PFTC was de-registered from the trade registry as of February 27, 2025.

### **C- OTHER MATTERS AND ADDITIONAL INFORMATION THAT ARE NOT INCLUDED IN THE FINANCIAL STATEMENTS THAT MAY STILL BE HELPFUL FOR INTERESTED PARTIES**

The following annexes have been incorporated into this Report by reference:

- **Annex-1:** Pegasus Corporate Governance Compliance Statement for the year 2024
- **Annex-2:** Information on Duties Assumed Elsewhere by Pegasus Board Members in 2024
- **Annex-3:** Independency Statements of Pegasus Independent Board Members
- **Annex-4:** 2024 Financial Report Responsibility Statement
- **Annex-5:** Notes to 2024 Sustainability Compliance Report

## **ANNEX-1**

### **PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT FOR THE YEAR 2024**

Pegasus Airlines enjoys a rich corporate governance culture that is shaped by a welcoming approach and desire for continuous improvement.

We are proud of our heritage of good corporate governance practices, some of which date back to the launch of our low-cost scheduled flights business in 2005. These practices are backed by an independent Board of Directors with a global perspective on aviation, a strategy-driven, highly motivated, and successful management team, staff and an accountable and transparent shareholder and stakeholder communication.

Following the initial public offering of its shares in April 2013, we achieved full compliance with the mandatory Corporate Governance Principles published by the Turkish Capital Markets Board and substantially complied with the non-mandatory Corporate Governance Principles. We are the only member of the BIST Corporate Governance Index to have obtained a qualified corporate governance compliance rating within the same year of its initial public offering and we constantly improved our corporate governance compliance rating over the years.

In previous years, we published our Corporate Governance Compliance Reports as an annex to the Annual Report of the Board of Directors in the narrative form then prescribed by the Capital Markets Board. Since 2019, corporate governance compliance is reported through the Compliance Report Format (*URF*) and the Corporate Governance Information Document (*KYBF*) accessible through the Public Disclosure Platform (<https://www.kap.org.tr/en/sirket-bilgileri/ozet/1710-pegasus-hava-tasimaciligi-a-s>).

While certain information on shareholders, shareholder relations, board structure and functions, risk management and internal controls is provided in the relevant sections of the Annual Report, detailed information on corporate governance compliance is available in the Compliance Report Format and the Corporate Governance Information Document. We are committed to explaining our approach on each principle in the referred documents and not only on those principles which are not fully complied by us.

The Corporate Governance Principles determined by the Capital Markets Board comprise of 97 principles, 24 of which are mandatory principles for Pegasus, which is classified as a Group 1 Company in terms of the implementation of the Capital Markets Board Corporate Governance Communiqué No. II-17.1.

In 2024, we complied with the Corporate Governance Principles, subject to the following exceptions on certain voluntary matters. Deviations from recommended practices, reasons for such deviations, alternative measures being implemented, and an outlook for the year 2025 are presented for each of these principles in the Compliance Report Format (*URF*).

We will continue our efforts to further improve our corporate governance actions within the framework of the corporate governance principles published by the Capital Markets Board, including limited number of non-fully complied voluntary principles.

- 1.5.2 (No Compliance) – The Articles of Association extend the use of minority rights to those who own less than 1/20 of the outstanding shares and expand the scope of the minority rights.
- 3.3.5 (Partial Compliance) – Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.
- 3.3.8 (Partial Compliance) – The efficient recognition of freedom of association and collective bargaining rights is supported.
- 4.5.5 (Partial Compliance) – Board members serve in only one of the Board's committees.
- 4.6.5 (Partial Compliance) – Individual remuneration of board members and executives is disclosed in the annual report.

Pursuant to the amendments published in the Official Gazette dated October 2, 2020, and numbered 31262, *“requirements to announce if the company implements sustainability principles, to provide reasoned explanations if they are not, description of impact on environmental and social risk management due to partial or no compliance in the annual report”* was incorporated into the Communiqué. Our activities within the scope of the “Sustainability Principles Compliance Framework” adopted by the Turkish Capital Markets Board are reported in a consolidated manner as part of the Notes to 2024 Sustainability Compliance Report (see more information on this in **Annex-5**).

## **ANNEX-2**

### **PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ MEMBERS OF THE BOARD OF DIRECTORS DUTIES ASSUMED ELSEWHERE IN 2024**

The résumés and information on duties assumed elsewhere in 2024 for each Board member is provided in this Annex.

<b>Mehmet Tevfik NANE</b>	<b>Chairperson of the Board</b>	
<p>Mehmet T. Nane started his career in 1988. After holding positions in various business units at the Türkiye Emlak Bankası, Demirbank and Demir Invest until 1997, respectively; he held roles including Vice President of the Strategic Planning and Project Development department, Director of the Retail Group and General Secretary of Sabancı Holding within the Sabancı Group, which he joined in 1997, until 2005. He served as Vice-Chairperson of the Board of Teknosa between 2000 and 2005, CEO of Teknosa between 2005 and 2013 and CEO of CarrefourSA between 2013 and 2016. Mehmet T. Nane, who transferred to Pegasus Airlines in March 2016 and served as CEO for 6 years, continued his duty as Vice-Chairperson of the Board &amp; Managing Director of the company as between March 2022-March 2023. Mehmet T. Nane has been working as Chairperson of the Board of Directors of Pegasus Airlines as of 30 March 2023. Mehmet T. Nane graduated from Boğaziçi University, department of International Relations, in Istanbul, in 1990. In 1993, Mehmet T. Nane received a full scholarship for his graduate degree from the department of International Banking and Finance at Heriot Watt University in Scotland. He also completed the Harvard Business School Executive Management Program in 2013. Mehmet T. Nane has served as Chair of the Board of Governors and Chair Committee of the International Air Transport Association (IATA), Founding Chairperson of Asia Pacific Retailers Federation (FAPRA), Founding Chairperson of the Turkish Federation of Shopping Centers and Retailers (TAMPF), Food Retailers Association (GPD) and Chain Stores Association (ZMD), Board Member of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) Retail Council, Chairperson of the Board of the SEV Health and Education Foundation, and Chairperson of the Association of the Harvard Business School Turkish Alumni Association. He currently holds the following positions in various Non-Governmental Organisations; Member of the Chair Committee of the International Air Transport Association (IATA), Chairperson of the Board of the Turkish Private Aviation Enterprises Association (TÖSHİD), Vice President of Union of Chambers and Commodity Exchanges of Türkiye (TOBB) Civil Aviation Council, Vice President of Turkish Tourism Investors Association (TTYD), Member of the Board of Trustees and Board Member of the TOBB GS1 Türkiye Foundation, Member of the Board of Trustees of the SEV Health and Education Foundation and Member of the Board of Trustees, Board Member of the Boğaziçi University Foundation. Mehmet T. Nane is a Founding Member of the Yanındayız Association and Women in Technology Association (WTECH), and he joined the PWN Equality Ambassadors as a part of the Manifesto of Gender Equality Supporting CEOs by Professional Women Network (PWN) Istanbul.</p>		
<b><i>Duties Assumed Elsewhere in 2024</i></b>		
<b>1.</b>	Pegasus Uçuş Eğitim Merkezi A.Ş. in Liquidation	Chairperson
<b>2.</b>	Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Chairperson
<b>3.</b>	Flybondi Limited (U.K.)	Non-Executive Board Member

---

<b>Ali İsmail SABANCI</b>	<b>Non-Executive Board Member</b>
---------------------------	-----------------------------------

---

Ali İsmail SABANCI served as the Chairperson of our Board of Directors between January 2005 and March 2023 and continues to serve as a board member since March 2023. Ali Sabancı vice chairperson of Mars Sportif which are part of the Esas Private Equity portfolio. He also serves on the board of Esas Properties. Ali is one of the co-founders of Esas Social, which was established to facilitate sustainable social investment. He focuses on increasing awareness of entrepreneurship in Turkey. As the president of the Young Entrepreneurs Board in the Union of Chambers and Commodity Exchanges of Turkey (TOBB), he has led successful projects including Angel Investing Legislation, Global Entrepreneurship Congress, G3 Forum, Global Entrepreneurship Week and TIM Innovation Week - Born Global. He is also an angel investor in more than 25 start-up companies Ali is a member of the Turkish Family Business Association. In 2018 he was awarded the Légion d'Honneur by the French government for his contributions to economic relations between Türkiye and France. Ali Sabancı earned his M.B.A. degree with a major in International Finance from Columbia Business School and B.A. degree in Politics and Economics from Tufts University.

---

***Duties Assumed Elsewhere in 2024***

---

1.	Esas Holding A.Ş.	Chairperson
2.	VCSA Teknolojik Yatırımlar ve Danışmanlık Hiz. A.Ş.	Chairperson
3.	Esas Venture Capital Teknoloji Yatırımları A.Ş.	Chairperson
4.	Kiraz 1 Gayrimenkul ve Yat. Dan. A.Ş.	Chairperson
5.	Esas Aile Ofisi Yönetim Danışmanlık A.Ş.	Vice Chairperson
6.	Mars Sportif Tesisler İşletmeciliği A.Ş.(Group Company)	Vice Chairperson
7.	Mars Spor Kulübü ve Tesisler İş. A.Ş. (Group Company)	Vice Chairperson
8.	Esas Burda Turizm ve İnş. San. Tic. A.Ş. (Group Company)	Board Member
9.	Sosyal Ağlar Elektronik Ticaret A.Ş.	Board Member
10.	Beyoğlu Gazozu İçecek A.Ş.	Board Member

---

**M. Cem KOZLU**

**Non-Executive Board Member**

Mehmet Cem KOZLU served as an independent member of our Board of Directors between 2013 and 2020 and continues to serve as a non-executive member of our Board of Directors since April 2020. Cem KOZLU served as the chairperson of the board of directors and CEO at Türk Hava Yolları A.O. between 1988 and 1991 and in 1990 he also served as the chairperson of the Association of European Airlines. After having served as a member of the Turkish Parliament between 1991 and 1995, he took a second term as the chairperson of Turkish Airlines between 1997 and 2003. Cem KOZLU held several positions at The Coca-Cola Company between 1996 and 2006 where his last position was the president of the company's Central Europe, Eurasia and Middle East operations. He served as consultant to Coca-Cola Eurasia and Africa Group between 2007 - 2015. Cem KOZLU served as the chairperson of the International Airline Training Fund between 2008 and 2010 and continues to serve as member of board of directors or advisor in various companies. Cem KOZLU holds a bachelor's degree from Denison University and an MBA degree from Stanford University. He also holds a Ph.D. in administrative sciences from Boğaziçi University.

---

***Duties Assumed Elsewhere in 2024***

---

1.	Koç Holding A.Ş.	Independent Board Member
2.	DO & CO AG (Austria)	Supervisory Board Member
3.	Tüpraş A.Ş.	Independent Board Member

---

---

**H. Zeynep Bodur OKYAY****Non-Executive Board Member**

---

Zeynep Bodur OKYAY joined Pegasus Airlines as a non-executive member of the Board of Directors member on July 14, 2016 and served as an independent Board member between October 2016 – March 2022. Zeynep Bodur OKYAY continues to serve as a non-executive board member since March 2022. From 1992 to 1993, Zeynep Bodur Okyay served in various positions as a management trainee in the production units of Çanakkale Ceramic Factories in Çan, Çanakkale. In 1995, she was appointed as a Member and Chairman of the Executive Committee of Kale Group's Marketing Companies and has been serving as the President and CEO of Kale Group since 2007. Zeynep Bodur Okyay actively contributes to many non-governmental and international organizations by taking part in their management levels. Served as the President of the Assembly of the Istanbul Chamber of Industry for two consecutive terms between 2013 and 2022, Okyay currently serves as the Chairperson of the Board of Directors of the Global Relations Forum Association, Executive Committee Member of the Foreign Economic Relations Board (DEİK), Chairman of the Türkiye-Morocco Business Council at DEİK, Vice President of the Italian Chamber of Commerce Association, and member of Turkish Industry and Business Association (TÜSİAD), Impact Investing Advisory Board, Carnegie Europe Advisory Board, İstanbul Chamber of Industry, İstanbul Chamber of Industry Council and Professionals Committee, and chairperson of of the Council of Ceramics and Refractors at Turkish Union of Chambers and Commodity Exchanges (TOBB). Zeynep Bodur Okyay, who has been actively supporting the G20 processes since the 2015 Turkish Presidency, will continue to serve as Co-Chair of the B20 "Women Diversity Inclusion Action Council" during the Brazilian Presidency through 2024. Zeynep Bodur Okyay was awarded the "**Cavaliere di Lavoro**" decoration by the Italian State in 2006 for her contributions and services to Turkish-Italian relations and received the "**Ufficiale dell'Ordine al Merito della Repubblica Italiana**" high-level state decoration in 2014. In 2010, she was honored with the Franco Nobili Award within the scope of "Türkiye in Europe" for her contribution to the relations between Türkiye and the European Union countries. In the same year, Zeynep Bodur Okyay received the Distinguished Service Award from the Grand National Assembly of Türkiye. Also supported the establishment of a Turkish Chair at Harvard University through her work at the Harvard Alumni Association, of which she is one of the founders, Okyay leads many pioneering programs within Kale Group to contribute to Türkiye's education, design, art, local development, and social entrepreneurship ecosystem as Chairman of the Board of Trustees and Chairman of the Board of Directors of Dr. (h.c.) İbrahim Bodur Kaleseramik Education, Health, and Social Aid Foundation. Zeynep Bodur Okyay is fluent in Italian and English, having graduated from the Italian High School, Istanbul Technical University Department of Management Engineering, and Harvard University's graduate executive training programs, respectively. Zeynep Bodur Okyay is married to Osman Okyay, Vice Chairman of Kale Group, and has one child.

---

***Duties Assumed Elsewhere in 2024***

---

1.	H. İbrahim Bodur Holding A.Ş.	Executive Chairperson
2.	Kale Holding A.Ş.	Executive Chairperson
3.	Kaleseramik, Çanakkale Kalebodur Seramik Sanayi A.Ş.	Executive Chairperson
4.	Kalekim Kimyevi Maddeler Sanayi ve Ticaret A.Ş.	Executive Chairperson
5.	Bodur Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
6.	Bodur Menkul İş Geliştirme Sanayi ve Ticaret A.Ş.	Executive Chairperson
7.	Kale Sanayi Arazileri Geliştirme ve Yönetim A.Ş.	Executive Chairperson

8.	Mavruz Tarım A.Ş.	Chairperson
9.	Küçükçekmece Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
10.	Manavgat Sahil Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
11.	Manavgat Akdeniz Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
12.	Manavgat Adalar Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
13.	Anadolu Ataşehir Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
14.	Gaziemir Gayrimenkul Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
15.	Kalebodur Gayrimenkul Ticaret A.Ş.	Chairperson
16.	Klib Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
17.	Kloz Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
18.	KLZ Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
19.	KLB Gayrimenkul Geliştirme A.Ş.	Executive Chairperson

**Stephen M. GRIFFITHS**

**Non-Executive Board Member**

Stephen Mark GRIFFITHS joined Pegasus Airlines as a non-executive member of the Board of Directors on November 11, 2016, and served as an independent Board member between January 2017 – March 2023 and continued to serve as a non-executive member of the Board of Directors until August 2023. Since November 2022, Steve GRIFFITHS has been managing director of East Midlands Airport and Group Operational Transformation Director. Between October 2018 – June 2020, Steve GRIFFITHS acted as the Chief Operating Officer and between June 2020 – October 2022, he served as managing director for London Stansted Airport, both airports being part of the Manchester Airport Group. Between 2015 and 2017, Steve GRIFFITHS was the Chief Operating Officer of the London Underground. Between 1995 and 2013, Steve GRIFFITHS served in various positions at Virgin Atlantic Airways Limited. Between March 2009 and June 2013, Steve GRIFFITHS was the Chief Operating Officer of Virgin Atlantic, responsible for the safe, efficient and cost-effective delivery of the airline operations and customer service promise, with leadership responsibility for 6,500 employees in flight operations, engineering, airports, cargo, pilots, cabin crew, safety and security and customer experience. Prior to that, Steve GRIFFITHS served as director of engineering between 2007 and 2009 and undertook various senior engineering positions between 1995 and 2007. Between 1986 and 1995, Steve GRIFFITHS served as senior service engineer at Rolls Royce plc.

***Duties Assumed Elsewhere in 2024***

1.	East Midlands Airport, U.K.	Managing Director
----	-----------------------------	-------------------

**Agah UĞUR**

**Independent Board Member**

Agah UĞUR joined Pegasus Airlines as a non-executive member of the Board of Directors in August 2019 and serves as an independent member of Board of Directors since April 2020. Agah UĞUR worked in accountancy, consulting and banking firms in England and Türkiye before joining Borusan Group in 1989 as their CFO. He served as the Borusan Group CEO between 2001 and 2018. Agah UĞUR held and continues to hold several board and advisory board positions in NGOs. Currently, he is a member of TUSIAD's High Advisory Council,

member of the Board of Trustees of Sabancı University, and member of the advisory board of Columbia University Istanbul Global Center. Agah UĞUR holds a bachelor's degree in industrial engineering obtained from the University of Birmingham in the U.K. and qualified as chartered accountant in England in 1985.

---

***Duties Assumed Elsewhere in 2024***

---

1.	Doğan Şirketler Grubu Holding A.Ş.	Vice Chairperson
2.	Sabancı Üniversitesi	Member of the Board of Trustees
3.	Türk Sanayiciler ve İş İnsanları Derneği	Member of High Advisory Council
4.	Saha Derneği	Vice Chairperson
5.	Columbia Üniversitesi İstanbul Global Center	Member of Advisory Board
6.	Alcatel Lucent Teletaş Telekomünikasyon A.Ş.	Independent Board Member
7.	Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Independent Board Member
8.	Makine Takım Endüstrisi A.Ş.	Independent Board Member
9.	Coca Cola İçecek A.Ş.	Board Member

---

**David A. F. VISMANS**

**Independent Board Member**

David F. A. VISMANS joined Pegasus Airlines as a non-executive member of the Board of Directors in January 2022 and serves as an independent member of Board of Directors since March 2022. David VISMANS is a product development executive with an engineering and AI education, having 20 years of experience of leading and scaling global oriented digital products and product organizations on hyper-growth trajectory, in various industries: digital navigation, social networking, e-commerce and travel. Between 2015 and 2021, David VISMANS served as Chief Product Officer for Booking.com, having previously served as Front-End Division Director and Mobile Senior Product Owner between 2012 and 2015. Previously, David VISMANS served as Product Development Director for Telegraaf Media Nederland in 2012, Chief Technology Officer and Head of Development for Hyves, between 2009 and 2012, and Development and Software Manager for Tomtom, between 2004 and 2008. David VISMANS has a bachelor's and a master's degree in Artificial Intelligence from the University of Amsterdam. David VISMANS is a citizen and resident of Netherlands.

---

***Duties Assumed Elsewhere in 2024***

---

1.	Virtuo (France)	Supervisory Board Member
2.	ParkBee (Netherlands)	Supervisory Board Member
3.	OpenUp (Netherlands)	Advisory Board Member
4.	Bits of Stock (U.S.)	Advisory Board Member
5.	Balderton Capital (U.K.)	Executive in Residence
6.	Zenjob (Germany)	Advisory Board Member

---

**Ayşegül İLDENİZ**

**Independent Board Member**

Ayşegül İLDENİZ joined Pegasus Airlines as a non-executive member of the Board of Directors in September 2022 and serves as an independent member of Board of Directors since October 2022. Ayşegül İLDENİZ is a pioneer in innovation, technology transformation and future vision with working experience in the Silicon Valley and Türkiye. A graduate of Boğaziçi University with a bachelor's degree in Business Administration and holder of a master's degree on Electronic Communications Arts from San Francisco State University, California, she joined microprocessor giant Intel Corporation in 1998. Until 2016, she served as Türkiye Country General Manager, Regional President overseeing 67 countries including Türkiye, Middle East and Africa and European Board member, and finally as the Vice President for New Devices Group. In this role, she developed products regarding wearable



---

smart devices and IoT. In 2016, she was appointed as the Chief Operating Officer of Silver Spring Networks (SSNI), a publicly traded entity on the NYSE, serving half of the U.S. smart energy market with 26 million subscribers. In this role she implemented smart city programs in cities including Chicago, Singapore, Paris, Copenhagen and Dubai and she took part in the successful exit transaction at SSNI in 2018. She has board duties in various other companies in Türkiye and she also carries out consultancy work on entrepreneurship and mobility in the Silicon Valley. Ayşegül İLDENİZ is very active in social work and drives technological development, smart future, and innovation agenda in developing countries. In 2015, she was listed as one of the top 100 most creative people in business by Fast Company magazine. She was also awarded as the third most influential Turkish-American woman by Turks of America magazine. Other accolades include the “Tech Women of the Year” award by Dünya Magazine in 2004, the prestigious “Betül Mardin Leaders Shaping the Future Award” in 2016 presented by Turkish Public Relations Association, and an honorary appreciation award by Middle East Technical University Senate. Ayşegül İLDENİZ is a 2010 Eisenhower Türkiye Fellow. She currently serves as the Silicon Valley Network Chairperson at TUSIAD and as a board member for Turkish Philanthropy Funds.

---

***Duties Assumed Elsewhere in 2024***

---

<b>1.</b>	Doğan Şirketler Grubu Holding A.Ş.	Independent Board Member
<b>2.</b>	Vestel Elektronik Sanayi ve Ticaret A.Ş.	Independent Board Member
<b>3.</b>	Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Independent Board Member
<b>4.</b>	Zorlu Holding A.Ş.	Board Member

## ANNEX-3

### PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ INDEPENDENT BOARD MEMBERS' INDEPENDENCE STATEMENTS FOR 2024

To the attention of the Board of Directors and the Corporate Governance Committee of Pegasus Hava Taşımacılığı A.Ş.,

**Re : Statement of Independence relating to Corporate Governance Principles**

In relation to my nomination as an independent director of Pegasus Hava Taşımacılığı A.Ş. (the "**Company**"), I hereby declare that I fulfill the independency criteria set out in the below paragraph no. 4.3.6 of the corporate governance principles determined by the Capital Markets Board of Türkiye as part of the Corporate Governance Communiqué No. II-17.1 (the "**Communiqué**") that entered into force upon publication in the Official Gazette dated January 3, 2014 and numbered 28871.

**4.3.6** A director fulfilling all of the following criteria qualifies as an "independent director".

- (a) No employment in a management position undertaking important duties and responsibilities, equity<sup>(1)</sup> or an important commercial relationship<sup>(2)</sup> should have taken place between the independent director, his/her spouse or his/her relatives up to and including second degree on one side and the public company, other companies controlled<sup>(3)</sup> or materially influenced<sup>(4)</sup> by the public company, shareholders having management control or material influence over the public company and other companies where such shareholders enjoy management control, at any time during the past 5 years;
- (b) The independent director should not have been a shareholder (with 5% stake or more), a manager undertaking important duties and responsibilities or a member of the board of directors in any entity providing or procuring products or services to/from the public company of an important scale at any time during the past 5 years, during the time such products or services were provided or procured by the public company, most notably the audit (including tax audit, statutory audit, internal audit), rating and consultancy services provided to the public company;
- (c) The independent director must have acquired the vocational education, knowledge and experience necessary to duly perform the duties he/she is to undertake in this position,
- (d) The independent director should not be working full time in a governmental entity or institution after his/her appointment, unless he/she is a professor at the university who is allowed to act as an independent director according to the applicable legislation,
- (e) The independent director should be residing in Türkiye<sup>(5)</sup> according to the Income Tax Law No. 193 dated December 31, 1960;<sup>(6)</sup>
- (f) The independent director should have strong ethical standards, professional reputation and experience allowing him/her to make positive contributions to the company's activities, keep his/her independence regarding any conflict of interest between the company's shareholders, and decide freely taking the rights of stakeholders into consideration;
- (g) The independent director should be in a position to spend sufficient time for the company matters enabling him/her to follow-up on the activities of the company and fully perform his/her duties as an independent director;
- (h) The independent director should not have served as a member of the public company's Board of Directors for more than 6 years during the past 10 years;
- (i) The independent director should not be serving as an independent director at more than three companies under the same management control or at more than five publicly traded companies; and
- (j) The independent director should not be registered as a representative for a legal entity appointed as member of the Board of Directors.

*Respectfully yours,*

*Agah UĞUR*  
*Independent Board Member*

*David F. A. VISMANS*  
*Independent Board Member*

*Ayşegül İLDENİZ*  
*Independent Board Member*

<sup>(1)</sup> Equity relationship covers instances where more than 5% of the capital, voting rights or the total number of privileged shares are owned, alone or together with others listed in this sub-paragraph.

<sup>(2)</sup> Commercial relationship will be deemed important if the revenue or earning before tax derived from the transaction by either party represents 20% or more of its/his/her revenue or earning before tax from the same type of transactions.

<sup>(3)</sup> (Management) Control will be determined based on Turkish Financial Reporting Standard 10 Consolidated Financial Statements.

<sup>(4)</sup> Material Influence will be determined based on Turkish Accounting Standard 28 Investments in Associates and Joint Ventures.

<sup>(5)</sup> Individuals are considered residents in Türkiye, if (i) they are domiciled in Türkiye in accordance with the Turkish Civil Code No. 4721, or (ii) they stay in Türkiye for more than 6 months in a calendar year.

<sup>(6)</sup> Pursuant to Article 5 Paragraph 6 of the Communiqué it is sufficient for at least half of the independent directors to fulfill this criterion.

## **ANNEX-4**

### **RESPONSIBILITY STATEMENT AS PER ARTICLE 9 OF THE COMMUNIQUÉ NO. II-14.1 OF THE CAPITAL MARKETS BOARD**

The audited consolidated financial statements and the annual activity report of the Board of Directors for the period between January 1, 2024 and December 31, 2024, prepared in accordance with the Capital Markets Board Communiqué No: II-14.1 and approved by the Board of Directors by its decision dated March 4, 2025 and numbered 832 have been provided in the annex hereto.

We hereby inform you that the Consolidated Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity, together with the notes thereto, the Annual Activity Report, the Corporate Governance Compliance Statement annexed thereto and the Corporate Governance Compliance Report (KYR) and the Corporate Governance Information Form (KYBF) referred to in the statement, prepared in accordance with the Capital Markets Board decision dated January 10, 2019 and numbered 2/49, in accordance with the regulations of the Capital Markets Board:

- a) Have been reviewed by us;
- b) Based on the information available to us as a result of our duty at the Company, do not contain any incorrect disclosure on material issues or any insufficiencies that may be misleading as of the date the disclosure is made;
- c) Based on the information available to us as a result of our duty at the Company, the financial statements prepared in accordance with the applicable financial reporting standards and based on the principle of consolidation, reflect fairly on the Company's assets, liabilities, financial standing and profit/loss for the relevant period, and the activity report, again based on the principle of consolidation, reflect fairly on the development of the business, performance and the important risks and uncertainties faced by the Company;

and we hereby declare our responsibility for this statement.

Respectfully yours,

**Agah UĞUR**  
Chairperson of the Audit  
Committee and Independent  
Board Member

**Ayşegül İLDENİZ**  
Audit Committee and  
Independent Board  
Member

**M. Barbaros KUBATOĞLU**  
CFO

## **ANNEX-5**

### **PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ NOTES TO 2024 SUSTAINABILITY COMPLIANCE REPORT**

By its decision dated June 23, 2022 and numbered 34/977, Turkish Capital Markets Board requires publicly traded companies to report on their work regarding the Capital Markets Board's "Sustainability Principles Compliance Framework" based on the Sustainability Reporting Template published by the Capital Markets Board. Our Sustainability Compliance Report for the year 2024 is prepared and published in the format requested by the Capital Markets Board. All other information previously included in our 2021, 2022 and 2023 Corporate Reports and 2023 Sustainability Report is provided in this section and is cross-referenced to the 2024 Sustainability Compliance Report.

**A.** In 2024, the publication of our 2023 Sustainability Report was a major milestone in our sustainability reporting. We prepared our 2023 Sustainability Report in accordance with Global Reporting Initiative (GRI) Standards. 2023 Sustainability Report presents our business model, the capitals we utilize, the results we achieve, and our contribution to the United Nations Sustainable Development Goals, through the Integrated Reporting value model approach. Our reporting framework will be further developed in 2025, through compliance with the Turkish Sustainability Reporting Standards 1 & 2 Disclosures, subject to independent review as per the requirements of the Turkish Public Oversight, Accounting and Auditing Standards Authority. **GENERAL PRINCIPLES**

#### **A1. Strategy, Policy and Targets**

**A1.1. The Board of Directors has determined priority ESG items, risks and opportunities. The Board of Directors has adopted and disclosed ESG policies (e.g., Environment Policy, Energy Policy, Human Rights and Employee Policy).**

All our ESG efforts are carried out based on the Pegasus Airlines Corporate Sustainability Policy adopted by the Board of Directors.

---

#### **PEGASUS AIRLINES CORPORATE SUSTAINABILITY POLICY**

As Pegasus Airlines, we are committed:

- to identify our environmental, social and governance sustainability goals in relation to our operations,
- to identify organizational responsibilities necessary to implement processes with a view to achieve these goals,
- to continuously improve our sustainability compliance framework by raising stakeholder awareness on corporate sustainability.

In carrying out our commitment, we will be cognizant of the applicable national and international standards, regulations and our corporate undertakings.

---

Various other Policies have been adopted that support our sustainability (ESG) framework, including the following:

- Corporate Social Responsibility Policy

- Donations and Charitable Contributions Policy
- Information Policy
- Anti-Bribery and Anti-Corruption Policy
- Policy on Representation in the Board of Directors
- Compensation and Indemnification Policy
- Dividend Policy
- Share Buyback Policy
- Ethical Behavior Guide
- Environmental Policy
- Quality Policy
- Safety Policy
- Occupational Health and Safety Policy
- Information Security Policy
- Privacy Policy
- Human Resources Policy
- Compensation Management Policy

We are designing our ESG framework in line with our Corporate Sustainability Policy and the following standards:

**ENVIRONMENTAL:**

- ISO 14001:2015 Environment Management System
- Carbon Disclosure Project (“**CDP**”)
- Global Reporting Initiative (“**GRI**”) Reporting Standards
- International Civil Aviation Organization – ICAO Carbon Offsetting and Reduction Scheme for International Aviation (“**CORSIA**”)
- National flights emission measurement, verification and reporting scheme SHT-CORSIA published by the Turkish General Directorate of Civil Aviation (“**TDGCA**”)
- European Union Emissions Trading System (“**EU ETS**”)
- United Kingdom Emission Trading System (“**UK ETS**”)

**SOCIAL:**

- ISO 9001:2015 Quality Management System
- ISO 27001:2017 Information Security Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- TDGCA Air Operator’s Certificate

- EASA TCO (Third Country Operator License)
- International Air Transport Association (“IATA”) IOSA (Operational Safety Audit)
- SHY-145/JAR-145/SHY-147/SHY-M Approved Maintenance Organization, Approved Maintenance Training and Examination Organization, Maintenance Authorizations
- TDGCA TRTO (Type Rating Training Organization) Authorizations
- Other TDGCA Training Authorizations

#### **CORPORATE GOVERNANCE:**

- BIST Corporate Governance Index
- BIST Sustainability Index
- BIST Sustainability 25 Index

#### **A1.2. Short and long-term targets determined in line with ESG policies have been publicly disclosed.**

We are among the world’s leading airlines to join IATA’s 2050 Net Zero Target.

We strengthened our 2050 net zero commitment by setting an interim carbon emissions intensity goal for 2030. With this target, we aim to decrease flight-related carbon emissions per unit passenger km (RPK) by 20% by 2030, compared to 2019. In 2023, we published our Climate Transition Roadmap on our [Sustainability Hub](#). We published our [2023 Sustainability Report](#), prepared in accordance with GRI Standards, which presents our business model, the capitals we use, the results we achieve, and developments related to our sustainability strategy.

We are one of the first airlines in the world to join IATA's "25by2025" initiative, a voluntary campaign for IATA member airlines to improve female representation in the industry by 25%, or up to a minimum of 25% by 2025. We revised our "Policy on Representation in the Board of Directors" in 2019 as a solid commitment to the campaign, stating there would be a minimum female representation of 25% on the Board of Directors by 2025. The target set for the Board of Directors was achieved in September 2022.

#### **A2. Implementation/Monitoring**

##### **A2.1. Committees and/or units responsible for implementing ESG policies, and persons with highest level authority on ESG matters and their duties have been determined and publicly disclosed. Responsible committee and/or unit reported on activities carried out in line with the policies to the Board of Directors at least once during the year.**

In February 2022, we established a dedicated Sustainability Office responsible for implementing our sustainability policy and our strategic sustainability targets. Our Sustainability Office is also responsible for coordinating and reporting on company-wide sustainability and ESG efforts. Our Sustainability Director (who also undertakes the role of Company General Counsel) reports directly to our CEO.

In 2024, our Environmental Compliance function was merged into our Sustainability Office, under the new structure of Sustainability & Environment, consolidating the work on sustainability and environmental compliance under a single governance structure.

We also formed a Sustainability Working Group to facilitate communication among relevant business units. Our team members are interested in sustainability, and they voluntarily support our sustainability efforts. The Sustainability Working Group is further divided into Focus Groups carrying out specific projects within their areas of expertise. An additional working platform is established to coordinate communication efforts on sustainability (ESG) actions both within and outside the Company.

A Sustainability Steering Committee has also been formed to bring together senior management representatives and the Sustainability Director to evaluate our long-term targets and to plan and monitor the progress of work on sustainability and ESG.

The Sustainability Director is responsible for facilitating communication between the Steering Committee and the Working Group and reporting their work directly to Pegasus Airlines' CEO.

We engage outside expertise through consultancy when necessary.

The work carried out by these functions is then passed to the Corporate Governance Committee every quarter and reported to the Board of Directors on a regular basis.

Our Corporate Sustainability Policy, opportunities and risk framework, strategic targets, key performance indicators and reporting structure are determined by the CEO, the Corporate Governance Committee, or the Board of Directors according to the governance matrix set out in our corporate procedures.

In 2022, our three-year sustainability (ESG) roadmap was presented to and was endorsed by the Board of Directors. Also in 2022, we developed a risk & opportunity framework under the auspices of the Corporate Governance Committee and incorporated ESG-related risks in our corporate risk ledger, subject to periodic review by the Risk Committee. Committee review takes place quarterly. Board review takes place annually and Board reporting is carried out in two concurrent levels, on a monthly and quarterly basis.

## **A2.2. Implementation and action plans have been developed and publicly disclosed in accordance with ESG targets.**

In 2022, sustainability (ESG) was integrated into our main strategic roadmap by our Board of Directors. The framework endorsed by the Board of Directors identifies 24 specific initiatives targeted for completion between 2022 and 2025.

In 2022, we launched our [Sustainability Hub](#) on our website flypgs.com. This section is dedicated to our sustainability efforts. It is meant to provide clear and accessible information on why sustainability is important to us and our relevant actions for anyone who is interested.

In 2023, We published our [Sustainability Compliance Framework](#). Through new collaborations we aim to initiate under this framework, we aim to multiply the positive impact of the value we create, acting together with our value chain.

In 2024, we compiled our work on Diversity, Equality & Inclusion in our [2023 Harmony Report](#) and published it on our Sustainability Hub. Volunteers from different business units continue to identify specific initiatives and targets and implement them, with specific focus on design, engagement and communication.

In 2024, we published [Pegasus Airlines 2023 Sustainability Report](#) on our Investor Relations Website which presents our work on sustainability, our relationships with our stakeholders,

our impact on important environmental, social and governance issues, and the value we create.

**A2.3. ESG Key Performance Indicators (KPIs) and annual progress on these KPIs have been publicly disclosed.**

Since 2021, we have been disclosing our main ESG KPIs as part of our Annual Reports. Changes and trends are analyzed in the management’s discussion & analysis section. As of 2024, we disclose our sustainability goals, annual progress, developments, innovations and efforts through the Sustainability Report in line with the standards we comply with.

Key reference documents for our ESG KPIs are as follows:

- Our Annual Reports (MD&A on Operational, Financial and Non-Financial Performance)
- Our Harmony Reports
- Our Sustainability Reports,

In specific contexts, the following reports will also contain information on action plans and developments:

- BIST Corporate Governance Rating Reports
- UN Global Compact Communications on Progress
- Our CDP Reports
- Our Quarterly Investor Presentations
- Our Monthly Traffic Data
- Corporate Governance Compliance Form (URF) and Corporate Governance Information Form (KYBF)

Our Corporate Governance Compliance Form (URF) and Corporate Governance Information Form (KYBF) is accessible through the [Public Disclosure Platform](#). All other sources are available on our [Investor Relations Website](#).

**A2.4. Actions to improve sustainability performance of work processes or products and services have been publicly disclosed.**

We report on improvements in the sustainability performance of our work processes and products and services, in addition to the disclosure of ESG KPIs in our Annual Reports, corporate presentations on performance and through specific disclosures.

In addition to the sources listed in response to A2.3, the following channels are used to communicate information on specific initiatives:

- [Pegasus Airlines Sustainability Hub](#)
- [Communication on June 14 “Moving Towards A Sustainable Future”](#)
- [Pegasus Airlines Press Room](#)
  - [Press Release, CAPA Global Environmental Sustainability Airline of the Year Award 2024](#)
  - [Press Release, Zero Waste Now in the Skies project](#)

**A3. Reporting**



**A3.1. Sustainability performance, targets and actions have been reported and publicly disclosed as part of the annual activity report in a direct, accurate and concise manner.**

Please refer to explanations in A2.2, A2.3 and A2.4 above. All information is provided accurately in a clear and concise manner.

**A3.2. Information on how activities relate to the United Nations (UN) 2030 Sustainable Development Goals have been publicly disclosed.**

Our Annual Reports and Sustainability Report provide a conceptual framework identifying the UN Sustainable Development Goals we contribute to and how we aim to do that.

**A3.3. Adverse litigation on ESG matters filed and/or finalized or otherwise material for ESG policies and/or with a potential to materially impact business have been publicly disclosed.**

There is no material litigation falling within the scope of this reporting item. General information on files and/or finalized lawsuits are provided in Sections 4F and 4H of our Annual Report.

**A4. Verification**

**A4.1. ESG KPI calculations have been verified by independent third parties and this information has been publicly disclosed.**

We give importance to the verification, performance measuring and rating for our ESG efforts by independent third parties. Our proficiencies for our activities (TDGCA, EASA, IATA, ISO, etc.), verification and rating of our activities (CDP, LSEG ESG, CORSIA and Corporate Governance Compliance Rating, etc.) are disclosed on our Investor Relations Website.

As part of the sustainability linked loan financing secured for 10 Airbus 321neo aircraft, our sustainability KPIs were verified by a second party opinion provided by an independent ESG ratings and analytics agency as to their alignment with sustainable finance principles.

**B. ENVIRONMENTAL PRINCIPLES**

**B1. The Company has disclosed its policies and practices regarding environmental management, its environmental management systems (ISO 14001) and programs.**

We are committed to constantly improving our system by realizing environmental targets, enhancing environmental performance, prevention of pollution and protecting the environment, complying with applicable laws and all applicable standards, creating sustainable environmental awareness in our passenger and cargo air transportation activities.

Our environmental targets and deliverables are set out in the Pegasus Airlines Sustainability Hub and our environmental reporting under sustainability report, CDP, LSEG ESG and UN Global Compact CoP.

**B2. Scope, reporting period, reporting date, and reporting limitations have been disclosed in relation to environment reports prepared to deliver information on environment management.**

Our ISO 14001 Environmental Management System geographically covers our headquarters located in Pendik, Istanbul and our facilities at Istanbul Sabiha Gökçen, Izmir Adnan Menderes and Antalya Airports. The scope and conditions relating to our CDP greenhouse gas inventory and water consumption monitoring and reporting is provided in our CDP reports. Our emission

data, verified in accordance with ISO 14064-1, has been comprehensively documented to encompass all our operational regions and activities.

**B3. Senior responsible, high-level committees and their responsibilities relating to environment and climate change are disclosed.**

See explanations for Item A2.1 above.

**B4. Environmental targets included in rewarding criteria for performance incentive schemes for stakeholders (e.g., Board members, management and employees) have been publicly disclosed.**

There are various environmental target-related performance incentives applicable to certain members of senior management as well as employees from different departments.

In 2022, we launched a brand-new employee recommendation system “FLYDEA”, whereby employees are encouraged to submit innovative ideas on improving our business. Ideas are welcomed in eight categories, one of them being Sustainability, Environment & OHS. Ideas are evaluated by a tiered review system, voted by employees and selected ideas are scheduled for implementation while those submitting the ideas are rewarded.

Environmental target assessments and process briefings, including those involving senior management, are established and executed, and are provided in detail in our CDP reporting.

**B5. The manner by which material environmental issues are integrated into business targets and strategy has been publicly disclosed.**

Since 2021, we have been disclosing our main ESG KPIs as part of our Annual Reports. Changes and trends are analyzed in the management’s discussion & analysis section. In 2022, 2023 and 2024, we supplemented this set of data with additional ESG KPIs and a presentation of lean & efficient operations with environmental impact. With the publication of our 2023 Sustainability Report, we have begun disclosing this data set along with the environmental issues we are assessing in alignment with our business strategy and objectives. ESG performance is presented to investors as part of our quarterly results presentation. Furthermore, our Sustainability Hub provides a clear description of how we view sustainability and integrate sustainability into our business model. Our CDP Climate Change report explains how identified climate-related risks and impacts are analyzed and addressed. See explanations under the relevant heading of our Annual Report 2024 for detailed information.

**B6. Sustainability performance relating to business processes or products and services and performance-enhancing actions are disclosed.**

See explanations for Item A2.4 above.

**B7. The way environmental issues are managed and are integrated into business targets and strategy, in a way that covers operations and suppliers and customers across the value chain, has been publicly disclosed.**

As part of our Corporate Sustainability Policy, we are committed to continuously improve our sustainability compliance framework by raising stakeholder awareness on corporate sustainability. In 2023, we published the [Sustainability Compliance Framework](#), which was implemented throughout 2024. We have plans and works in place to strengthen and infuse our sustainability initiatives across our value chain. Through new collaborations we aim to

initiate under this framework, we aim to multiply the positive impact of the value we create, acting together with our value chain. We aim to implement these measures in the next years.

**B8. The Company has publicly disclosed if it participates in policy development with relevant institutions and non-government organizations and cooperation areas with these institutions.**

Exploring partnerships with stakeholders and non-governmental organizations is part of our sustainability (ESG) strategy. In 2024, we have been involved in policy work with ministries and other regulatory authorities, aviation stakeholders, non-governmental organizations (NGOs), universities and private enterprises within and outside of the aviation industry.

We are actively involved in policy-making, regulatory feedback, cooperating with relevant organizations and NGOs for environmental matters as part of national and international sectoral entities where we serve in management or advisory councils such as International Air Transport Association (“IATA”) and Turkish Private Sector Aviation Enterprises Association (“TÖSHİD”) and in direct contact with TDGCA in respect of national regulatory work such as the establishment of a national aviation emission monitoring, reporting, verification system infrastructure and a national regulation on sustainable aviation fuels. We are supporting the **Türkiye Sustainable Aviation Alliance**, and are actively involved in its work in 2024. The platform aims to foster collaboration and support the decarbonization and sustainability transition of Turkish aviation through joint projects, training, and increased awareness.

Our Chairperson of the Board of Directors (Managing Director) Mehmet T. NANE served as the Chair of the IATA Board of Governors. Mehmet T. NANE became IATA’s first Turkish Chair and also the first IATA Chair appointed from a low-cost carrier IATA member. Mr. NANE is also the President of TÖSHİD. Our CEO Güliz ÖZTÜRK is currently acting as the Vice-Chairperson of the Board of Directors of Global Compact Signatories Association in Türkiye, which is the official Turkish Local Network of UN Global Compact.

In 2024, among other platforms we were involved in:

- Member of IATA Environment & Sustainability Partners Working Group.
- Member of AACO Environmental Policy Group.
- Member of TÖSHİD Sustainability Working Group.
- Sector representation on Climate Change and Environment Panels organized by the Turkish Ministry of Infrastructure and Transport, Turkish Ministry of Energy and Natural Resources and Turkish Ministry of Environment, Climate Change and Urbanization.
- Member of Türkiye Sustainable Aviation Alliance

**B9. Information on environmental impact has been publicly disclosed in comparable format with previous term, in light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impact).**

Environmental impact information with targets and comparable with previous performance is mainly provided in our Sustainability Report and CDP reports but are also communicated through different regular and specific reports.

**B10. Standards, protocols, methodologies and base year details used to collect and calculate data have been publicly disclosed.**

Applicable standards, protocols, methodologies and base year details are provided in our reporting under Sustainability Report, CDP and CORSIA.

**B11. Increase or decrease in the levels of environmental indicators for the reporting year is publicly disclosed.**

Details on indicators compared against previous years are covered in our reporting under Annual Reporting of main ESG KPIs, our reporting under Sustainability Report, CDP and UN Global Compact, our monthly traffic results and specific initiative presentations.

**B12. Short and long-term targets have been developed to reduce environmental impact, progress on these targets with information on targets from previous years have been publicly disclosed.**

We disclose our short and long-term targets on environmental impact on our Sustainability Hub and in our reporting under Annual Reporting of main ESG KPIs, Sustainability Report, CDP and UN Global Compact. We also provide progress information in our monthly traffic results and specific initiative presentations.

**B13. Climate action strategy has been developed and planned actions have been publicly disclosed.**

In 2021, we were among the leading airlines in the world to join the “2050 Net Zero Carbon Emissions” target adopted at the 77th Annual General Assembly of International Air Transport Association (IATA). Also in 2021, we further strengthened this commitment by setting our interim carbon emissions target for 2030. Accordingly, we are aiming to reduce flight related carbon emissions per unit passenger kilometer (RPK) by 20% by 2030, compared to 2019. As of October 2021, we started disclosing our carbon emission data benchmarked against past years as part of our monthly traffic reports. In 2023, we published our Climate Transition Roadmap on our [Sustainability Hub](#). In 2024, through our Sustainability Report, we outlined the roadmap for our 2050 Net Zero target, including our assumptions, risk and opportunity assessments, and detailed information on the strategies we plan to implement to achieve it.

**B14. Programs and policies to prevent or minimize potential negative environmental impact of products and/or services have been developed and have been publicly disclosed. Actions were implemented to reduce greenhouse gas emissions of third parties (e.g., supplier, dealer) and these actions have been publicly disclosed.**

We disclose such content as part of our Annual Reports and through specific initiative presentations.

As part of our Corporate Sustainability Policy, we are committed to continuously improve our sustainability compliance framework by raising stakeholder awareness on corporate sustainability. We have plans and works in place to strengthen and infuse our sustainability initiatives across our value chain. In 2023, we [published](#) our [Sustainability Compliance Framework](#), which was implemented throughout 2024. Through new collaborations we aim to initiate under this framework, we aim to multiply the positive impact of the value we create, acting together with our value chain. In addition, our CDP reports disclose information on how the environmental impact of the product/service scope is assessed and the relevant studies are carried out. Our Sustainability Report outlines how we conduct impact analysis regarding

our environmental footprint, our emission reduction methods, the strategies and goals in environmental area, and the impact of the projects we have implemented.

**B15. Environmental benefit/gains and cost savings derived from initiatives and projects aiming to reduce environmental impact have been publicly disclosed.**

We disclose such content as part of our reporting under Sustainability Report, CDP and through specific initiative presentations.

**B16. Energy consumption (natural gas, gas oil, LPG, coal, electric, heating, cooling, etc.) data have been publicly disclosed as Scope-1 and Scope-2 emissions.**

This information is covered in our reporting under Sustainability Report and CDP.

**B17. Information on electricity, heating, vapor and cooling generation within the reporting year has been publicly disclosed.**

This information is covered in our reporting under CDP.

**B18. Actions on the increase in renewable energy use and transitioning into zero or low carbon electricity have been developed and these have been publicly disclosed.**

As part of our sustainability strategy, we started increasing the use of renewable energy in our operations. In 2023, with I-REC, we certified that 4,242 MWh of electricity, corresponding to our 2022 electricity consumption at our HQ and at our home base Istanbul Sabiha Gökçen Airport, is sourced from renewable energy sources. In 2024, we procured our 2023 electricity consumption covering our HQ and at our home base Istanbul Sabiha Gökçen Airport, which is 5,041 MWh in total, from renewable energy plants and certified it with YEK-G.

I-REC refers to the international certification system developed by RECs International, and it certifies electricity generation from renewable energy sources. YEK-G refers to the block chain based renewable energy resource guarantee certification system developed by EPIAŞ, designed to track the entire energy process from production to consumption.

In 2023, we completed a new phase of electrification of our ground equipment we use in our main base at the Istanbul Sabiha Gökçen International Airport (SAW). We carry-out our own ground handling at SAW. With the introduction of our new passenger stairs re-generating electricity through photovoltaic panels, electric ground power units and new electric tractors, 23% of our motorized mobile equipment at SAW run on electricity as of the end of 2024 and we aim to increase this percentage. Another significant impact of these efforts has been a reduction in our emissions and an improvement in noise and maintenance complexity.

**B19. Renewable energy production and consumption data are disclosed.**

See explanations for Item B18 above. We disclose such content as part of our reporting under Sustainability Report, CDP and through specific initiative presentations.

**B20. Energy efficiency projects have been implemented and energy consumption savings and emission reductions realized through these projects have been publicly disclosed.**

We disclose such content as part of our reporting under Sustainability Report, CDP and through specific initiative presentations.

**B21. Information on water consumption, water sourced from above or under-ground if any, water recycled and discharged, the applicable resources and procedures have been publicly disclosed.**

Publicly disclosed information is limited to water consumption rates and policy declarations. In 2023, we published our first Water Security Report as part of CDP, qualifying for Awareness Level Score (C). In 2024, we published our Water Security Report and in our second year, we improved our score from Awareness (C) to Management (B) level. Also, our Sustainability Report includes detailed information on water usage and consumption.

**B22. Information on the applicability of any carbon pricing scheme (Emissions Trading System, Cap & Trade or Carbon Tax) on operations or activities has been publicly disclosed.**

We participate in the carbon offsetting and reduction scheme for international aviation in accordance with ICAO and TDGCA regulations. EU-ETS and UK-ETS are applicable for only a limited number of flights carried out within the European Union and United Kingdom or between the European Union, the United Kingdom and Switzerland in the same period. We also comply with carbon tax like measures implemented in various jurisdictions.

**B23. Information on carbon credits accumulated or purchased in the reporting period have been publicly disclosed.**

CORSIA first phase has become effective as of the beginning of 2024 and we anticipate potential offsetting obligations starting from our operations in 2024. However; as part of CORSIA scheme, offsetting obligations for the first phase can be completed until the end of 2026. There is no other carbon credit purchase obligation for the reporting period. We participated in the first large-scale procurement event for CORSIA Phase 1 EEUs, organized by IATA. Jurisdictional REDD+ ART Trees Guyana credits from the auction will help us meet our CORSIA Phase 1 offsetting obligations for the 2024-2026 period.

**B24. Details on carbon pricing implemented within the Company is publicly disclosed.**

We use a carbon scheme for our internal use, risk assessment, procurement needs and budgeting, based on our future projections and market price trends for carbon credits and other commodities such as sustainable aviation fuels.

**B25. Platforms through which the Company discloses environmental information have been publicly disclosed.**

We report on environmental performance through a number of platforms, including the following:

- Our Annual Reports (MD&A on Operational, Financial and Non-Financial Performance)
- Our Sustainability Reports
- UN Global Compact Communications on Progress
- Our CDP Reports
- Our Quarterly Investor Presentations
- Our Monthly Traffic Data
- Our Sustainability Compliance Framework

**C. SOCIAL PRINCIPLES**

**C1. Human Rights and Employee Rights**

**C1.1 Corporate Human Rights and Employee Rights Policy have been formed in a way that addresses the International Declaration of Human Rights, ILO Agreements and the national legal framework on human rights, and the policies and the roles and responsibilities for the implementation of the policies have been published.**

Full compliance commitment with the legal framework on human rights and employment and related roles and responsibilities are covered in various sections of the Pegasus Airlines Ethical Behavior Guide, Pegasus Airlines Human Resources Policy, Pegasus Airlines Compensation and Indemnification Policy and Pegasus Airlines Compensation Management Policy.

We are the first airline in Türkiye to commit to the United Nations Global Impact. Thereby, we committed to comply with the ten principles regarding human rights, labor, environment and anti-corruption.

**C1.2. Corporate policies on employee rights cover fair workforce, improvement of working conditions, female employment and inclusiveness issues (gender, race, religious belief, language, marital status, ethnic identity, sexual orientation, sexual identity, familial responsibilities, union actions, political view, disability, social and cultural differences, etc.), by also considering impact on supply and value chain.**

Equal opportunity, fair workforce, improvement of working conditions, female employment and inclusiveness policies are covered in various sections of the Pegasus Airlines Human Resources Policy and Pegasus Airlines Ethical Behavior Guide.

Underlining our specific emphasis on women’s role in the workplace, gender balance and the principle of equality, we were the first airline globally to sign-up with the United Nation’s Women’s Empowerment Principles. We support platforms such as Yanındayız (In Support) Association, wTech Women in Technology Association, PWN Istanbul, Women in Sales platform and we continue our proud tradition of naming our new aircraft after newborn baby girls of our employees. We support actions to increase awareness among women regarding opportunities in aviation, and to improve women’s quantitative and qualitative impact and effectiveness in aviation. In 2019, we became one of the first airlines in the World to join IATA’s “25by2025” initiative which is a voluntary campaign for IATA member airlines to improve female representation in the industry by 25%, or up to a minimum of 25% by 2025. As a solid reflection of this commitment, our Board of Directors revised its “Policy on Representation in the Board of Directors” and adopted a 25% minimum female representation in the Board of Directors by 2025.

**C1.3. Actions implemented throughout the value chain on providing equal opportunity to groups sensitive to specific economic, environmental, social factors (persons with low income, women, etc.) or on minority rights, have been publicly disclosed.**

As part of our Corporate Sustainability Policy, we are committed to continuously improve our sustainability compliance framework by raising stakeholder awareness on corporate sustainability. In 2023, we [published](#) our [Sustainability Compliance Framework](#), which was implemented throughout 2024. Through new collaborations we aim to initiate under this framework, we aim to multiply the positive impact of the value we create, acting together with our value chain. We have plans and works in place to strengthen and infuse our sustainability initiatives across our value chain. We aim to implement these measures in the next years.

**C1.4. Developments aiming to prevent or remedy discrimination, inequality, human rights violations, forced labor and child labor have been publicly disclosed.**

Our actions in this area are covered in various sections of the Pegasus Airlines Human Resources Policy and Pegasus Airlines Ethical Behavior Guide, Pegasus Value Chain Sustainability Compliance Framework and specific action is reported through Annual Reports, Sustainability Reports, specific reporting on ESG performance and UN Global Compact Communications on Progress.

**C1.5. Corporate policies on employee rights cover employee investment (training and development policies), indemnification, side benefits, unionization right, life/work balance solutions and talent management. Mechanisms and remedy methods have been developed on employee complaints and dispute resolution. Actions implemented during the reporting period aimed at employee satisfaction have been publicly disclosed.**

Our actions in this area are covered in various sections of the Pegasus Airlines Human Resources Policy and Pegasus Airlines Ethical Behavior Guide, and specific action is reported through Annual Reports, Sustainability Reports, specific reporting on ESG performance and UN Global Compact Communications on Progress.

Complaint and resolution mechanisms are established within our Ethics Governance Framework and are addressed through our Human Resources Policy, Pegasus Airlines Ethical Behavior Guide and our Anti-Bribery and Anti-Corruption Policy.

Our actions are measured by employee effectiveness surveys and reported through Annual Reports Sustainability Reports, Harmony Reports and specific reporting on ESG performance and UN Global Compact Communications on Progress.

**C1.6. Occupational health and safety policies have been developed and have been publicly disclosed. Preventive actions for workplace accidents and employee health, and accident statistics have been publicly disclosed.**

Pegasus holds ISO 45001:2018 Occupational Health and Safety Management System certificate. Our Occupational Health and Safety Policy is publicly available. Company-wide workplace accidents and preventive actions, measures, accident statistics are reported to senior management on a monthly basis. We disclose our targets and performance indicators on Occupational Health and Safety on our Investor Relations Website.

**C1.7. Policies on the protection of personal data and data security have been developed and have been publicly disclosed.**

We commit to the protection of personal data and ensuring data security at the highest level through the Pegasus Airlines Information Security Policy and Pegasus Airlines Privacy Policy. Efforts in these areas are coordinated by the Legal and Information Technologies Departments, managed by inter-departmental governance bodies and regulated by extensive Company-wide regulations. We maintain working groups such as Information Security Committee, Personal Data Protection Committee and Corporate Cyber Incidents Response Team to address issues such as protection of personal data, information security and business continuity. We participate in aviation-specific cybersecurity studies as part of a TDGCA-led task force.

**C1.8. Ethics policy has been developed and has been publicly disclosed.**



We adopted the Pegasus Airlines Ethical Behavior Guide to manage ethics compliance. Relying on this document, an efficient ethical governance is functioning under the direct supervision of the Audit Committee reporting to the Board of Directors. Information on our activities is reported in our Annual Reports, Sustainability Reports and our UN Global Compact Communications on Progress.

**C1.9. Community investment, social responsibility, financial inclusiveness and financial access efforts are disclosed.**

We engage in community investment and social responsibility, and we regularly report our efforts in this area. These efforts are carried out in accordance with the Pegasus Airlines Donations and Charitable Contributions Policy adopted by the Shareholders' General Assembly and the Pegasus Airlines Corporate Social Responsibility Policy adopted by the Board of Directors. Through initiatives such as the "We're Flying to the Future" project where we collaborate with a foundation operating at national level to address complex social issues (*Sivil Toplum İçin Destek Vakfı*), we assume social responsibility especially in the areas of education, health, environment, solidarity and civil aviation.

**C1.10. Employees have been provided access to informative sessions and training programs on ESG policies and actions.**

Through training and development programs planned at Pegasus Academy and awareness campaigns, our employees are informed of ESG policies and actions. In 2024, trainings were provided to our employees, through online and class training programs, on a wide range of topics including flight safety, environment, information security, ethics compliance, occupational health and safety and sustainability actions. Awareness actions were carried out on the same subjects through online announcements and teasers. More information on our activities is reported in our Annual Reports, Sustainability Reports and our UN Global Compact Communications on Progress.

**C2. Stakeholders, International Standards and Initiatives**

**C2.1. Customer satisfaction policy has been developed regarding the management and resolution of customer complaints and has been publicly disclosed.**

We regularly measure customer satisfaction, and we adopted customer satisfaction among our key management performance indicators. In the last three years, we received national and international awards on customer experience, brand image and services and improved overall customer satisfaction compared to the previous year. We describe our efforts in this area and the awards received in Sections 3 (*Research & Development Activities*) and Section 7A (*Stakeholder Initiatives*) of our annual activity reports.

**C2.2. Information on stakeholder communication (which stakeholder, subject matter and frequency) has been publicly disclosed.**

Information on this item is provided as part of our Annual Reports, Sustainability Reports and Corporate Governance Reporting.

**C2.3. International reporting standards applied to reports have been publicly disclosed.**

We report within the framework of GRI, CDP, UN Global Compact Enhanced Communication on Progress publicly, and within the framework of CORSIA, EU ETS and UK ETS on respective emissions monitoring, verification and reporting schemes.

**C2.4. Sustainability principles adopted by the Company and international institutions, committees and principles to which the Company commits have been publicly disclosed.**

We are the first airline in Türkiye to sign the United Nations Global Compact. Thus, we committed to comply with the ten principles relating to human rights, working standards, environmental sensitivity and fight against corruption. Platforms where we actively participate in the area of gender equality are detailed under Item C1.2 above. We also committed to the 2050 Fly Net Zero campaign and 25by2025 by campaign initiated by IATA.

**C2.5. Solid efforts are made to take part in the Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).**

We are represented in the BIST Corporate Governance Index permanently since 2013 and in the BIST Sustainability Index between 2016-2019 and since 2020. In 2023, we joined the BIST Sustainability 25 Index. We are committed to improving our performance on both indices and are considering other platforms to increase visibility on our sustainability performance.

**D. CORPORATE GOVERNANCE PRINCIPLES**

**D1. Necessary measures are taken to comply with the Corporate Governance Principles regarding stakeholders and to strengthen communication with stakeholders. Stakeholders' views are sought regarding sustainability measures and strategy development.**

We redesigned our sustainability strategy through workshops bringing together around 80 employees from different departments and organizational seniority levels in a facilitated format. Communication of our sustainability actions are carried out with our stakeholders in a transparent manner. Our actions are enhanced through third party support, including advisor input. To that end we maintain open communication channels with the public on sustainability and evaluate stakeholder impact. Please also refer to our explanations for Item D2 below.

**D2. Efforts are made to increase awareness on social responsibility projects and sustainability through training and awareness activities.**

Raising awareness on sustainability and its importance to all but also to Pegasus Airlines is part of our sustainability strategy. A significant number of demonstrative projects, employee training and awareness work is being carried out. This was also the main idea behind launching the Pegasus Airlines Sustainability Hub in 2022.

We focus on raising awareness of sustainability and ESG issues by providing training content through our own communication channels. We also communicate the projects we undertake at Pegasus and their impacts to all stakeholders in our value chain. With the [podcast series](#) we launched in 2024, we shared our actions and efforts related to the UNGC SDGs with everyone through our employees.

## DISCLAIMER

This document is prepared by Pegasus Hava Tařımacılıđı Anonim Őirketi (“**Pegasus**”) in accordance with the Pegasus Information Policy. The information covered in this document may be based on Pegasus corporate records, its own internal research and estimates based on the knowledge and experience of the markets in which it operates, or industry, market and similar data procured from third parties as indicated in the document. While Pegasus believes that third party data has been obtained from reputable sources it does not independently verify such data or commit to any undertakings regarding the completeness or accurateness of such data or such data not being misleading.

The data contained in this document aims to inform intended recipients of the operational results, targets and expectations of Pegasus in a correct and transparent manner and on equal terms and does not intend any investment advice or any offer or solicitation in connection with securities issued by Pegasus. Investors must make their investment decisions based on all other information, events and circumstances available through different channels and that may affect their investment decisions.

Investor communication prepared by Pegasus may contain forward-looking statements, including targets or expectations. These forward-looking statements may be disclosed as targets or expectations or through expressions such as “anticipate”, “believe”, “estimate” or “expect” or using the future tense. Forward-looking statements may relate to the operational and financial performance of Pegasus, its growth and strategies or future plans and targets of Pegasus Management. Forward-looking statements relate to matters that have not yet realized. While forward-looking statements are based on reasonable assumptions and estimates, such statements are prone to uncertainty and risks and such statements reflect the targets and expectations valid as of the date of announcement. Many factors could cause the actual results to be materially different from targets and expectations expressed by such forward-looking statements.

In the absence of any legal obligations arising from the applicable capital markets law, Pegasus does not undertake to update, keep up-to-date or to periodically review the information contained herein, including any forward-looking statements. By using this document for any purpose, you are deemed to have read, understood and accepted the warnings stated in this disclaimer.

We didn't start aviation in Türkiye but  
we transformed it!

