

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2023**

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

NOTE 5 - RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Group is Esas Holding. The Group has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders (which will be referred to as “ other related parties” below). There are no set payment terms for any of the related party transactions. The related party receivables and payables resulting from operating activities are generally not secured and interest free.

(i) Balances with Related Parties:

a) Other receivables from related parties

Balances with joint ventures:	30 June 2023	31 December 2022
PUEM	443.313	603.250
	443.313	603.250

b) Trade payables to related parties

	30 June 2023	31 December 2022
Balances with joint ventures:		
Hitit Bilgisayar	13.788.844	8.828.375
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	-	706.969
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	60.440
	13.788.844	9.595.784

(ii) Significant Transactions with Related Parties:

Various transactions with Esas Holding consist of commissions paid. The Group records these commissions within finance expense.

The Group leases their head office building from Esasburda , another Esas Holding subsidiary, and records the expenses as depreciation and interest under leases standard. Also, the Group records the dues, electricity, water and heating expenses for the head office building.

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

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

The Group receives health services from Alarm Sağlık.

a) Other income from related parties

	1 January- 30 June 2023	1 January- 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Transactions with joint ventures:				
PUEM	1.592.144	1.333.914	601.991	769.343
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(ii) Significant Transactions with Related Parties:

b) Purchases of goods or services

	1 January- 30 June 2023	1 January- 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Transactions with joint ventures:				
Hitit Bilgisayar	68.816.480	26.173.247	33.483.371	13.498.026
PUEM	-	9.422.906	-	4.314.285
Transactions with other related parties:				
Alarm Sağlık	222.926	205.648	111.463	170.083
Esasburda	5.110.872	3.093.140	3.109.013	1.847.193
	74.150.278	38.894.941	36.703.847	19.829.587

c) Rent expenses

	1 January- 30 June 2023	1 January- 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Esasburda(*)	10.214.751	6.542.383	5.139.096	3.271.192
	10.214.751	6.542.383	5.139.096	3.271.192

(*) Rent expenses are recorded as depreciation and interest under TFRS 16 leases standard. Amounts presented above represent issued invoices.

d) Commission expenses

	1 January- 30 June 2023	1 January- 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Esas Holding	9.470.785	8.399.427	5.038.331	4.306.260
	9.470.785	8.399.427	5.038.331	4.306.260

(iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 30 June 2023 and 30 June 2022 are as follows:

	1 January- 30 June 2023	1 January- 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Salaries and other short term benefits	125.598.526	42.107.690	114.642.592	36.500.839
Other long term benefits	275.256.543	9.694.873	275.256.543	9.694.873
	400.855.069	51.802.563	389.899.135	46.195.712