



PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
ACTIVITY REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD BETWEEN JANUARY 1 – DECEMBER 31, 2025

MARCH 4, 2026

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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ON THE MANAGEMENT’S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR’S REPORT ON THE MANAGEMENT’S ANNUAL REPORT

To the General Assembly of Pegasus Hava Taşımacılığı Anonim Şirketi

1) Opinion

As we have audited the full set consolidated financial statements of Pegasus Hava Taşımacılığı A.Ş. (“the Company”) and its subsidiaries (“the Group”) for the period between 01/01/2025–31/12/2025, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management’s annual report and the Management’s discussions on the Group’s financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We are independent of the Company in accordance with the *Code of Ethics for Independent Auditors (including Independence Standards)* (“Code of Ethics”) published by the POA, as applicable to audits of financial statements of public interest entities, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor’s Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group’s full set consolidated financial statements for the period between 01/01/2025–31/12/2025 in our Auditor’s Report dated 4 March 2026.



4) Other Matters

The Management's annual report of the Group for the year ended 31 December 2024 was audited by another audit firm who expressed an unmodified opinion on the annual report on 4 March 2025.

5) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Group's activities subsequent to the financial year ends,
 - The Group's research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

6) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Cem Tovil.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Cem Tovil
Partner

Istanbul, 4 March 2026

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2025

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:

- **“Company”** or **“Pegasus Airlines”** refers to Pegasus Hava Taşımacılığı A.Ş., more fully described in Section 1/A of this Report.
- **“Board”** or **“Board of Directors”** refers to the Pegasus Airlines Board of Directors.
- **“Esas Holding”** or **“Esas”** refers to Esas Holding A.Ş.
- **“Hitit CS”** refers to Hitit Bilgisayar Hizmetleri A.Ş.
- **“Pegasus Innovation Lab”** refers to Pegasus Innovation Lab, Inc.
- **“Pegasus Aviation Technologies”** refers to Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.
- **“Pegasus Airlines Ventures”** refers to Pegasus Airlines Ventures Limited Partnership
- **“Pegasus Europe”** refers to Pegasus Europe Besloten Vennootschap
- **“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, 2025 – December 31, 2025
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. www.flypgs.com Investor Relations Website. http://www.pegasusinvestorrelations.com

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

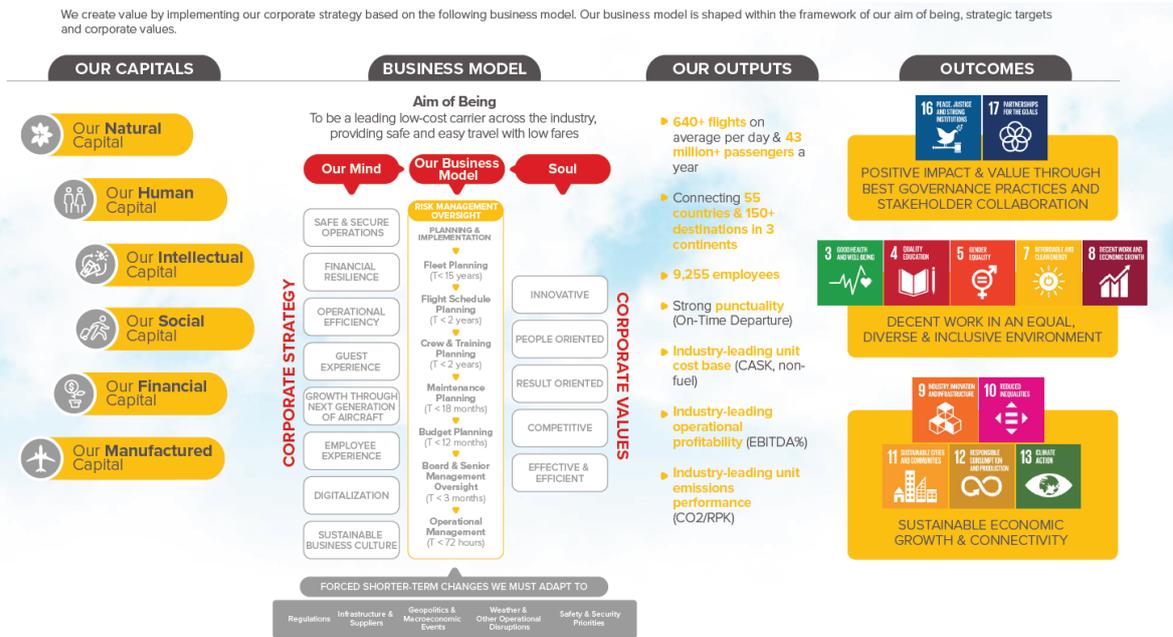
We operate in line with the strategic targets under the auspices of our Board of Directors in accordance with our aim of being: *“To be a leading low-cost carrier across the industry, providing safe and easy travel with low fares”* and our motto: *“Everybody has the right to fly.”*

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. Our Board of Directors reviews our strategic targets and the Company's progress in terms of strategic key performance indicators on a regular basis. Each year, our Board of Directors also carries out its oversight on strategically important domains including technology and Artificial Intelligence, Human Resource management and succession planning, sustainability and climate change adaptation, and corporate governance.

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 our **2025 TSRS Compliant Sustainability Report**.



C- CAPITAL, SHAREHOLDING AND ORGANIZATION STRUCTURE OF PEGASUS AIRLINES

Our issued capital is ₺500,000,000 and our authorized capital ceiling is ₺2,500,000,000. Information on our capital and shareholding structure as of January 1, 2025, and December 31, 2025, respectively, is shown in the table below.

Shareholder	January 1, 2025		December 31, 2025	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Esas Holding	264,056,018	52.81%	264,056,018	52.81%
Publicly Traded	226,866,830	45.37%	226,866,830	45.37%
Emine KAMIŞLI	3,025,717	0.61%	3,025,717	0.61%
Ali İsmail SABANCI	3,025,717	0.61%	3,025,717	0.61%
Kazım KÖSEOĞLU	1,512,859	0.30%	1,512,859	0.30%
Can KÖSEOĞLU	1,512,859	0.30%	1,512,859	0.30%
Total	500,000,00	100.00%	500,000,00	100.00%

As of December 31, 2025, 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, 2025, 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 17% CAGR in number of passengers in the 2022-2025 period, outpacing the 11% CAGR realized in the total Turkish market. We operate a growing young and modern fleet of 127 aircraft with 5.13 average aircraft age as of December 31, 2025.

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, 2025, we offered scheduled passenger services on 39 domestic routes in Türkiye and 119 international routes to European (including North Cyprus), CIS, Middle Eastern and African destinations, serving a flight network covering 158 destinations in 55 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 2025, our CASK, non-fuel was recorded as €c2.68, while revenue recorded from ancillary services constituted 37% 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 1% 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 €c2.06 and an EBITDA margin of 33.3%. We repeated our performance in the post-COVID era, from 2022 to 2025 (CASK non-fuel – 2022: €c2.18, 2023: €c2.26, 2024: €c2.55 2025: €c2.68. EBITDA margin – 2022: 34.1%, 2023: 31.4%, 2024: 28.4%, 2025: 24.6%).

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 2025. They were appointed at the General Assembly Meeting in Marh 28, 2025. 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 2025.

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

Name / SURNAME	Duty	Serves Since ⁽¹⁾	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.

⁽¹⁾ 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, 2025.

Information on the duties assumed elsewhere by our Board members in 2025 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, 2025, is provided in the following chart.

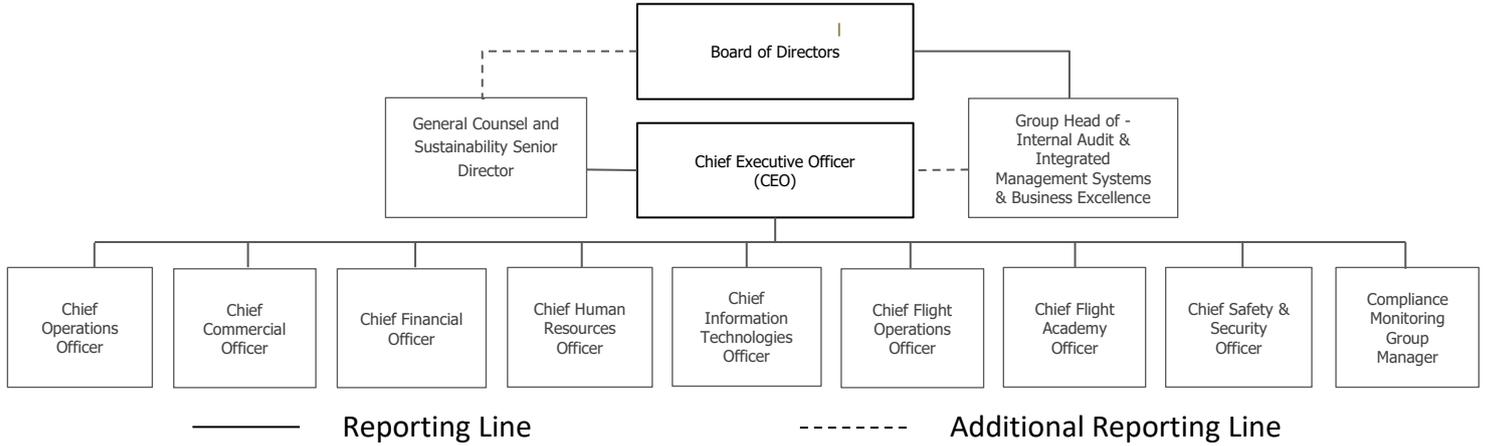
Name / SURNAME	Duty	Serves Since ⁽¹⁾	Serves in Position Since ⁽²⁾
Güliz ÖZTÜRK	Chief Executive Officer	2005	2022
M. Barbaros KUBATOĞLU	Chief Financial Officer	2007	2018
Onur DEDEKÖYLÜ	Chief Commercial Officer	2010	2022
Ergün DEMİRCİ	Chief Operations Officer	2013	2022
Gençer KARATEPE	Chief Flight Operations 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 Senior 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, 2025, was 9,255. 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, 2025, 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 2025 was provided in Note 5 to the Consolidated Financial Statements for the Accounting Period between January 1 – December 31, 2025, "Related Party Transactions".

In 2025, 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 2025.
- 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 with services such as investment advice, corporate governance advice and rating services. In 2025, 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, 2025, Committees and duties were identified as follows.

Audit Committee		
Chairperson	Agah UĞUR	<i>Independent Board Member</i>
Member	Ayşegül İLDENİZ	<i>Independent Board Member</i>
Corporate Governance Committee		
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>
Committee on Early Detection of Risks		
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>
Technology Committee		
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 3, May 5, August 11, and November 7, 2025. 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, 2024, and on March 31, June 30, and September 30, 2025, and shared its favorable opinion with the Board. The Committee prepared the proposal for the appointment of the independent audit firm for 2025 audit requirements, oversaw the activities of the Company's Internal Audit Department, its work plan and budget. In 2025, the Committee continued to oversee ethics governance work. The Committee also oversaw the independent assurance review process regarding the 2024 Turkish Sustainability Reporting Standards (TSRS) Compliant Sustainability Report published in 2025. The Committee informed the Board of its activities at each Board meeting held in 2025.

Corporate Governance Committee

The Corporate Governance Committee held four meetings on March 19, May 26, September 17, and December 17, 2025. 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 2025, succession planning for executive management and key positions, scrutinized the operations of the Investor Relations Department. In 2025, the Committee reviewed the Company's Sustainability/ESG actions on a regular basis. The Corporate Governance Committee also conducted a new Board Self Evaluation Study in 2025. Pegasus Airlines increased its Corporate Governance Compliance Rating to 98.2%, which marked the highest rating score in the BIST Corporate Governance Index as of December 31, 2025. The Committee informed the Board of its activities at each Board meeting held in 2025.

Committee on Early Detection of Risks

The Committee on the Early Detection of Risks held four meetings on March 14, May 23, September 15, and December 16, 2025. 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 2025. The Committee informed the Board of its activities at each Board meeting held in 2025. 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 20 and December 2, 2025. 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 100% in 2025. 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	-	-	4/4 (100%)	-	4/4 (100%)
Stephen Mark GRIFFITHS	-	4/4 (100%)	-	-	4/4 (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%)
Mustafa TERCAN	-	-	4/4 (100%)	-	-
Ömer Lütfü ÖMERBAŞ	-	4/4 (100%)	-	-	-
TOTAL	100%	100%	100%	100%	100%

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 2025 were completed by the end of 2025. There are no material overdue action items as of December 31, 2025.

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 Investor Relations

Telephone : +90 216 560 7542

Fax : +90 216 560 8087

E-mail : 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 2025, the regular updates were reported to the Board and the Committee on March 19-20, May 26-27, September 17-18, and December 17-18.

Throughout 2025, we responded to inquiries submitted by our shareholders without discrimination, through telephone, e-mails or meetings and attended 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 honest, respectful, fair, and trustful behavior based on reason, conscience, and common sense with all stakeholders. In this respect, we aim to establish 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 2025. 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 2024 was held on March 28, 2025, 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 3, 2025, and numbered 11283, on page 569, 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 ₺308,788,083.760 (61.76% 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 Mr. Kaan BİRDAL 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, 2025, are indicated in the table below:

March 28, 2025 Annual General Assembly Resolutions	Vote
• Approval of the Annual Activity Report, the Auditor Report, and the Financial Statements for the year 2024	Majority
• Release of the members of the Board of Directors for operations and accounts pertaining to the year 2024	Majority
• Determination of no distributable profit for the year 2024	Majority
• Approval of amendments to Article 6 of the Company Articles of Association regarding the increase in the Authorized Capital Ceiling and the renewed Authorized Capital Ceiling Term	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 DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte Türkiye) as the independent audit firm for the year 2025 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 2025	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 2025 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 effectively as of April 28, 2025, to increase the Company's authorized capital ceiling of TRY 500,000,000 valid for 2023-2027 to TRY 2,500,000,000 to cover the period between 2025-2029.

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 sufficient level 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, "**2025 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, 2025 and communicated to our investors through our Investor Relations Website, the Public Disclosure Platform and the Electronic General Assembly Portal.

The cumulative ceiling for payments to be made to our Board members for their Board duties 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, 2025 and was published in the meeting minutes.

Total financial benefits provided to Board Members and Senior Management in 2025 amounted to ₺637,228,159. This amount includes the gross fees paid to the members of our Board of Directors regarding their Board duties 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 2025, 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.

The activities carried out by the Performance and Navigation Department, as part of our Flight Operations Department, in 2025 have been grouped under the headings of effective operational monitoring and communication, flight performance and safety, and cost control.

A new application called EFB (Electronic Flight Bag) Lite, which is a different version of the EFB Mobile previously provided to our cockpit crews, was developed and made available by the end of the year for use by cabin crew, technical staff, and ground handling personnel. EFB Lite was developed to provide instant support, enable effective intervention in disruptions, support on-time departures, and reduce operational costs through timely access to accurate information in operational processes and fast digital communication. The application, which was specifically designed in line with the needs of cabin crews, operational staff, and technicians, has been developed to run on iOS and Android compatible mobile devices. Operational units can live track the flights assigned to them with all necessary technical information and documentation via this application and can also communicate with their teams through the same platform.

An In-Flight Performance module has been added to EFB tablets as a new analysis module. This module enables fast and accurate calculation of flight performance during climb, descent, and holding phases. With this application, pilots can evaluate optimum level selection and step climb / step descent options, thereby ensuring effective fuel management during the in-flight phase.

Within the scope of EASA's (European Union Aviation Safety Agency) updated Low Visibility Operations regulation, a development was implemented in the EFB database for airport suitability assessments and was integrated with aircraft EFBs. In addition, through further enhancements made on aircraft EFBs, data obtained from low visibility operations can be monitored and reported, enabling the necessary crew, aircraft, and airport evaluations for such operations. This development makes a significant contribution to flight safety.

Also, within the scope of flight safety, an infrastructure enhancement was implemented on aircraft EFBs for evaluating the suitability of alternate airports that may be used along the routes specified in flight plans. In summary, selected Adequate Airports, determined by considering the range an aircraft can fly under certain conditions and rules, can now be tracked and displayed on the EFB.

For the Cost Control Department, fuel invoice validation processes were improved by enabling direct access to fuel receipts for the relevant flights through a development made on the Mobile EFB. With this application, as soon as the pilot receives the fuel receipt, they can capture an image of the receipt with a single button via the Mobile EFB and send it to the relevant reporting and cost control systems.

In 2025, we repositioned our technology and digitalization efforts with the aim of transforming our technology vision into a scalable and sustainable operating model. Our focus was to deepen these capabilities through a data- and AI-driven decision support layer, and to turn technology into a strategic lever that delivers tangible and measurable value across revenue, cost, operations, and safety—rather than serving solely as a tool to enhance user experience.

In line with this approach, we adopted a model that digitalizes processes end-to-end, reduces manual steps, enables real-time visibility, and strengthens a data-driven decision-making culture across the organization. We carried out integration-, automation-, and optimization-focused initiatives across a wide scope—from passenger touchpoints to operational planning, and from financial processes to maintenance and technical operations.

At the same time, we matured our governance mechanisms to ensure the safe, ethical, and auditable use of Artificial Intelligence (AI) at enterprise scale. 2025 was a year in which technology became a holistic transformation enabler across the Company—creating strategic value and measurable impact.

Key innovations in Technology and Innovation are summarized below:

- Through the Financial Segmentation project, we created a hybrid financial segmentation classification by analyzing—via an AI-supported model—the purchase frequency of tickets and ancillary services, average basket value, and historical payment trends within the last three years. We supported the financial segment output with additional enhancements that would improve passenger experience and reduce friction in payments; we reduced the friction rate by approximately 40% and increased the payment success rate by 4%.

In line with our passenger-centric approach, the financial segment data that we developed with up-to-date technologies and made easily accessible played a critical role as a scalable decision support layer in our company's technological and operational processes.

- The Paystation project aimed to enable passengers to experience fast and reliable payment at every payment point within the station, such as Sales Offices, Check-in Counters, and Boarding Gates. We designed and deployed on-site the new processes integrated into our operations at the Istanbul Sabiha Gökçen Airport by considering terminal staff usage habits and the operational intensity of the sales area. In addition to facilitating staff work, we aimed to contribute positively to reconciliation processes by offering different exchange rate options, systematizing cash payments, preventing documentation weaknesses, and creating accounting records.
- With the Auto Fare development program we launched, we delivered a significant improvement in the fare structure; we eliminated the need for manual calculation by enabling the system to automatically calculate the base fare and all fare components over the total fare. We strengthened revenue protection and control over pricing strategies through enhancements for ticket change (reissue) and automatic fee transfer to GDS channels. This holistic structure delivered sustainable and measurable value to our company in terms of revenue management and pricing capability.
- In line with IATA's modern airline retailing approach, we migrated to version 24.1 on the OOMS NDC infrastructure, which makes it possible to manage flights and ancillary services under a single order by decoupling airlines from traditional legacy messages; we enabled integration with online travel agencies and prepared the fast-track product sales infrastructure via NDC. At the same time, with this transition, we paved the way for reducing GDS costs by managing GDSs through NDC messages.
- To enhance our passengers' digital experience, we developed the Live Activity feature—previously built for iOS devices in our mobile app — for our Android users as well. This enabled Android users to view real-time flight information, departure time, gate number, gate changes, delays, terminal information, boarding notifications, and baggage details from the lock screen starting 3 hours before their flight. With Live Activity, our passengers accessed critical updates instantly throughout their journey and experienced a seamless and smooth journey.
- To support our passengers with accurate and timely information throughout their journey, we launched the Timeline feature so they can track the sequential steps and statuses they will follow on a timeline. With this feature, we reduced potential uncertainties throughout the process and ensured accurate and timely updates at all stages—from pre-flight to post-flight completion.
- In parallel with developments in AI in shopping and search, we went live with the infrastructure that enables Pegasus to communicate directly via Large Language Models and allows our users to reach Pegasus through this channel as well. In this way, we took an initial important step toward future readiness by making our infrastructure ready for the representation of the shopping experience on Large Language Models, which we expect to begin in the near future.

- We implemented improvements in customer service processes with a focus on digitalization and automation. By developing AI-supported digital assistant and customer support solutions, we ensured that passengers received faster and more effective support across different touchpoints. We strengthened live agent processes and increased service quality and accessibility.
- We restructured passenger communication processes on a next-generation communication infrastructure to provide more consistent and timely updates. We implemented informative and experience-supporting digital communications for different passenger segments based on operational needs. Within this scope, we applied content that enriches passenger experience and special communication scenarios.
- We updated the technological infrastructure used in marketing and campaign processes and built a data-driven and automation-supported structure. By improving existing analytical models, we enabled campaign and communication processes to be managed more effectively and at scale.
- We implement an Image Recognition-based digital solution for onboard sales and catering count processes. We perform the count of loaded catering items automatically via captured photos. Through this transformation, we reduced teams' operational workload; we digitalized counting and reconciliation processes end-to-end; and we increased process speed and data accuracy.
- We carried out infrastructure work to support baggage management processes end-to-end and increase traceability. While enabling baggage tracking via handheld terminals on the ramp, we also ensured system compatibility with the Apple AirTag location-sharing infrastructure. This allowed our passengers with an AirTag in their baggage to share the device's location information with operational teams; by shortening resolution time in lost/delayed baggage cases, we increased operational efficiency and passenger satisfaction.
- To provide our passengers with accurate, timely, and complete information, we continued efforts to ensure centralized and consistent provision of operational data for the airports we operate. Within this scope, we prepared the technical infrastructure required to obtain gate information assigned to flights at 36 outstations systemically, creating a critical data source for passenger information and operational visibility.
- In parallel with digitalization efforts in passenger operations, we also took significant steps within the scope of regulatory compliance. In this context, we rolled out across all check-in channels the system that enables identity verification for Turkish citizens during the check-in process.
- We strengthened our flight monitoring capabilities for real-time tracking and management of flight operations. By consolidating operational data from different sources on a single platform, we provided more holistic and real-time visibility into flights. Thanks to the early warning mechanisms we established, we were able to take proactive actions. Through this approach, we increased decision-making speed and operational efficiency.

- In line with our growing number of flights and crew, we started planning and enabling our flight crews' annual leave requests through optimization. We tracked the process with an optimization tool; we managed the process easily by considering operational and crew needs so that existing annual leave balances could also be utilized.
- We reviewed the shuttle and taxi processes used by our flight crews to reach their duties or homes, considering the needs of both operations and our crews. We designed a digital and traceable process that moves away from manual work and prevents unnecessary usage.
- We designed a chat module to make real-time and easy communication between our flight crews and our Crew Assignment department on the day of operation, and we supported synchronized communication. In addition, with the Request Management system, we enabled them to submit requests outside the day of operation through the system, and enabled relevant departments to manage those requests.
- By adding new features to our crew planning systems, we continued to make them more compatible with our planning and optimization processes. We enabled our GENDEC (General Declaration) reports to be generated automatically by the system and sent to relevant airports via digital channels. Thus, we made the process end-to-end digital, fast, and error-free.
- We continued to add new features to the mobile applications used by our flight crews. To contribute to flight safety, we improved the potential risk prediction process in our pilots' flights and shared more detailed information with relevant teams. Within the scope of easy tracking and assignment of individuals who are fit to fly when operational needs arise, we added a function to report fitness-for-duty status. We enabled our cabin crews to receive notifications during the security checks process; we also made it possible to display and report timeout warnings.
- Within the scope of flight crew training planning, we continued to improve our optimization application. We enabled weekend classes to be planned and ensured that overseas holidays could be considered in planning. We also launched a new mobile application within the scope of cockpit training and process tracking. With the application, we enabled our instructor pilots to access digitally the forms they need during simulator training and to transmit their inputs and comments in a way that also feeds relevant systems and processes. Thus, we took a major step within the scope of evidence-based training and established the system infrastructure to track pilot assessments.
- To manage recruitment processes more efficiently, reach the right candidate quickly, and measure and improve candidate experience, we renewed the Candidate Tracking and Onboarding System end-to-end with up-to-date technology and AI support.
- To enable employees within Pegasus to benefit in their daily work, we developed the Corporate AI Portal to provide access to AI bots through a single platform.
 - Through persona-based authorization, we ensured the automatic presentation of content and AI tools suitable for one's own role and function.

- We integrated our Human Resources virtual assistant HERO with the application where company HR procedures are maintained, in order to enable employees to access broader information faster and to make processes more efficient by reducing workload in relevant departments.
- We developed Corporate GPT, enabling all employees at Pegasus to perform activities such as document analysis, summarization, content generation, data analysis, and decision support by using corporate data securely.
- We developed DocFinder, a document comparison bot that enables units with heavy document traffic—such as Legal, Fleet, and Procurement—to quickly compare across thousands of documents and automatically see differences between different versions.
- We developed the Emergency Information Collection application, which enables rapid access to employees via notifications through our Corporate Mobile Application and IVR calls during crises and collects status notifications. In this way, relevant teams monitored employees’ responses in real time.
- With the Swift project, we enabled the company’s finance operations to become more centralized, traceable, and controllable; we were able to track all bank account movements instantly from a single platform; and we managed account movements, money transfer flows, and banking integrations from a single screen.
- We carried out work in the Agentic AI domain:
 - With the “I Accountant” application, we ensured that all invoices received by our company were fully automatically parsed, verified, and routed to accounting systems by AI. The system analyzed invoice contents without the need for human intervention, provided accurate and fast data flow to finance applications, eliminated the need for manual control, and created a significant reduction in the operational workload of accounting teams.
 - With the Collection AI application, we ensured that payment and balance notifications sent by agencies via email were fully read, verified, classified, and automatically answered by AI. The AI produced professional responses suitable for the correct scenario by interpreting the agency email and the receipt and MCO/INV attachments, without requiring human intervention.
 - With Agentic AI, we enabled the cabin crew to communicate with hotels for reservation processes based on data coming from Crew Planning System. We also established a structure that enables invoices received from hotels to be compared with the Crew Planning System on a per-person basis.
- We made Smart MCC available to our MCC team and digitalized the technical support flows from outstations that we previously managed manually via email, phone, etc. We also quickly scored technical support organizations at outstations and forwarded them to our Technical Services Procurement department. In this way, we prevented human-factor–related risks, increased speed for our MCC department, and ensured verification of agreements with external companies we receive services from. In addition, we digitalized the creation of Fleet Current and Handover forms, which also required manual effort.

Digitalizing these processes was of great importance to track our fleet's current status instantly. In the Smart MCC application, we created a map for live aircraft tracking for the first time in our company. In this way, we used location data received from our fleet on the map and shared it with requested teams.

- We consolidated under one roof information of Technical Group Directorate personnel—data that were stored in local accounts on individuals' computers and located across different teams or different digital environments—and we developed an application to enable managers to run processes related to personnel.
- The information we tracked covered many processes we run in Technical, such as Administrative appreciation & discipline, Duty, Language, Professional Training, Passport & Visa, Experience, Suggestion Evaluation, ODS, Query, KPI/SPI, Premium, Duf Records, Meda Meetings & Just Culture forms, PPE records, etc.; and we migrated these processes to digital and brought them under one roof.
- We went live with Smart Technic applications with full functionality. Our company successfully implemented digital transformation in aircraft maintenance and operational processes and significantly increased the productivity of technicians, cabin chiefs, and cockpit crew.
- We migrated six more onboard logbooks to digital. While this digital transformation increased operational efficiency, it also reinforced flight continuity and safety. All these improvements minimized time loss in our flight operations while creating a faster, more accurate, and safer environment in aircraft maintenance processes.
- Also in 2025, we continued PoC studies to achieve operational excellence in Ground Operations and Aircraft Maintenance-Repair-Overhaul (MRO) activities. We enabled recurrent defects to be reported with AI support; we made it possible for technicians to access technical information quickly and accurately with AI support.
- Within the scope of efforts to develop analytics and self-service capabilities in our company, we significantly advanced the organization's transformation into a data-driven structure. In this direction, we created the Data Dictionary and Data Catalog; to establish a common data language (Common Data Language) across the organization, we built the necessary infrastructure to manage data from source to analytics in a standard, traceable, and reliable manner. By integrating the "Single Source of Truth" approach into our corporate data architecture, we strengthened data consistency and reliability.
- We increased self-service analytics capabilities; through the Data Champions model, we supported data ownership and analytics awareness in business units. By applying a common visual language (Common Visual Language) and strong UI/UX principles in the presentation layer, we improved reporting and analytics standards and enhanced user experience. We also completed the infrastructure work for the "Ask Your Data" solution, which we will roll out within the scope of the Generative BI approach.
- As a result of these efforts, we increased the speed and accuracy of decision-making processes, strengthened operational efficiency and strategic alignment; and with the democratization of data access, we increased employees' capability to generate insights and raised the level of analytics competency.

- In 2025, we significantly advanced efforts to manage AI usage at enterprise scale in a reliable, sustainable, and auditable manner. Within this scope, we brought the AI solutions used across Pegasus into a systematic framework in line with ethical, security, risk, and operational sustainability criteria.
- We established the corporate AI Governance model for AI projects; we standardized model lifecycle management, architectural compliance assessments, hallucination risk controls, and model retirement processes. Thus, we created a transparent, traceable governance infrastructure aligned with corporate principles throughout the development and operation of AI systems.
- Along with these efforts, we began performing analytical measurements in aviation safety and critical operational areas; we monitored operational excellence indicators regularly and systematically. With this approach, we started efforts to ensure that AI and analytics applications create a more holistic and data-driven impact on flight operations and safety processes.
- In this direction, we increased the reliability of AI applications and their alignment with corporate context; we strengthened operational continuity and risk management. In addition, through the governance mechanisms we established, we supported long-term corporate value creation by encouraging responsible AI use across the organization.
- In 2024, we had established Pegasus Innovation Lab in Silicon Valley in the United States to maintain our lead in digitalization and technology in the aviation industry. In 2025, within the scope of the Innovation Lab, we engaged with more than 620 startups; we conducted active work on airline use cases with 150 of them; we completed 30 Proof of Concept (PoC) studies; we continued 20 studies; and we launched 7 projects together with our relevant teams at Pegasus headquarters and with partners we selected in Silicon Valley.
- In this context, we completed the preparations for Call Center transformation with Voice-AI and launched the project with the solution we reached through the Pegasus Innovation Lab. In this way, we aim to handle incoming call center calls with conversational AI agents.
- Flight services were an area with many regulations and documentation; flight crews referred to documents on various topics. To facilitate crews' access to documents and to provide summarized information derived from those documents, we carried out preparations for an AI-based bot initiative within 2025 and launched the PoC study.
- The use of AI in aircraft maintenance services was another focus area for us. We held discussions with different companies and carried out PoC studies in areas such as filtering recurring defects and preparing permanent solution plans, and predicting aircraft maintenance intervals. In addition, we conducted more advanced research on using image and video processing technologies in aircraft maintenance operations. We planned for these efforts to continue in 2026 and envisaged tracking those with completed preparations as projects.

- In Ground Handling as well, we held discussions with different startup companies in areas such as identifying aircraft turnaround times via video processing, predicting delays, processes that enable tracking of services received from overseas terminals, new technologies in baggage drop processes, and services related to using video technology in passenger and baggage counting. We plan for these studies to continue in 2026, focusing more on overseas terminals and baggage, and we aim to launch projects with suitable technologies.
- Today, AI has begun to be used in flight ticket searches. To be able to monitor and control the GEO (Generative Engine Optimisation) process used to understand search intensity and optimize searches, we met with different companies and put the suitable product into use. As it is a new technology, we continued researching different alternatives. Another topic on the commercial side was the initiative we might call Pegasus' Tone. Under this initiative, we aimed to use the same corporate structure (tone) across all Pegasus communication channels. Our research with different companies enriched the topic. We planned to take action on either procuring a solution from a company or addressing it through in-house integration.
- We continued information-sharing sessions with different airlines around the world in 2025. We focused on topics such as emerging Agentic-AI infrastructures and Data Analytics.
- We focused on university collaborations as one pillar of the Pegasus Innovation Lab. Together with Berkeley University, we discussed the topic of "Future Air Travel" with MBA students. We generated new insights on biometric and digital transitions and baggage drop capabilities. Another research topic on the academic side was our prediction-based study on flight safety. Domestically, we supported and became a member of the AI Platform formation led by Özyeğin University; and we completed term-project studies with the university on Customer Life Time Value and Churn Analysis.
- Pegasus Innovation Lab established direct engagement with global technology companies and developed strategic collaborations that advanced Pegasus' operational and commercial capabilities. We took steps with Apple to enhance the customer experience in lost baggage tracking; conducted exploratory studies with OpenAI on search and generative AI-based API use cases. These engagements did not focus solely on technology procurement; they also supported positioning Pegasus as a design partner in early-stage product development processes.
- Within the scope of its strategic investment model, Pegasus Innovation Lab positioned Pegasus not only as a technology user but also as an investor and a value-creating business partner. Through the CVC approach we structured in 2025 and Silicon Valley-based collaborations, we began implementing design partnership, sweat equity, and direct investment models with early-stage ventures. With this model, we aimed to secure early access to critical technologies while also generating financial and strategic value in high-growth potential startups. In 2026, we planned to further systematize this approach and enhance the investment–usage synergy for new technologies.

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 29, 2026, world total passenger traffic measured in RPK (Revenue Passenger Kilometers) grew by 5.3% YoY in 2025. Industry RPK's had grown by 10.4% in 2024. In Europe, RPK increased by 5,3% YoY, parallel to the market growth, while in Middle East, RPKs were 6.8% higher YoY in 2025. IATA expects the industry RPK to increase by 4.9% in 2026, driven by 4.8% capacity growth (in ASK – Available Seat Kilometer) and 0.1ppt increase in load factor to 83.8% ("Global Outlook for Air Transport – December 2025, published on December 9, 2025).

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 7% YoY in 2025 following the 8% YoY growth recorded in 2024. As for a breakdown, domestic passengers in Türkiye grew by 7% YoY while international passengers increased by 8% YoY in 2025.

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 2022-2025 period, our booked passenger number grew by 17% on average annually, further outpacing the 11% 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 2022 and 2025:

Pegasus Market Share Data (2022 – 2025)

	2022	2023	2024	2025
Domestic	27.2%	25.9%	28.8%	29.9%
International	14.9%	15.6%	16.8%	18.5%

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 2025 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, 2025, is shown below:

AIRCRAFT TYPE	RANGE (KM)	NUMBER OF AIRCRAFT			SEAT CAPACITY			AVERAGE FLEET AGE
		31.12.2025	31.12.2024	Growth (%)	31.12.2025	31.12.2024	Growth (%)	31.12.2025
B737-800	4,163	9	9	0%	1,701	1,701	0%	11.49
A320CEO	4,074	6	6	0%	1,092	1,092	0%	10.27
A320NEO	4,740	46	46	0%	8,556	8,556	0%	6.96
A321NEO	4,237	66	57	16%	15,774	13,623	16%	2.52
TOTAL		127	118	8%	27,123	24,972	9%	5.13

In July 2012, we placed an order with Airbus for 57 firm order A320neo and 18 firm order A321neo 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. 9 A321NEO aircraft joined Pegasus fleet in 2025.

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	2026	2027	2028	2029	2030-2034
A320neo	0	0	0	0	0
A321neo	7	14	11	11	0
B737-10	0	0	9	12	79

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 has been working 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, 2025, our Internal Audit Department of Pegasus is formed by our Group Head of Internal Audit, IMS & Business Excellence, Lead Internal Auditor, four Internal Auditor and one IT Auditor, one Internal Control specialist, one Business Excellence Leader, two Business Excellence specialist and one Business Excellence support specialist.

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, 2025. As of December 31, 2025, we did not have any indirect subsidiaries or joint ventures. We were not subject to any cross-shareholding in 2025.

Affiliate	Nationality / Area of Activity	Issued Share Capital	Nominal Shareholding	Share %	Affiliation with Pegasus
Hitit CS	Türkiye / Information Technologies Solutions	₺300,000,000	₺108.597.285	36.20%	Joint Venture
Pegasus Aviation Technologies	Türkiye / Simulated flight training	₺100,000	₺100,000	100.00%	Subsidiary
Pegasus Innovation Lab	U.S.A. / Collaboration for and Development of Applicable Aviation Technology and Software Solutions	\$200,000	\$200,000	100.00%	Subsidiary
Pegasus Airlines Ventures	U.S.A / Carrying out investments for innovative technologies, Artificial Intelligence products and software applicable in the air transport industry.	\$ 1,000,000	\$ 1,000,000	100.00%	Subsidiary
Pegasus Europe	Netherlands/ Acquisition and management of foreign equity investment	€ 1	€ 1	100.00%	Subsidiary

With the aim of increasing our capabilities in digitalization and technology in the coming years and evaluating opportunities across the globe, our subsidiary Pegasus Airlines Innovation Lab, Inc. has been operating in Silicon Valley in the USA since the end of 2023. In 2025, our Board of Directors resolved on the establishment of Pegasus Airlines Ventures in the USA where the Company will be the sole limited partner, with the aim of seizing investment opportunities in Artificial Intelligence focused technology ventures which our Company collaborates through Pegasus Innovation Lab. Pegasus Airlines Ventures will be positioned as a corporate venture capital fund to evaluate investment opportunities in identified ventures.

Furthermore, subsidiary incorporation for carrying-out the share acquisition in the Smartwings Group as per our Material Disclosure Announcement dated December 8, 2025, was completed, and our fully-owned subsidiary Pegasus Europe was incorporated as of December 10, 2025 and registered with the trade registry in the Netherlands as of December 11, 2025.

E- SHARE BUYBACK TRANSACTIONS

There were no share buyback transactions for the year 2025.

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 audits by Pegasus shareholders in 2025.

In 2025, 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 ₺ 13,406,175.28.

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

The following legislative and regulatory changes in 2025 were important for our operations and triggered considerable work in terms of compliance planning and execution:

- The "Communiqué on Keeping Non-Accounting Books of the Business in Electronic Form," published on February 14, 2025 on the Official Gazette, made it mandatory for businesses to keep and store commercial books not related to accounting (share ledger, board of directors' resolution ledger, board of managers resolution ledger, and general assembly meeting and negotiation ledger) in electronic format until September 1, 2025. With the "Communiqué Amending the Communiqué on Keeping Non-Accounting Commercial Books of the Business in Electronic Form," published on September 20, 2025, the deadline for obtaining physical book closure certification was extended, while it was made mandatory to keep the share ledger and the general assembly meeting and negotiation ledger in electronic format, and an option was provided to keep board of directors resolution ledgers in physical format. Transition to keep the books in electronic format and compliance was achieved in the legally stipulated timeframe.

- Cybersecurity Law No. 7545 was published in the Official Gazette on March 19, 2025 and entered into force on the same date. The Law sets out sanctions that may be applied in the event of non-compliance with obligations regarding duties and responsibilities related to cybersecurity when using information systems. It is stipulated that all public institutions and organizations, as well as natural persons and legal entities are responsible for taking the necessary measures to prevent cyberattacks or to mitigate their impact. Compliance with the new law has been integrated into our cybersecurity compliance framework shaped by existing international, national and industry standards and commitments.
- The Communiqué on Procedures and Principles Regarding Information Systems Management (VII-128.10) entered into force on June 30, 2025. The Communiqué, which sets out the procedures and principles for managing information systems, explains the fundamentals of information systems management and controls, and addresses topics such as information security policies, access management, risk analysis, penetration testing, data privacy, procurement of external services, and response to cyber incidents. Compliance with the new communiqué has been integrated into our information security compliance framework shaped by existing international, national and industry standards and commitments.
- The Climate Law was published in the Official Gazette on July 9, 2025 and entered into force on the same date. The law is expected to consolidate our ongoing work on climate change under a new regulatory framework within the scope of the law.
- The SHT-SAF Instruction was published by the Turkish Directorate General of Civil Aviation (SHGM) on June 26, 2025. The instruction grants SHGM the authority to set mandatory Sustainable Aviation Fuel (SAF) usage ratios based on which, SHGM announced its emission reduction targets based on jet fuel consumption in 2026. Subject to SHGM-set mandatory SAF utilization ratios, operational costs may rise as of 2026 and in the following years. Work is underway to secure procurement of required products.

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, 2025, 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, 2025, 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, 2025. 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 2025.

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 2025 that are not fulfilled. Our operational results in the year 2025 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 2025.

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 2025. Both policies are available on our Investor Relations Website.

At the Annual General Assembly Meeting held on March 28, 2025, 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 2025 as ₺75,000,000.

The donations we made in 2025, totaled ₺ 73,702,200. 61% of the total donations were made for civil aviation, 36.5% were made for education purposes, 1.9% were solidarity related and 0.6% were made for environmental purposes.

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, 2026, notes that *"in all transactions between the Company and Esas Holding or its subsidiaries between January 1, 2025 and December 31, 2025, 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, 2025. 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, 2025, 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 TRANSPORTATION / BIST SERVICES / BIST 100 / BIST 50 / BIST LIQUID 10 EX BANKS / BIST ISTANBUL / BIST 500 / BIST SUSTAINABILITY 25 / BIST 30
BIST Ticker	: PGSUS
Bloomberg Ticker	: PGSUS.TI
Reuters Ticker	: PGSUS.IS

Pegasus shares closed the year 2025 at a price of ₺191.70/share with a 10% decline compared to the year-end 2024 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, 2025, 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, 2025, compared against the same period in 2024 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

<i>Overall Traffic Results</i>	<i>Jan. – Dec. 2025</i>	<i>Jan. – Dec. 2024</i>	<i>Y-O-Y Change %</i>
Number of passengers (<i>million</i>)	43.26	37.48	15.4
Cycles	234,270	206,048	13.7
Number of seats (<i>million</i>)	49.35	42.75	15.4
Load factor (%)	87.7	87.7	0.0
ASK ⁽¹⁾ (<i>million</i>)	78,336	66,808	17.3
Passengers per cycle	185	182	1.5
Avg. daily aircraft utilization (<i>hours</i>) ⁽²⁾	13.2	12.9	2.3

Domestic			
Number of passengers (million)	15.55	14.06	10.6
Cycle	79,128	74,275	6.5
Number of seats (million)	16.91	15.38	10.0
Load factor (%)	91.9	91.4	0.6
ASK ⁽¹⁾ (million)	12,920	11,400	13.3
Passengers per cycle	197	189	3.9
International			
Number of passengers (million)	27.29	22.94	19.0
Cycle	152,822	129,103	18.4
Number of seats (million)	32.02	26.89	19.1
Load factor (%)	85.2	85.3	-0.1
ASK ⁽¹⁾ (million)	64,631	54,586	18.4
Passengers per cycle	179	178	0.5
Charter			
Number of passengers (million)	0.42	0.48	-13.6
Cycle	2,320	2,670	-13.1
Number of seats (million)	0.42	0.49	-13.9
ASK ⁽¹⁾ (million)	786	823	-4.5

⁽¹⁾ 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.

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

In 2025, capacity in ASK increased by 17%, average aircraft utilization per day increased by 2%, while total number of passengers increased by 15% compared to 2025, resulting in record annual passenger numbers. Total load factor remained the same compared to 2025.

Financial Metrics

Summary Balance Sheet ('000 TL)	31.12.2025	31.12.2024	Change (%)
Current assets	90,234,819	69,668,331	30%
Non-current assets	319,933,392	213,909,565	50%
Total assets	410,168,211	283,577,896	45%
Current liabilities	88,019,783	55,339,898	59%
Non-current liabilities	205,294,557	153,318,905	34%
Shareholders' equity	116,853,871	74,919,093	56%
Summary P&L ('000 TL)	31.12.2025	31.12.2024	Change (%)
Sales	154,127,554	111,822,522	38%
Gross (loss) / profit	26,195,749	24,935,480	5%
(Loss) /profit from operations	11,707,541	20,807,221	-44%
Operating (loss) / profit before financial income/(expense)	14,695,550	22,629,347	-35%
(Loss) / profit before tax	14,835,918	11,922,458	24%
(Loss) / profit for the period	13,750,219	13,285,438	3%
(Loss) / profit per share	27.50	26.57	4%
Changes in Financial Position ('000 TL)	31.12.2025	31.12.2024	Change (%)
Cash and cash equivalents	54,845,603	46,258,554	19%
Financial Investments	23,946,239	15,719,296	52%
Financial liabilities	233,184,791	166,307,502	40%
Net debt position ⁽¹⁾	154,392,949	104,329,652	48%

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

Operational performance metrics directly reflected on our financial performance in 2025. 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 38% 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.

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.

Non-Financial Indicator	ESG	Indicator	Target	2025	2024	2023
CO2 grams per revenue passenger km (RPK)	E	Emissions Intensity	Mid-Term Intensity Target for 2030	56.9	58.3	61.1
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%	99.74%	99.72%	99.70%
Total Passengers Carried (millions)	S	Low-Fare Accessibility	Increase	43,26	37.48	31.93
Destinations and Countries Served	S	Network Accessibility	Increase	158 & 55	146 & 53	134&50
Safety Assessment of Foreign Aircraft (SAFA) Ratio	S	Flight Safety Assessment	Do Not Exceed National Average (0.46 for 2025)	0.14	0.07	0.21
% of Female Employees in Workforce	S	Gender Equality	Increase / Minimum Target for 2025	34.4%	34.9%	35.0%
Insourced Successor Readiness for Key Positions	S	Succession Planning	75%	84%	78%	77%
Turnover Rate in Critical Positions	S	Retaining Employees	3%	0	3%	0%
Employee Trainings Total in Hours and by Subject	S	Personal & Professional Development	-	378,459 & 2,027	548,853 & 1,470	392,789 & 1,241

Number of Digitalization Initiatives Reported Annually	S	Digital Airline Proposition	-	56	41	32
% of ESG-linked KPIs in Key Company KPIs	G	ESG Focus on Company Targets	Remain Above 33%	60%	50%	50%
Board & Committee Attendance %	G	Board Effectiveness	Maximum Attainable	100%	96%	96%
Board & Committee Actions Completed in %	G	Board Effectiveness	Maximum Attainable	83%	100%	95.3%
BIST Corporate Governance Index Rating	G	Governance Performance	Increase	98.2%	97.9%	97.5%

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.

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 grCO₂/RPK. By achieving more than half of our target in 2025, we reduced our unit emission intensity to 56.9 gCO₂/RPK and recorded an improvement of over 12% compared to the 2019 baseline.

In the 2025 CDP Climate Change Report, we were rated A-. We continued this leadership-level success for the fifth consecutive year. In 2023, we submitted our first CDP Water report and received a C rating. We improved our performance in 2024, raising our rating to B, and maintained our B rating in 2025. We continue to rank among the highest-rated transportation companies both domestically and internationally, meeting our goal of being in the Top 3 Rating Level.

In 2024, we installed two-compartment garbage trolley on all our aircraft to ensure the most efficient recycling and upcycling of waste generated by our passengers' activities in the cabin. This allows us to go beyond regulatory expectations by separating waste at the source and collecting it separately according to type. In 2025, in collaboration with Pendik Municipality, we took the initiative we started to separately collect packaging waste generated in the cabin at source one step further. In this context, at Sabiha Gökçen Airport, in the central waste collection area where all airport waste is collected together, we implemented a special application that allows Pegasus waste to be separated from other waste and tracked. Thanks to this application, the packaging waste we collect separately in the cabin during flights can now be tracked as 100% Pegasus waste at the collection point at the airport.

By evaluating the monthly collection data that we can track regularly, we are converting our recycling performance into measurable targets with concrete indicators.

In addition to the European, Middle East & Africa Region Environmental Sustainability Airline award given by CAPA Center for Aviation in 2023 and the Global Environmental Sustainability Airline award given in 2024, we were honored with the Sustainability Team of the Year award at the Airline Economics Aviation 100 awards in 2025.

Social Metrics

We continued to increase the number of passengers carried and the destinations and countries served compared to the previous years. In 2025, total number of passengers exceeded 43 million, representing the highest ever annual number of passengers

As in previous years, SAFA performance was in line with the target in 2025.

Female employment performance was in line with our 2025 targets. In 2025, there was no turnover in critical roles. Female employment metrics in various levels is monitored quarterly within the scope of our 2025 female employment commitment. In sourced successor readiness improved from 78% to 84% in 2025.

On trainings, total number of training subjects increased compared to 2024 and the total training hours decreased due to shortening of training durations in accordance with the content and needs.

Living up to our technology and innovation vision 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 60%.

Governance Metrics

We completed another year of efficient Board and overall governance performance. Board members ensured full attendance to the Board & Committee meetings. Board & Committee actions requested for the year were fully completed. With corporate governance compliance rating of 98.2%, our Company closed 2025 as the company with the highest rating score in the BIST Corporate Governance Index.

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, 2025, the outstanding balance of the total loans borrowed for the financing of 97 aircraft acquired by way of financial lease is ₺ 173,779,260,185.

Furthermore, as of December 31, 2025, together with our subsidiary, we had drawn ₺ 27,050,175,013 on cash loans and ₺ 2,554,614,048 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**”). As of April 30, 2025, we exercised our call option to repay the entire outstanding value of the 2026 Eurobonds, simultaneously with the eighth coupon payment. 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 and variable rate interest coupon payment in six-month arrears and will mature on September 11, 2031 (“**2031 Eurobonds**”).

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

It is determined that as of December 31, 2025, 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, 2025, the Company’s shareholders’ equity totaled ₺ 500,000,000.

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 2025 realized as ₺ 13,750,218,852. The proposal of the Board of Directors regarding the use of profit for the year 2025 will be communicated to our shareholders prior to the Annual General Assembly Meeting relating to the year 2025.

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 2025, 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 2025, the Committee held four meetings on March 14, May 23, September 15, and December 16.

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 2025, 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.
- In 2025, the Human Resources strategy focused on sustainable employee engagement, strategic workforce planning, capability development, and strengthening an inclusive work environment. Organizational capacity was increased in line with operational growth; succession plans for critical positions were implemented, and internal promotion mechanisms were supported to reinforce sustainable talent management. Employee turnover and retention metrics were regularly monitored. Digitalization initiatives, flexible and hybrid working models, and well-being programs were widely deployed, while digital HR processes simultaneously enhanced efficiency and employee experience. Investments were made in personal development, leadership, and functional training programs to strengthen employees' technical and behavioral competencies. Career planning, performance management, internal communication, and engagement processes were effectively maintained, and culture and communication initiatives grounded in company values were implemented at scale. Actions identified from the 2024 employee experience survey were executed, and the 2025 Sustainable Engagement Score exceeded the Turkish norm by 4 points and the global airline norm by 5 points. Principles of diversity, equality, and inclusion were integrated into HR processes, and the 2025 targets for increasing female representation, as defined under the IATA 25by2025 initiative signed in 2019, were achieved. Compensation and benefits policies were maintained within a market-competitive and performance-oriented framework, supported by fair and transparent practices. The sustainability of a fair, trust-based, and inclusive work environment for all employees remained a priority. We carried out significant actions as part of our sustainability (ESG) work.

In Q1:

- We carry-out our emission management work in line with the **Climate Transition Roadmap on our Sustainability Hub**. We achieved a performance of **57.1 gCO₂/RPK** in the first quarter of 2025. We are steadily progressing towards our 2030 target of reducing our unit emission intensity by 20% (to 52.1) compared to 2019 (65.1).

- We are strengthening our capabilities to meet evolving regulatory expectations within our sector. We have successfully completed our voluntary flight reporting for 2024 in preparation for our reporting obligations, which will take effect in 2025 under the European Union's **ReFuelEU Aviation Regulation**.
- We compiled our work on **Diversity, Equality & Inclusion** in 2024 in our 2024 Harmony Report and published it on our Sustainability Hub. We have been conducting this comprehensive reporting regularly for two years. Volunteers from different business units continue to identify specific initiatives and targets and implement them, with specific focuses on design, engagement and communication.
- In the first quarter of 2025, we restructured our Sustainability Working Group, which brings together over 80 participants from different business units to support our Company's sustainability goals, focusing on **Net Zero Transformation, Value Chain, Circular Economy, and Energy Transformation**. Our working groups that follow Sustainability Communication and Harmony activities continue their work within their existing structures.

In Q2:

- We have published our 2024 Sustainability Report on our Investor Relations website. This year, for the first time, our report includes disclosures related to Sustainability and Climate in accordance with **Turkey Sustainability Reporting Standards (TSRS) 1 & 2**. The remainder of our report is compliant with the **Global Reporting Initiative (GRI) Standards**.
- Our Diversity, Equality & Inclusion initiative “Harmony” received Silver Award at the International Stevie Awards for Great Employers on “**Achievement in Diversity & Inclusion**”. As part of the 2025 Stevie Awards, we also received the Gold Stevie for Employer of the Year in Aviation & Defense, **Best Talent Acquisition Process (GoYoung)** and **Best Use of Blended Learning (GoLEAD)**.
- We were awarded Silver Stevies for **Most Innovative Talent Acquisition Program (Cabin Crew Career Check), Leadership Development (GoAHEAD)**, People-Oriented Communication and People-Oriented Talent Management; and Bronze Stevies for **Best Youth Employment Strategy (Jump Seat)** and **Best Talent Acquisition Process (Pegasus Pilot Training Program)**.
- Our 2025 Corporate Governance Compliance Rating score increased to **98.2%**.

In Q3:

- Our Diversity, Equality & Inclusion initiative “Harmony” was awarded at the Sustainable Business Awards 2025 in Social Gender Equality category. We also received eight Excellence Awards from Brandon Hall Group:

- **Gold Awards** for Best Talent Management Strategy, Best Employee Experience, Best Use of Blended Learning (GoLEAD), Best Results of a Learning Program (GoAHEAD), Best Recruitment Marketing and Employer Branding (Cabin Crew Career Check), Best Selecting and Onboarding Interns (JumpSeat);
- **Silver Award** for Best Unique or Innovative Talent Acquisition Program (GoYoung); and
- **Bronze Award** for Best Candidate Experience Program (Cabin Crew Career Check).
- At the 2025 Airline Economics Aviation 100 Europe & Sustainability Awards, we were awarded the “**Sustainability Team of the Year**” and “**European Treasury Team of the Year**” awards. In addition, based on our ICMA/LMA-compliant Sustainability-Linked Financing Framework, which we recently published, and in connection with our JOLCO Aircraft Financing Sustainability-Linked Loan conversion project, we have been awarded the “**Sustainable Aviation Financing Excellence**” award.

In Q4:

- In 2025, we reached our **lowest annual emission intensity level with 56.9 grCO2/RPK** & reduced our emission intensity by **more than 12% compared to 2019**. We are progressing towards our 2030 target of reducing our unit emission intensity by 20% compared to 2019.
- In 2024, we improved our independent assessment on sustainability performance. We have maintained our success for five years in our CDP Climate Change Reporting, achieving a Leadership Level Score (A-). In 2025, we maintained our score in our CDP Water Security Report, retaining our Management (B) level. As of the end of 2024, our **LSEG ESG score was 77%**, giving us the **6th highest ranking** among 129 passenger transport service companies.
- We have finalized an agreement for up to 300 **LEAP-1B** engines for the Boeing 737-10 fleet, including spare engines and long-term maintenance with **CFM**. We aim for LEAP technologies to contribute to our 2030 CO2 reduction target and our 2050 net-zero vision by **delivering approximately 15% lower fuel consumption and 15% lower carbon emissions** compared to the previous generation.

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

- In ch-aviation awards, we received the award for “Airline with the 2nd Youngest Fleet in the World.”
- Our CEO, Güliz Öztürk, was awarded as one of “Turkey’s 50 Most Powerful Women CEOs” by Economist Magazine.
- At the International Corporate Governance Summit, we received the award for being the 2nd Highest-Rated Company in the BIST Corporate Governance Index.

- At the Sales Network Best of Sales Awards:
 - Most Desired Company to Work For
 - Second Prize in the Better World category with our “Her Adım Geleceğe” project
 - Second Prize in the Digital HR Applications category with our “FlyUp” project
 - First Prize in the Technology and Innovation in Sales category with our AI-powered “Peggy” chatbot project
- At the ATD BEST Awards, we received the 2025 BEST Award.
- At the Contact Center World Awards:
 - Best Contact Center
 - Best Social Media Management
 - Best Remote Agent Program
 - Best Training & Quality
- At Future Travel Experience, we received the Exceptional Ambition and Orchestration Award.
- At the Brandverse Awards Marketing Türkiye:
 - Gold Award in the Employer Brand Communication category with our Cabin Crew Career Check program
 - Silver Award in the SocialBrands Data Analytics – Airline Companies category for our social media management
- At the 37th Kristal Elma Awards, we were awarded one Crystal, five Silver, and one Bronze Award across Film, Print, Digital, Outdoor, Integrated Campaigns, and Radio/Audio categories.
- At The Stevie Awards:
 - Gold – Employer of the Year in Aviation & Defense
 - Gold – Best Talent Acquisition Process (GoYoung Young Talent Program)
 - Gold – Best Blended Learning Application (GoLead Leadership Program)
 - Silver – Most Innovative Talent Acquisition Program (Cabin Crew Career Check)
 - Silver – Leadership Development (GoAhead Leadership Program)
 - Silver – Diversity & Inclusion (Harmoni Initiative)
 - Silver – Internal Communications: People-Centric Communication
 - Silver – Best Talent Management Strategy: People-Centric Talent Management
 - Bronze – Best Youth Employment Strategy (JumpSeat Internship Program)
 - Bronze – Best Talent Acquisition Process: Pegasus Pilot Training Program
- At the Brandon Hall Group Awards:

- Gold – Best Recruitment Communication and Employer Branding Program (Cabin Crew Career Check)
- Gold – Best Internship Selection and Orientation Program (JumpSeat)
- Silver – Most Unique or Innovative Talent Acquisition Program (GoYoung)
- Bronze – Best Candidate Experience Program (Cabin Crew Career Check)
- Gold – Best Talent Management Strategy
- Gold – Best Employee Experience
- Gold – Best Blended Learning Program (GoLead)
- Gold – Best Learning Program Results (GoAhead)
- At the Sustainable Business Awards, we were awarded the Collaboration Award with our “Zero Waste in the Skies” project.
- At Business Life Awards, we received the Turkey’s Value-Creating Leaders Award.
- At the Airline Economics Aviation 100 European & Sustainability Awards 2025:
 - Sustainability Team of the Year
 - European Treasury Team of the Year
 - Sustainability Aviation Financing Excellence Award
- At the CAPA (Center for Aviation) Sustainability Awards 2024, we were named Global Environmental Sustainability Airline of the Year.
- At the Youthall Youth Awards 2025:
 - Gold – Most Inspiring CEO for Youth (CEO Güliz Öztürk)
 - Gold – Most Desired Transportation / Logistics Company to Work For
 - Bronze – Most Admired Recruitment Program (GoYoung)
- At the Sustainable Business Awards, we received the Gender Equality – Service Award.
- At the Treasury Management Summit, we received the Kyriba LIVE Awards CEMEA (Central & Eastern Europe, Middle East & Africa) award.
- At the Platinum Business Book Awards, our Chairperson Mehmet T. Nane received the Best Autobiography/Biography Book of the Year Award.
- At the Contact Center World – Global Best Practice Awards:
 - Best Contact Center
 - Best Use of Social Media
 - Best Home & Remote Agent Program
 - Best Improvement Award (Training & Quality Practices)
- At the Felis Awards:
 - Two awards in the Entertainment and Media categories with our “Aircraft Tracking” broadcast (HTalks)

- One Print & Publishing Felis award with our “Gençken Daha Güzel – France” project
- At the 16th Corporate Responsibility Summit:
 - Bronze Award in Waste Management
 - Special Award in Sustainability Communication
- At the TECHX Awards:
 - Campaign Experience
 - Innovation in Experience
 - Brand Turning Experience into Recommendation
- At the Turquality Vision Meeting and Branding Conference:
 - Turquality Champion – Highest Service Export
 - Turquality Champion – Highest Service Export to OIC Member Countries
- At the Excellence in Action Awards, we received the Silver Award in Company Culture.
- Our Marketing and E-Commerce Senior Director, Ahmet Bağdat, received the Innovative Leaders – Digital CMO 50 Award.
- At the Golden Spider Awards:
 - Best Mobile Application of the Year (Overall Winner)
 - First Place – Mobile Application (E-Commerce Category)
 - Third Place and People’s Choice – Website (Services Category)
 - Third Place – Website (Tourism & Travel Category)
- Our Senior Environmental Engineer, Latife Nur Demir, received the Fin-Erth Women Leaders in Climate and Sustainability Award.
- We attained Carbon Disclosure Reporting Project (CDP) Climate Change reporting score of A- and B in Water Security. CDP is a voluntary platform focused on combat against climate change.

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) 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

Due to airspace restrictions in the Middle East beginning on February 28, 2026; flights to Iran have been cancelled until March 15, 2026; flights to Iraq have been cancelled until March 12, 2026; flights to Jordan and Lebanon have been cancelled until March 9, 2026; flights to Bahrain, Kuwait, Qatar, United Arab Emirates and two destinations in Saudi Arabia have been cancelled until March 6, 2026; flights to Oman and two other destinations in Saudi Arabia have been cancelled until March 2, 2026; and flights to Pakistan have been cancelled until March 1, 2026 (including the dates indicated above). The impact of developments in this region on operations and financial results is being closely monitored.

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 2025
- **Annex-2:** Information on Duties Assumed Elsewhere by Pegasus Board Members in 2025
- **Annex-3:** Independency Statements of Pegasus Independent Board Members
- **Annex-4:** 2025 Financial Report Responsibility Statement
- **Annex-5:** Notes to 2025 Sustainability Compliance Report

ANNEX-1

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT FOR THE YEAR 2025

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 with 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 2025, 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 2026 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 2025 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 2025

The résumés and information on duties assumed elsewhere in 2025 for each Board member is provided in this Annex.

Mehmet Tevfik NANE	Chairperson of the Board
<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 & 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, Board Member of the Global Relations Forum (GRF). 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>	

Duties Assumed Elsewhere in 2025

1.	Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Chairperson
2.	Flybondi Limited (U.K.)	Non-Executive Board Member

Ali İsmail SABANCI**Board Member**

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 2025

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.	Beyoğlu Gazozu İçecek A.Ş.	Board Member
10.	Esas Portföy Yönetimi 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 2025

1.	DO & CO AG (Austria)	Supervisory Board Member
2.	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, İstanbul 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 2025

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.	Anadolu Ataşehir Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson
13.	Gaziemir Gayrimenkul Gayrimenkul Geliştirme Yatırım ve Ticaret A.Ş.	Chairperson

14.	Kalebodur Gayrimenkul Ticaret A.Ş.	Chairperson
15.	Klib Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
16.	KLZ Gayrimenkul Geliştirme A.Ş.	Executive Chairperson
17.	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 2025

1.	East Midlands Airport, U.K.	Managing Director
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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 2025

1.	Boğaziçi Ventures Teknoloji A.Ş.	Chairperson
2.	ESA Bilişim Spor A.Ş.	Chairperson
3.	Sesa Ambalaj ve Plastik Sanayi ve Tic. A.Ş.	Chairperson
4.	Karel Elektronik Sanayi Ticaret A.Ş.	Chairperson
5.	Global Yatırım A.Ş.	Independent Board Member
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.	Columbia Üniversitesi İstanbul Global Center	Advisory Board Member
10.	Türk Sanayiciler ve İş İnsanları Derneği	Member of High Advisory Council
11.	Sabancı Üniversitesi	Member of the Board of Trustees
12.	Saha Derneği	Vice Chairperson of the Board

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 2025

- | | | |
|----|--------------------------|--------------------------|
| 1. | ParkBee (Netherlands) | Supervisory Board Member |
| 2. | OpenUp (Netherlands) | Advisory Board Member |
| 3. | Bits of Stock (U.S.) | Advisory Board Member |
| 4. | Balderton Capital (U.K.) | Executive in Residence |
| 5. | Zenjob (Germany) | Advisory Board Member |
| 6. | Sennder | Chief Product Officer |

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 2025

- | | | |
|----|------------------------------------|--------------------------|
| 1. | Doğan Şirketler Grubu Holding A.Ş. | Independent Board Member |
| 2. | Zorlu Holding A.Ş. | Board Member |

ANNEX-3

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ INDEPENDENT BOARD MEMBERS' INDEPENDENCE STATEMENTS FOR 2025

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⁽¹⁾ or an important commercial relationship⁽²⁾ 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⁽³⁾ or materially influenced⁽⁴⁾ 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⁽⁵⁾ according to the Income Tax Law No. 193 dated December 31, 1960;⁽⁶⁾
- (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

⁽¹⁾ 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.

⁽²⁾ 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.

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

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

⁽⁵⁾ 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.

⁽⁶⁾ 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, 2025 and December 31, 2025, 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, 2026 and numbered 858 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 2025 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. Although our 2025 Turkish Sustainability Reporting Standards (TSRS) Compliant Sustainability Report is the main reporting medium regarding the subjects covered by the said framework, explanations prepared in the format requested by the Capital Markets Board are also provided in this section.

A. 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
- United Nations Global Compact (“**UNGC**”)

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](#). Prepared in accordance with GRI Standards in 2023, and in 2024 and 2025 in accordance with GRI Standards as well as TSRS 1 (General Provisions on Disclosure of Sustainability-Related Financial Information) and TSRS 2 (Climate-Related Disclosures) Standards set by the KGK.

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.

We strengthened our global collaboration by joining the Forward Faster initiative under the United Nations Global Compact (UNGC). Aiming to take faster, measurable, and concrete steps towards our 2030 goal, we focused on two areas within the UNGC Forward Faster initiative. We have contributed to the goals of ensuring equal representation of women and men and equal pay for equal work under the fundamental goal of "Gender Equality." We are continuing our efforts to fulfill this commitment by 2030.

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 2025, our three-year sustainability (ESG) roadmap which we updated with new targets was presented to and was endorsed by the Board of Directors. The risk & opportunity framework established under the supervision of the Corporate Governance Committee and the ESG-related risks in our risk inventory, which is under the supervision of the Risk Committee, are regularly reviewed and updated. 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. It was reviewed in 2025 as part of the three-year strategic plan. The program, endorsed by the Board of Directors, has been grouped under five main topics: Climate Accountability, Financial Resilience, Diversity, Equity & Inclusion, Demonstrate Action, and Embrace Innovation, with targets planned for implementation between 2026 and 2028.

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, for the first time, we compiled our work on Diversity, Equality & Inclusion in our [Harmony Report](#) and published it on our Sustainability Hub.

We continued to share details about our work and developments in 2025 in our Harmony Report. Volunteers from different business units continue to identify specific initiatives and targets and implement them, with specific focus on design, engagement and communication.

In 2023, we published our first Sustainability Report, prepared in accordance with GRI Standards, which highlights our sustainability efforts, our relationships with stakeholders, our impact on key environmental, social, and governance issues, and the value we create. In 2024 and 2025, we will expand our reporting scope to include not only GRI standards but also the TSRS 1 (General Provisions on Disclosure of Sustainability-Related Financial Information) and TSRS 2 (Climate-Related Disclosures) Standards set by the KGK.

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 2025, 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](#)
- [Pegasus Working On It](#)
 - [New Generation Fleet](#)

- [Electric Ground Equipment](#)
- [Mobile Boarding Pass](#)
- [June 4, World Environmental Day](#)
- [Pegasus Airlines Press Room](#)
 - [Airline Economics Awards](#)
 - [Sustainability Linked Loan](#)

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, our sustainability KPIs covers environmental and social targets 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 Sustainability Report and 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. From 2022 onwards every year, 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 Sustainability Report 2025 and Annual Report 2025 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](#). 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 2025, 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 2025, 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 and 2025, through our Sustainability Report, we shared 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. 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, 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. Since 2022, we have been certifying our annual electricity consumption with renewable energy. In 2026, we procured our 2025 electricity consumption covering our HQ at our home base Istanbul Sabiha Gökçen Airport and all other operation locations, which is 6,168 MWh in total, from renewable energy plants and certified it with YEK-G.

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, 22% 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. . In 2025, we maintained our Leadership (A-) level in Climate and our Management (B) level in Water Security. 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. We perform reporting and verification in compliance with the ReFuelEU Aviation regulation. EU-ETS, CH-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 carry out non-CO2 greenhouse gas reporting within the scope of EU-ETS reporting. 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. The current value of the carbon credit purchase obligation for the 2024 reporting period will be announced by the TDGCA. 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. The internal pricing and risk assessment accepted shared in detail in our sustainability report.

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.

We strengthened our global collaboration by joining the Forward Faster initiative under the United Nations Global Compact (UNGC). Aiming to take faster, measurable, and concrete steps towards our 2030 goal, we focused on two areas within the UNGC Forward Faster initiative. We have contributed to the goals of ensuring equal representation of women and men and equal pay for equal work under the fundamental goal of "Gender Equality." We are continuing our efforts to fulfill this commitment by 2030.

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.

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

