

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

CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2025 TOGETHER WITH  
THE INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Pegasus Hava Taşımacılığı Anonim Şirketi

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Pegasus Hava Taşımacılığı Anonim Şirketi (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Redelivery Maintenance Provision</b></p> <p>As explained in Note 15, as of 31 December 2025, the Group has recognized a provision of EUR 177.482.876 in respect of redelivery maintenance obligations for aircraft acquired under lease agreements without a purchase option (operating leases).</p> <p>The Group is required to return aircraft at the end of the lease term in accordance with the technical and operational conditions specified in the lease agreements. In this context, the Group may need to compensate lessors for differences between the actual condition of the airframe, engines, and life-limited parts at redelivery and the conditions contractually agreed. The redelivery maintenance provision is calculated over the lease term based on the present value of estimated future maintenance costs, considering flight hours and cycles during the lease period.</p> <p>The balance of the redelivery maintenance provision is significant in the consolidated financial statements. Its calculation involves management judgment and key assumptions, including aircraft utilization rates, the timing and cost of heavy maintenance events, the current condition of the aircraft, and the remaining useful lives of life-limited parts. Changes in these assumptions could have a material impact on the consolidated financial statements.</p> <p>Accordingly, redelivery maintenance provisions have been identified as a key audit matter.</p>	<p>To assess whether the redelivery maintenance provisions have been reasonably calculated, the following audit procedures were performed:</p> <ul style="list-style-type: none"> <li>• The design of management controls over the redelivery maintenance provision calculation process were evaluated, and the implementation of these controls was tested.</li> <li>• Key assumptions used in the calculation of the redelivery maintenance provision were assessed through discussions with the technical maintenance support team responsible for the calculations. Cost data underlying these assumptions were compared with the costs specified in the Group’s maintenance contracts.</li> <li>• Actual maintenance costs incurred for delivered aircraft were compared with the redelivery maintenance provisions calculated for these aircraft in prior periods, and any significant deviations were analyzed.</li> <li>• Maintenance expenditures incurred for aircraft acquired through leases without a purchase option during the period were tested based on flight hours as part of substantive procedures.</li> <li>• Accounting records for maintenance expenses incurred during the period were compared with supporting invoices to assess the accuracy and completeness of the records.</li> </ul> <p>In addition, the adequacy of disclosures related to redelivery maintenance provisions, as presented in Notes 2.4 and 15, was assessed in accordance with the requirements of TFRS 37 Provisions, Contingent Liabilities and Contingent Assets.</p>

## Other Matters

The consolidated financial statements of Pegasus Hava Taşımacılığı A.Ş. and its subsidiaries for the year ended 31 December 2024 were audited by another audit firm who expressed an unmodified opinion on those statements on 4 March 2025.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

İstanbul, 4 March 2026

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2025

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

	Notes	Current Period 31 December 2025	Prior Period 31 December 2024
<b>ASSETS</b>			
<b>Current assets</b>		<b>1.788.485.548</b>	<b>1.896.103.220</b>
Cash and cash equivalents	35	1.087.058.951	1.258.979.406
Financial assets	31	336.571.275	302.048.311
Trade receivables	6	72.875.083	73.467.728
<i>Trade receivables from third parties</i>	6	72.875.083	73.467.728
Other receivables	7	28.299.290	7.160.369
<i>Other receivables from third parties</i>		28.299.290	7.160.369
Derivative financial instruments	30	-	3.963.837
Inventories	8	45.873.088	41.520.211
Prepayments	9	206.467.113	201.897.122
Current income tax assets	27	230.768	2.327.277
Other current assets	19	11.109.980	4.738.959
<b>Non-Current assets</b>		<b>6.341.191.275</b>	<b>5.821.790.027</b>
Financial assets	31	138.051.520	125.770.276
Other receivables	7	154.654.141	134.981.750
<i>Other receivables from third parties</i>	7	154.654.141	134.981.750
Investments accounted by using the equity method	3	21.341.960	21.115.937
Property and equipment	10	512.684.339	470.967.606
Intangible assets	11	40.126.875	24.046.619
Right of use assets	12	4.377.194.138	4.172.222.342
Prepayments	9	687.049.660	445.802.363
Deferred tax assets	27	410.088.642	426.883.134
<b>TOTAL ASSETS</b>		<b>8.129.676.823</b>	<b>7.717.893.247</b>

The accompanying notes form an integral part of these consolidated financial statements.

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2025

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

	Notes	Current Period 31 December 2025	Prior Period 31 December 2024
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>1.744.582.757</b>	<b>1.506.138.554</b>
Short term borrowings	31	423.818.328	172.048.659
Short term portion of long term borrowings	31	41.990.007	218.212.572
Short term portion of long term lease liabilities	31	464.208.239	405.833.468
Trade payables	6	288.461.849	216.174.134
<i>Trade payables to related parties</i>	5	1.426.083	1.194.536
<i>Trade payables to third parties</i>		287.035.766	214.979.598
Employee benefit obligations	17	16.807.607	14.704.364
Other payables	7	6.565.305	12.519.590
<i>Other payables to third parties</i>	7	6.565.305	12.519.590
Contract liabilities	9	334.346.084	333.941.687
Derivative financial instruments	30	28.487.892	4.645.693
Deferred income	9	56.374.836	40.016.533
Short term provisions		83.522.610	88.041.854
<i>Short term provisions for employee benefits</i>	17	49.523.669	62.635.867
<i>Other short term provisions</i>	15	33.998.941	25.405.987
<b>Non-Current liabilities</b>		<b>4.069.009.633</b>	<b>4.172.749.156</b>
Long term borrowings	31	499.188.939	469.797.544
Long term lease liabilities	31	3.192.598.284	3.260.356.410
Derivative financial instruments	30	5.426.768	364.343
Deferred income	9	200.919.721	202.964.552
Long term provisions		170.875.921	239.266.307
<i>Long term provisions for employee benefits</i>	17	24.811.276	48.123.147
<i>Other long term provisions</i>	15	146.064.645	191.143.160
<b>SHAREHOLDERS' EQUITY</b>		<b>2.316.084.433</b>	<b>2.039.005.537</b>
Paid-in share capital	20	230.037.951	230.037.951
Share premiums on capital stock		24.595.488	24.595.488
Other comprehensive income/expense not to be reclassified to profit or loss			
Actuarial losses on defined benefit plans	26	(4.646.049)	(4.263.048)
Other comprehensive income/expense to be reclassified to profit or loss			
Currency translation differences		6.771.201	8.451.525
Hedge fund	26	(25.435.995)	(3.757.527)
Gain on financial assets measured at fair value		1.437.514	1.816.800
Restricted profit reserves		4.047.406	4.047.406
Retained earnings		1.778.076.942	1.416.584.246
Net income for the period		301.199.975	361.492.696
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8.129.676.823</b>	<b>7.717.893.247</b>

The accompanying notes form an integral part of these consolidated financial statements.

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

<b>Profit or loss</b>	<b>Notes</b>	<b>Current Period 1 January- 31 December 2025</b>	<b>Prior Period 1 January- 31 December 2024</b>
Revenue	21	3.414.377.529	3.125.970.722
Cost of sales (-)	21	(2.833.013.263)	(2.432.049.570)
<b>Gross profit</b>		<b>581.364.266</b>	<b>693.921.152</b>
General administrative expenses (-)	22	(108.750.324)	(84.282.675)
Selling and marketing expenses (-)	22	(72.167.009)	(61.492.192)
Other operating income	23	458.830	38.748.565
Other operating expenses (-)	23	(142.511.798)	(8.705.751)
<b>Operating profit</b>		<b>258.393.965</b>	<b>578.189.099</b>
Income from investing activities	24	64.330.518	49.187.715
Expenses from investing activities (-)	24	(33.566)	(1.460.575)
Share of investments income accounted for using the equity method	3	3.098.299	2.624.202
<b>Operating profit before financial expense</b>		<b>325.789.216</b>	<b>628.540.441</b>
Financial income	25	252.915.013	59.639.274
Financial expense (-)	25	(253.229.510)	(365.085.216)
<b>Profit/(loss) before tax</b>		<b>325.474.719</b>	<b>323.094.499</b>
<b>Tax income/(expense)</b>		<b>(24.274.744)</b>	<b>38.398.197</b>
Deferred tax income/(expense)	27	(24.274.744)	38.398.197
<b>Net profit for the period</b>		<b>301.199.975</b>	<b>361.492.696</b>
Income/(loss) per share EUR cents	28	0,60	0,72
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Actuarial (losses) / gains on defined benefit plans	26	(510.668)	(1.345.261)
Deferred tax effect	26	127.667	336.315
<b>Items to be reclassified to profit or loss</b>			
Currency translation differences		(1.680.324)	(357.262)
Gain on financial assets measured at fair value		(505.715)	444.198
Cash flow hedge	26	(28.904.624)	311.114
Deferred tax effect	26	7.352.585	(188.829)
<b>Other comprehensive income / (expense)</b>		<b>(24.121.079)</b>	<b>(799.725)</b>
<b>Total comprehensive income / (expense)</b>		<b>277.078.896</b>	<b>360.692.971</b>

The accompanying notes form an integral part of these consolidated financial statements.

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2025**

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

			Other comprehensive income items not to be reclassified to profit or loss	Other comprehensive income items to be reclassified to profit or loss			Restricted profit reserves	Retained earnings			Shareholders' equity
	Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Hedge reserve	Gain on financial assets measured at fair value		Retained earnings	Net profit/(loss) for the year		
<b>As at 1 January 2024</b>	<b>EUR</b>	<b>60.544.134</b>	<b>194.089.305</b>	<b>(3.254.102)</b>	<b>8.808.787</b>	<b>(3.990.862)</b>	<b>1.483.652</b>	<b>4.047.406</b>	<b>626.643.772</b>	<b>789.940.474</b>	<b>1.678.312.566</b>
Transfers	EUR	169.493.817	(169.493.817)	-	-	-	-	-	789.940.474	(789.940.474)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	361.492.696	361.492.696
Other comprehensive income / (expense)	EUR	-	-	(1.008.946)	(357.262)	233.335	333.148	-	-	-	(799.725)
<b>As at 31 December 2024</b>	<b>EUR</b>	<b>230.037.951</b>	<b>24.595.488</b>	<b>(4.263.048)</b>	<b>8.451.525</b>	<b>(3.757.527)</b>	<b>1.816.800</b>	<b>4.047.406</b>	<b>1.416.584.246</b>	<b>361.492.696</b>	<b>2.039.005.537</b>
<b>As at 1 January 2025</b>	<b>EUR</b>	<b>230.037.951</b>	<b>24.595.488</b>	<b>(4.263.048)</b>	<b>8.451.525</b>	<b>(3.757.527)</b>	<b>1.816.800</b>	<b>4.047.406</b>	<b>1.416.584.246</b>	<b>361.492.696</b>	<b>2.039.005.537</b>
Transfers	EUR	-	-	-	-	-	-	-	361.492.696	(361.492.696)	-
Net profit/(loss) for the period	EUR	-	-	-	-	-	-	-	-	301.199.975	301.199.975
Other comprehensive income / (expense)	EUR	-	-	(383.001)	(1.680.324)	(21.678.468)	(379.286)	-	-	-	(24.121.079)
<b>As at 31 December 2025</b>	<b>EUR</b>	<b>230.037.951</b>	<b>24.595.488</b>	<b>(4.646.049)</b>	<b>6.771.201</b>	<b>(25.435.995)</b>	<b>1.437.514</b>	<b>4.047.406</b>	<b>1.778.076.942</b>	<b>301.199.975</b>	<b>2.316.084.433</b>

(\*) Within the registered capital ceiling of EUR 230.037.951, the Company's issued capital amounting to EUR 60.544.134 was increased by EUR 169.493.817 to EUR 230.037.951, all of which was covered from the amounts in the " Share Premiums on Capital Stock" account, and capital increase was registered with the Trade Registry on May 30, 2024.

The accompanying notes form an integral part of these consolidated financial statements.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025

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

	Notes	Current Period 1 January- 31 December 2025	Prior Period 1 January- 31 December 2024
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Income/(loss) for the period</b>		<b>301.199.975</b>	<b>361.492.696</b>
<b>Adjustments to reconcile the income/(loss)</b>			
Depreciation and amortization	10-11-12	425.163.725	338.692.016
Adjustments related with impairments		(1.584.044)	1.264.353
<i>Provision for doubtful receivable</i>	6	<i>(84.941)</i>	<i>(193.900)</i>
<i>Adjustments related with financial investment impairments</i>	24	<i>(1.499.103)</i>	<i>1.458.253</i>
Adjustments related with provisions		61.109.965	62.827.031
<i>Provision for employee benefits</i>	17	<i>57.816.418</i>	<i>62.129.094</i>
<i>Legal provision</i>	15	<i>3.293.547</i>	<i>697.937</i>
Interest and commission income	24-25	130.324.825	179.759.157
Adjustments related with fair value expense (income)		(152.555)	(668.652)
<i>Adjustments related with fair value expense (income) of financial assets</i>		<i>(152.555)</i>	<i>(668.652)</i>
Gain on equity investments accounted for using the equity method	3	(3.098.299)	(2.624.202)
Current tax (income)/expense	27	24.274.744	(38.398.197)
Adjustments for (income)/expense caused by sale or changes in share of joint ventures		(1.138.222)	(1.757.357)
Other provisions related with investing or financing activities	24-25-33	(4.133.587)	(10.535.925)
<b>Changes in working capital</b>			
Increase in trade receivables		677.586	(22.039.570)
Increase in other receivables, prepayments and other assets		(122.670.671)	(130.513.407)
Increase in inventories		(4.352.877)	(8.509.925)
Increase in trade payables		72.287.715	15.826.134
Increase in deferred income, other payables and other current liabilities		(40.477.600)	93.399.816
<b>Net cash generated from operating activities</b>		<b>837.430.680</b>	<b>838.213.968</b>
Payment for the employee benefits provisions	17	(68.837.596)	(28.393.246)
Payment for other provisions	15	(1.661.412)	(22.843)
		<b>766.931.672</b>	<b>809.797.879</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash changes from acquisition and sale of debt instruments of other entities		(69.329.780)	(48.917.253)
Net cash changes from purchase and sale of property, equipment and intangible assets		(46.240.799)	69.088.390
Interest received from financial investment		52.834.936	40.376.369
Changes in cash advances and payables		(270.225.134)	(109.660.781)
Other cash changes (*)		(23.902.613)	258.320.898
		<b>(356.863.390)</b>	<b>209.207.623</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in borrowings		506.670.701	761.466.720
Repayment of borrowings		(338.331.116)	(535.551.831)
Repayment of principal in lease liabilities		(401.775.554)	(355.958.171)
Interest and commission paid		(247.869.475)	(259.557.392)
Interest received		65.892.090	53.805.327
		<b>(415.413.354)</b>	<b>(335.795.347)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE TRANSLATION EFFECT (A+B+C)</b>		<b>(5.345.072)</b>	<b>683.210.155</b>
<b>D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS</b>		<b>(166.575.383)</b>	<b>82.172.877</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(171.920.455)</b>	<b>765.383.032</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
<b>AT THE BEGINNING OF THE PERIOD</b>	35	<b>1.258.979.406</b>	<b>493.596.374</b>
<b>AT THE END OF THE PERIOD (A+B+C+D+E)</b>	35	<b>1.087.058.951</b>	<b>1.258.979.406</b>

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

EUR 766.132.235 of tangible and intangible assets additions in total of EUR 503.070.403 was financed through leases for the year ended 31 December 2025 (31 December 2024: EUR 1.337.946.977 of tangible and intangible assets additions in total of EUR 979.596.709 was financed through leases).

The accompanying notes form an integral part of these consolidated financial statements.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

### NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Pegasus Hava Taşımacılığı A.Ş. (the “Company” or “Pegasus”) and its subsidiaries (together “the Group”) is a low cost airline company. The Group operates under a low cost business model and employs low cost airline business practices which focus on providing affordable, reliable and simple service. Group management focuses on providing high-frequency services on short- and medium-haul, point-to-point routes on its domestic and international transit network primarily from its main hub, Sabiha Gökçen Airport in İstanbul. The Group also operates scheduled flights from four other domestic hubs in Ankara, Adana, Antalya and İzmir. The Group operates with 127 aircraft (31 December 2024: 118 aircraft including 6 owned, all of them leased, 90 of which have purchase option) including 4 owned, 99 of which have purchase option and 24 leased as of 31 December 2025.

The Group offers a number of services ancillary to the core air passenger services and generates revenue through the provision of these services. These ancillary services include, but not limited to, revenue related to in-flight sale of beverages and food, excess baggage fees, reservation change and cancellation fees, airport check-in fees and seat selection fees.

The Group also provides cargo services and provides various training services. These training services include crew training, type rating training (i.e., training to fly a certain aircraft type), dangerous goods training and crew resource management (CRM) training.

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Esas Holding A.Ş. (“Esas Holding”)	52,81%	52,81%
Publicly held	45,37%	45,37%
Sabancı Family Members	1,82%	1,82%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

Shares of the Company have been started to be traded in İstanbul Stock Exchange since 26 April 2013, after the book building between the dates of 18-19 April 2013.

The Group’s total number of full time employees as of 31 December 2025 is 9.260 (31 December 2024: 8.459). The address of its principal office is Aeropark Yenişehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

#### Subsidiaries

##### *Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.*

The Group established Pegasus Havacılık Teknolojileri ve Ticaret A.Ş. (“PHT”) in Istanbul on 13 May 2016, to manage simulator technical support and maintenance operations. The Group holds 100% ownership of PHT's outstanding shares and consolidates it as a subsidiary on a line-by-line basis.

##### *Pegasus Airlines Innovation Lab, Inc.*

Pegasus Airlines Innovation Lab, Inc. (“PIL”), is incorporated in the State of Delaware, U.S.A., effective as of 28 December 2023, to undertake operations primarily in the Silicon Valley. Notifications regarding incorporation are completed with a capital amount of USD 150.000 as of 2 January 2024. The Group holds 100% ownership of PILs outstanding shares and consolidates it as a subsidiary on a line-by-line basis.

##### *Pegasus Airlines Ventures LP*

Pegasus Airlines Ventures LP (“PAV”), in which the Group holds a 100% ownership stake, was incorporated in the United States as of August 20, 2025, to evaluate investment opportunities in innovative technology and software solution ventures focused on the practical application of artificial intelligence in air transportation, with a capital amount of USD 1.000.000.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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#### NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

##### Subsidiaries (cont'd)

###### *Pegasus Europe B.V.*

The Group has completed the incorporation process of a new subsidiary in the Netherlands in order to carry out the acquisition of shares in Smartwings Group, as disclosed in the material event dated December 8, 2025. The establishment procedures of its wholly owned subsidiary, Pegasus Europe, (“PEU”) were completed as of December 10, 2025, and the registration procedures were finalized as of December 11, 2025.

##### Joint Ventures

###### *Pegasus Uçuş Eğitim Merkezi A.Ş.*

The Group incorporated Pegasus Uçuş Eğitim Merkezi A.Ş. (“PUEM”) in October 2010 in Türkiye, a joint venture flight training company, with SIM Industries B.V., a Dutch simulator manufacturing and marketing company.

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

###### *Hitit Bilgisayar Hizmetleri A.Ş.*

Hitit Bilgisayar Hizmetleri A.Ş. (“Hitit Bilgisayar”) was established in 1994, and as of 31 December 2014 it was merged with its related company Hitit Yazılım A.Ş. The scope of operations of the entity is to develop software solutions for airlines and travel agencies as well as airports, and be engaged with the activities concerning service of the foregoing operations, services and sales thereof.

The Group owns 36,20% of the outstanding shares of Hitit Bilgisayar and disclose as joint venture under investments accounted for using the equity method in the financial statements.

#### Approval of Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 4 March 2026.

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

###### Financial reporting standards

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue to utilize its assets effectively and meet its obligations in the normal course of business operations.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

#### 2.1 Basis of Presentation (cont'd)

##### Functional and Presentation Currency

Although there is no prominent currency affecting revenue and cost of sales, the Company's functional currency is determined as Euro because; significant portion of scheduled flight revenues, which represents the Company's primary operations, is generated from European flights, Euro represents a significant component of the financial liabilities of the Company and management reports and budget enabling the Company's management to make executive decisions are prepared in Euro. The functional currency of the Company, its subsidiary and associates, other than Hitit Bilgisayar, PIL and PAV, is Euro. Hitit Bilgisayar's, PIL's and PAV's functional currency is US Dollars.

For the companies in Turkiye that maintain financial records in TL, currency translation from TL to the functional currency Euro is made under the framework described below:

- Monetary assets and liabilities have been converted to the functional currency with the Central Bank of Turkish Republic (CBRT) foreign exchange rate.
- Non-monetary items have been converted into the functional currency at the exchange rates prevailing at the transaction date.
- Profit or loss accounts have been converted into the functional currency using the exchange rates at the transaction date, except for depreciation expenses.
- The capital is followed according to historical costs.

The translation differences resulting from the above mentioned conversions are recognized under financial income / expenses in the statement of profit or loss.

##### Financial Reporting in Hyperinflationary Economies

In accordance with the POA's announcement dated 23 November 2023, companies applying International Financial Reporting Standards are required to present their financial statements for the annual reporting periods ending on or after 31 December 2023, adjusted for the effects of inflation in accordance with the relevant accounting principles in International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (IAS 29). Since the Company's functional currency is Euro as of the reporting date, there is no need to make any adjustments within the scope of IAS 29 in its financial statements to be prepared in accordance with IFRS. However, the financial statements as of 31 December 2024 are prepared in accordance with the Tax Law and have been subject to inflation correction in accordance with the legislation. As of 31 December 2025, inflation accounting has not been applied.

##### Comparative Information and Reclassification of Prior Period Financial Statements

Consolidated financial statements of Group are prepared in comparison to prior period in order to identify financial position and performance trends. In order to maintain consistency with current period consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. In the current period, the Group has made several reclassifications in the prior period consolidated financial statements in order to maintain consistency with current year consolidated financial statements. There is no effect of these reclassifications in the prior period equity and statement of profit or loss. The nature, amount and reasons for each of the reclassifications are described below:

- In the statement of financial position as of 31 December 2024, the amount of EUR 4.267.977 presented under long-term other receivables related to pilot training receivables has been reclassified to short-term other receivables related to pilot training receivables.
- In the statement of financial position as of 31 December 2024, the amount of EUR 7.025.009 carried under long-term other receivables as maintenance reserve prepayments has been offset against maintenance reserve provisions under long-term liabilities.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

#### 2.1 Basis of Presentation (cont'd)

##### Comparative Information and Reclassification of Prior Period Financial Statements (cont'd)

- In the statement of financial position as of 31 December 2024, the amount of EUR 23.849.031 presented under other long-term provisions related to maintenance reserve provisions has been reclassified to maintenance reserve provisions under other short-term provisions.
- In the statement of financial position as of 31 December 2024, the amount of EUR 47.313.587 presented under long-term prepaid expenses related to prepaid engine maintenance expenses has been reclassified to long-term maintenance reserve prepayments.
- In the statement of profit or loss and other comprehensive income as of 31 December 2024, the amount of EUR 19.318.955 presented under personnel expenses within general administrative expenses and EUR 2.341.572 presented under personnel expenses within marketing expenses has been reclassified and presented under personnel expenses within cost of sales.
- In the statement of cash flows as of 31 December 2024, the amount of EUR 90.481.115 presented under cash flows from operating activities has been reclassified and presented under translation differences effect on cash and cash equivalents.

#### Basis of Consolidation

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

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Country of registration and operation</u>
		<u>31 December 2025</u>	<u>31 December 2024</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Turkiye
Pegasus Airlines Innovation Lab, Inc.	Technology – R&D	100%	100%	USA
Pegasus Airlines Ventures LP	Technology Investment Management Acquisition and Management of Foreign	100%	-	USA
Pegasus Europe B.V.	Equity Investments	100%	-	Netherlands

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed to variable returns from its involvement with the investee or has rights to such returns; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

##### 2.1 Basis of Presentation (cont'd)

###### Basis of Consolidation (cont'd)

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voting shareholders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate whether the Company currently has the ability to direct the relevant activities at the time decisions need to be made will be considered. This includes analyzing voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year, are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company no longer controls the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

###### Changes in the Group's Ownership Interests in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9 Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation (cont'd)

###### Joint Ventures

The following table illustrates the affiliates and joint ventures then indicates the Group's ownership percentage in these joint ventures as of 31 December 2025, 31 December 2024:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Ownership rate</u>		<u>Ownership type</u>	<u>Country of registration and operation</u>
		<u>31 December 2025</u>	<u>31 December 2024</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM") (*)	Simulator training Information system	-	49,40%	Joint venture	Turkiye
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	solutions	36,20%	36,82%	Joint venture	Turkiye

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

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. At first, investments in joint ventures are recorded on the consolidated financial statements at their initial cost under the equity method. Subsequently, adjustments are made to reflect the Group's portion of the joint venture's profit or loss and other comprehensive income. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

##### 2.2 Changes in Accounting Estimates

Changes in accounting estimates are applied prospectively. If the change is effective for a specific period, it impacts only that period. If they relates to future periods, they are recognized prospectively both in the current period and in the future period. Significant errors identified by the Group in the accounting estimates are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in accounting estimates in the current reporting period.

##### 2.3 New and Amended Turkish Financial Reporting Standards

###### a) Amendments that are mandatorily effective from 2025

###### **Amendments to IAS 21 *Lack of Exchangeability***

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

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

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

IFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Regarding power purchase arrangements</i>
Annual Improvements	<i>Annual Improvements to IFRS Accounting Standards - Volume 11</i>
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation</i>
Amendments to IFRS S2	<i>Currency</i>
	<i>Greenhouse Gas Emissions Disclosures</i>

###### **IFRS 18 *Presentation and Disclosures in Financial Statements***

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

###### **IFRS 19 *Subsidiaries without Public Accountability: Disclosures***

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

###### **Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments***

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

###### **Amendments to IFRS 9 and IFRS 7 *Power Purchase Arrangements***

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

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

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

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

#### **Annual Improvements to IFRSs – Volume 11**

The pronouncement comprises the following amendments:

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

Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

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

The amendments cover new or amended Turkish Financial Reporting Standards that were not considered when IFRS 19 was first issued. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

#### **Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency***

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

#### **Amendments to IFRS S2 *Greenhouse Gas Emissions Disclosures***

The amendments to IFRS S2 aim at supporting entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in IFRS S2. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

The Grup evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

##### 2.4 Summary of Significant Accounting Policies

###### Related Parties

Related parties comprise of any person or entity related to the entity preparing the financial statements (reporting entity).

a) Any individual or any one of the close family members of such individual are considered as being related with the reporting entity: In the event the subject matter individual,

- (i) is in possession of control or joint control over the reporting entity,
- (ii) is entitled to a crucial influence on the reporting entity,
- (iii) is a member of the key management staff of the reporting entity or one of the major shareholders of the reporting entity.

(b) In the event any of the following circumstances is present in existence, the entity is considered to be in relation with the reporting entity:

- (i) If the entity and the reporting entity are members of the same group (in other words, each major partnership, associated partnership and other associated partnership is related to the others).
- (ii) If the entity is an affiliate or business partnership of the other entity (or a member of the group that such other entity is also a member of).
- (iii) If both entities are business partnerships of the same third party.
- (iv) If one of the entities is a business partnership of any third entity and the other entity is an affiliate of the subject matter third entity.
- (v) If there are benefit plans for the post-retirement stage with respect to the employees of the entity, reporting entity or any other entity related to the reporting entity. In the event the reporting entity is itself in possession of such a plan, the sponsoring employers are likewise related to the reporting entity.
- (vi) If the entity is controlled by any individual identified under article (a) or under joint control.
- (vii) If any individual identified under item (i) of article (a) is in possession of a substantial influence on the entity or is a member of the key management personnel of the subject matter entity (or of the major shareholder of any such entity).

Consists of the transfer of sources, services or obligations between the related party and any party related to the reporting entity of the transaction performed, regardless of whether the same is in consideration for a charge or otherwise.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

##### 2.4 Summary of Significant Accounting Policies (cont'd)

###### Revenue from Contracts with Customers

The Group generates its revenues from international and domestic flight operations. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. These revenues are recognized as follows:

- Scheduled and charter flight revenues are recorded as revenue when the transportation service is provided. Tickets sold but not yet used are recorded as passenger flight liabilities. Passenger flight liability is followed in the balance sheet under the liabilities arising from customer contracts until the flight occurs.
- Cargo services and training services are recognized when services are provided.
- Ancillary revenue is recognized as revenue when the service is provided.
- The passenger service fee is a non-refundable fee added to the ticket price in order to perform the sales service. Since the passenger service fee is not considered as a performance obligation different from the transportation service, it is recorded as income when the transportation service is performed.

The Group has evaluated itself as a surrogate in terms of the airport tax paid to the relevant state institutions and collected from the passengers at the ticket price and has not included the taxes in the revenue amount. The most important factor in this evaluation is the fact that the addressee of the tax is not the Company but the passenger.

If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

The Group also receives interest income, which is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Group recognises revenue based on the following five principles in accordance with the IFRS 15, “Revenue from Contracts with Customers Standard”; effective from 1 January 2019:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Revenue from Contracts with Customers (cont'd)

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation. When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

##### Pegasus Card and Pegasus Plus Loyalty Program

Pegasus Bolbol is the loyalty program of Pegasus. The members of Pegasus Bolbol program earn and accumulate flight points for both ticket and non-ticket purchases each time they use their Pegasus Bolbol membership. If the points are earned by ticket purchases, the flight points are provided by Pegasus and recognized as a separately identifiable component of the sales transaction and measured at fair value. They are recorded as “flight liability from flight points” initially and recognized as revenue when the flight points are used. The value of flight points changes according to the ticket price during use and their fair value is adjusted according to the statistic during the current year.

If the points are earned through non-ticket purchases, the program partner funds the cost of the points through a payment to the Group. The Group defers this revenue, which it records as “flight liability from flight points” and recognizes the revenue when the points are used by the customer. Award points are valid for at least two years and expire at the last day of the second calendar year. Unused points are recognized as income based on historic usage.

##### Inventories

Inventory cost is calculated using the weighted average cost method. Inventories are composed of consumables, spare parts, catering stocks and other stocks and they are valued at the lower of cost or net realizable value. Spare parts are composed of large number of minor items of property, plant and equipment. For practical reasons, smaller items that are not significant are not recorded individually in the property, plant, and equipment register but are instead included in inventories.

##### Tangible Assets

Tangible assets are carried at historical costs less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised over their estimated useful lives, less their residual values using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Group allocates the cost of an acquired aircraft to its service potential reflecting the maintenance condition of its engines and airframe. This cost, which can equate to a substantial element of the total aircraft cost, is depreciated over the shorter of the period to the next maintenance check or the remaining life of the aircraft. The costs of subsequent major airframe and engine maintenance checks are capitalised and depreciated over the shorter of the period to the next check or the remaining life of the aircraft.

All significant components and repairable spare parts are accounted separately and depreciated over their respective estimated useful lives.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Tangible Assets (cont'd)

Leased assets are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising from the disposal or retirement of a tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset. This gain or loss is recognized in the profit or loss statement.

##### Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Acquired trademark, brands and licenses are shown at historical cost. Trademarks, brands and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives. The acquired software has a 5 year useful life.

##### Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### Impairment of Non-financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its aircraft to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which separately identifiable cash flows exist (cash-generating units). At the end of each reporting period, non-financial assets are reviewed for possible impairment reversals.

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

##### 2.4 Summary of Significant Accounting Policies (cont'd)

###### Impairment of Non-financial Assets (cont'd)

The fleet has been determined as the lowest level cash generating unit and analysed for impairment accordingly. The aircraft fleet includes both right-of-use assets under lease agreements and aircraft, components, spare engines and other parts within the tangible asset account group. For determination of recoverable amounts the higher value between value in use and sale expenses deducted net selling prices in US Dollars is used. Net selling price for the aircraft is determined according to second hand prices in international price guides.

###### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. There are no qualifying assets during the years ended 31 December 2025 and 31 December 2024. Therefore, no borrowing costs were capitalized during the years ended 31 December 2025 and 31 December 2024. All borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

###### Maintenance and Repair Costs and Maintenance Reserve Contribution Receivables

Although, finance lease and operating lease definitions are removed with IFRS 16 for the lessees, the Group continues to use these definitions because they represent different risk categories. In line with the definitions introduced by IFRS 16 for the lessors; a lease agreement is defined as a financial lease, if the lease significantly transfers all risks and returns arising from the ownership of the underlying asset; otherwise, it is defined as an operating lease. However, this distinction does not affect the accounting for the relevant lease agreements. All lease agreements are accounted for in accordance with IFRS 16.

The accounting for the cost of providing major airframe and certain engine maintenance checks for owned aircraft and aircraft that is leased with purchase option (financial leases) described in the accounting policy for tangible assets.

For leased aircraft where there is no purchase option (operating leases), the Group pays monthly supplemental amount called "Maintenance Reserve Contribution" to operating lease companies with respect to heavy maintenance expenditures. This reserve contribution is calculated based on the actual flight hours or the actual number of landings of the aircraft. These reserve payments are recognised on a monthly basis in the statement of financial position, netted from the maintenance provisions recorded in accordance with IFRS 16, during the lease term. However, when the Group incurs such heavy maintenance expenditures on behalf of the operating lease company, it claims these costs back and recognise an agreed maintenance reserve contribution receivable until it is collected. All other maintenance and repair costs are expensed as incurred.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

##### 2.4 Summary of Significant Accounting Policies (cont'd)

###### Right of Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. As of the leasing start date, redelivery maintenance provisions of the aircraft are considered as an indispensable obligation within the scope of the contract, and the estimated provisions are included in the discounted cost and the right of use assets.

Right-of-use assets are subject to impairment.

###### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured in case of modification, changes in the lease term, changes in in-substance fixed lease payments, or changes in the assessment to purchase the underlying asset.

###### Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets lease recognition exemption to leases of office equipment that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

###### Taxation and Deferred Income Taxes

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Taxation and Deferred Income Taxes (cont'd)

###### Current Tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

###### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

###### Current and Deferred Tax for the Period

Taxes are recognised as an expense or income in profit or loss, except when they related to transactions that are recognised in equity. Otherwise, taxes are also recognized in equity with other related transactions.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### **Government Grants**

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. As a financing instrument, government grants, rather than to be recognized in profit or loss to offset the expenses they are financing, are to be recognized in the balance sheet as deferred income and be recognized in profit or loss on a systematic basis over the economical life of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

##### Investment Incentives

The Turkish Government has an Investment Incentive Program which became effective upon the issuance of the Council of Ministers' resolution "Government Assistance for Investments" No:2009/15199 ("Incentive Program") on 14 July 2009.

The Incentive Program aims to provide support to companies which make investments by providing a credit against taxable income related to those investments. The amount of credit is determined based on a "contribution rate" in the Incentive Program. An entity must obtain an investment certificate related to the associated incentives.

The Group obtained incentive certificates from the Undersecretariat of Treasury for 105 aircraft. According to the incentive certificate of 12 aircraft, the Company will use 15% of the purchase value of the aircraft as the contribution rate which is the maximum amount that could be deducted against taxable income that is attributable to the operation of aircraft. The deduction will be performed by the application of 50% of the effective tax rate for the (i.e. use of 12,5% instead of 25%) taxable income attributable to the operation of these aircraft. According to the incentive certificate of 93 aircraft, the Company will use 50% of the purchase value of the aircraft as the contribution rate which is the maximum amount that could be deducted against taxable income that is attributable to the operation of aircraft. The deduction will be performed by the application of 90% of the effective tax rate for the (i.e. use of 2,5% instead of 25%) taxable income attributable to the operation of these aircraft. The Group has reflected the amount related to the above-mentioned "contribution amount" in the financial statements due to the formation of a Corporate Tax base in the foreseeable five-year period as of December 31, 2025 (Note 13).

##### **Employee Benefits**

##### Defined Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation. The calculated actuarial gains and losses are accounted under the other comprehensive income when material.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Employee Benefits (cont'd)

###### *Employee Bonus Plan*

The Group recognizes a liability and an expense for employee bonus, based on current year performance. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Based on the nature of the Group's business, there are various transactions entered into that are in currencies other than the functional currency. In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized either as finance income or finance costs in the period in which they arise.

##### Financial Assets

###### Recognition and Measurement

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase. The Group determines the classification of its financial assets at the time of purchase.

“Financial assets measured at amortized cost”, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise “cash and cash equivalents”, “trade receivables” and “financial investments”. Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the consolidated statement of income.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

##### 2.4 Summary of Significant Accounting Policies (cont'd)

###### Financial Assets (cont'd)

###### Recognition and Measurement (cont'd)

“Financial assets measured at fair value through other comprehensive income”, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified.

The valuation differences classified under other comprehensive income are recognized in retained earnings upon derecognition of financial assets.

At initial recognition, the Group may make an irrevocable election for particular investments in equity instruments, which would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for in the consolidated statement of income.

“Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

###### Derecognition

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

###### Impairment

Impairment of the financial and contractual assets measured by using “Expected credit loss model” (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below ;

12- Month ECL: results from default events that are possible within 12 months after reporting date.  
Lifetime ECL: results from all possible default events over the expected life of financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12 month ECL measurement if it has not.

The group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Financial Assets (cont'd)

###### Trade receivables

Trade receivables resulting from services provided directly to debtors are measured at amortized cost, using the effective interest rate method, short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

Group has preferred to apply “simplified approach” defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to “lifetime expected credit losses” except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under “Other Operating Income/Expenses” in the consolidated statement of income or loss.

###### Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments.

##### Financial Liabilities

The Group's financial liabilities and equity instruments are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The contract representing the right in the assets of the Group after deducting all debts of the Group which is an equity-based financial instrument. The accounting policies applied for certain financial liabilities and equity instruments are as follows.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

###### Other financial liabilities

Other financial liabilities are initially recognized at fair value as a net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

In case of fulfilling the contractual obligations of other financial liabilities, cancelling the contract or expiring, the Group offsets this liability. The carrying amount of the off-balance sheet and the difference between the book value of the financial liability and the new financial liability arising are recognized in the statement of profit or loss.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognized at fair value on the date when a derivative contract is entered into and subsequently remeasured at fair value. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognized in the statement of profit or loss. Fair values are obtained from quoted market prices in active markets, including recent market transactions, to the extent publicly available. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group is exposed to foreign exchange risk through the impact of currency rate changes on translation into the Euro of its foreign currency denominated assets and liabilities and non-Euro denominated currency transactions. To monitor the risk, the Group enters into forward transactions where the Group is liable to pay a certain amount of Euro and receive a certain amount of foreign currency (mainly US Dollars) at a specified date. The change in the fair value of the derivative financial assets that qualify for hedge accounting according to IAS 39 (Financial Instruments) are recognized in other comprehensive income and the change in the fair value of the derivative financial assets that do not qualify for hedge accounting according to IAS 39 are recognized in statement of profit or loss. The Group has started applying IFRS 9 for derivative financial instruments starting from 1 October 2019.

Inherently, the Group is exposed to financial risks related to interest rate fluctuations. The most significant source of the interest rate risk is the financial lease liabilities. The policy of the Group is to transform a part of its floating rate financial liabilities into fixed rate financial liabilities by using derivative financial instruments. Derivative financial instruments procured for this purpose do not qualify for hedge accounting and the change in the fair value of these derivative financial assets are recognized immediately in profit or loss.

Fuel costs which are predominantly determined in US Dollars constitute a substantial portion of the Group's cost base. The Group enters into forward and option forward transactions with financial institutions based on acquisition of jet fuel or Brent oil on specified prices. These commodity forward transactions qualify for hedge accounting and they are accounted as cash flow hedges under equity as at 31 December 2025 and 31 December 2024.

Brent within framework of hedge transactions against cash flow risk is a substitute product of Jet Fuel, whereas the correlation between the two commodities is set forth in terms of past statistics. The correlation rate between Brent and Jet Fuel between years 2010-2025 is within the effectiveness ranges. The excessive amount over the effective rate is accounted in profit or loss in the related period when the amount has material effect in the financial statements.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an on-going basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Amounts previously recognized in other comprehensive income are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the statement of comprehensive income as the recognized hedged item. Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

#### 2.4 Summary of Significant Accounting Policies (cont'd)

##### Derivative Financial Instruments and Hedge Accounting (cont'd)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques such as using the basis of recent market transactions on arm's length terms, using the fair value of similar financial instruments and using discounted cash flow analysis (Note 33).

##### Events After Reporting Period

Events after reporting period comprise any events between the reporting period and the date of authorization of the financial statements, even if the event after balance sheet date occurred subsequent to an announcement on the Group's profit or following any financial information that are released.

In the case of events requiring adjustments, the Group adjusts the amounts recognized in its financial statements to reflect the events. For non-adjusting events, disclosure is made in the notes to the financial statements.

##### Contingent Liabilities and Contingent Assets

Contingent liabilities are assessed continuously to determine the probability of outflow of the economically beneficial assets. For contingent liabilities, when an outflow of resources embodying economic benefits are probable, provision is recognized for this contingent liability in the period when the probability has changed, except for the cases where a reliable estimate cannot be made.

When the Group's contingent liabilities are probable but the amount of resources containing the economic benefits cannot be measured reliably, then the Group discloses this fact in the notes to the financial statements.

##### Earnings per Share

Earnings per share is calculated by dividing net profit by weighted average number of shares outstanding in the relevant period. In Türkiye, companies are allowed to increase their capital by distributing free shares to shareholders from accumulated profits. In calculation of earnings per share, such free shares are considered as issued shares. Therefore, weighted average number of shares in the calculation of earnings per share is found by applying distribution of free shares retrospectively.

##### Cash Flow Statement

Cash flows for the period are classified and presented as operating, investing and financing activities in the cash flow statement.

Cash flows from operating activities present cash generated from the Group's airline operations.

Cash flows from investing activities present cash used in, generated from investing activities (capital investments and financial investments) of the Group.

Cash flows from financing activities present the funds used in financing operations and repayment regarding these operations.

Cash and cash equivalents are short term investments that are cash on hand, demand deposits, time deposits of with maturities not exceeding three months from purchase date and free of deterioration of value with high liquidity.

##### Capital and Dividends

Common shares are classified as equity. Dividends distributed over common shares are accounted by deduction from retained earnings in the period decision for dividend payment is undertaken.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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

#### 2.5 Critical Accounting Estimates and Assumptions

Preparation of the financial statements requires the amounts of assets and liabilities being reported, explanations of contingent liabilities and assets and the uses of accounting estimates and assumptions which would affect revenue and expense accounts reported during the accounting period. The Group makes estimates and assumptions about the future periods. Actual results could differ from those estimations. Accounting estimates and assumptions which might cause material adjustments on the book values of assets and liabilities in future financial reporting period are given below:

##### Useful Lives and Residual Values of Tangible Assets, Right of Use Assets and Aircraft

The Group has allocated depreciation over tangible assets and right of use assets by taking into consideration the useful lives and residual values which were explained in Note 10. While determining estimated useful lives and residual values, the Group makes estimations and assumptions by taking past experience and business plans into consideration.

##### Income Taxes

The Group recognizes deferred tax assets and liabilities using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. Main factor is this assessment is the expectation that there will be taxable temporary differences that will reverse during the period in which unused tax losses can be carried and the projections of the foreseeable future profits with reasonable assurance are taken into account. Based on the available evidence, the Group management has recognized the deferred tax assets as at 31 December 2025.

The Group estimates to utilize reduce corporate tax advantages arising from acquisition of aircrafts. The Company has recognized deferred tax assets for periods when sufficient profit can be generated within a foreseeable five-year period with reasonable assurance.

##### Redelivery Maintenance Provision

For leased aircraft where there is no purchase option (operating leases), the Group is contractually committed to either return the aircraft in a certain condition or to compensate the lessor to the level of return condition of the aircraft based on the actual condition of the airframe, engines and life-limited parts upon return. A provision is made over the lease term for this contractual obligation, based on the present value of the estimated future cost complying with the contractual commitment described above, by reference to the number of hours flown or cycles operated during the year. The provision also incorporates management expectation on the cost of the maintenance and component compensation at the time of the redelivery. The group considers the estimated maintenance costs and estimated flight times and number of flights as significant assumptions. In case of a 10% increase in maintenance costs, redelivery maintenance provision will be higher by EUR 17.748.288.

##### Fair Value of Derivatives and Other Financial Instruments

The fair value of derivative financial instruments which are not traded in an active market is determined using valuation techniques based on market rates and expected yields. Fair value of non-derivative financial instruments is determined based on the present value of future principal and interest cash flows. These cash flows are calculated based on the discount rate prevailing at the reporting date.

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

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AS OF 31 DECEMBER 2025**

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

**NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Joint ventures</b>		
Hitit Bilgisayar	21.341.960	21.115.937
	<b>21.341.960</b>	<b>21.115.937</b>

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

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Hitit Bilgisayar	3.098.299	2.777.604
PUEM	-	(153.402)
<b>Net profit</b>	<b>3.098.299</b>	<b>2.624.202</b>

**Hitit Bilgisayar**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Current assets	22.119.580	24.590.146
Non-current assets	50.840.064	46.605.202
Current liabilities	(10.150.606)	(10.381.617)
Non-current liabilities	(4.138.691)	(3.781.199)
<b>Net assets of joint venture</b>	<b>58.670.347</b>	<b>57.032.532</b>
Group's ownership interest in the joint venture	36,20%	36,82%
Goodwill	103.294	116.559
<b>Group's share in the net assets of the joint venture</b>	<b>21.341.960</b>	<b>21.115.937</b>

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Revenue	36.997.473	31.631.239
Depreciation and amortisation expense	(7.729.102)	(5.818.669)
Interest income/(expense), net	3.847.841	1.349.044
Profit for the year	8.448.900	7.520.081
Other equity changes	-	23.655
Group's weighted average ownership interest	36,66%	36,82%
<b>Group's share in the net profit of the joint venture</b>	<b>3.098.299</b>	<b>2.777.604</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 4 - SEGMENT REPORTING

The Group is managed as a single business unit that provides low fares airline-related services, including scheduled services, charter services, ancillary services and other services. The Group's Chief Operating Decision Maker is the Board of Directors. The resource allocation decisions are based on the entire network and the deployment of the entire aircraft fleet. The objective in making resource allocation decisions is to maximise consolidated financial results, rather than results on individual routes within the network. All other assets and liabilities have been allocated to the Group's single reportable segment.

#### NOTE 5 - RELATED PARTY TRANSACTIONS

The ultimate parent and controlling party of the Group is Esas Holding. The Group has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders (which will be referred to as "other related parties" below). The related party receivables and payables resulting from operating activities are generally not secured and interest free.

##### (i) Balances with Related Parties:

###### a) Trade payables to related parties

	31 December 2025	31 December 2024
<b>Balances with joint ventures:</b>		
Hitit Bilgisayar	1.056.222	1.078.540
<b>Balances with other related parties:</b>		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda")	5.959	25.774
Ere Avm İnşaat A.Ş. ("Ere Avm")	363.902	90.222
	<b>1.426.083</b>	<b>1.194.536</b>

##### (ii) Significant Transactions with Related Parties:

Until May 2024, the Group leased their head office building from Esasburda, another Esas Holding subsidiary. Esasburda also charged dues, electricity, water and heating expenses for the head office, which is disclosed within "purchases of goods and services" section below.

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

The Group receives health services from Alarm Sağlık.

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

###### a) Purchases of goods or services

	1 January- 31 December 2025	1 January- 31 December 2024
<b>Transactions with joint ventures:</b>		
Hitit Bilgisayar	8.660.277	7.835.825
<b>Transactions with other related parties:</b>		
Ere Avm	1.620.546	1.132.691
Esasburda	540.579	711.078
Alarm Sağlık	-	30.977
Other	1.941	10.619
	<b>10.823.343</b>	<b>9.721.190</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 5 - RELATED PARTY TRANSACTIONS

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

##### b) Lease expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Esasburda (*)	-	317.004
	-	<b>317.004</b>

(\*) Lease expenses are recorded as depreciation and interest under IFRS 16 leases standard. Amounts presented above represent issued invoices. The group purchased the office building, which forms the basis of the rental expense, through a financial lease in May 2024.

##### (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 benefit during the period ended 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Salaries and benefits	14.265.331	14.576.047
	<b>14.265.331</b>	<b>14.576.047</b>

#### NOTE 6 – TRADE RECEIVABLES AND PAYABLES

##### Short term trade receivables

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

	31 December 2025	31 December 2024
Trade receivables	44.511.296	41.528.451
Credit card receivables	30.871.801	32.630.019
Income accruals	673.791	3.310.224
	<b>76.056.888</b>	<b>77.468.694</b>
Allowance for expected credit losses under TFRS 9	(3.181.805)	(4.000.966)
	<b>72.875.083</b>	<b>73.467.728</b>

The average collection period of trade receivables is approximately 18 days (31 December 2024: 19 days).

The movement of provision for doubtful receivables for the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
<b>1 January</b>	4.000.966	3.412.321
Charge for the year	165.424	243.780
Collections and written off allowances	(250.366)	(437.680)
Currency translation differences	(734.219)	782.545
<b>31 December</b>	<b>3.181.805</b>	<b>4.000.966</b>

The nature and level of risks related to trade receivables is disclosed in Note 32.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 6 – TRADE RECEIVABLES AND PAYABLES (cont'd)

##### Short term trade payables

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

	31 December 2025	31 December 2024
Trade payables	162.241.117	132.529.077
Accrued direct operational costs	124.794.649	82.450.521
Trade payables to related parties (Note 5)	1.426.083	1.194.536
	<b>288.461.849</b>	<b>216.174.134</b>

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

#### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

##### Short term other receivables

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

	31 December 2025	31 December 2024
Deposits and guarantees given (*)	22.930.549	1.415.373
Receivables from pilots for flight training	4.946.989	4.552.592
Receivables from tax office	277.676	724.261
Other receivables	144.076	468.143
	<b>28.299.290</b>	<b>7.160.369</b>

(\*) The amount of EUR 21.808.436 in deposits given, consists of guarantees given from the banks regarding the valuation of derivative transactions.

##### Long term other receivables

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

	31 December 2025	31 December 2024
Receivables from pilot trainings	43.223.500	38.470.088
Deposits given	50.565.057	42.173.066
Maintenance reserve contribution receivables	60.865.584	54.338.596
	<b>154.654.141</b>	<b>134.981.750</b>

##### Short term other payables

	31 December 2025	31 December 2024
Taxes payables	3.127.255	10.170.687
Deposits received	3.438.050	2.348.903
	<b>6.565.305</b>	<b>12.519.590</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 8 - INVENTORIES

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

	31 December 2025	31 December 2024
Consumables and spare parts	37.597.114	33.663.033
Operational and other inventories	8.051.663	7.568.375
Catering inventories	224.311	288.803
	<b>45.873.088</b>	<b>41.520.211</b>

#### NOTE 9 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES

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

##### Short term prepayments

	31 December 2025	31 December 2024
Advances on aircraft purchases	97.471.071	122.857.877
Advances to suppliers	80.000.395	51.230.811
Prepaid insurance expenses	18.961.565	18.002.352
Other prepaid expenses	10.034.082	9.806.082
	<b>206.467.113</b>	<b>201.897.122</b>

##### Long term prepayments

	31 December 2025	31 December 2024
Advances on aircraft purchases	139.106.946	57.215.071
Prepaid maintenance expenses	546.439.701	388.340.475
Other prepaid expenses	1.503.013	246.817
	<b>687.049.660</b>	<b>445.802.363</b>

##### Deferred Income

##### Contract Liabilities

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

	31 December 2025	31 December 2024
Flight liability from ticket sales	218.390.883	218.926.889
Passenger airport fees received from customers (*)	76.151.195	73.165.429
Flight liability from flight points	39.804.006	41.849.369
	<b>334.346.084</b>	<b>333.941.687</b>

(\*) Passenger airport fees received from customers is included in the ticket price, but it is not recognized as revenue when the flight carried out. The amount represents the costs to be paid to airport operators and authorities in cash.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 9 - PREPAYMENTS, DEFERRED INCOME AND CONTRACT LIABILITIES (cont'd)

##### Deferred Income (cont'd)

##### Contract Liabilities (cont'd)

Ticket sales, flight and service obligations are usually realized within the following year. The movement of flight liability from flight points for the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
<b>1 January</b>	41.849.369	20.790.276
Earned points	56.932.785	84.920.332
Used / expired points	(46.411.440)	(60.679.615)
Currency translation differences	(12.566.708)	(3.181.624)
<b>31 December</b>	<b>39.804.006</b>	<b>41.849.369</b>

##### Deferred income (excluding contract liabilities)

##### Short term deferred income

	31 December 2025	31 December 2024
Advances received from customers	29.821.748	27.513.947
Other deferred income	26.553.088	12.502.586
	<b>56.374.836</b>	<b>40.016.533</b>

##### Long term deferred income

	31 December 2025	31 December 2024
Deferred income (*)	200.919.721	202.964.552
	<b>200.919.721</b>	<b>202.964.552</b>

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

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

**NOTE 10 - PROPERTY AND EQUIPMENT**

<b>31 December 2025</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Components, spare engine and repairables</b>	<b>Owned Aircraft</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening	35.481.715	27.496.286	41.168.819	13.821.667	373.458.634	286.150.383	9.424.254	787.001.758
Additions	2.152.050	4.861.014	6.285.654	5.360	83.771.537	618.000	67.361.224	165.054.839
Disposals	(9.918)	(567.542)	(2.697)	-	-	-	-	(580.157)
Transfers (*)	-	-	-	-	(31.215.353)	(91.335.395)	-	(122.550.748)
<b>Closing</b>	<b>37.623.847</b>	<b>31.789.758</b>	<b>47.451.776</b>	<b>13.827.027</b>	<b>426.014.818</b>	<b>195.432.988</b>	<b>76.785.478</b>	<b>828.925.692</b>
<b>Accumulated depreciation:</b>								
Opening	(15.096.358)	(10.151.943)	(29.459.673)	(13.358.614)	(102.323.065)	(145.644.499)	-	(316.034.152)
Depreciation for the year	(2.368.864)	(2.873.205)	(3.204.224)	(103.862)	(29.221.342)	(14.532.969)	-	(52.304.466)
Disposals	948	377.194	2.506	-	-	-	-	380.648
Transfers (*)	-	-	-	-	10.501	51.706.116	-	51.716.617
<b>Closing</b>	<b>(17.464.274)</b>	<b>(12.647.954)</b>	<b>(32.661.391)</b>	<b>(13.462.476)</b>	<b>(131.533.906)</b>	<b>(108.471.352)</b>	<b>-</b>	<b>(316.241.353)</b>
<b>Net book value</b>	<b>20.159.573</b>	<b>19.141.804</b>	<b>14.790.385</b>	<b>364.551</b>	<b>294.480.912</b>	<b>86.961.636</b>	<b>76.785.478</b>	<b>512.684.339</b>

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

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**NOTE 10 - PROPERTY AND EQUIPMENT (cont'd)**

<b>31 December 2024</b>	<b>Machinery and equipment</b>	<b>Motor vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Components, spare engine and repairables</b>	<b>Owned Aircraft</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>								
Opening	<b>33.882.470</b>	<b>22.022.783</b>	<b>36.102.691</b>	<b>13.466.158</b>	<b>205.052.745</b>	<b>275.625.690</b>	<b>8.071.106</b>	<b>594.223.643</b>
Additions	1.599.245	6.236.694	5.066.128	355.509	201.728.139	10.524.693	8.745.859	234.256.267
Disposals	-	(763.191)	-	-	-	-	-	(763.191)
Transfers (*)	-	-	-	-	(33.322.250)	-	(7.392.711)	(40.714.961)
<b>Closing</b>	<b>35.481.715</b>	<b>27.496.286</b>	<b>41.168.819</b>	<b>13.821.667</b>	<b>373.458.634</b>	<b>286.150.383</b>	<b>9.424.254</b>	<b>787.001.758</b>
<b>Accumulated depreciation:</b>								
Opening	<b>(12.882.366)</b>	<b>(8.843.803)</b>	<b>(26.613.317)</b>	<b>(13.273.790)</b>	<b>(81.576.702)</b>	<b>(132.444.241)</b>	-	<b>(275.634.219)</b>
Depreciation for the year	(2.213.992)	(2.017.421)	(2.846.356)	(84.824)	(20.811.521)	(13.200.258)	-	(41.174.372)
Disposals	-	709.281	-	-	-	-	-	709.281
Transfers (*)	-	-	-	-	65.158	-	-	65.158
<b>Closing</b>	<b>(15.096.358)</b>	<b>(10.151.943)</b>	<b>(29.459.673)</b>	<b>(13.358.614)</b>	<b>(102.323.065)</b>	<b>(145.644.499)</b>	-	<b>(316.034.152)</b>
<b>Net book value</b>	<b>20.385.357</b>	<b>17.344.343</b>	<b>11.709.146</b>	<b>463.053</b>	<b>271.135.569</b>	<b>140.505.884</b>	<b>9.424.254</b>	<b>470.967.606</b>

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

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#### NOTE 10 - PROPERTY AND EQUIPMENT (cont'd)

The useful lives of the depreciable assets are as follows:

Aircraft	23 years
Simulator	20 years
Engine and Engine LLP's	16 years
Airframe and maintenance	7-8 years
Repairables and components	3-7 years
Machinery and equipment	7 years
Furniture and fixtures	7 years
Motor vehicles	5 years
Leasehold improvements	5 years or lease term

The Group has determined the residual value of the aircraft as 15% of market value of a new aircraft in the same model.

Depreciation and amortisation expense charged to cost of sales, general administrative expenses, and marketing expenses is summarized below:

	1 January- 31 December 2025	1 January- 31 December 2024
Current year depreciation (Note 10,12)	415.401.942	331.329.664
Current year amortization (Note 11)	9.761.783	7.362.352
	<b>425.163.725</b>	<b>338.692.016</b>

	1 January- 31 December 2025	1 January- 31 December 2024
Cost of sales (Note 21)	406.226.529	323.776.412
General administrative expenses (Note 22)	15.149.757	11.932.483
Marketing expenses (Note 22)	3.787.439	2.983.121
	<b>425.163.725</b>	<b>338.692.016</b>

#### NOTE 11 - INTANGIBLE ASSETS

Software	31 December 2025	31 December 2024
<b>Cost:</b>		
Opening	64.273.293	52.619.528
Additions	25.842.039	11.653.765
<b>Closing</b>	<b>90.115.332</b>	<b>64.273.293</b>
<b>Accumulated amortization:</b>		
Opening	(40.226.674)	(32.864.322)
Amortization for the year	(9.761.783)	(7.362.352)
<b>Closing</b>	<b>(49.988.457)</b>	<b>(40.226.674)</b>
<b>Net book value</b>	<b>40.126.875</b>	<b>24.046.619</b>

Remaining average useful life of intangible assets as of 31 December 2025 is 3,89 years (31 December 2024: 3,73 years).

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 12 – RIGHT OF USE ASSETS

31 December 2025	Field Rental	Building	Aircraft	Other	Total
<b>Cost:</b>					
<b>Opening</b>	<b>14.570.782</b>	<b>24.733.613</b>	<b>5.219.572.081</b>	<b>311.363</b>	<b>5.259.187.839</b>
Additions	10.581.580	-	564.653.777	-	575.235.357
Disposals (*)	-	-	(74.052.284)	-	(74.052.284)
Transfers (*)	-	-	91.335.395	-	91.335.395
<b>Closing</b>	<b>25.152.362</b>	<b>24.733.613</b>	<b>5.801.508.969</b>	<b>311.363</b>	<b>5.851.706.307</b>
<b>Accumulated depreciation:</b>					
<b>Opening</b>	<b>(13.340.574)</b>	<b>(396.120)</b>	<b>(1.072.917.440)</b>	<b>(311.363)</b>	<b>(1.086.965.497)</b>
Depreciation for the period	(3.055.011)	(618.340)	(359.424.125)	-	(363.097.476)
Disposals (*)	-	-	27.256.920	-	27.256.920
Transfers (*)	-	-	(51.706.116)	-	(51.706.116)
<b>Closing</b>	<b>(16.395.585)</b>	<b>(1.014.460)</b>	<b>(1.456.790.761)</b>	<b>(311.363)</b>	<b>(1.474.512.169)</b>
<b>Net book value</b>	<b>8.756.777</b>	<b>23.719.153</b>	<b>4.344.718.208</b>	<b>-</b>	<b>4.377.194.138</b>

(\*) Aircraft which are sold presented as disposals and aircraft whose lease liabilities have ended are classified as transfers to property and equipment. Explanations regarding the buildings are presented under Note 5.

31 December 2024	Field Rental	Building	Aircraft	Other	Total
<b>Cost:</b>					
<b>Opening</b>	<b>14.570.782</b>	<b>7.785.814</b>	<b>4.552.812.457</b>	<b>311.363</b>	<b>4.575.480.416</b>
Additions	-	24.733.614	1.117.414.093	-	1.142.147.707
Disposals (*)	-	(7.785.815)	(450.654.469)	-	(458.440.284)
<b>Closing</b>	<b>14.570.782</b>	<b>24.733.613</b>	<b>5.219.572.081</b>	<b>311.363</b>	<b>5.259.187.839</b>
<b>Accumulated depreciation:</b>					
<b>Opening</b>	<b>(11.292.007)</b>	<b>(4.952.114)</b>	<b>(1.074.263.186)</b>	<b>(311.363)</b>	<b>(1.090.818.670)</b>
Depreciation for the period	(3.050.311)	(893.365)	(286.211.616)	-	(290.155.292)
Disposals (*)	-	6.451.103	287.557.362	-	294.008.465
Transfers	1.001.744	(1.001.744)	-	-	-
<b>Closing</b>	<b>(13.340.574)</b>	<b>(396.120)</b>	<b>(1.072.917.440)</b>	<b>(311.363)</b>	<b>(1.086.965.497)</b>
<b>Net book value</b>	<b>1.230.208</b>	<b>24.337.493</b>	<b>4.146.654.641</b>	<b>-</b>	<b>4.172.222.342</b>

(\*) Aircraft which are sold presented as disposals and aircraft whose lease liabilities have ended are classified as transfers to property and equipment. Explanations regarding the buildings are presented under Note 5.

#### NOTE 13 - GOVERNMENT GRANTS AND INCENTIVES

The Group obtained incentive certificates from the Undersecretariat of Treasury for 105 aircraft. According to the incentive certificate of 12 aircraft, the Company will use 15% of the purchase value of the aircraft as the contribution rate which is the maximum amount that could be deducted against taxable income that is attributable to the operation of aircraft. The deduction will be performed by the application of 50% of the effective tax rate for the (i.e. use of 12,5% instead of 25%) taxable income attributable to the operation of these aircraft. According to the new incentive certificate of 93 aircraft the Company will use 50% of the purchase value of the aircraft as the contribution rate which is the maximum amount that could be deducted against taxable income that is attributable to the operation of aircraft. The deduction will be performed by the application of 90% of the effective tax rate for the (i.e. use of 2,5% instead of 25%) taxable income attributable to the operation of these aircraft.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 14 - BORROWING COSTS

For the years ended 31 December 2025 and 31 December 2024, as there are no assets that necessarily take a substantial period of time to get ready for their intended use or sale, borrowing costs for the respective periods are not capitalized. All borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

#### NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Short term provisions

	31 December 2025	31 December 2024
Provision for litigation claims	2.580.710	1.556.956
Redelivery provision	31.418.231	23.849.031
	<b>33.998.941</b>	<b>25.405.987</b>

##### Long term provisions

	31 December 2025	31 December 2024
Redelivery provision	146.064.645	191.143.160
	<b>146.064.645</b>	<b>191.143.160</b>

##### Redelivery Maintenance Provision

The detail of redelivery maintenance provision is as follows:

	31 December 2025	31 December 2024
Short term	31.418.231	23.849.031
Long term	146.064.645	191.143.160
	<b>177.482.876</b>	<b>214.992.191</b>

The movement of redelivery maintenance provision as of the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
1 January	214.992.191	149.811.568
Charge for the year	90.276.394	130.358.108
Disposals	(96.049.022)	(76.913.361)
Currency translation differences	(31.736.687)	11.735.876
<b>31 December</b>	<b>177.482.876</b>	<b>214.992.191</b>

##### Litigation

The movement of litigation provision is as follows:

	2025	2024
1 January	1.556.956	1.020.572
Charge for the year	3.296.917	774.473
Payments	(1.661.412)	(22.843)
Reversal of provision	(3.370)	(76.536)
Currency translation differences	(608.381)	(138.710)
<b>31 December</b>	<b>2.580.710</b>	<b>1.556.956</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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#### **NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**

The Group is involved in lawsuits and claims that have been filed against, the total claims constituted by which, excluding reserved rights for claiming excess amounts, risk of litigation and interest, is EUR 2.695.327 as of 31 December 2025 (31 December 2024: EUR 5.093.269). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of EUR 2.580.710 (31 December 2024: EUR 1.556.956) has been provided against claims for which management believes it is probable it will be required to make a payment.

#### Tax Inspection

The Company's VAT transactions regarding loyalty card practices in year 2018 have been examined in 2020. The Company have been notified with a report stating "no subject to be examined have been found" in May 2021. However the report evaluation commission has objected this verdict and EUR 51.165 (equivalent of TL 1.780.660) tax assessment has been declared to the Company. Against the assessment, the Company filed a tax lawsuit on September 6, 2021, the petition of the counter party was received on October 25, 2021 and the petition was answered on November 23, 2021. The 7th Tax Court of Istanbul decided to accept our case and reject all assessments on June 29, 2022, and the defendant Revenue Administration objected to the decision in August and submitted the petition of appeal to the Tax Court. The petition of appeal was notified to Company on September 28, 2022 and this petition answered within one month. Following the rejection of the opposite party's appeal, this time an appeal was made, and the defendant's appeal was served in April 2023. This petition was also answered by the Company within the time limit. The said lawsuit continues as of December 31, 2025. The Company has not recognized any provision in the consolidated financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

#### Passenger Service Fee

T&T Havalimanı İşletmeciliği İnşaat Sanayi ve Ticaret Şirketi Limited filed three lawsuits against the Company before North Cyprus Lefkoşa Court of First Instance with claims of EUR 765.689, EUR 988.985 and EUR 475.031, respectively. All three lawsuits act on same claims and the airports no. 5/2013 whereby the plaintiff, as the operator of the Erclan Airport under North Cyprus Airports Services and Charges Law, claims EUR 15 passenger service fee for each Turkish Army Staff member traveling on the Company flights for the period between March 2013 and August 2020. Turkish Army Staff departing from North Cyprus are subject to an exemption from this fee under the law. The plaintiff's argument is based on the assumption that the Company has not carried any Turkish Army Staff members in this period of time. The Court of First Instance merged the first two lawsuits and rendered a judgment against the Company for a total principal payment obligation of EUR 1.679.114. No decision has yet been issued regarding the third lawsuit. The Company is of the opinion that it is legally impossible to obtain the requested documents related to the transported passengers from the relevant public authorities, and that the responsibility for implementing the requested additional inspections lies with the operating plaintiff. A legal appeal process has been initiated against the unfavorable first-instance court decision. In prior reporting periods, no provisions were recognized in relation to these cases, as the claims were not supported by concrete evidence and were based on unreasonable assumptions. Following the Company's appeal, upon the approval of the first-instance court's decision as of April 18, 2025, the payment related to the first two consolidated case files, amounting to a principal of EUR 1.679.114, was made together with interest and a provision corresponding to the claimed amount has been recognized for the ongoing third lawsuit as of the end of the interim period ended December 31, 2025.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

### NOTE 16 - COMMITMENTS

#### Purchase Commitments

	31 December 2025	31 December 2024
Commitments to purchase aircraft	24.640.834.384	29.164.611.749
	<b>24.640.834.384</b>	<b>29.164.611.749</b>

As of 31 December 2025, the Group holds the right to purchase 143 aircraft on firm order. In accordance with agreement the expected deliveries are 7 aircraft in 2026, 14 aircraft in 2027, 20 aircraft in 2028, 23 aircraft in 2029, 16 aircraft in 2030, 17 aircraft in 2031, 16 aircraft in 2032, 15 aircraft in 2033, 15 aircraft in 2034. The purchase commitments for these aircraft were calculated based on their list prices and actual purchase prices are typically lower than the list prices.

The Group has provided advances on aircraft purchases amounting to EUR 236.578.016 (31 December 2024: EUR 180.072.948). Of this amount, EUR 97.471.071 is reclassified as short-term, and EUR 139.106.946 is reclassified as long-term prepayments (31 December 2024: EUR 122.857.877 is reclassified as short-term, EUR 57.215.071 is reclassified as long-term prepayments).

#### Collaterals-Pledges-Mortgages(“CPM”)

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

31 December 2025	EUR TOTAL	USD	EUR	TL	Other
A. Total amounts of CPM given on behalf of its own legal entity					
-Collateral	50.633.340	21.826.235	27.716.313	37.501.570	3.631.349
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
-Collateral	-	-	-	-	-
-Pledge	-	-	-	-	-
-Mortgage	-	-	-	-	-
	<b>50.633.340</b>	<b>21.826.235</b>	<b>27.716.313</b>	<b>37.501.570</b>	<b>3.631.349</b>

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group’s equity as of 31 December 2025.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

### NOTE 16 – COMMITMENTS (cont'd)

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

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

<b>31 December 2024</b>	<b>EUR TOTAL</b>	<b>USD</b>	<b>EUR</b>	<b>TL</b>	<b>Other</b>
A. Total amounts of CPM given on behalf of its own legal entity					
<i>-Collateral</i>	37.857.724	19.818.530	12.544.285	109.847.593	3.324.929
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation					
<i>-Collateral</i>	-	-	-	-	-
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations					
<i>-Collateral</i>	-	-	-	-	-
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
D. Total amounts of other CPM given					
i. Total amount of CPM given on behalf of the Parent					
<i>-Collateral</i>	-	-	-	-	-
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies not covered in B and C					
<i>-Collateral</i>	-	-	-	-	-
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
iii. Total amount of CPM given on behalf of third parties not covered in C					
<i>-Collateral</i>	-	-	-	-	-
<i>-Pledge</i>	-	-	-	-	-
<i>-Mortgage</i>	-	-	-	-	-
	<b>37.857.724</b>	<b>19.818.530</b>	<b>12.544.285</b>	<b>109.847.593</b>	<b>3.324.929</b>

The CPMs given by the Group are consisted of collaterals given to airports and terminals operators, aircraft leasing companies and service suppliers.

The other CPMs (in the scope of item D) given by the Group constitute 0% of the Group's equity as of 31 December 2024.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 17 - EMPLOYEE BENEFITS

##### Employee benefit obligations

The details of employee benefit obligations as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Social security premiums payable	7.984.959	7.470.737
Accrual of employee wages	8.822.648	7.233.627
	<b>16.807.607</b>	<b>14.704.364</b>

##### Short term provisions for employee benefits

The details of short term provisions for employee benefits as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Unused vacation accrual	15.110.859	15.457.315
Employee bonus plan	34.412.810	47.178.552
	<b>49.523.669</b>	<b>62.635.867</b>

##### Long term provisions for employee benefits

The details of long term provisions for employee benefits as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Employment termination benefits	7.953.968	5.709.597
Employee bonus plan	16.857.308	42.413.550
	<b>24.811.276</b>	<b>48.123.147</b>

##### Unused Vacation Accrual

The movement of unused vacation accrual as of the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
1 January	15.457.315	13.622.803
Charge for the year	4.991.298	4.484.845
Payment during the year	(643.785)	(985.888)
Currency translation differences	(4.693.969)	(1.664.445)
<b>31 December</b>	<b>15.110.859</b>	<b>15.457.315</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 17 - EMPLOYEE BENEFITS (cont'd)

##### Employee Bonus Plan

The movement of employee bonus plan as of the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
1 January	89.592.102	67.808.698
Charge for the year	50.038.327	55.990.187
Payment during the year	(67.370.189)	(25.913.026)
Currency translation differences	(20.990.122)	(8.293.757)
<b>31 December</b>	<b>51.270.118</b>	<b>89.592.102</b>

##### Employee Defined Benefits

The Group, according to Turkish Labor Law, has an obligation to pay legal defined benefits for every employee who has completed at least one year service and retired after completion of 25 years working life (for females 58 years, for males 60 years), fired from job, called up to military service or died.

The amount payable consists of one month's salary limited to a maximum of EUR 1.068,71 (equivalent of TL 53.919,68) for each period of service as of 31 December 2025 (31 December 2024: EUR 1.138,41 equivalent of TL 41.828,42).

There are no agreements for pension commitments other than the legal requirement as explained above. The liability is not funded, as there is no funding requirement.

The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company's defined benefit plan and legal framework in which those companies operate.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2025, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24% (2024: 23%) and a discount rate of 27% (2024: 27,15%), resulting in a real discount rate of approximately 4,44% (2024: 3,37%). Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 7.94% (2024: 8,72%) for employees with 0-15 years of service, and 0% for those with 16 or more years of service. As the maximum liability is revised annually, the maximum amount of EUR 1.287,31 (equivalent of TL 64.948,77) effective from 1 January 2026, has been taken into consideration in the calculation of the provision for employee defined benefits.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 17 - EMPLOYEE BENEFITS (cont'd)

##### Employee Defined Benefits (cont'd)

The movement of employee defined benefits as of the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
1 January	5.709.597	4.193.360
Actuarial (gain) / loss	510.668	1.345.261
Service cost	1.520.345	687.456
Interest cost	1.266.449	966.606
Retirement benefits paid	(823.622)	(1.494.332)
Currency translation differences	(229.469)	11.246
<b>31 December</b>	<b>7.953.968</b>	<b>5.709.597</b>

Service cost and interest expenses are recognized under payroll expenses. Calculated actuarial gains and losses are accounted under other comprehensive income as of 31 December 2025 and 31 December 2024.

Significant assumptions used in the calculation of employee defined benefits are the discount rate and anticipated turnover rate.

- If the discount rate had been 1% lower, provision for employee defined benefits would have increased by EUR 1.187.399 (2024: EUR 1.058.315); if the rate had been 1% higher, it would decrease by EUR 978.177 (2024: EUR 1.062.594).
- If the anticipated turnover rate had been 1% higher while all other variables had been held constant, provision for employee defined benefits would have decreased by EUR 375.070 (2024: EUR 472.108); if the rate had been 1% lower, it would have increased by EUR 345.100 (2024: EUR 273.618).

#### NOTE 18 - EXPENSES BY NATURE

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

	1 January- 31 December 2025	1 January- 31 December 2024
Jet fuel expenses	906.810.547	872.822.637
Personnel expenses	620.593.570	508.735.349
Depreciation and amortisation expenses	425.163.725	338.692.016
Handling and station fees	252.750.803	217.317.048
Navigation expenses	231.430.212	176.975.062
Maintenance expenses	120.701.494	108.999.604
Landing expenses	125.103.171	100.188.290
Passenger service and catering expenses	45.523.989	36.251.908
Advertising expenses	26.873.566	18.793.191
Commission expenses	18.786.672	20.419.761
Short term operational lease expenses	25.823.639	1.262.099
Other expenses	214.369.208	177.367.472
	<b>3.013.930.596</b>	<b>2.577.824.437</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 19 - OTHER ASSETS AND LIABILITIES

##### Other current assets

The details of other current assets as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
VAT receivables	10.937.065	4.496.361
Other	172.915	242.598
	<b>11.109.980</b>	<b>4.738.959</b>

#### NOTE 20 - SHAREHOLDERS' EQUITY, PROFIT RESERVES AND OTHER EQUITY ITEMS

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

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

The Company's share capital consists of 230.037.951 shares of par value TL 1 each (31 December 2024: 230.037.951 shares). All issued shares are fully paid in cash.

##### Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of associations.

##### *Resources Available for Profit Distribution:*

The Company does not have any distributable equity in statutory accounts as of balance sheet date.

## **PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025**

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

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#### **NOTE 20 - SHAREHOLDERS' EQUITY, PROFIT RESERVES AND OTHER EQUITY ITEMS (cont'd)**

##### **Currency translation differences**

Currency translation differences under equity arise from Group's joint ventures, provisions for unused vacation, legal claims and retirement pay liability accounted under the equity method, which have functional currencies other than EUR.

##### **Gain/losses from cash flow hedges**

Hedge gain/losses against cash flow risk arise from the accounting of the changes in the fair values of effective derivative financial instruments designated against financial risks of future cash flows under equity. Total deferred gains or losses arising from hedging against financial risk are recognized in profit or loss when the hedged item affects profit or loss.

##### **Share premiums on capital stock**

The surplus of sales price over nominal value amounted to EUR 194.089.305 during the initial public offering on 18-19 April 2013 was accounted as share premium. EUR 169.493.817 was transferred to the paid in share capital on 30 May 2024, within the scope of capital increase transactions, and the remaining amount in share premiums on capital stock is EUR 24.595.488.

##### **Actuarial gain/losses on defined benefit plans**

The effects of the changes in actuarial valuations calculated in accordance with IAS 19, 'Employee Benefits,' are presented as actuarial gains or losses on defined benefit plans.

##### **Restricted profit reserves**

In the statutory accounts, profit restricted from retained earnings and not subject to distribution are presented in the restricted profit reserves.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 21 - REVENUE AND COST OF SALES

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

##### Revenue:

	1 January- 31 December 2025	1 January- 31 December 2024
Scheduled flight and service revenue	3.365.844.256	3.070.515.924
<i>International flight revenue</i>	1.646.178.179	1.605.762.118
<i>Domestic flight revenue</i>	445.142.743	405.157.820
<i>Service revenue</i>	1.274.523.334	1.059.595.986
Charter flight and service revenue	36.933.691	41.982.271
<i>Charter flight revenue</i>	36.933.691	41.982.271
Other revenue	11.599.582	13.472.527
	<b>3.414.377.529</b>	<b>3.125.970.722</b>

The Group's revenue is disaggregated into revenue from scheduled flights, revenue from chartered flights, and other revenues in accordance with the IFRS 15 "Revenue from Contracts with Customers" standard. However, although the Group does not consider service revenues within these disaggregated revenue items as a separate performance obligation, it presents additional information due to their frequent disclosure to investors and continuous review by the authorities empowered to make decisions regarding operations.

Geographical details of revenue from the scheduled flights are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Europe	1.253.776.614	1.216.516.688
Domestic	445.142.743	405.157.820
Other	392.401.565	389.245.430
	<b>2.091.320.922</b>	<b>2.010.919.938</b>

Geographical details of revenue from the charter flights are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Europe	29.909.379	31.576.218
Middle East	6.949.726	10.185.831
Domestic	74.586	220.222
	<b>36.933.691</b>	<b>41.982.271</b>

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2025**

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

**NOTE 21 - REVENUE AND COST OF SALES (cont'd)**

**Cost of sales:**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Jet fuel expenses	906.810.547	872.822.637
Personnel expenses	572.034.131	470.580.198
Depreciation and amortisation expenses	406.226.529	323.776.412
Handling and station fees	252.750.803	217.317.048
Navigation expenses	231.430.212	176.975.062
Maintenance expenses	120.701.494	108.999.604
Landing expenses	125.103.171	100.188.290
Passenger service and catering expenses	45.523.989	36.251.908
Insurance expenses	19.806.356	19.966.382
Short term lease expenses	25.823.639	1.262.099
Other expenses	126.802.392	103.909.930
	<b>2.833.013.263</b>	<b>2.432.049.570</b>

**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
General administrative expenses	108.750.324	84.282.675
Marketing expenses	72.167.009	61.492.192
	<b>180.917.333</b>	<b>145.774.867</b>

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

**General administrative expenses:**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Personnel expenses	35.726.549	27.980.444
IT expenses	28.320.945	22.332.461
Depreciation and amortisation expenses	15.149.757	11.932.483
Consultancy expenses	7.916.014	8.116.489
Office utility expenses	2.414.390	2.100.838
Legal and notary expenses	5.275.793	2.963.556
Communication expenses	2.334.132	2.587.776
Travel expenses	5.122.005	3.204.600
Training expenses	372.051	523.496
Other expenses	6.118.688	2.540.532
	<b>108.750.324</b>	<b>84.282.675</b>

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

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**NOTE 22 - GENERAL ADMINISTRATIVE EXPENSES AND SELLING AND MARKETING EXPENSES (cont'd)**

**Marketing expenses:**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Advertising expenses	26.873.566	18.793.191
Commission expenses	18.786.672	20.419.761
Personnel expenses	12.832.890	10.174.707
Call center expenses	6.885.391	6.313.050
Depreciation and amortisation expenses	3.787.439	2.983.121
Other expenses	3.001.051	2.808.362
	<b>72.167.009</b>	<b>61.492.192</b>

**NOTE 23 - OTHER OPERATING INCOME AND EXPENSES**

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

**Other operating income:**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Foreign exchange gain from operating activities, net	-	38.272.817
Reversal of doubtful cash and cash equivalents	458.654	-
Other	176	475.748
	<b>458.830</b>	<b>38.748.565</b>

**Other operating expenses:**

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Foreign exchange loss from operating activities, net	131.688.484	-
Legal provision and penalty expense	3.823.205	624.050
Doubtful receivable allowance expense	39.718	643.795
Trade receivables allowance expense	138.688	106.514
Cash and cash equivalents allowance expense	-	531.084
Donations	1.500.437	940.763
Other	5.321.266	5.859.545
	<b>142.511.798</b>	<b>8.705.751</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 24 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

##### Income from investing activities:

	1 January- 31 December 2025	1 January- 31 December 2024
Interest income from time deposits	22.047.291	15.507.423
Gain arising from aircraft sale	6.991.027	6.186.883
Interest income from eurobond	31.440.161	23.721.318
Gain on sale of joint venture shares	1.138.222	1.757.357
Gain from eurobond sales (*)	815.781	1.413.596
Income from sale of fixed assets	1.499.103	-
Other income	398.933	601.138
	<b>64.330.518</b>	<b>49.187.715</b>

(\*) The amounts represents gains arising from the sale of financial investments that are carried at fair value through other comprehensive income.

##### Expense from investing activities:

	1 January- 31 December 2025	1 January- 31 December 2024
Loss from eurobond sales	33.566	2.322
Financial investments allowance expense	-	1.458.253
	<b>33.566</b>	<b>1.460.575</b>

#### NOTE 25 - FINANCIAL INCOME AND EXPENSES

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

##### Financial income:

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange gain, net	189.860.656	-
Interest income	63.054.357	55.616.203
Gain on derivative contracts	-	4.023.071
	<b>252.915.013</b>	<b>59.639.274</b>

##### Financial expenses:

	1 January- 31 December 2025	1 January- 31 December 2024
Interest expense on leases	150.714.903	172.359.183
Interest expense on issued debt instruments	39.210.193	37.686.176
Commission and other expenses	42.784.182	48.627.385
Losses from derivative contracts	6.362.876	-
Interest expense on bank loans	14.157.356	15.931.357
Foreign exchange loss, net	-	90.481.115
	<b>253.229.510</b>	<b>365.085.216</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 26 - ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

##### Currency Translation Differences

###### Items to be reclassified to profit or loss

	<b>2025</b>	<b>2024</b>
1 January	8.451.525	8.808.787
Currency translation differences to be reclassified to profit or loss	(1.680.324)	(357.262)
<b>31 December</b>	<b>6.771.201</b>	<b>8.451.525</b>

##### Hedge Fund

	<b>2025</b>	<b>2024</b>
1 January	(3.757.527)	(3.990.862)
Gain/(loss) from the accounting of cash flow hedges against financial risk	(28.904.624)	311.114
Deferred tax related with the accounting of cash flow hedges against financial risk	7.226.156	(77.779)
<b>31 December</b>	<b>(25.435.995)</b>	<b>(3.757.527)</b>

##### Gain on financial assets measured at fair value

	<b>2025</b>	<b>2024</b>
1 January	1.816.800	1.483.652
Gain on financial assets measured at fair value	(505.715)	444.198
Deferred tax effect of gain on financial assets measured at fair value on defined benefit plans	126.429	(111.050)
<b>31 December</b>	<b>1.437.514</b>	<b>1.816.800</b>

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognized and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

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**NOTE 26 - ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS (cont'd)**

**Actuarial gains/(losses) on defined benefit plans**

	<b>2025</b>	<b>2024</b>
1 January	(4.263.048)	(3.254.102)
Actuarial gains / (losses) on defined benefit plans	(510.668)	(1.345.261)
Deferred tax effect of actuarial gains / (losses) on defined benefit plans	127.667	336.315
<b>31 December</b>	<b>(4.646.049)</b>	<b>(4.263.048)</b>

**NOTE 27 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

The Group is subject to corporate tax valid in Türkiye. The corporate tax rate in Türkiye has been applied as 25% for corporate earnings for the 2024 and 2025 taxation periods. When calculating deferred tax on temporary differences, the company takes into account the tax rates valid on the date the temporary differences will be closed.

Tax expense components as of 31 December 2025 and 31 December 2024 are presented below:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Current corporate tax provision	-	-
Less: Prepaid taxes and funds	(230.768)	(2.327.277)
<b>Current tax assets (*)</b>	<b>(230.768)</b>	<b>(2.327.277)</b>

(\*) The exceeding portion of the prepaid taxes over current corporate tax provision is reported in current tax assets.

	<b>1 January- 31 December 2025</b>	<b>1 January- 31 December 2024</b>
Tax income/(expense)		
- Deferred tax income/(expense)	(24.274.744)	38.398.197
<b>Total tax income/(expense)</b>	<b>(24.274.744)</b>	<b>38.398.197</b>

The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to EUR 401.575.928 (31 December 2024: EUR 203.282.895) that the Group will benefit from in the foreseeable future as of 31 December 2025 is reflected in the interim consolidated financial statements as a deferred tax asset. As a result of the recognition of the mentioned tax advantage as of 31 December 2025, deferred tax income amounting to EUR 198.293.033 has recognised in the consolidated profit or loss statement for the period 1 January - 31 December 2025.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on longterm plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

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#### **NOTE 27 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (cont'd))**

In the sensitivity analysis carried out as of 31 December 2025, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the foreseen period of deferred tax assets regarding on the availability of investment incentives has not significantly changed.

##### ***Corporate Tax***

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The corporate tax rate in Turkiye is 25% (2024: 25%).

According to the provisional article added to the Tax Procedure Law ("TPL") by Law No. 7571, published in the Official Gazette on 24 December 2025, even if the conditions are met, inflation adjustments based on the Producer Price Index ("PPI") will not be applied to the 2025, 2026, and 2027 accounting periods. Therefore, inflation adjustments have not been applied to the TPL financial statements that will serve as the basis for corporate tax returns for these periods.

##### ***Deferred Tax***

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS and tax purposes and they are given below.

In the calculation of deferred tax assets and liabilities, the tax rates that will be valid on the date of closing the temporary differences are taken into account.

In Turkiye, companies cannot declare a consolidated tax return, therefore their deferred tax balances are not netted off and are disclosed separately.

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**NOTE 27 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (cont'd))**

***Deferred Tax (cont'd)***

The consolidated deferred tax asset position as of 31 December 2025 is as follows:

	<b>1 January - 31 December 2025</b>			
	1 January 2025	Other comprehensive income tax effect	Deferred tax charge for the year	31 December 2025
Difference between tax base and carrying value of tangible assets and intangible assets	110.837.946	-	(382.406.391)	(271.568.445)
Carry forward tax losses	18.387.166	-	173.757.692	192.144.858
Government grants and incentives	203.282.895	-	198.293.033	401.575.928
Provision for employee termination benefits	1.427.399	127.667	433.426	1.988.492
Provision for litigation claims	389.239	-	255.938	645.177
Unused vacation and bonus plans provision	26.262.354	-	(9.667.110)	16.595.244
Deferred revenue from flight points	10.462.342	-	(511.341)	9.951.001
Relivery provisions for the leased aircraft	51.991.796	-	(7.621.076)	44.370.720
Change in fair value of financial assets	(605.600)	126.429	-	(479.171)
Change in fair value of derivative contracts	261.583	7.226.156	990.959	8.478.698
Other	4.186.014	-	2.200.126	6.386.140
<b>Deferred tax asset</b>	<b>426.883.134</b>	<b>7.480.252</b>	<b>(24.274.744)</b>	<b>410.088.642</b>

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

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**NOTE 27 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (cont'd))**

***Deferred Tax (cont'd)***

The consolidated deferred tax asset position as of 31 December 2024 is as follows:

	<b>1 January - 31 December 2024</b>			
	<b>1 January 2024</b>	<b>Other comprehensive income tax effect</b>	<b>Deferred tax charge for the year</b>	<b>31 December 2024</b>
Difference between tax base and carrying value of tangible assets and intangible assets	44.488.869	-	66.349.077	110.837.946
Carry forward tax losses	116.658.949	-	(98.271.783)	18.387.166
Government grants and incentives	143.218.297	-	60.064.598	203.282.895
Provision for employee termination benefits	2.133.041	336.315	(1.041.957)	1.427.399
Provision for litigation claims	255.143	-	134.096	389.239
Unused vacation and bonus plans provision	20.357.875	-	5.904.479	26.262.354
Deferred revenue from flight points	5.197.569	-	5.264.773	10.462.342
Relivery provisions for the leased aircraft	37.453.935	-	14.537.861	51.991.796
Change in fair value of financial assets	(494.550)	(111.050)	-	(605.600)
Change in fair value of derivative contracts	1.233.560	(77.779)	(894.198)	261.583
Other	17.834.763	-	(13.648.749)	4.186.014
<b>Deferred tax asset</b>	<b>388.337.451</b>	<b>147.486</b>	<b>38.398.197</b>	<b>426.883.134</b>

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**NOTE 27 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (cont'd))**

***Deferred Tax (cont'd)***

Tax effects related to other comprehensive income as of 31 December 2025 and 31 December 2024 are as follows:

	<b>1 January - 31 December 2025</b>		
	Amount before tax	Tax expense	Amount after tax
Change in foreign currency translation	(1.680.324)	-	(1.680.324)
Actuarial gains/(losses) on defined benefit plans	(510.668)	127.667	(383.001)
Gains/(losses) on fair value differences of financial assets	(505.715)	126.429	(379.286)
Change in cash flow hedge reserve	(28.904.624)	7.226.156	(21.678.468)
<b>Other comprehensive income</b>	<b>(31.601.331)</b>	<b>7.480.252</b>	<b>(24.121.079)</b>

	<b>1 January - 31 December 2024</b>		
	Amount before tax	Tax income	Amount after tax
Change in foreign currency translation	(357.262)	-	(357.262)
Actuarial gains/(losses) on defined benefit plans	(1.345.261)	336.315	(1.008.946)
Gains/(losses) on fair value differences of financial assets	444.198	(111.050)	333.148
Change in cash flow hedge reserve	311.114	(77.779)	233.335
<b>Other comprehensive income</b>	<b>(947.211)</b>	<b>147.486</b>	<b>(799.725)</b>

Reconciliation of tax expense in consolidated statement of profit or loss for the years 31 December 2025 and 31 December 2024 is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>(Loss) / Profit before tax</b>	<b>325.474.719</b>	<b>323.094.499</b>
Enacted local tax rate	25%	25%
Tax calculated at the enacted tax rate	(81.368.680)	(80.773.625)
Tax effect of disallowable expenses	(7.307.841)	(5.151.829)
Income from investment incentives	198.293.033	60.064.598
Tax-exempt revenue	9.570.011	14.252.290
Effect of inflation accounting	-	168.685.104
Translation effect and other	(143.461.267)	(118.678.341)
<b>Taxation income / (loss)</b>	<b>(24.274.744)</b>	<b>38.398.197</b>

As of 31 December 2025 and 31 December 2024, the Group does not have any carry forward tax losses that it did not recognize deferred tax assets.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 28 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted number of shares that have been outstanding during the period concerned. Weighted average number of shares for 2023 and 2024 is calculated using the actual number of shares outstanding during the period, taking into consideration the actual date of capital increase.

Number of total shares and calculation of earnings per share at 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Net profit	301.199.975	361.492.696
Weighted average number of shares issued in the year	500.000.000	500.000.000
<b>Income per share</b>	<b>0,60</b>	<b>0,72</b>

#### NOTE 29- EFFECTS OF EXCHANGE RATE CHANGES

Details related to effects of exchange rate changes are disclosed at foreign currency risk management in Note 32.

#### NOTE 30 - DERIVATIVE FINANCIAL INSTRUMENTS

##### Fair Value of Derivative Instruments

	31 December 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Short term	-	28.487.892	3.963.837	4.645.693
Long term	-	5.426.768	-	364.343
	-	<b>33.914.660</b>	<b>3.963.837</b>	<b>5.010.036</b>

Explanations related to derivative instruments are disclosed in Note 33.

#### NOTE 31 - FINANCIAL INSTRUMENTS

##### Financial Assets

Short term	31 December 2025	31 December 2024
Financial investments measured at amortized cost	210.793.765	172.455.687
Financial assets recognized at fair value in shareholders' equity	73.116.538	101.104.332
Time deposit (*)	52.808.357	28.842.985
Less: Allowance for impairment under IFRS 9	(147.385)	(354.693)
	<b>336.571.275</b>	<b>302.048.311</b>

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

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#### NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

##### Financial Assets (cont'd)

Long term	31 December 2025	31 December 2024
Financial investments measured at amortized cost	139.070.250	129.950.216
Financial assets recognized at fair value in shareholders' equity	637.159	-
Less: Allowance for impairment under IFRS 9	(1.655.889)	(4.179.940)
	<b>138.051.520</b>	<b>125.770.276</b>

##### Financial investments accounted at amortized cost

	31 December 2025	31 December 2024
Short term financial investments measured at amortized cost	210.793.765	172.455.687
Long term financial investments measured at amortized cost	139.070.250	129.950.216
	<b>349.864.015</b>	<b>302.405.903</b>

	31 December 2025	31 December 2024
Government Debt Securities	115.684.629	192.939.473
Corporate Debt Securities	234.179.386	109.466.430
	<b>349.864.015</b>	<b>302.405.903</b>

The Group's fixed income securities are accounted at their amortized costs using the effective interest rate. These securities are denominated in Euros, US Dollars and Pounds and Turkish Liras and pay fixed interest every year and every six months.

The weighted average coupon interest rates of existing Euro, US Dollar and Pounds and Turkish Liras financial investments that are measured at amortized cost as of 31 December 2025 and 31 December 2024 are as follows:

	Weighted average Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,4	US Dollar	85.780.952
Government Debt Securities	6,2	GBP	17.744.269
Government Debt Securities	37,5	TL	12.159.408
Corporate Debt Securities	6,5	US Dollar	202.389.135
Corporate Debt Securities	5,9	EUR	25.839.603
Corporate Debt Securities	6,2	GBP	5.950.647
<b>31 December 2025</b>			<b>349.864.014</b>

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

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

##### Financial Assets (cont'd)

##### Financial investments at fair value through other comprehensive income

	31 December 2025	31 December 2024
Government Debt Securities	57.648.689	72.038.270
Corporate Debt Securities	15.467.849	29.066.062
Private Equity Investments	637.159	-
	<b>73.753.697</b>	<b>101.104.332</b>

The coupon interest rates of the financial investments in US Dollars that are measured by their fair value and continues as of the reporting date are as follows.

	Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	7,8	US Dollar	57.648.689
Corporate Debt Securities	7,4	US Dollar	15.467.849
<b>31 December 2025</b>			<b>73.116.538</b>
	<b>Weighted average</b>		
	Coupon Interest Rate (%)	FX Type	Asset Value EUR
Government Debt Securities	8,4	US Dollar	72.038.270
Corporate Debt Securities	8,1	US Dollar	29.066.062
<b>31 December 2024</b>			<b>101.104.332</b>

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

##### Financial Liabilities

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

Short term financial liabilities	31 December 2025	31 December 2024
Short term bank borrowings	423.818.328	172.048.659
	<b>423.818.328</b>	<b>172.048.659</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

##### Financial Liabilities (cont'd)

<b>Short term portion of long term financial liabilities</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Short term portion of long term bank borrowings	10.833.524	21.884.352
Principal and interest of bonds issued	32.001.401	198.049.610
Discount and commissions of bonds issued	(844.918)	(1.721.390)
Lease liabilities	464.208.239	405.833.468
<i>Short term portion of long term     lease liabilities</i>	54.096.479	50.453.044
<i>Short term portion of long term     lease liabilities with purchase option</i>	410.111.760	355.380.424
<b></b>	<b>506.198.246</b>	<b>624.046.040</b>
<b>Long term financial liabilities</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Long term bank borrowings	101.492.040	22.009.344
Issued debt instruments (*)	402.362.944	452.471.482
Discount and commissions of bonds issued	(4.666.045)	(4.683.282)
Lease liabilities	3.192.598.284	3.260.356.410
<i>Long term lease liabilities</i>	142.327.963	205.615.854
<i>Long term lease liabilities with purchase option</i>	3.050.270.321	3.054.740.556
<b></b>	<b>3.691.787.223</b>	<b>3.730.153.954</b>

(\*) The Group issued bonds to qualified investors abroad on April 29, 2021, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of USD 375.000.000, at 9,25% interest rate and the maturity is 5 years with an early payment option in the third and fourth years. The settlement process was completed and the bonds were fully redeemed following the repurchase by the Group of bonds amounting to USD 211.086.000 on September 12, 2024, and the remaining bonds amounting to USD 163.914.000 on April 28, 2025, from the respective investors.

The Group issued bonds to qualified investors abroad on September 11, 2024, which were issued under the "Rule 144A" and/or "Regulation S" format, have a nominal value of USD 500.000.000, at 8,00% interest rate and the maturity is 7 years with an early payment option starting at the end of three years.

The bonds are traded on the Irish Stock Exchange (Euronext Dublin). There are some financial covenants in the Terms and Conditions of the notes. The covenants of the notes are; negative pledge, limitation in indebtedness, publication of financial information, limitations on transactions with affiliates, minimum liquidity, merger, consolidation and sale of all assets substantially, limitation on asset sales, limitation on restricted payments. As of 31 December 2025, the Group complied with all covenants.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

##### Financial Liabilities (cont'd)

###### Bank Borrowings

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

<b>31 December 2025</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term bank borrowings	4,98	Euro	423.818.328	423.818.328
Short term portion of long term bank borrowings	3,80	Euro	10.833.524	10.833.524
Long term bank borrowings	3,59	Euro	101.492.040	101.492.040
				<b>536.143.892</b>

<b>31 December 2024</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>EUR equivalent</b>
Short term bank borrowings	6,09	Euro	172.048.659	172.048.659
Short term portion of long term bank borrowings	4,22	Euro	21.884.352	21.884.352
Long term bank borrowings	4,19	Euro	22.009.344	22.009.344
				<b>215.942.355</b>

###### Lease Liabilities

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Less than 1 year	583.795.858	542.771.838
Between 1 - 5 years	2.075.585.287	2.028.348.701
Over 5 years	1.675.857.984	1.808.218.806
	4.335.239.129	4.379.339.345
Less: Future interest expenses	(678.432.606)	(713.149.467)
	<b>3.656.806.523</b>	<b>3.666.189.878</b>

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Less than 1 year	464.208.239	405.833.468
Between 1 - 5 years	1.702.506.299	1.659.063.767
Over 5 years	1.490.091.985	1.601.292.643
	<b>3.656.806.523</b>	<b>3.666.189.878</b>

The Group acquire certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,38 years. For the period ended 31 December 2025, the floating interest rate applicable to Euro-denominated lease liabilities, amounting to EUR 2.662.290.368, is 3,49% (31 December 2024: 3,40%) and the floating rate applicable to US Dollar-denominated lease liabilities, amounting to EUR 339.430.082, is 5,92% (31 December 2024: 6,28%).

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

##### Financial Liabilities (cont'd)

##### Reconciliation of obligations arising from financing activities

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

	1 January 2025	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	31 December 2025
Bank loans and Issued debt instruments	860.058.775	11.316.452	-	93.622.047	964.997.274
Lease payables	3.666.189.878	-	(492.621.896)	483.238.541	3.656.806.523
	<b>4.526.248.653</b>	<b>11.316.452</b>	<b>(492.621.896)</b>	<b>576.860.588</b>	<b>4.621.803.797</b>
	1 January 2024	Utilized bank loans and repayments, (net)	Finance lease obtained and repayment of principals	Non-cash changes	31 December 2024
Bank loans and Issued debt instruments	602.031.364	123.912.487	-	134.114.924	860.058.775
Lease payables	3.067.109.853	-	(513.513.161)	1.112.593.186	3.666.189.878
	<b>3.669.141.217</b>	<b>123.912.487</b>	<b>(513.513.161)</b>	<b>1.246.708.110</b>	<b>4.526.248.653</b>

#### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

##### Capital Risk Management

The Group manages its capital to ensure its ability to continue as a going concern while maximizing returns to stakeholders by optimizing the balance between debt and equity.

The capital structure of the Group includes debt, comprising financial liabilities and obligations under finance leases (as disclosed in Note 31), as well as cash and cash equivalents, and equity, which comprises issued capital, reserves, and retained earnings. The Group meets its working capital requirements using cash generated from operations and, if necessary, through credit lines from Turkish and foreign banks.

The Group's management reviews the cost of capital together with the risk associated with each class in the capital structure. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital and obtains approval from Board of Directors in the form of a resolution.

Based on evaluations of management and Board of Directors, the Group balances its overall capital structure from time to time through capital increases as well as the issue of new debt or the redemption of existing debt. The Group's overall capital risk management strategy remains unchanged from prior periods.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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#### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Capital Risk Management (cont'd)

The debt-capital ratio that is calculated as net debt (total borrowings less cash and cash equivalents and financial investments) divided by total capital as of 31 December 2025 and 31 December 2024 are as follows.

	31 December 2025	31 December 2024
Financial Liabilities	4.621.803.797	4.526.248.653
Less: Cash and Cash Equivalents & Financial Investments	(1.561.681.746)	(1.686.797.993)
Net Debt	3.060.122.051	2.839.450.660
Total Equity	2.316.084.433	2.039.005.537
Total Capital	5.376.206.484	4.878.456.197
Net Debt/Total Capital Ratio	<b>0,6</b>	<b>0,6</b>

##### Financial Risk Factors

The Group's activities expose financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

##### Credit Risk Management

The Group applied the simplified approach in IFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for the expected credit loss provision for all trade receivables. In order to measure expected credit losses, the Group grouped its trade receivables considering the maturity and credit risk characteristics. The expected credit loss ratio for each class of trade receivables, which is grouped using past loan loss experiences and prospective macroeconomic indicators, is calculated and the expected credit loss provision has been calculated by multiplying the determined rate and trade receivable sums.

31 December 2025	More than 3				Total
	Not Overdue	0-1 Months Overdue	1-3 Months Overdue	Months Overdue	
Period end balance	62.922.136	9.719.111	320.085	3.095.556	76.056.888
Loan loss rate (%)	0,6%	0,7%	0,6%	88,5%	
Expected credit losses	375.874	63.855	1.829	2.740.247	3.181.805
31 December 2024	More than 3				Total
	Not Overdue	0-1 Months Overdue	1-3 Months Overdue	Months Overdue	
Period end balance	66.990.415	6.818.884	317.560	3.341.835	77.468.694
Loan loss rate (%)	1,1%	0,7%	0,6%	96,1%	
Expected credit losses	743.930	44.800	1.815	3.210.421	4.000.966

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**NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Factors (cont'd)**

***Credit risk management: (cont'd)***

31 December 2025	Receivables				Bank Deposits	Financial Investments	Derivative Instruments
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
<b>Maximum exposed credit risk as of reporting date (A+B+C+D) (*)</b>	-	<b>72.875.083</b>	-	<b>182.953.431</b>	<b>1.087.088.942</b>	<b>474.622.795</b>	-
Secured portion of the maximum credit risk by guarantees, etc. (**)	-	7.319.658	-	-	-	-	-
A. Net book value of financial asset neither are not due or nor impaired	-	71.599.291	-	182.953.431	1.087.088.942	474.622.795	-
B. Net book value of financial assets that are past due but not impaired	-	1.275.792	-	-	-	-	-
-The part under guarantee with collateral etc.	-	1.275.792	-	-	-	-	-
C. Net book value of impaired assets	-		-				
- Past due (gross carrying amount)	-	2.715.105	-	-	-	-	-
- Impairment(-)	-	(2.715.105)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not Past due (gross carrying amount)	-	466.700	-	-	78.445	1.803.274	-
- Impairment(-)	-	(466.700)	-	-	(78.445)	(1.803.274)	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(\*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.

(\*\*) Guarantees consist of the letters of guarantee obtained from the customers.

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**NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Factors (cont'd)**

***Credit risk management: (cont'd)***

31 December 2024	Receivables				Bank Deposits	Financial Investments	Derivative Instruments
	Trade Receivables		Other Receivables				
	Related Party	Other	Related Party	Other			
<b>Maximum exposed credit risk as of reporting date (A+B+C+D) (*)</b>	-	<b>73.467.728</b>	-	<b>142.142.119</b>	<b>1.259.666.911</b>	<b>427.818.587</b>	<b>3.963.837</b>
Secured portion of the maximum credit risk by guarantees, etc. (**)	-	15.737.713	-	-	-	-	-
A. Net book value of financial asset neither are not due or nor impaired	-	72.106.467	-	142.142.119	1.259.666.911	427.818.587	3.963.837
B. Net book value of financial assets that are past due but not impaired	-	1.361.261	-	-	-	-	-
-The part under guarantee with collateral etc.	-	1.361.261	-	-	-	-	-
C. Net book value of impaired assets	-		-				
- Past due (gross carrying amount)	-	3.550.559	-	-	-	-	-
- Impairment(-)	-	(3.550.559)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not Past due (gross carrying amount)	-	450.408	-	-	737.512	4.534.633	-
- Impairment(-)	-	(450.408)	-	-	(737.512)	(4.534.633)	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(\*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.

(\*\*) Guarantees consist of the letters of guarantee obtained from the customers.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Factors (cont'd)

##### *Credit risk management (cont'd)*

Aging of the past due receivables is as follows:

<b>31 December 2025</b>	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Bank deposits</b>	<b>Total</b>
1-30 days past due	241.478	-	-	241.478
1-3 months past due	145.498	-	-	145.498
3-12 months past due	605	-	-	605
1-5 years past due	3.603.316	-	-	3.603.316
Receivables secured by guarantees	(1.275.791)	-	-	(1.275.791)
	<b>2.715.106</b>	-	-	<b>2.715.106</b>

<b>31 December 2024</b>	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Bank deposits</b>	<b>Total</b>
1-30 days past due	252.175	-	-	252.175
1-3 months past due	94.064	-	-	94.064
3-12 months past due	1.660	-	-	1.660
1-5 years past due	4.563.921	-	-	4.563.921
Receivables secured by guarantees	(1.361.261)	-	-	(1.361.261)
	<b>3.550.559</b>	-	-	<b>3.550.559</b>

##### *Liquidity risk management*

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables show the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

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#### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Factors (cont'd)

##### *Liquidity risk management (cont'd)*

31 December 2025						
Due date on the contract	Carrying value	Contractual cash-flows (I+II+III+IV)	Up to 3 months (I)	3 months- 12 months (II)	1 year- 5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Short term bank borrowings	536.143.892	567.865.595	58.842.399	391.970.940	83.552.559	33.499.697
Obligations under leases	3.656.806.523	4.335.239.128	163.900.533	419.895.325	2.075.585.287	1.675.857.983
Trade payables	288.461.849	288.461.849	288.461.849	-	-	-
Issued debt instruments	428.853.382	629.074.283	16.877.480	17.157.217	136.232.031	458.807.555
	<b>4.910.265.646</b>	<b>5.820.640.855</b>	<b>528.082.261</b>	<b>829.023.482</b>	<b>2.295.369.877</b>	<b>2.168.165.235</b>
Due date on the contract	Carrying value	Contractual cash-flows (I+II+III+IV)	Up to 3 months (I)	3 months- 12 months (II)	1 year- 5 years (III)	More than 5 years (IV)
<b>Derivative financial liabilities</b>						
Derivative cash inflows outflows, net	(33.914.660)	(34.670.054)	(7.901.207)	(21.103.844)	(5.665.003)	-
31 December 2024						
Due date on the contract	Carrying value	Contractual cash-flows (I+II+III+IV)	Up to 3 months (I)	3 months- 12 months (II)	1 year- 5 years (III)	More than 5 years (IV)
<b>Non-derivative financial liabilities</b>						
Short term bank borrowings	215.942.354	221.649.991	107.298.130	90.643.356	21.535.195	2.173.310
Obligations under leases	3.666.189.878	4.379.339.345	145.918.679	396.853.159	2.028.348.701	1.808.218.806
Trade payables	216.174.134	216.174.134	216.174.134	-	-	-
Issued debt instruments	644.116.421	921.240.690	-	204.658.623	156.609.655	559.972.412
	<b>4.742.422.787</b>	<b>5.738.404.160</b>	<b>469.390.943</b>	<b>692.155.138</b>	<b>2.206.493.551</b>	<b>2.370.364.528</b>
Due date on the contract	Carrying value	Contractual cash-flows (I+II+III+IV)	Up to 3 months (I)	3 months- 12 months (II)	1 year- 5 years (III)	More than 5 years (IV)
<b>Derivative financial liabilities</b>						
Derivative cash inflows outflows, net	(1.046.199)	(1.156.138)	3.240.719	(4.016.520)	(380.337)	-

##### *Market risk*

The Group's activities expose primarily to the financial risks of changes in foreign currency exchange rates, fuel price and interest rates. The Group enters into a variety of derivative financial instruments to manage exposure to foreign currency, fuel price and interest rate risk.

##### *Foreign currency risk management*

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

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### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Factors (cont'd)

##### Foreign currency risk management (cont'd)

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

31 December 2025	EUR Total	USD	TL	GBP	Other
1. Trade receivables	48.625.855	7.771.222	1.609.114.153	1.544.965	8.360.220
2a. Monetary financial assets	994.885.733	988.151.895	5.756.120.907	24.688.479	13.025.900
2b. Non monetary financial assets	-	-	-	-	-
3. Other	33.984.069	25.692.473	606.868.884	108.819	4.087
4. CURRENT ASSETS	1.077.495.657	1.021.615.590	7.972.103.944	26.342.263	21.390.207
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	138.051.519	162.500.400	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	76.563.229	88.795.217	3.098.131	63.000	994.033
8. NON CURRENT ASSETS	214.614.748	251.295.617	3.098.131	63.000	994.033
9. TOTAL ASSETS	1.292.110.405	1.272.911.207	7.975.202.075	26.405.263	22.384.240
10. Trade payables	182.481.019	152.839.218	2.438.114.378	1.930.173	2.100.994
11. Financial liabilities	168.784.398	198.353.248	13.836.543	-	-
12a. Other liabilities, monetary	120.525.187	48.753.237	3.945.150.275	194.757	689.652
12b. Other liabilities, non monetary	-	-	-	-	-
13. CURRENT LIABILITIES	471.790.604	399.945.703	6.397.101.196	2.124.930	2.790.646
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.199.169.678	1.411.469.572	3.115.341	-	-
16a. Other liabilities, monetary	155.922.131	171.891.478	499.106.339	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
17. NON CURRENT LIABILITIES	1.355.091.809	1.583.361.050	502.221.680	-	-
18. TOTAL LIABILITIES	1.826.882.413	1.983.306.753	6.899.322.876	2.124.930	2.790.646
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	-	-	-	-	-
19.a Off-statement of financial position foreign currency derivative assets	-	-	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(534.772.008)	(710.395.546)	1.075.879.199	24.280.333	19.593.594
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(534.772.008)	(710.395.546)	1.075.879.199	24.280.333	19.593.594

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**NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS  
(cont'd)**

**Financial Risk Factors (cont'd)**

*Foreign currency risk management (cont'd)*

<b>31 December 2024</b>	<b>EUR Total</b>	<b>USD</b>	<b>TL</b>	<b>GBP</b>	<b>Other</b>
1. Trade receivables	52.554.233	7.421.689	1.404.084.196	1.817.410	5.037.207
2a. Monetary financial assets	1.252.994.150	1.163.326.747	4.022.451.465	14.824.938	10.452.061
2b. Non monetary financial assets	-	-	-	-	-
3. Other	6.221.712	1.727.019	166.711.936	23.797	206
<b>4. CURRENT ASSETS</b>	<b>1.311.770.095</b>	<b>1.172.475.455</b>	<b>5.593.247.597</b>	<b>16.666.145</b>	<b>15.489.474</b>
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	125.770.279	131.196.247	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	7.828.521	6.695.999	1.543.144	63.000	1.291.589
<b>8. NON CURRENT ASSETS</b>	<b>133.598.800</b>	<b>137.892.246</b>	<b>1.543.144</b>	<b>63.000</b>	<b>1.291.589</b>
<b>9. TOTAL ASSETS</b>	<b>1.445.368.895</b>	<b>1.310.367.701</b>	<b>5.594.790.741</b>	<b>16.729.145</b>	<b>16.781.063</b>
10. Trade payables	124.022.824	90.371.223	1.020.393.435	2.635.892	6.443.828
11. Financial liabilities	300.796.277	313.459.380	11.053.764	-	-
12a. Other liabilities, monetary	103.036.729	10.378.007	3.369.137.300	254.401	1.086.662
12b. Other liabilities, non monetary	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>527.855.830</b>	<b>414.208.610</b>	<b>4.400.584.499</b>	<b>2.890.293</b>	<b>7.530.490</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	1.373.954.809	1.433.084.260	5.127.331	-	-
16a. Other liabilities, monetary	249.540.410	216.012.353	1.560.170.434	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
<b>17. NON CURRENT LIABILITIES</b>	<b>1.623.495.219</b>	<b>1.649.096.613</b>	<b>1.565.297.765</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>2.151.351.049</b>	<b>2.063.305.223</b>	<b>5.965.882.264</b>	<b>2.890.293</b>	<b>7.530.490</b>
19. Net asset / (liability) position of Off-statement of financial position derivatives (19a-19b)	488.885	21.424.898	-	(16.650.000)	-
19.a Off-statement of financial position foreign currency derivative assets	20.538.815	21.424.898	-	-	-
19b. Off-statement of financial position foreign currency derivative liabilities	20.049.930	-	-	16.650.000	-
20. Net foreign currency asset/(liability) position	(705.982.154)	(752.937.522)	(371.091.523)	13.838.852	9.250.573
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(705.982.154)	(752.937.522)	(371.091.523)	13.838.852	9.250.573

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

#### Financial Risk Factors (cont'd)

#### Foreign currency risk management (cont'd)

#### Foreign currency sensitivity

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

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

31 December 2025	Profit/(Loss)		Shareholders' equity	
	If foreign currency appreciated 10%	If foreign currency depreciated 10%	If foreign currency appreciated 10%	If foreign currency depreciated 10%
Effect of 10% change in USD rate				
USD net asset / (liability)	(60.351.349)	60.351.349	-	-
Part of hedged from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(60.351.349)</b>	<b>60.351.349</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	2.132.430	(2.132.430)	234.152.043	(234.152.043)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>2.132.430</b>	<b>(2.132.430)</b>	<b>234.152.043</b>	<b>(234.152.043)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	2.782.359	(2.782.359)	-	-
Part of hedged from GBP risk	-	-	-	-
<b>GBP net effect</b>	<b>2.782.359</b>	<b>(2.782.359)</b>	-	-
<b>31 December 2024</b>				
	Profit/(Loss)		Shareholders' equity	
	If foreign currency appreciated 10%	If foreign currency depreciated 10%	If foreign currency appreciated 10%	If foreign currency depreciated 10%
Effect of 10% change in USD rate				
USD net asset / (liability)	(72.268.639)	72.268.639	-	-
Part of hedged from USD risk	2.053.881	(2.053.881)	-	-
<b>USD net effect</b>	<b>(70.214.758)</b>	<b>70.214.758</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	3.236.214	(3.236.214)	204.276.306	(204.276.306)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>3.236.214</b>	<b>(3.236.214)</b>	<b>204.276.306</b>	<b>(204.276.306)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	1.666.475	(1.666.475)	-	-
Part of hedged from GBP risk	(2.004.993)	2.004.993	-	-
<b>GBP net effect</b>	<b>(338.518)</b>	<b>338.518</b>	-	-

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 32 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Factors (cont'd)

##### *Interest rate risk management*

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between floating rate borrowings, by the use of interest rate swap contracts based on the approved policies.

##### Foreign currency sensitivity

The Group's distribution of interest rate-sensitive financial instruments is as follows:

	31 December 2025		31 December 2024	
	Floating rate	Fixed rate	Floating rate	Fixed rate
Bank loans and Issued debt instruments	-	964.997.274	-	860.058.775
Finance leases	3.423.461.342	233.345.181	3.360.751.410	305.438.468

For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year.

If interest rates had been 0.5% lower or higher during the reporting period, keeping all other variables constant:

The Group's profit before tax would have increased/decreased by EUR 15.994.183 (2024: EUR 13.522.971). This is mainly attributable to the Company's exposure to interest rates on its variable rate obligations under finance leases.

##### *Price risk management*

##### Fuel price risk management

The Group is exposed to commodity risk due to the significant of fuel purchases to its business. Fuel prices have been subject to wide fluctuations based on geopolitical issues, exchange rate fluctuations, supply and demand as well as market speculation. The fluctuations in fuel prices have had a significant impact on the cost of sales and results of operations of the Group.

The Group manages its risk to fuel prices through the use of derivative financial instruments. The Group's policy since 2011 includes a primary non-discretionary program for the first 50% of anticipated fuel consumption and a supplemental discretionary program for an additional 20% of our anticipated fuel consumption up to twelve months. Both programs use swap and option arrangements on jet fuel and Brent oil for hedging purposes. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

##### Fuel price sensitivity

The Group entered into fuel purchase and option forward contracts to manage the cash flow risks associated with fuel purchases. Due to forward fuel purchase and option forward contracts subject to hedge accounting, as a result of a 1% increase/decrease in fuel prices, the shareholders' equity of the Group will increase/decrease by EUR 4.664.908 (2024: EUR 4.866.202) excluding deferred tax effect.

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2025**

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

**NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

Group Management believes that the carrying values of financial instruments approximates their fair values, except for financial investments, lease liabilities and issued debt instruments. The fair value of financial investments and issued bonds is determined by considering the market value (level 1).

**Fair Value of Financial Instruments**

<b>31 December 2025</b>	<b>Financial assets and liabilities at amortized cost</b>	<b>Financial assets and derivative instruments which are recognized at fair value in shareholders' equity</b>	<b>Derivative instruments which are recognized at fair value in profit/loss</b>	<b>Carrying amount</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	1.087.058.951	-	-	1.087.058.951	35
Trade receivables	72.875.083	-	-	72.875.083	6
- <i>Other</i>	72.875.083	-	-	72.875.083	6
Other receivables	182.953.431	-	-	182.953.431	
- <i>Other</i>	182.953.431	-	-	182.953.431	
Financial investments	389.716.607	73.116.538	-	474.622.795	32
<b>Financial liabilities</b>					
Bank borrowings	536.143.892	-	-	536.143.892	31
Issued debt instruments	563.856.088	-	-	428.853.382	
Trade payables	288.461.849	-	-	288.461.849	6
- <i>Related party</i>	1.426.083	-	-	1.426.083	5
- <i>Other</i>	287.035.766	-	-	287.035.766	
Other payables	6.565.305	-	-	6.565.305	
Derivative financial liabilities	-	33.914.660	-	33.914.660	30

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2025**

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

**NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)**

**Fair Value of Financial Instruments (cont'd)**

<b>31 December 2024</b>	<b>Financial assets and liabilities at amortized cost</b>	<b>Financial assets and derivative instruments which are recognized at fair value in shareholders' equity</b>	<b>Derivative instruments which are recognized at fair value in profit/loss</b>	<b>Carrying amount</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	1.258.979.406	-	-	1.258.979.406	35
Trade receivables	73.467.728	-	-	73.467.728	6
- <i>Other</i>	73.467.728	-	-	73.467.728	6
Other receivables	142.142.119	-	-	142.142.119	
- <i>Other</i>	142.142.119	-	-	142.142.119	
Financial investments	301.757.198	101.104.332	-	427.818.587	32
Derivative financial assets	-	-	3.963.837	3.963.837	30
<b>Financial liabilities</b>					
Bank borrowings	215.942.354	-	-	215.942.355	31
Issued debt instruments	636.265.140	-	-	644.116.420	
Trade payables	216.174.134	-	-	216.174.134	6
- <i>Related party</i>	1.194.536	-	-	1.194.536	5
- <i>Other</i>	214.979.598	-	-	214.979.598	
Other payables	12.519.590	-	-	12.519.590	
Derivative financial liabilities	-	5.010.036	-	5.010.036	30

**PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2025**

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

**NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)**

**Fair Value of Financial Instruments (cont'd)**

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

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

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique
	31 December 2025	31 December 2024		
Fuel purchase option contracts	(33.914.660)	(5.010.036)	Level 2	Discounted cash flow method
Currency forward contracts	-	3.963.837	Level 2	Discounted cash flow method
			<b>Currency forward contracts</b>	<b>Fuel purchase option contracts</b>
<b>31 December 2025</b>				<b>Total</b>
<b>Fair value:</b>				
Opening		3.963.837	(5.010.036)	(1.046.199)
Fair value increase				
Recognized in equity		-	(28.904.624)	(28.904.624)
Recognized in profit or loss		(3.963.837)	-	(3.963.837)
<b>Closing</b>		-	<b>(33.914.660)</b>	<b>(33.914.660)</b>
Assets		-	-	-
Liabilities		-	(33.914.660)	(33.914.660)
<b>Total net assets and liabilities</b>		-	<b>(33.914.660)</b>	<b>(33.914.660)</b>

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 33 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (cont'd)

##### Fair Value of Financial Instruments (cont'd)

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

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 61,3% and 22,9% of the total fuel consumption estimated to occur in a period shorter than 1 year and more than 1 year, respectively. In line with its hedging policy, the Group can conclude contracts with maturities up to 24 months. As of 31 December 2025, the contracts last until December 2027. The total nominal value of these contracts is USD 565 million, and the weighted average price is in the range of USD 60-71. The ineffective portion of the hedge is not material as of 31 December 2025. In the current period, the income that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit or loss statement is amounting to EUR 7.490.847 (31 December 2024: EUR 2.458.556 derivative income are charged to finance expenses).

#### NOTE 34 - EVENTS AFTER REPORTING PERIOD

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.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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

#### NOTE 35 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash on hand	48.454	50.008
Cash at banks	1.087.088.942	1.259.666.911
- Demand deposits	39.773.583	23.318.830
- Time deposits	1.047.315.359	1.236.348.081
Less: Allowance for impairment under IFRS 9	(78.445)	(737.513)
	<b>1.087.058.951</b>	<b>1.258.979.406</b>

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

<b>31 December 2025</b>	<b>Weighted average interest rates</b>	<b>Total</b>
USD deposits	3,91 %	601.829.351
EUR deposits	2,27 %	339.688.656
TL deposits	39,32 %	101.978.468
GBP deposits	0,50 %	3.057.273
IRR deposits	5,00 %	761.611
		<b>1.047.315.359</b>

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

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