

CONVENIENCE TRANSLATION OF  
THE REPORT AND FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH

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

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE  
SIX MONTH INTERIM PERIOD ENDED  
30 JUNE 2022



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(Convenience translation of a report and condensed consolidated financial statements originally issued in Turkish)

## Report on Review of Interim Condensed Consolidated Financial Statements

### To the Board of Directors of Pegasus Hava Taşımacılığı Anonim Şirketi

#### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Pegasus Hava Taşımacılığı Anonim Şirketi (the Company) and its subsidiaries (“the Group”) as of 30 June 2022 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-months period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Emphasis of Matter

As mentioned in Note 1 to the condensed consolidated financial statements, the COVID-19 pandemic had a major impact on the airline industry and the operations of the Group in 2020 and 2021, affecting the operation of the flights and, consequently significantly reduced the amount of revenues. This had significant impacts on operating results and cash generation. Although the effects of the COVID-19 pandemic have decreased in the six-month period of 2022, given the unprecedented nature of the pandemic, the impact and duration of this impact on the airline industry is difficult to predict, but may include a prolonged global recession and changes to consumer behavior which may impact passenger numbers in both the short term and longer term. Our opinion is not qualified in respect of these matters.



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## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

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

Sinem Arı Öz, SMMM  
Partner

15 August 2022  
İstanbul, Turkey

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PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

		Current period (Reviewed) 30 June 2022	Prior period (Audited) 31 December 2021	(*) EUR 30 June 2022	(*) EUR 31 December 2021
	Notes				
<b>ASSETS</b>					
<b>Current assets</b>		<b>18.719.523.080</b>	<b>12.687.114.838</b>	<b>1.068.337.872</b>	<b>864.109.491</b>
Cash and cash equivalents	27	9.722.621.899	6.976.779.772	554.877.663	475.183.028
Financial assets	22	537.263.138	565.472.751	30.662.029	38.513.908
Trade receivables	6	1.354.130.001	337.172.794	77.281.262	22.964.576
<i>Trade receivables from third parties</i>		<i>1.354.130.001</i>	<i>337.172.794</i>	<i>77.281.262</i>	<i>22.964.576</i>
Other receivables	6	202.060.652	127.250.026	11.531.760	8.666.900
<i>Other receivables from third parties</i>		<i>202.060.652</i>	<i>127.250.026</i>	<i>11.531.760</i>	<i>8.666.900</i>
Derivative financial instruments	21	844.184.675	118.364.973	48.178.282	8.061.746
Inventories		437.991.155	141.338.089	24.996.499	9.626.427
Prepaid expenses	7	4.682.568.384	4.044.857.895	267.237.850	275.492.112
Current income tax assets		2.340.252	5.030.039	133.560	342.592
Other current assets		44.363.539	62.757.524	2.531.862	4.274.366
<b>SUBTOTAL</b>		<b>17.827.523.695</b>	<b>12.379.023.863</b>	<b>1.017.430.767</b>	<b>843.125.655</b>
Non-current assets held for sale		891.999.385	308.090.975	50.907.105	20.983.836
<b>Non-Current assets</b>		<b>54.980.075.145</b>	<b>40.275.936.529</b>	<b>3.136.723.890</b>	<b>2.742.130.261</b>
Financial assets	22	3.565.256.871	2.173.986.740	203.472.008	148.068.541
Other receivables	6	521.419.253	385.733.767	29.757.806	26.272.026
<i>Other receivables from third parties</i>		<i>521.419.253</i>	<i>385.733.767</i>	<i>29.757.806</i>	<i>26.272.026</i>
Derivative financial instruments	21	265.543.763	45.204.115	15.154.791	3.078.817
Investments accounted by using the equity method	3	309.635.958	165.913.947	17.671.167	11.300.269
Property and equipment	8	2.075.504.590	1.854.850.887	118.450.171	126.331.736
Intangible assets	9	219.156.947	183.945.727	12.507.459	12.528.400
Right of use assets	10	43.794.215.860	32.695.303.761	2.498.338.626	2.225.819.988
Prepaid expenses	7	4.229.341.903	2.770.997.585	241.371.862	188.730.484
<b>TOTAL ASSETS</b>		<b>73.699.598.225</b>	<b>52.963.051.367</b>	<b>4.205.061.762</b>	<b>3.606.239.752</b>

(\*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

		Current period (Reviewed) 30 June 2022	Prior period (Audited) 31 December 2021	(*) EUR 30 June 2022	(*) EUR 31 December 2021
	Notes				
<b>LIABILITIES</b>					
<b>Current liabilities</b>		<b>22.201.297.377</b>	<b>12.679.117.885</b>	<b>1.267.045.467</b>	<b>863.564.829</b>
Short term borrowings	22	3.281.492.892	3.413.628.246	187.277.375	232.499.557
Short term portion of long term borrowings	22	587.982.749	477.144.842	33.556.637	32.497.963
Short term portion of long term lease liabilities	22	6.136.132.658	3.876.778.287	350.193.907	264.044.345
Trade payables	6	3.428.575.397	1.890.418.358	195.671.489	128.765.746
<i>Trade payables to related parties</i>	5	8.099.836	8.656.890	462.264	589.614
<i>Trade payables to third parties</i>		3.420.475.561	1.881.761.468	195.209.225	128.165.306
Employee benefit obligations		143.953.233	46.371.989	8.215.524	3.158.360
Other payables		1.362.074.433	166.192.097	77.734.657	11.308.388
<i>Other payables to related parties</i>	6	-	158.955	-	10.826
<i>Other payables to third parties</i>	6	1.362.074.433	166.033.142	77.734.657	11.308.388
Passenger flight liabilities	7	5.455.104.967	1.470.909.753	311.327.122	100.182.516
Derivative financial instruments	21	-	211.337	-	14.394
Deferred income	7	639.102.475	299.944.356	36.474.080	20.428.976
Short term provisions		1.166.637.574	1.037.352.947	66.580.922	70.653.300
<i>Short term provisions for employee benefits</i>		312.919.159	323.182.559	17.858.542	22.011.712
<i>Other short term provisions</i>		853.718.415	714.170.388	48.722.380	48.641.588
Other current liabilities		240.999	165.673	13.754	11.284
<b>Non-Current liabilities</b>		<b>44.344.559.174</b>	<b>33.414.087.401</b>	<b>2.530.778.798</b>	<b>2.275.807.428</b>
Long term borrowings	22	5.807.136.885	4.859.623.576	331.417.860	330.985.171
Long term lease liabilities	22	33.012.095.759	24.038.791.581	1.884.026.216	1.637.263.343
Deferred income	7	429.292.098	412.770.929	24.500.037	28.113.506
Long term provisions		3.875.258.985	3.171.423.448	221.164.072	216.003.177
<i>Long term provisions for employee benefits</i>		91.548.890	66.886.363	5.224.767	4.555.578
<i>Other long term provisions</i>		3.783.710.095	3.104.537.085	215.939.305	211.447.599
Deferred tax liabilities		1.220.775.447	931.477.867	69.670.613	63.442.231
<b>SHAREHOLDERS' EQUITY</b>		<b>7.153.741.674</b>	<b>6.869.846.081</b>	<b>407.237.497</b>	<b>466.867.495</b>
Paid-in share capital	14	102.299.707	102.299.707	60.544.134	60.544.134
Share premiums on capital stock		455.687.025	455.687.025	194.089.305	194.089.305
Other comprehensive income/expense not to be reclassified to profit or loss					
Actuarial losses on defined benefit plans		(29.428.770)	(11.780.564)	(1.679.523)	(802.365)
Currency translation differences		9.342.566.842	7.879.444.458	6.343.199	4.526.022
Other comprehensive income/expense to be reclassified to profit or loss					
Hedge fund		854.490.894	125.948.205	48.766.466	8.578.234
Restricted profit reserves		20.459.941	20.459.941	4.047.406	4.047.406
Retained earnings		(1.702.212.691)	270.265.658	195.884.759	346.171.428
Net loss for the period		(1.890.121.274)	(1.972.478.349)	(100.758.249)	(150.286.669)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>73.699.598.225</b>	<b>52.963.051.367</b>	<b>4.205.061.762</b>	<b>3.606.239.752</b>

(\*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

		Current period (Reviewed)	Prior period (Reviewed)	Current period (Not reviewed)	Prior period (Not reviewed)	(*) EUR	(*) EUR	(*) EUR	(*) EUR
	Notes	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
<b>Profit or loss</b>									
Sales	15	12.415.000.029	2.634.454.661	8.351.000.351	1.544.523.040	774.074.243	277.065.956	504.248.315	154.531.400
Cost of sales (-)	15	(12.009.944.492)	(3.587.015.286)	(7.601.414.502)	(1.927.068.675)	(731.967.173)	(375.345.938)	(450.833.067)	(192.738.424)
<b>Gross profit/(loss)</b>		<b>405.055.537</b>	<b>(952.560.625)</b>	<b>749.585.849</b>	<b>(382.545.635)</b>	<b>42.107.070</b>	<b>(98.279.982)</b>	<b>53.415.248</b>	<b>(38.207.024)</b>
General administrative expenses (-)	16	(318.898.128)	(146.676.987)	(152.336.093)	(82.746.069)	(20.109.122)	(15.471.588)	(9.267.969)	(8.325.129)
Marketing expenses (-)	16	(309.649.146)	(85.427.857)	(186.756.504)	(49.078.855)	(18.740.862)	(8.780.256)	(10.996.845)	(4.810.880)
Other operating income	17	9.263.042	7.773.208	7.705.322	11.548.724	239.048	821.358	97.525	1.245.817
Other operating expenses (-)	17	(134.099.441)	(12.498.627)	(97.645.495)	(1.984.539)	(7.875.966)	(1.313.355)	(5.494.284)	(133.692)
<b>Operating gain/(loss)</b>		<b>(348.328.136)</b>	<b>(1.189.390.888)</b>	<b>320.553.079</b>	<b>(504.806.374)</b>	<b>(4.379.832)</b>	<b>(123.023.823)</b>	<b>27.753.675</b>	<b>(50.230.908)</b>
Income from investing activities	18	234.190.475	6.098.143	99.590.538	2.270.181	14.257.913	598.783	4.004.071	203.464
Expenses from investing activities (-)	18	(3.950.200)	(13.809.385)	1.063.484	(14.167.257)	(243.680)	(1.459.059)	1.897.848	(1.499.292)
Share of investments income accounted for using the equity method	3	3.000.051	6.057.762	(1.591.685)	4.371.447	185.067	640.045	(108.883)	450.465
<b>Operating gain/(loss) before financial expense</b>		<b>(115.087.810)</b>	<b>(1.191.044.368)</b>	<b>419.615.416</b>	<b>(512.332.003)</b>	<b>9.819.468</b>	<b>(123.244.054)</b>	<b>33.546.711</b>	<b>(51.076.271)</b>
Financial income	19	106.774.841	49.812.039	52.673.358	31.370.189	6.495.339	5.130.621	3.071.513	3.078.558
Financial expense (-)	19	(1.971.931.213)	(532.621.190)	(1.306.678.474)	(225.711.754)	(122.632.539)	(56.312.455)	(79.609.769)	(21.848.671)
<b>Loss before tax</b>		<b>(1.980.244.182)</b>	<b>(1.673.853.519)</b>	<b>(834.389.700)</b>	<b>(706.673.568)</b>	<b>(106.317.732)</b>	<b>(174.425.888)</b>	<b>(42.991.545)</b>	<b>(69.846.384)</b>
<b>Tax income</b>	26	<b>90.122.908</b>	<b>78.160.821</b>	<b>43.886.801</b>	<b>44.220.200</b>	<b>5.559.483</b>	<b>8.258.243</b>	<b>2.599.572</b>	<b>4.442.558</b>
Deferred tax income		90.122.908	78.160.821	43.886.801	44.220.200	5.559.483	8.258.243	2.599.572	4.442.558
<b>Loss for the period</b>		<b>(1.890.121.274)</b>	<b>(1.595.692.698)</b>	<b>(790.502.899)</b>	<b>(662.453.368)</b>	<b>(100.758.249)</b>	<b>(166.167.645)</b>	<b>(40.391.973)</b>	<b>(65.403.826)</b>
Loss per share (TL) / (EUR)	20	(18,48)	(15,60)	(7,73)	(6,48)	(0,98)	(1,62)	(0,39)	(0,64)

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

	Current period (Reviewed) 1 January- 30 June 2022	Prior period (Reviewed) 1 January- 30 June 2021	Current period (Not reviewed) 1 April - 30 June 2022	Prior period (Not reviewed) 1 April - 30 June 2021	(*) EUR 1 January- 30 June 2022	(*) EUR 1 January- 30 June 2021	(*) EUR 1 April - 30 June 2022	(*) EUR 1 April - 30 June 2021
<b>Other comprehensive income</b>								
<b>Items not to be reclassified to profit or loss</b>								
Actuarial (losses) / gains on defined benefit plans	(22.060.258)	-	(22.060.258)	-	(1.096.448)	-	(1.096.448)	-
Deferred tax effect	4.412.052	-	4.412.052	-	219.290	-	219.290	-
Currency translation differences	1.463.122.384	695.389.856	587.662.894	282.797.994	1.817.177	-	1.817.177	-
<b>Items to be reclassified to profit or loss</b>								
Cash flow hedge	946.159.350	261.962.900	(14.882.594)	104.762.443	52.192.510	26.516.742	(5.625.086)	9.689.690
Deferred tax effect	(217.616.661)	(61.217.894)	3.423.000	(29.777.798)	(12.004.278)	(6.154.843)	1.293.770	(2.789.433)
<b>Other comprehensive income</b>	<b>2.174.016.867</b>	<b>896.134.862</b>	<b>558.555.094</b>	<b>357.782.639</b>	<b>41.128.251</b>	<b>20.361.899</b>	<b>(3.391.297)</b>	<b>6.900.257</b>
<b>Total comprehensive income</b>	<b>283.895.593</b>	<b>(699.557.836)</b>	<b>(231.947.805)</b>	<b>(304.670.729)</b>	<b>(59.629.998)</b>	<b>(145.805.746)</b>	<b>(43.783.270)</b>	<b>(58.503.569)</b>

(\*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

			Other comprehensive income items not to be reclassified to profit or loss		Other comprehensive income items to be reclassified to profit or loss		Retained earnings		
	Paid in share capital	Share premiums on capital stock	Actuarial gains/(losses) on defined benefit plans	Currency translation differences	Hedge reserve	Restricted profit reserves	Retained earnings	Net profit/(loss) for the year	Shareholders' equity
<b>As at 1 January 2021</b>	<b>102.299.707</b>	<b>455.687.025</b>	<b>(2.972.061)</b>	<b>4.609.042.699</b>	<b>(68.365.331)</b>	<b>20.459.941</b>	<b>2.235.362.715</b>	<b>(1.965.097.057)</b>	<b>5.386.417.638</b>
Transfers	-	-	-	-	-	-	(1.965.097.057)	1.965.097.057	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	(1.595.692.698)	(1.595.692.698)
Other comprehensive income / (expense)	-	-	-	695.389.856	200.745.006	-	-	-	896.134.862
<b>As at 30 June 2021</b>	<b>102.299.707</b>	<b>455.687.025</b>	<b>(2.972.061)</b>	<b>5.304.432.555</b>	<b>132.379.675</b>	<b>20.459.941</b>	<b>270.265.658</b>	<b>(1.595.692.698)</b>	<b>4.686.859.802</b>
<b>As at 1 January 2022</b>	<b>102.299.707</b>	<b>455.687.025</b>	<b>(11.780.564)</b>	<b>7.879.444.458</b>	<b>125.948.205</b>	<b>20.459.941</b>	<b>270.265.658</b>	<b>(1.972.478.349)</b>	<b>6.869.846.081</b>
Transfers	-	-	-	-	-	-	(1.972.478.349)	1.972.478.349	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	(1.890.121.274)	(1.890.121.274)
Other comprehensive income / (expense)	-	-	(17.648.206)	1.463.122.384	728.542.689	-	-	-	2.174.016.867
<b>As at 30 June 2022</b>	<b>102.299.707</b>	<b>455.687.025</b>	<b>(29.428.770)</b>	<b>9.342.566.842</b>	<b>854.490.894</b>	<b>20.459.941</b>	<b>(1.702.212.691)</b>	<b>(1.890.121.274)</b>	<b>7.153.741.674</b>

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

(Convenience Translation of The Report and Financial Statements Originally Issued in Turkish)

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

		Current period (Reviewed) 1 January- 30 June 2022	Prior period (Reviewed) 1 January- 30 June 2021	(*) EUR 1 January- 30 June 2022	(*) EUR 1 January- 30 June 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Loss for the period</b>		<b>(1.890.121.274)</b>	<b>(1.595.692.698)</b>	<b>(100.758.249)</b>	<b>(166.167.645)</b>
<b>Adjustments to reconcile the loss</b>					
Depreciation and amortization	8-9-10	2.159.240.177	1.238.629.655	133.199.158	130.869.949
Adjustments related with impairments		24.298.445	(7.740.017)	1.498.922	(817.787)
<i>Provision for doubtful receivable</i>		<i>20.348.245</i>	<i>(7.740.017)</i>	<i>1.255.242</i>	<i>(817.787)</i>
Adjustments related with financial investment impairments		3.950.200	-	243.680	-
Adjustments related with provisions		99.422.022	74.740.278	(4.581.899)	6.457.015
<i>Provision for employee benefits</i>		<i>138.153.799</i>	<i>19.316.526</i>	<i>7.884.546</i>	<i>1.863.720</i>
<i>Legal provision</i>		<i>4.135.659</i>	<i>543.267</i>	<i>255.120</i>	<i>57.400</i>
<i>Change in redelivery provision</i>		<i>(42.867.436)</i>	<i>54.880.485</i>	<i>(12.721.565)</i>	<i>4.535.895</i>
Interest and commission income		938.284.747	455.989.413	57.604.705	48.394.858
Adjustments related with fair value expense (income)		(25.574.512)	-	(1.459.557)	-
<i>Adjustments related with fair value expense (income) of financial assets</i>		<i>(25.574.512)</i>	<i>-</i>	<i>(1.459.557)</i>	<i>-</i>
Gain on equity investments accounted for using the equity method	3	(3.000.051)	(6.057.762)	(185.067)	(640.045)
Current tax expense		(90.122.908)	(78.160.821)	(5.559.483)	(8.258.243)
Adjustments for (income)/expense caused by sale or changes in share of joint ventures		(80.626.933)	-	(5.190.558)	-
Other provisions related with investing or financing activities		809.796.129	(9.072)	50.052.018	(959)
<b>Changes in working capital</b>					
Increase in trade receivables		(900.855.091)	(562.967.107)	(55.571.928)	(59.481.441)
Increase in other receivables, prepaid expenses and other assets		(94.303.166)	68.724.968	(5.656.257)	(2.016.279)
Increase in inventories		(249.158.309)	10.377.491	(15.370.072)	1.096.455
Increase in trade payables		1.084.583.193	300.666.038	66.905.743	31.767.485
Increase in deferred income, other payables and other current liabilities		3.915.821.622	1.354.900.554	278.739.067	125.039.597
<b>Net cash generated from operating activities</b>		<b>5.697.684.091</b>	<b>1.253.400.920</b>	<b>393.666.543</b>	<b>106.242.960</b>
Payment for the employee benefits provisions		(145.814.918)	(3.227.993)	(8.340.144)	(327.830)
Payment for other provisions		(124.400)	(86.428)	(7.674)	(9.132)
		<b>5.551.744.773</b>	<b>1.250.086.499</b>	<b>385.318.725</b>	<b>105.905.998</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash inflows caused by share sales of joint ventures		35.622.514	-	2.230.116	-
Cash payments to acquire debt instruments of other entities		(577.714.659)	(945.620.432)	(32.517.349)	(90.615.872)
Net cash changes from purchase and sale of property, equipment and intangible assets		406.858.365	(25.413.753)	15.395.830	(2.685.142)
Interest received from financial investment		95.077.500	5.731.562	4.267.395	558.860
Changes in cash advances and payables		(1.193.001.268)	(409.249.379)	(73.593.835)	(43.240.080)
Other cash changes		45.165.908	-	500.000	-
		<b>(1.187.991.640)</b>	<b>(1.374.552.002)</b>	<b>(83.717.843)</b>	<b>(135.982.234)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Increase in borrowings		1.015.508.680	3.879.402.942	62.714.805	380.179.786
Repayment of borrowings		(2.096.094.280)	(99.105.400)	(130.974.927)	(11.100.000)
Repayment of principal in lease liabilities		(1.974.842.124)	(1.035.872.014)	(126.735.099)	(109.447.176)
Interest and commission paid		(941.461.359)	(357.971.597)	(59.879.521)	(48.755.700)
Interest received		148.694.694	48.556.843	9.172.675	5.177.092
		<b>(3.848.194.389)</b>	<b>2.435.010.774</b>	<b>(245.702.067)</b>	<b>216.054.002</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>					
<b>BEFORE TRANSLATION EFFECT (A+B+C)</b>		<b>515.558.744</b>	<b>2.310.545.271</b>	<b>55.898.815</b>	<b>185.977.766</b>
<b>D. TRANSLATION DIFFERENCES EFFECT ON CASH AND CASH EQUIVALENTS</b>		<b>2.230.283.383</b>	<b>135.394.564</b>	<b>23.795.820</b>	<b>(2.376.361)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>2.745.842.127</b>	<b>2.445.939.835</b>	<b>79.694.635</b>	<b>183.601.405</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>					
<b>AT THE BEGINNING OF THE PERIOD</b>	27	<b>6.976.779.772</b>	<b>3.605.570.830</b>	<b>475.183.028</b>	<b>400.267.635</b>
<b>CASH AND CASH EQUIVALENTS</b>					
<b>AT THE END OF THE PERIOD (A+B+C+D+E)</b>	27	<b>9.722.621.899</b>	<b>6.051.510.665</b>	<b>554.877.663</b>	<b>583.869.040</b>

(\*)The functional currency of the Company is Euro. However, the presentation currency is determined as Turkish Lira. See Note 2.1 for the conversion of Euro and Turkish Lira amounts.

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

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL 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. The Group operates under a low cost business model and employs low cost airline business practices which focus on providing affordable, reliable and simple service.

The shareholders and their respective holdings in the Company as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>1 December 2021</b>
Esas Holding A.Ş. (“Esas Holding”)	62,91%	62,91%
Publicly held	34,53%	34,53%
Sabancı Family Members	2,56%	2,56%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

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

The Group’s total number of full time employees as of 30 June 2022 is 6.433 (31 December 2021: 5.837). The address of its principal executive office is Aeropark Yenişehir Mah. Osmanlı Bulvarı No: 11/A Kurtkoy-Pendik İstanbul.

#### Approval of Financial Statements

Board of Directors has approved the condensed consolidated financial statements as of 30 June 2022 and delegated authority for publishing it on 10 May 2022. General shareholders’ meeting has the authority to modify the financial statements.

#### COVID-19 Effects and Impairment Analysis

The COVID-19 pandemic has had a significant impact on Pegasus and the aviation industry in general. At the end of the first quarter of 2022, COVID-19-related restrictions were imposed by several countries, which is followed by cancellation of all international flights on March 27, 2020 and cancellation of all domestic flights on March 28, 2020. During June 2020, the Group restarted domestic flights and international flights to allowed countries however, the COVID-19 pandemic has continued to affect the Group’s operations sometimes more and sometimes less since the first quarter of 2020. The Group took measures to decrease fixed costs, to maintain cash position and to stabilize current ratio such as offering unpaid vacation to the employees, negotiating permanent discounts and deferrals in contracts with suppliers, postponing non-urgent and non-critical projects.

In 2021, despite the periodically inscreasing restrictions because of variants, with the easing of flight restrictions as a result of the high levels of vaccination in many countries where the Company flies and in Turkey, the monthly cash burn amount decreased significantly

With the decreasing effects of new variants at the beginning of 2022, the flights reached pre-pandemic levels. Based on these assumptions, management expects generating positive cash flow from operations (after deducting interest and lease payments) in the following 12 months.

Further “waves” of COVID-19, new information that may emerge concerning the severity of the outbreak and health implications, actions by government authorities to contain COVID-19 outbreaks or mitigate its impact and changes in consumer behavior resulting from the outbreak and such government actions have continued to affect the operations and financial situations of the Company.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

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

#### 2.1 Basis of Presentation

##### Statement of Compliance with TAS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

The accompanying condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations (“TAS/IFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The Group has prepared the condensed financial statements and its notes for the interim period ended 30 June 2022 in accordance with TAS 34 “Interim Financial Reporting”. These condensed consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2021.

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

The condensed consolidated financial statements have been prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfill its liabilities in the subsequent year and in the natural process of its business operations.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

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

#### 2.1 Basis of Presentation

##### Functional and Presentation Currency

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

If the legal records are kept in a currency other than the functional currency, the financial statements are initially translated into the functional currency and then translated to the Group's presentation currency, Turkish Lira ("TL"). For the companies in Turkey that book legal 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 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 recorded under financial income / expenses in the statement of profit or loss.

Presentation currency of the Group's financial statements is TL. Financial Statements have been translated from Euro to TL in accordance with the relevant provisions of TAS 21 ("The Effects of Changes in Foreign Exchange Rates") as follows:

- Assets and liabilities are translated using the Central Bank of the Republic of Turkey ("TCMB") Euro rate prevailing at the balance sheet date,
- Income and expenses are translated from Euro to TL at exchange rates at the dates of transactions.

Translation gains or losses arising from the translations stated above are presented as foreign currency translation reserve under equity. Share capital amount, representing the nominal share capital of the Company, all other equity items are presented in historic TL terms where all translation gains or losses in relation to these balances are accounted under foreign currency translation reserve.

##### Euro Amounts in the Financial Statements

Euro amounts shown in the condensed consolidated balance sheet prepared in accordance with the TFRS have been translated from TL, as a matter of arithmetic computation only, at the official Euro rates announced by the TCMB as at the balance sheet date and Euro amounts shown in the condensed consolidated statements of income, comprehensive income and cash flow have been translated from TL, as a matter of arithmetic computation only, Euro rates calculated from the official daily rates announced by the TCMB.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

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

#### 2.1 Basis of Presentation

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

Condensed 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 condensed 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 condensed consolidated financial statements in order to maintain consistency with current year condensed 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:

- Currency translation differences amounting to TL 66.452.418, which were shown under investments accounted for using the equity method in the statement of financial position dated 31 December 2021, were presented by classifying them into equity.
- Amounting to TL 158.955 which were shown under trade receivables in the statement of financial position dated 31 December 2021, were presented by classifying them into other receivables.
- Interest received from financial investment amounting to TL 5.731.562 which were shown under financial income in the statement of profit or loss and other comprehensive income for the period ended 30 June 2021, were presented by classifying them into income from financial investments.
- Amounting to TL 945.620.432 which were shown under cash flows from operating activities and amounting to TL 5.731.562 which were shown under cash flows from financing activities in the statement of cash flows for the period ended 30 June 2021, were presented by classifying them into cash flows from investment activities.

##### Basis of Consolidation

The table below sets out the consolidated subsidiaries and participation rate of the Group in these subsidiaries as of 30 June 2022 and 31 December 2021:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Participation rate</u>		<u>Country of registration and operation</u>
		<u>30 June 2022</u>	<u>31 December 2021</u>	
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Simulator technical support and maintenance	100%	100%	Turkey

The table below sets out affiliates and joint ventures then indicates the proportion of ownership interest of the Company in these joint ventures as of 30 June 2022 and 31 December 2021:

<u>Name of the company</u>	<u>Principal activity</u>	<u>Participation rate</u>		<u>Ownership type</u>	<u>Country of registration and operation</u>
		<u>30 June 2022</u>	<u>31 December 2021</u>		
Pegasus Uçuş Eğitim Merkezi A.Ş. ("PUEM")	Simulator training	49%	49%	Joint venture	Turkey
Hitit Bilgisayar Hizmetleri A.Ş. ("Hitit Bilgisayar")	Information system solutions	36,82%	50%	Joint venture	Turkey

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.2 Changes in Accounting Estimates**

Changes in accounting estimates are applied prospectively. If it is related to a given period in which the change is effective, it only impacts the current period. If it 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 year.

**2.3 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the condensed consolidated financial statements as of June 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations the Group's financial position and performance have been disclosed in the related paragraphs.

**i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:**

**Amendments to TFRS 3 – Reference to the Conceptual Framework**

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively. The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

**Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:**

**Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all. The Group is in the process of assessing the impact of the improvements on financial position or performance of the Group.

**ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

**TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**ii) Standards issued but not yet effective and not early adopted**

**TFRS 17 - The new Standard for insurance contracts**

The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

**Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term ‘significant’ in TFRS, the POA decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.3 The new standards, amendments and interpretations**

**ii) Standards issued but not yet effective and not early adopted**

**Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**Implementation of the TAS 29 Standard**

One of the characteristics of the hyperinflationary economy in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies is that cumulative inflation rate over three years has approached, or exceeded, 100%. In the following periods, it is expected that as per TAS 29 the Turkish economy would be defined as hyperinflationary economy and TAS 29 would be implemented. Financial statements would be expressed in terms of the measuring unit current at the end of the reporting period with the application of TAS 29. Non-monetary items which are not already expressed in terms of the measuring unit current at the end of the reporting period and components of owners' equity in the statement of financial position, and all items in the statement of profit or loss and other comprehensive income would be restated by applying a general price index. In addition, gains or losses arising from net monetary position would be recognized in profit or loss and other comprehensive income. The Group is in the process of assessing the impact of TAS 29 on financial position or performance of the Group.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 3 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Joint ventures</b>		
Hitit Bilgisayar	273.850.171	136.723.880
PUEM	35.785.787	29.190.067
	<b>309.635.958</b>	<b>165.913.947</b>

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

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
Hitit Bilgisayar	2.121.274	5.792.349
PUEM	878.777	265.413
<b>Net profit</b>	<b>3.000.051</b>	<b>6.057.762</b>

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

**PUEM**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Current assets	18.397.173	16.030.965
Non-current assets	62.382.599	55.382.386
Current liabilities	320.999	(4.090.101)
Non-current liabilities	(8.659.907)	(8.234.045)
<b>Net assets of joint venture</b>	<b>72.440.864</b>	<b>59.089.205</b>
Group's ownership interest in the joint venture	49,40%	49,40%
<b>Group's share in the net assets of the joint venture</b>	<b>35.785.787</b>	<b>29.190.067</b>

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

<b>PUEM</b>	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
Revenue	9.422.906	4.659.095
Depreciation&amortisation expense	(3.659.636)	(2.056.278)
Interest income/(expense), net	105.074	422.354
Profit for the year	1.778.899	537.272
Group's ownership interest	49,40%	49,40%
<b>Group's share in the net profit of the joint venture</b>	<b>878.776</b>	<b>265.413</b>

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

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

##### Hitit Bilgisayar

	30 June 2022	31 December 2021
Current assets	410.868.246	120.839.118
Non-current assets	460.956.524	251.746.951
Current liabilities	(96.609.590)	(74.616.023)
Non-current liabilities	(36.965.774)	(27.678.086)
<b>Net assets of joint venture</b>	<b>738.249.406</b>	<b>270.291.960</b>
Group's ownership interest in the joint venture	36,82%	50,00%
Goodwill	2.026.740	1.577.900
<b>Group's share in the net assets of the joint venture</b>	<b>273.850.171</b>	<b>136.723.880</b>
	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
Revenue	116.761.819	51.999.516
Depreciation&amortisation expense	(22.785.051)	(7.831.225)
Interest income/(expense), net	12.599.884	192.587
Profit for the year	4.937.103	11.584.698
Group's weighted average ownership interest	41,12%	50,00%
<b>Group's share in the net profit of the joint venture</b>	<b>2.121.274</b>	<b>5.792.349</b>

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

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

#### NOTE 5 - RELATED PARTY TRANSACTIONS

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

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

	30 June 2022	31 December 2021
<b>Balances with parent company:</b>		
Esas Holding	1.660.782	1.624.341
<b>Balances with joint ventures:</b>		
Hitit Bilgisayar	5.097.086	2.090.952
PUEM	991.734	4.685.846
<b>Balances with other related parties:</b>		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	350.234	218.403
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	37.348
	<b>8.099.836</b>	<b>8.656.890</b>

###### b) Other payables to related parties

	30 June 2022	31 December 2021
<b>Balances with joint ventures:</b>		
Hitit Bilgisayar	-	158.955
	-	<b>158.955</b>

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

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

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

The Group receives simulator training services from PUEM for their pilots and generates revenue from labor hire and common area use.

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

The Group receives health services from Alarm Sağlık.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 5 - RELATED PARTY TRANSACTIONS**

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

**a) Other Income from Related Parties**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
<b>Transactions with joint ventures:</b>				
PUEM	1.333.914	666.290	769.343	295.771
	<b>1.333.914</b>	<b>666.290</b>	<b>769.343</b>	<b>295.771</b>

**b) Purchases of goods or services**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
<b>Transactions with joint ventures:</b>				
Hitit Bilgisayar	26.173.247	14.287.514	13.498.026	7.675.058
PUEM	9.422.906	4.659.095	4.314.285	2.445.490
<b>Transactions with other related parties:</b>				
Alarm Sağlık	205.648	255.685	170.083	115.155
Esasburda	3.093.140	1.276.317	1.847.193	554.869
	<b>38.894.941</b>	<b>20.478.611</b>	<b>19.829.587</b>	<b>10.790.572</b>

**c) Rent expenses**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Esasburda(*)	6.542.383	5.650.915	3.271.192	2.599.421
	<b>6.542.383</b>	<b>5.650.915</b>	<b>3.271.192</b>	<b>2.599.421</b>

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

**d) Commission expenses**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Esas Holding	8.399.427	4.506.665	4.306.260	2.140.088
	<b>8.399.427</b>	<b>4.506.665</b>	<b>4.306.260</b>	<b>2.140.088</b>

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

### NOTE 5 - RELATED PARTY TRANSACTIONS

#### (iii) Compensation of Key Management Personnel:

Key management personnel include members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the period ended 30 June 2022 and 30 June 2021 are as follows:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Salaries and other short term benefits	13.631.126	4.208.068	8.024.275	2.094.478
Other long term benefits	133.297	-	133.297	-
	<b>13.764.423</b>	<b>4.208.068</b>	<b>8.157.572</b>	<b>2.094.478</b>

### NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

#### Short term trade receivables

The details of short term trade receivables as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Trade receivables	977.799.304	289.850.432
Credit card receivables	416.965.117	65.814.557
Income accruals	9.697.085	6.416.992
	<b>1.404.461.506</b>	<b>362.081.981</b>
Less: Allowance for impairment	(50.331.505)	(24.909.187)
	<b>1.354.130.001</b>	<b>337.172.794</b>

The average collection period of trade receivables is approximately 37 days (31 December 2021: 23 days).

#### Short term trade payables

The details of short term trade payables as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Trade payables	1.762.724.554	1.181.488.569
Accrued direct operational costs	1.657.751.007	700.272.899
Other accrued expenses	8.099.836	8.656.890
	<b>3.428.575.397</b>	<b>1.890.418.358</b>

The average credit period of trade payables is approximately 45 days (31 December 2021: 49 days).

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

#### NOTE 6 – TRADE RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

##### Short term other receivables

The details of short term other receivables as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Deposits and guarantees given	33.521.038	17.229.058
Receivables from pilots for flight training	50.422.070	53.476.379
Receivables from pilots tax office	115.981.395	51.746.298
Receivables from sale of joint venture shares	1.435.865	-
Other receivables	700.284	4.798.291
	<b>202.060.652</b>	<b>127.250.026</b>

##### Long term other receivables

The details of long term other receivables as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Receivables from pilot trainings	121.637.304	149.069.151
Deposits given	399.781.949	236.664.616
	<b>521.419.253</b>	<b>385.733.767</b>

##### Short term other payables

	30 June 2022	31 December 2021
Taxes payables	141.733.582	67.818.781
Other payables to related parties	-	158.955
Deposits received(*)	1.220.340.851	98.214.361
	<b>1.362.074.433</b>	<b>166.192.097</b>

(\*) The amount of TL 1.177.005.090 in deposits and gurantees received, consists of guarantee deposits received to banks related to valuation of derivative contracts.

#### NOTE 7 - PREPAID EXPENSES, DEFERRED INCOME AND CONTRACT LIABILITIES

The details of prepaid expenses as of 30 June 2022 and 31 December 2021 are as follows:

##### Short term prepaid expenses

	30 June 2022	31 December 2021
Advances on aircraft purchases	4.148.170.843	3.586.371.450
Advances to suppliers	447.492.214	222.716.713
Prepaid insurance expenses	71.297.740	189.354.290
Other prepaid expenses	15.607.587	46.415.442
	<b>4.682.568.384</b>	<b>4.044.857.895</b>



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

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**NOTE 7 - PREPAID EXPENSES, DEFERRED INCOME AND CONTRACT LIABILITIES**

**Long term prepaid expenses**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Advances on aircraft purchases	1.185.097.806	749.257.695
Prepaid maintenance expenses	3.026.161.539	2.000.317.720
Other prepaid expenses	18.082.558	21.422.170
	<b>4.229.341.903</b>	<b>2.770.997.585</b>

**Deferred Revenue**

**Contract Liabilities**

The details of passenger flight liabilities as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
Flight liability from ticket sales	4.512.107.016	1.043.452.046
Passenger airport fees received from customers (*)	780.975.607	337.439.091
Flight liability from flight points	162.022.344	90.018.616
	<b>5.455.104.967</b>	<b>1.470.909.753</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.

**Deferred Revenue (Excluding Passenger Flight Liabilities)**

**Short term deferred income**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Advances received from customers	488.258.896	185.274.130
Other deferred income	150.843.579	114.670.226
	<b>639.102.475</b>	<b>299.944.356</b>

**Long term deferred income**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Income relating to deferred periods	429.292.098	412.770.929
	<b>429.292.098</b>	<b>412.770.929</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 8 - PROPERTY AND EQUIPMENT**

<b>30 June 2022</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>Construction in progress</b>	<b>Total</b>
<b>Cost:</b>							
Opening	<b>328.051.474</b>	<b>240.358.784</b>	<b>420.770.320</b>	<b>201.310.205</b>	<b>2.300.278.226</b>	<b>62.237.743</b>	<b>3.553.006.752</b>
Additions	3.699.241	25.154.532	14.402.682	-	286.401.166	-	329.657.621
Disposals	-	(24.170.165)	(133.382)	-	-	-	(24.303.547)
Transfers	-	-	-	-	(273.340.149)	-	(273.340.149)
Currency translation differences	63.749.869	46.569.008	82.538.377	38.936.728	446.123.761	(1.264.270)	676.653.473
<b>Closing</b>	<b>395.500.584</b>	<b>287.912.159</b>	<b>517.577.997</b>	<b>240.246.933</b>	<b>2.759.463.004</b>	<b>60.973.473</b>	<b>4.261.674.150</b>
<b>Accumulated depreciation:</b>							
Opening	<b>(134.047.329)</b>	<b>(107.894.471)</b>	<b>(337.140.263)</b>	<b>(196.327.306)</b>	<b>(922.746.496)</b>	-	<b>(1.698.155.865)</b>
Depreciation for the year	(16.322.304)	(9.770.118)	(16.359.021)	(1.340.439)	(120.316.267)	-	(164.108.149)
Disposals	-	16.400.296	85.770	-	2.723	-	16.488.789
Currency translation differences	(27.247.495)	(20.332.177)	(66.525.064)	(38.081.398)	(188.208.201)	-	(340.394.335)
<b>Closing</b>	<b>(177.617.128)</b>	<b>(121.596.470)</b>	<b>(419.938.578)</b>	<b>(235.749.143)</b>	<b>(1.231.268.241)</b>	-	<b>(2.186.169.560)</b>
<b>Net book value</b>	<b>217.883.456</b>	<b>166.315.689</b>	<b>97.639.419</b>	<b>4.497.790</b>	<b>1.528.194.763</b>	<b>60.973.473</b>	<b>2.075.504.590</b>

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**NOTE 8 - PROPERTY AND EQUIPMENT**

<b>30 June 2021</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>199.371.895</b>	<b>147.738.586</b>	<b>253.951.573</b>	<b>123.508.047</b>	<b>1.389.163.637</b>	<b>314.514.689</b>	<b>59.664.324</b>	<b>2.487.912.751</b>
Additions	1.196.705	-	1.739.502	-	24.838.578	-	-	27.774.785
Disposals	-	(487.603)	-	-	(48.903.527)	-	-	(49.391.130)
Transfers	-	-	-	-	27.966.795	-	(27.966.795)	-
Currency translation differences	30.139.420	22.203.237	38.410.792	18.600.453	209.572.571	47.366.271	957.896	367.250.640
<b>Closing</b>	<b>230.708.020</b>	<b>169.454.220</b>	<b>294.101.867</b>	<b>142.108.500</b>	<b>1.602.638.054</b>	<b>361.880.960</b>	<b>32.655.425</b>	<b>2.833.547.046</b>
<b>Accumulated depreciation:</b>								
Opening	<b>(64.009.454)</b>	<b>(55.084.453)</b>	<b>(187.652.689)</b>	<b>(117.796.753)</b>	<b>(430.897.989)</b>	<b>(199.923.331)</b>	-	<b>(1.055.364.669)</b>
Depreciation for the year	(9.595.619)	(6.139.635)	(10.341.753)	(1.760.595)	(57.120.142)	(10.116.819)	-	(95.074.563)
Disposals	-	465.613	-	-	-	-	-	465.613
Currency translation differences	(10.552.273)	(8.835.282)	(29.244.028)	(17.907.726)	(70.324.851)	(31.070.612)	-	(167.934.772)
<b>Closing</b>	<b>(84.157.346)</b>	<b>(69.593.757)</b>	<b>(227.238.470)</b>	<b>(137.465.074)</b>	<b>(558.342.982)</b>	<b>(241.110.762)</b>	-	<b>(1.317.908.391)</b>
<b>Net book value</b>	<b>146.550.674</b>	<b>99.860.463</b>	<b>66.863.397</b>	<b>4.643.426</b>	<b>1.044.295.072</b>	<b>120.770.198</b>	<b>32.655.425</b>	<b>1.515.638.655</b>

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**NOTE 9 - INTANGIBLE ASSETS**

<b>Software</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Cost:</b>		
Opening	<b>518.723.852</b>	<b>278.616.682</b>
Additions	36.954.867	18.942.286
Currency translation differences	103.319.576	43.134.761
<b>Closing</b>	<b>658.998.295</b>	<b>340.693.729</b>
<b>Accumulated amortization:</b>		
Opening	<b>(334.778.125)</b>	<b>(167.490.733)</b>
Amortization for the year	(37.294.366)	(19.776.514)
Currency translation differences	(67.768.857)	(26.478.396)
<b>Closing</b>	<b>(439.841.348)</b>	<b>(213.745.643)</b>
<b>Net book value</b>	<b>219.156.947</b>	<b>126.948.086</b>

**NOTE 10 – RIGHT OF USE ASSETS**

<b>30 June 2022</b>	<b>Field Rental</b>	<b>Building</b>	<b>Aircraft</b>	<b>Other</b>	<b>Total</b>
<b>Cost:</b>					
Opening	138.769.727	93.447.393	49.776.169.379	4.571.527	50.012.958.026
Additions	-	-	7.477.044.228	-	7.477.044.228
Disposals	-	-	(1.192.116.893)	-	(1.192.116.893)
Transfers(*)	-	-	(1.822.974.823)	-	(1.822.974.823)
Currency translation differences	26.840.363	18.074.274	10.135.822.766	884.209	10.181.621.612
<b>Closing</b>	<b>165.610.090</b>	<b>111.521.667</b>	<b>64.373.944.657</b>	<b>5.455.736</b>	<b>64.656.532.150</b>
<b>Accumulated depreciation:</b>					
Opening	(89.200.663)	(39.421.550)	(17.184.460.525)	(4.571.527)	(17.317.654.265)
Depreciation for the period	(15.934.687)	(6.871.132)	(1.935.031.843)	-	(1.957.837.662)
Disposals	-	-	846.373.715	-	846.373.715
Transfers(*)	-	-	930.975.438	-	930.975.438
Currency translation differences	(18.542.048)	(8.180.675)	(3.336.566.584)	(884.209)	(3.364.173.516)
<b>Closing</b>	<b>(123.677.398)</b>	<b>(54.473.357)</b>	<b>(20.678.709.799)</b>	<b>(5.455.736)</b>	<b>(20.862.316.290)</b>
<b>Net book value</b>	<b>41.932.692</b>	<b>57.048.310</b>	<b>43.695.234.858</b>	<b>-</b>	<b>43.794.215.860</b>

(\*) Transfers represent transfers to non-current assets held for sale.

<b>30 June 2021</b>	<b>Field Rental</b>	<b>Building</b>	<b>Aircraft</b>	<b>Other</b>	<b>Total</b>
<b>Cost:</b>					
Opening	41.931.946	33.382.305	29.611.398.064	2.804.728	29.689.517.043
Additions	-	-	1.550.535.959	-	1.550.535.959
Disposals	-	-	(1.124.606.683)	-	(1.124.606.683)
Currency translation differences	6.314.998	5.027.413	4.500.008.663	422.395	4.511.773.469
<b>Closing</b>	<b>48.246.944</b>	<b>38.409.718</b>	<b>34.537.336.003</b>	<b>3.227.123</b>	<b>34.627.219.788</b>
<b>Accumulated depreciation:</b>					
Opening	(41.417.507)	(15.924.537)	(9.840.374.164)	(2.804.728)	(9.900.520.936)
Depreciation for the period	(15.101.049)	(2.390.269)	(1.106.287.260)	-	(1.123.778.578)
Disposals	-	-	1.124.606.683	-	1.124.606.683
Currency translation differences	(7.673.368)	(2.625.526)	(1.480.229.701)	(422.395)	(1.490.950.990)
<b>Closing</b>	<b>(64.191.924)</b>	<b>(20.940.332)</b>	<b>(11.302.284.442)</b>	<b>(3.227.123)</b>	<b>(11.390.643.821)</b>
<b>Net book value</b>	<b>(15.944.980)</b>	<b>17.469.386</b>	<b>23.235.051.561</b>	<b>-</b>	<b>23.236.575.967</b>

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

#### NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Litigation

The Group is party to various lawsuits and claims that have been filed against it, the total claims constituted by which, excluding reserved rights for claiming excess amounts, risk of litigation and interest, is TL 68.425.308 as of 30 June 2022 (31 December 2021: TL 57.218.382). These lawsuits and fines have been evaluated by the Group's management and a litigation provision of TL 16.678.855 (31 December 2021: TL 12.667.596) has been provided against claims for which management believes it is probable it will be required to make a payment. These lawsuits consist of guest complaints and claims by the Group's former employees, besides a limited number of commercial claims.

##### Tax Inspection

The Group'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 judgement commission has objected this verdict and TL 1.780.660,72 million tax assesment 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, and the said lawsuit continues as of June 30, 2022. The Company has not recorded any provision in the financial statements in line with the opinions received from its lawyers regarding the aforementioned case.

#### NOTE 12 - COMMITMENTS

##### **Purchase Commitments**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Commitments to purchase aircraft	142.234.258.834	108.963.183.467
	<b>142.234.258.834</b>	<b>108.963.183.467</b>

As of 30 June 2022, the Group holds firm orders for 56 aircraft. In accordance to with agreement the expected deliveries are 12 aircraft in 2022, 17 aircraft in 2023, 16 aircraft in 2024, 11 aircraft in 2025. The purchase commitments for these aircraft were calculated based on their list prices and actual buying prices would be typically lower than the list prices.

The Group has provided advances on aircraft purchases amounting TL 5.333.268.649 (31 December 2021: TL 4.335.629.145) and TL 4.148.170.843 TL of this amount is reclassified under short term, TL 1.185.097.806 of this amount is reclassified under long term prepaid expenses (31 December 2021: TL 3.586.371.450 of this amount is reclassified under short term, TL 749.257.695 of this amount is reclassified under long term prepaid expenses).

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 12 - COMMITMENTS**

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

The details of the CPMs given by the Group as of 30 June 2022 is as follows:

<b>30 June 2022</b>	<b>TL 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>	1.733.183.432	78.770.764	8.712.283	244.031.448	23.464.625
- <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>1.733.183.432</b>	<b>78.770.764</b>	<b>8.712.283</b>	<b>244.031.448</b>	<b>23.464.625</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 Company constitute 0% of the Company’s equity as of 30 June 2022.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

**NOTE 12 - COMMITMENTS**

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

The details of the CPMs given by the Group as of 31 December 2021 is as follows:

<b>31 December 2021</b>	<b>TL 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>	1.810.636.579	98.827.560	22.126.993	187.865.048	15.361.722
- <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>1.810.636.579</b>	<b>98.827.560</b>	<b>22.126.993</b>	<b>187.865.048</b>	<b>15.361.722</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 Company constitute 0% of the Company’s equity as of 31 December 2021.

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

### NOTE 13 - EXPENSES BY NATURE

The details of expenses by nature for the years periods 30 June 2022 and 30 June 2021 are as follows:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Depreciation and amortisation expenses	2.159.240.177	1.238.629.655	1.183.157.501	653.732.247
Jet fuel expenses	5.351.767.928	875.852.190	3.784.461.432	498.993.846
Personnel expenses	1.421.003.944	501.024.747	773.953.712	274.239.143
Handling and station fees	932.592.804	275.772.159	556.348.500	160.556.479
Navigation expenses	783.807.049	239.367.475	463.781.314	133.641.559
Maintenance expenses	647.798.209	220.259.931	382.526.983	91.544.549
Landing expenses	381.554.032	102.882.812	228.163.777	60.032.891
Passenger service and catering expenses	85.722.631	20.854.570	51.008.831	11.282.975
Advertising expenses	66.769.917	17.785.048	44.378.674	9.856.982
Commission expenses	133.591.245	30.236.454	80.856.864	17.891.621
Other expenses	674.643.830	296.455.089	391.869.511	147.121.307
	<b>12.638.491.766</b>	<b>3.819.120.130</b>	<b>7.940.507.099</b>	<b>2.058.893.599</b>

### NOTE 14 - SHAREHOLDERS' EQUITY, PROFIT RESERVES AND OTHER EQUITY ITEMS

The Company's shareholding structure as of 30 June 2022 and 31 December 2021 are as follows:

		30 June 2022		31 December 2021
Shareholders:	(%)	TL	(%)	TL
Esas Holding	62,91	64.353.570	62,91	64.353.570
Publicly held	34,53	35.321.707	34,53	35.321.707
Emine Kamışlı	0,85	874.810	0,85	874.810
Ali İsmail Sabancı	0,85	874.810	0,85	874.810
Kazım Köseoğlu	0,43	437.405	0,43	437.405
Can Köseoğlu	0,43	437.405	0,43	437.405
<b>TL historic capital</b>	<b>100,00</b>	<b>102.299.707</b>	<b>100,00</b>	<b>102.299.707</b>

The Company's share capital consists of 102.299.707 shares of par value TL 1 each (31 December 2021: 102.299.707 shares). All issued shares are fully paid in cash.



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 15 - SALES AND COST OF SALES**

The details of sales and cost of sales for the periods ended 30 June 2022 and 30 June 2021 are as follows:

**Sales:**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Scheduled flight and service revenue	11.968.795.619	2.569.613.138	7.990.277.308	1.512.650.235
<i>International flight revenue</i>	<i>6.549.072.248</i>	<i>898.766.627</i>	<i>4.630.502.649</i>	<i>548.650.712</i>
<i>Domestic flight revenue</i>	<i>1.881.873.773</i>	<i>753.595.374</i>	<i>1.247.460.912</i>	<i>444.262.363</i>
<i>Service revenue</i>	<i>3.537.849.598</i>	<i>917.251.137</i>	<i>2.112.313.747</i>	<i>519.737.160</i>
Charter flight and service revenue	384.343.061	20.767.611	318.312.965	16.366.549
<i>Charter flight revenue</i>	<i>384.343.061</i>	<i>20.767.611</i>	<i>318.312.965</i>	<i>16.366.549</i>
Other revenue	61.861.349	44.073.912	42.410.078	15.506.256
	<b>12.415.000.029</b>	<b>2.634.454.661</b>	<b>8.351.000.351</b>	<b>1.544.523.040</b>

The Group disaggregates revenues in to revenues from scheduled flights, revenues from chartered flights and other revenues, in accordance with TFRS 15 “Revenue from contracts with customers”. Besides, the Group presents service revenue within the flight revenues separately as additional information, although service revenue is not a distinct component, because such information is frequently disclosed in sector and Chief Operating Decision Maker is monitoring such information.

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

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Europe	4.625.738.878	563.999.672	3.331.686.394	353.251.509
Domestic	1.881.873.773	753.595.374	1.247.460.912	444.262.363
Other	1.923.333.370	334.766.955	1.298.816.255	195.399.203
	<b>8.430.946.021</b>	<b>1.652.362.001</b>	<b>5.877.963.561</b>	<b>992.913.075</b>

**Cost of sales:**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Depreciation and amortisation expenses	2.078.153.951	1.191.015.531	1.140.912.684	628.510.712
Jet fuel expenses	5.351.767.928	875.852.190	3.784.461.432	498.993.846
Personnel expenses	1.268.967.744	446.704.201	727.980.637	240.157.493
Handling and station fees	932.592.804	275.772.159	556.348.500	160.556.479
Navigation expenses	783.807.049	239.367.475	463.781.314	133.641.559
Maintenance expenses	647.798.209	220.259.931	382.526.983	91.544.549
Landing expenses	381.554.032	102.882.812	228.163.777	60.032.891
Insurance expenses	121.034.080	75.471.189	58.527.225	75.471.189
Passenger service and catering expenses	85.722.631	20.854.570	51.008.831	11.282.975
Other expenses	358.546.064	138.835.228	207.703.119	26.876.982
	<b>12.009.944.492</b>	<b>3.587.015.286</b>	<b>7.601.414.502</b>	<b>1.927.068.675</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

**NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Marketing expenses	309.649.146	85.427.857	186.756.504	49.078.855
General administrative expenses	318.898.128	146.676.987	152.336.093	82.746.069
	<b>628.547.274</b>	<b>232.104.844</b>	<b>339.092.597</b>	<b>131.824.924</b>

The details of general administrative expenses and marketing expenses for the periods ended 30 June 2022 and 30 June 2021 are as follows (there are no research & development expenses in the periods ended in respective dates):

**General administrative expenses:**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Depreciation and amortisation expenses	64.868.981	38.091.299	33.795.854	20.177.228
Personnel expenses	113.257.713	41.405.977	35.188.877	25.719.471
IT expenses	81.743.358	36.636.494	46.492.070	21.205.242
Consultancy expenses	13.933.203	8.791.048	9.700.638	5.720.652
Communication expenses	3.404.631	3.261.915	2.656.539	756.569
Legal and notary expenses	9.993.564	3.797.622	7.448.890	2.285.542
Office utility expenses	4.825.211	2.593.501	2.571.933	1.290.170
Travel expenses	4.330.217	479.099	3.333.754	298.103
Training expenses	1.952.956	460.750	1.477.305	410.519
Other expenses	20.588.294	11.159.282	9.670.233	4.882.573
	<b>318.898.128</b>	<b>146.676.987</b>	<b>152.336.093</b>	<b>82.746.069</b>

**Marketing expenses:**

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>	<b>1 April - 30 June 2022</b>	<b>1 April - 30 June 2021</b>
Commission expenses	133.591.245	30.236.454	80.856.864	17.891.621
Advertising expenses	66.769.917	17.785.048	44.378.674	9.856.982
Call center expenses	19.136.398	12.183.580	9.097.777	6.090.617
Personnel expenses	38.778.487	12.914.569	10.784.198	8.362.179
Depreciation and amortisation expenses	16.217.245	9.522.825	8.448.963	5.044.307
Other expenses	35.155.854	2.785.381	33.190.028	1.833.149
	<b>309.649.146</b>	<b>85.427.857</b>	<b>186.756.504</b>	<b>49.078.855</b>

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

### NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods ended 30 June 2022 and 30 June 2021 are as follows:

#### Other operating income:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Reversal of doubtful cash and cash equivalents	229.706	-	977.936	-
Reversal of trade receivable impairment	-	7.762.642	-	11.728.146
Other	9.033.336	10.566	6.727.386	(179.422)
	<b>9.263.042</b>	<b>7.773.208</b>	<b>7.705.322</b>	<b>11.548.724</b>

#### Other operating expenses:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Foreign exchange loss from operating activities	76.399.490	6.126.397	51.987.674	(2.707.762)
Penalty expense	4.198.640	1.348.292	3.547.138	882.159
Cash and cash equivalents allowance expense	-	1.801.469	-	2.114.106
Financial investments allowance expense	11.740.343	-	5.738.560	-
Doubtful receivable allowance expense	37.982.536	-	35.795.950	-
Other	3.778.432	3.222.469	576.173	1.696.036
	<b>134.099.441</b>	<b>12.498.627</b>	<b>97.645.495</b>	<b>1.984.539</b>

### NOTE 18 - INCOME / EXPENSE FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended 30 June 2022 and 30 June 2021 are as follows:

#### Income from investing activities:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Eurobond Interest Income	56.696.151	5.731.562	11.232.284	2.184.617
Eurobond Interest Income	45.156.070	-	45.156.070	-
Income from sale of aircraft	1.141.164	-	28.729.293	-
Foreign exchange gain from investing activities	116.249.447	-	-	-
Other income	14.947.643	366.581	14.472.891	85.564
	<b>234.190.475</b>	<b>6.098.143</b>	<b>99.590.538</b>	<b>2.270.181</b>

#### Expense from investing activities:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Financial investments allowance expense	3.950.200	13.809.385	(1.063.484)	14.167.257
	<b>3.950.200</b>	<b>13.809.385</b>	<b>(1.063.484)</b>	<b>14.167.257</b>

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

#### NOTE 19 - FINANCIAL INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 30 June 2022 and 30 June 2021 are as follows:

##### Financial income:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Interest income	106.774.841	49.802.972	52.673.358	31.492.617
Gain on derivative contracts	-	9.067	-	(122.428)
	<b>106.774.841</b>	<b>49.812.039</b>	<b>52.673.358</b>	<b>31.370.189</b>

##### Financial expenses:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Interest expense on leases	504.180.492	260.620.428	274.005.875	127.683.327
Interest expense on bank loans	136.483.740	120.141.429	81.831.667	65.912.333
Other commission expenses	215.859.090	58.254.250	131.314.796	35.977.476
Interest expense on issued debt instruments	264.813.975	72.507.840	135.130.505	72.507.840
Foreign exchange loss	826.096.256	21.097.243	684.056.003	(76.369.222)
Losses from derivative contracts	24.497.660	-	339.628	-
	<b>1.971.931.213</b>	<b>532.621.190</b>	<b>1.306.678.474</b>	<b>225.711.754</b>

#### NOTE 20 - EARNINGS / LOSS PER SHARE

Earnings/(loss) 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. Number of total shares and calculation of earnings per share at 30 June 2022 and 30 June 2021 are as follows:

	1 January- 30 June 2022	1 January- 30 June 2021	1 April - 30 June 2022	1 April - 30 June 2021
Net Loss	(1.890.121.274)	(1.595.692.698)	(790.502.899)	(662.453.368)
Weighted average number of shares issued in the year	102.299.707	102.299.707	102.299.707	102.299.707
<b>Loss per share</b>	<b>(18,48)</b>	<b>(15,60)</b>	<b>(7,73)</b>	<b>(6,48)</b>

#### NOTE 21 - DERIVATIVE INSTRUMENTS

##### Fair Value of Derivative Instruments

	30 June 2022		31 December 2021	
	Asset	Liability	Asset	Liability
Short term	844.184.675	-	118.364.973	211.337
Long term	265.543.763	-	45.204.115	-
	<b>1.109.728.438</b>	<b>-</b>	<b>163.569.088</b>	<b>211.337</b>

Explanations related to derivative instruments are disclosed in Note 24.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 22 - FINANCIAL INSTRUMENTS**

**Financial Assets**

**Financial investments measured at amortized cost**

**Short term**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Financial investments measured at amortized cost	181.451.226	279.362.583
Financial assets recognized at fair value through profit or loss (*)	357.045.270	-
Time Deposit (*)	-	286.304.850
Less: Allowance for impairment under TFRS 9	(1.233.358)	(194.682)

(\*) This amount represents time deposits with maturities between six months and one year.

**Long term**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Financial investments measured at amortized cost	3.593.390.472	2.199.397.758
Less: Allowance for impairment under TFRS 9	(28.133.601)	(25.411.018)
	<b>3.565.256.871</b>	<b>2.173.986.740</b>

**Company issuing security**

	<b>30 June 2022</b>	<b>31 December 2021</b>
T.C Hazine Müsteşarlığı	1.868.536.444	1.198.582.434
Vakıfbank	447.774.346	348.610.689
Türkiye İhracat Kredi Bankası	1.006.648.138	631.267.713
Türkiye İş Bankası	422.515.811	134.446.904
Yapı ve Kredi Bankası	-	140.246.901
<b>Eurobond (*)</b>	<b>3.745.474.739</b>	<b>2.453.154.641</b>

(\*)The Group's fixed income securities are accounted over their amortized costs using the effective interest rate. The securities in question are denominated in Euros and US Dollars and must pay fixed interest every year and every six months, respectively.

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**NOTE 22 - FINANCIAL INSTRUMENTS**

**Financial Assets**

**Financial investments measured at amortized cost**

Financial investments measured at amortized cost have an active market and market prices (according to dirty prices) are as follows:

<b>Company issuing security</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
T.C Hazine Müsteşarlığı	1.891.639.978	1.213.815.405
Vakıfbank	454.744.767	354.037.447
Türkiye İhracat Kredi Bankası	1.023.344.957	648.211.245
Türkiye İş Bankası	428.670.029	135.186.572
Yapı ve Kredi Bankası	-	140.613.106
	<b>3.798.399.731</b>	<b>2.491.863.775</b>

The coupon interest rates and call dates of the financial investments in Euro and US Dollars that are measured by their amortized costs and continues as of the reporting date are as follows.

<b>Company issuing security</b>	<b>ISIN Code</b>	<b>Coupon Interest Rate (%)</b>	<b>FX Type</b>	<b>Asset Value</b>	<b>Call Date</b>
T.C Hazine Müsteşarlığı	US900123CF53	5,75%	USD	1.627.379.353	22.03.2024
Vakıfbank	XS1970705528	8,13%	USD	447.774.346	27.03.2024
Türkiye İhracat Kredi Bankası	XS1917720911	8,25%	USD	789.768.886	24.01.2024
Türkiye İş Bankası	XS1578203462	6,13%	USD	422.515.811	25.04.2024
Türkiye İhracat Kredi Bankası	XS1057340009	4,13%	EUR	180.217.868	11.04.2023
Türkiye İhracat Kredi Bankası	XS1814962582	6,13%	USD	36.661.382	3.05.2024
T.C Hazine Müsteşarlığı	US900123AW05	7,38%	USD	241.157.093	5.02.2025
				<b>3.745.474.739</b>	

**Financial Liabilities**

The details of financial liabilities as of 30 June 2022 and 31 December 2021 are as follows:

<b>Short term financial liabilities</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Short term bank borrowings	3.281.492.892	3.147.206.682
Issued debt instruments	-	266.421.564
	<b>3.281.492.892</b>	<b>3.413.628.246</b>
<b>Short term portion of long term financial liabilities</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Short term portion of long term bank borrowings	55.935.382	66.013.613
Principal and interest of bonds issued	551.959.397	426.482.555
Discount and commissions of bonds issued	(19.912.030)	(15.351.326)
Lease liabilities	6.136.132.658	3.876.778.287
<i>Short term portion of long term operating lease obligations</i>	<i>1.138.221.352</i>	<i>723.958.894</i>
<i>Short term portion of long term financial lease obligations</i>	<i>4.997.911.306</i>	<i>3.152.819.393</i>
	<b>6.724.115.407</b>	<b>4.353.923.129</b>

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

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**NOTE 22 - FINANCIAL INSTRUMENTS**

**Financial Liabilities**

<b>Long term financial liabilities</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Long term bank borrowings	15.920.793	383.672.738
Issued debt instruments	5.847.678.970	4.526.411.444
Discount and commissions of bonds issued	(56.462.878)	(50.460.606)
Lease liabilities	33.012.095.759	24.038.791.581
<i>Long term operating lease obligations</i>	<i>2.926.716.701</i>	<i>2.908.737.579</i>
<i>Long term financial lease obligations</i>	<i>30.085.379.058</i>	<i>21.130.054.002</i>
	<b>38.819.232.644</b>	<b>28.898.415.157</b>

**Bank Borrowings**

The effective interest rates, original currency and TL equivalents of the short and long term bank borrowings as of 30 June 2022 and 31 December 2021 are as follows :

<b>30 June 2022</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Short term bank borrowings	3,98%	Euro	130.682.860	2.289.838.133
Short term bank borrowings	23,98%	TL	824.964.759	824.964.759
Short term bank borrowings	-	US Dollar	10.000.000	166.690.000
				<b>3.281.492.892</b>

<b>31 December 2021</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Short term bank borrowings	4,31%	Euro	193.777.101	2.845.093.526
Short term bank borrowings	19,09%	TL	172.338.156	172.338.156
Short term bank borrowings	-	US Dollar	10.000.000	129.775.000
				<b>3.147.206.682</b>

<b>30 June 2022</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Short term portion of long term bank borrowings	19,56%	TL	55.935.382	55.935.382
				<b>55.935.382</b>

<b>31 December 2021</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Short term portion of long term bank borrowings	2,68%	Euro	400.000	5.872.920
Short term portion of long term bank borrowings	19,56%	TL	60.140.693	60.140.693
				<b>66.013.613</b>

# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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### NOTE 22 - FINANCIAL INSTRUMENTS

#### Financial Liabilities

##### Bank Borrowings

<b>30 June 2022</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Long term bank borrowings	19,56%	TL	15.920.793	15.920.793
				<b>15.920.793</b>

  

<b>31 December 2021</b>	<b>Weighted average interest rate (%)</b>	<b>Currency</b>	<b>Original amount</b>	<b>TL equivalent</b>
Long term bank borrowings	4,31%	Euro	23.000.000	337.692.909
Long term bank borrowings	19,09%	TL	45.979.829	45.979.829
				<b>383.672.738</b>

##### Lease Liabilities

The details of financial and operating lease liabilities as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
Less than 1 year	8.196.532.775	4.871.677.830
Between 1 - 5 years	23.953.474.322	16.911.453.184
Over 5 years	18.513.930.598	12.768.471.319
	50.663.937.695	34.551.602.333
Less: Future interest expenses	(11.515.709.278)	(6.636.032.465)
	<b>39.148.228.417</b>	<b>27.915.569.868</b>

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Less than 1 year	6.136.132.658	3.876.778.287
Between 1 - 5 years	17.097.594.196	12.819.737.024
Over 5 years	15.914.501.563	11.219.054.557
	<b>39.148.228.417</b>	<b>27.915.569.868</b>

The Group purchases certain of its handling equipment and aircraft through lease arrangements. The average lease term is 5,92 years. For the period ended 30 June 2022, the floating interest rate applicable to Euro-denominated lease obligations, amounting to TL 25.172.791.827 TL, is 2,26% (31 December 2021: 1,11%) and the floating rate applicable to US Dollar-denominated lease obligations, amounting to TL 5.146.380.282, is 5,40% (31 December 2021: 3,80%).



# PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

(Amounts are expressed in TL unless otherwise stated.)

### NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

#### Financial Risk Factors

##### *Market risk*

The Group's activities expose it 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 its exposure to foreign currency, fuel price and interest rate risk.

##### *Foreign currency risk management*

The Group has significant transactions in non-Euro currencies including, but not limited to, Turkish Lira revenues, non-Euro borrowings and US Dollar 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.

The Group's foreign currency position of monetary and non-monetary assets/liabilities for the years ended 30 June 2022 and 31 December 2021 are as follows:

30 June 2022	TL Total	USD	TL	GBP	Other
1. Trade receivables	999.875.887	8.488.834	362.764.330	3.446.975	425.800.632
2a. Monetary financial assets	4.498.837.427	154.006.809	1.469.096.665	2.460.024	412.779.135
2b. Non monetary financial assets	-	-	-	-	-
3. Other	252.005.321	1.336.025	224.674.452	189.563	1.221.506
<b>4. CURRENT ASSETS</b>	<b>5.750.718.635</b>	<b>163.831.668</b>	<b>2.056.535.447</b>	<b>6.096.562</b>	<b>839.801.273</b>
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	3.565.256.849	213.885.467	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	254.797.288	14.388.792	364.592	1.000	14.565.669
<b>8. NON CURRENT ASSETS</b>	<b>3.820.054.137</b>	<b>228.274.259</b>	<b>364.592</b>	<b>1.000</b>	<b>14.565.669</b>
<b>9. TOTAL ASSETS</b>	<b>9.570.772.772</b>	<b>392.105.927</b>	<b>2.056.900.039</b>	<b>6.097.562</b>	<b>854.366.942</b>
10. Trade payables	2.023.238.316	75.719.844	687.586.172	404.190	65.292.126
11. Financial liabilities	4.424.389.394	212.579.594	880.900.142	-	-
12a. Other liabilities, monetary	1.558.351.860	56.483.469	610.076.616	319.420	283.182
12b. Other liabilities, non monetary	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>8.005.979.570</b>	<b>344.782.907</b>	<b>2.178.562.930</b>	<b>723.610</b>	<b>65.575.308</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	15.228.736.535	911.442.127	35.907.720	-	-
16a. Other liabilities, monetary	3.783.710.095	226.990.827	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
<b>17. NON CURRENT LIABILITIES</b>	<b>19.012.446.630</b>	<b>1.138.432.954</b>	<b>35.907.720</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>27.018.426.200</b>	<b>1.483.215.861</b>	<b>2.214.470.650</b>	<b>723.610</b>	<b>65.575.308</b>
19. Net asset / (liability) position of Off-balance sheet derivatives (19a-19b)	-	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(17.447.653.428)	(1.091.109.934)	(157.570.611)	5.373.952	788.791.634
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(17.447.653.428)	(1.091.109.934)	(157.570.611)	5.373.952	788.791.634

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS**

**Financial Risk Factors**

*Foreign currency risk management*

<b>31 December 2021</b>	<b>TL Total</b>	<b>USD</b>	<b>TL</b>	<b>GBP</b>	<b>Other</b>
1. Trade receivables	292.663.386	7.687.220	122.353.628	509.199	61.661.810
2a. Monetary financial assets	3.521.733.470	178.611.695	436.449.104	21.366.747	394.437.259
2b. Non monetary financial assets	-	-	-	-	-
3. Other	135.230.733	(516.490)	139.171.648	89.563	1.198.691
<b>4. CURRENT ASSETS</b>	<b>3.949.627.589</b>	<b>185.782.425</b>	<b>697.974.380</b>	<b>21.965.509</b>	<b>457.297.760</b>
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	1.887.681.883	145.458.053	-	-	-
6b. Non monetary financial assets	-	-	-	-	-
7. Other	226.305.007	16.671.473	368.184	1.000	9.565.329
<b>8. NON CURRENT ASSETS</b>	<b>2.113.986.890</b>	<b>162.129.526</b>	<b>368.184</b>	<b>1.000</b>	<b>9.565.329</b>
<b>9. TOTAL ASSETS</b>	<b>6.063.614.479</b>	<b>347.911.951</b>	<b>698.342.564</b>	<b>21.966.509</b>	<b>466.863.089</b>
10. Trade payables	1.215.466.119	68.081.621	264.274.418	565.921	57.785.445
11. Financial liabilities	2.720.180.221	175.798.151	438.759.720	-	-
12a. Other liabilities, monetary	956.265.071	56.124.453	224.292.553	88.407	2.074.462
12b. Other liabilities, non monetary	-	-	-	-	-
<b>13. CURRENT LIABILITIES</b>	<b>4.891.911.411</b>	<b>300.004.225</b>	<b>927.326.691</b>	<b>654.328</b>	<b>59.859.907</b>
14. Trade payables	-	-	-	-	-
15. Financial liabilities	12.602.526.105	967.562.803	45.979.829	-	-
16a. Other liabilities, monetary	3.104.537.091	239.224.588	-	-	-
16b. Other liabilities, non monetary	-	-	-	-	-
<b>17. NON CURRENT LIABILITIES</b>	<b>15.707.063.196</b>	<b>1.206.787.391</b>	<b>45.979.829</b>	<b>-</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>20.598.974.607</b>	<b>1.506.791.616</b>	<b>973.306.520</b>	<b>654.328</b>	<b>59.859.907</b>
19. Net asset / (liability) position of Off-balance sheet derivatives (19a-19b)	-	-	-	-	-
19.a Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset/(liability) position	(14.535.360.128)	(1.158.879.665)	(274.963.956)	21.312.181	407.003.182
21. Net foreign currency asset / (liability) position of monetary items (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(14.535.360.128)	(1.158.879.665)	(274.963.956)	21.312.181	407.003.182

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### NOTE 23 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

#### Financial Risk Factors

##### *Foreign currency risk management*

##### Foreign currency sensitivity

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

Foreign currency sensitivity tables as of 30 June 2022 and 31 December 2021 are as follows:

30 June 2022	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)	(1.818.771.149)	1.818.771.149	-	-
Part of hedged from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(1.818.771.149)</b>	<b>1.818.771.149</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	(15.757.061)	15.757.061	629.925.078	(629.925.078)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>(15.757.061)</b>	<b>15.757.061</b>	<b>629.925.078</b>	<b>(629.925.078)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	10.883.704	(10.883.704)	-	-
Part of hedged from GBP risk	-	-	-	-
<b>GBP net effect</b>	<b>10.883.704</b>	<b>(10.883.704)</b>	-	-
<b>31 December 2021</b>				
Effect of 10% change in USD rate				
USD net asset / (liability)	(1.503.936.085)	1.503.936.085	-	-
Part of hedged from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(1.503.936.085)</b>	<b>1.503.936.085</b>	-	-
Effect of 10% change in TL rate				
TL net asset / (liability)	(27.496.396)	27.496.396	667.744.546	(667.744.546)
Part of hedged from TL risk	-	-	-	-
<b>TL net effect</b>	<b>(27.496.396)</b>	<b>27.496.396</b>	<b>667.744.546</b>	<b>(667.744.546)</b>
Effect of 10% change in GBP rate				
GBP net asset / liability	37.196.149	(37.196.149)	-	-
Part of hedged from GBP risk	-	-	-	-
<b>GBP net effect</b>	<b>37.196.149</b>	<b>(37.196.149)</b>	-	-

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**NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

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

**Fair Value of Financial Instruments**

30 June 2022	Derivative instruments		Carrying amount (*)	Note
	Financial assets and liabilities at amortized cost	which are recognized at fair value in shareholders' equity		
<b>Financial assets</b>				
Cash and cash equivalents	9.722.621.899	-	9.722.621.899	27
Trade receivables	1.354.130.001	-	1.354.130.001	6
- Other	1.354.130.001	-	1.354.130.001	6
Other receivables	723.479.905	-	723.479.905	
- Other	723.479.905	-	723.479.905	
Financial investments	4.155.445.001	-	4.102.520.009	22
Derivative financial assets	-	1.109.728.438	1.109.728.438	21
<b>Financial liabilities</b>				
Bank borrowings	3.353.349.067	-	3.353.349.067	22
Issued debt instruments	6.508.999.738	-	6.323.263.459	
Trade payables	3.428.575.397	-	3.428.575.397	6
- Related party	8.099.836	-	8.099.836	5
- Other	3.420.475.561	-	3.420.475.561	

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**NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

**Fair Value of Financial Instruments**

<b>31 December 2021</b>	<b>Financial assets and liabilities at amortized cost</b>	<b>Derivative instruments which are recognized at 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	6.976.779.772	-	-	6.976.779.772	27
Trade receivables	337.172.794	-	-	337.172.794	6
- <i>Other</i>	337.172.794	-	-	337.172.794	6
Other receivables	512.983.793	-	-	512.983.793	
- <i>Other</i>	512.983.793	-	-	512.983.793	
Financial investments	2.778.168.625	-	-	2.739.459.491	22
Derivative financial assets	-	163.569.088	-	163.569.088	21
<b>Financial liabilities</b>					
Bank borrowings	3.596.893.033	-	-	3.596.893.033	22
Obligations under financial leases	5.125.102.531	-	-	5.153.503.631	
Trade payables	1.890.418.358	-	-	1.890.418.358	6
- <i>Related party</i>	8.656.890	-	-	8.656.890	5
- <i>Other</i>	1.881.761.468	-	-	1.881.761.468	
Derivative financial liabilities	-	-	211.337	211.337	21

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

**Fair Value of Financial Instruments**

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

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

Financial assets / (Financial liabilities)	Fair value as at		Fair value hierarchy	Valuation technique	
	30 June 2022	31 December 2021			
Fuel purchase option contracts	1.109.728.438	163.569.088	Level 2	Discounted cash flow method	
Interest rate swap contracts	-	(211.337)	Level 2	Discounted cash flow method	
	<b>Fuel purchase forward contracts</b>	<b>Fuel purchase option contracts</b>	<b>Currency forward contracts</b>	<b>Interest rate swap contracts</b>	<b>Total</b>
<b>30 June 2022</b>					
<b>Fair value:</b>					
Opening	-	163.569.088	-	(211.337)	163.357.751
Fair value increase					-
Recognized in equity	-	946.159.350	-	-	946.159.350
Recognized in profit or loss	-	-	-	211.337	211.337
<b>Closing</b>	<b>-</b>	<b>1.109.728.438</b>	<b>-</b>	<b>-</b>	<b>1.109.728.438</b>
Assets	-	1.109.728.438	-	-	1.109.728.438
<b>Total net assets and liabilities</b>	<b>-</b>	<b>1.109.728.438</b>	<b>-</b>	<b>-</b>	<b>1.109.728.438</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 24 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

**Fair Value of Financial Instruments**

<b>31 December 2021</b>	<b>Fuel purchase forward contracts</b>	<b>Fuel purchase option contracts</b>	<b>Interest rate swap contracts</b>	<b>Total</b>
<b>Fair value:</b>				
Opening	7.599.668	(93.056.335)	(1.010.003)	(86.466.670)
Fair value increase / (decrease)				
Recognized in equity	(7.599.668)	256.625.423	-	249.025.755
Recognized in profit or loss	-	-	798.666	798.666
<b>Closing</b>	<b>-</b>	<b>163.569.088</b>	<b>(211.337)</b>	<b>163.357.751</b>
Assets	-	163.569.088	-	163.569.088
Liabilities	-	-	(211.337)	(211.337)
<b>Total net assets and liabilities</b>	<b>-</b>	<b>163.569.088</b>	<b>(211.337)</b>	<b>163.357.751</b>

The Group has forward fuel purchase option contracts, which are subject to hedge accounting, at a rate of 37.6% and 20.6% 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 the balance sheet period, the contracts last until December 2023. The total nominal value of these contracts is USD 282.8 million, and the weighted average price is in the range of USD 60-93. The ineffective portion of the hedge is not material as of 30 June 2022. In the current period, the income that is reclassified from hedging gain/(losses) fund under shareholders' equity to fuel expenses in the profit and loss statement is TL 615.243.126 (31 December 2021: TL 262.675.853 derivative expenses are charged to finance expenses).

**NOTE 25 - EVENTS AFTER BALANCE SHEET DATE**

Not available.

**NOTE 26 – INCOME TAX EXPENSE**

The Group is subject to corporate tax applicable in Turkey. The corporate tax rate in Turkey will be applied as 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period with the regulation dated April 22, 2021. The corporate tax rate will be applied as 20% after the taxation period in 2022. When calculating deferred tax on temporary differences, the company takes into account tax rates as applicable on the date the temporary differences utilized. Tax expense components as of March 31, 2022 and March 31, 2021 are presented below:

	<b>1 January- 30 June 2022</b>	<b>1 January- 30 June 2021</b>
Income tax expense		
- Deferred tax expense	90.122.908	78.160.821
<b>Total tax income / (expense)</b>	<b>90.122.908</b>	<b>78.160.821</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2022**

(Amounts are expressed in TL unless otherwise stated.)

**NOTE 27 - EXPLANATIONS RELATED TO STATEMENT OF CASH FLOW**

The details of cash and cash equivalents as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
Cash on hand	1.753.773	1.052.353
Cash at banks	9.722.126.890	6.977.215.889
- Demand deposits	4.154.982.807	2.750.408.971
- Time deposits	5.567.144.083	4.226.806.918
Less: Allowance for impairment under TFRS 9	(1.258.764)	(1.488.470)
	<b>9.722.621.899</b>	<b>6.976.779.772</b>

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

<b>30 June 2022</b>	<b>Weighted average interest rates</b>	<b>Total</b>
USD deposits	0,6 %	2.500.837.738
EUR deposits	2,04 %	1.809.158.503
TL deposits	18,81 %	1.234.866.894
GBP deposits	0,15 %	22.280.948
		<b>5.567.144.083</b>

  

<b>31 December 2021</b>	<b>Weighted average interest rates</b>	<b>Total</b>
USD deposits	0,61 %	1.896.385.109
EUR deposits	0,47 %	1.525.329.038
TL deposits	30,88 %	434.134.710
GBP deposits	0,01 %	370.958.061
		<b>4.226.806.918</b>

All of the time deposits as of 30 June 2022 and 31 December 2021 have maturities less than 90 days.



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in TL unless otherwise stated.)

**NOTE 28 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED**

<b>Aircrafts</b>	<b>30 June 2022</b>
<b>Cost:</b>	
Opening	<b>568.617.501</b>
Transfers	1.822.974.823
Disposals	(568.617.501)
<b>Closing</b>	<b>1.822.974.823</b>
<b>Accumulated depreciation:</b>	
Opening	<b>(260.526.526)</b>
Transfers	(930.975.438)
Disposals	260.526.526
<b>Closing</b>	<b>(930.975.438)</b>
<b>Net book value</b>	<b>891.999.385</b>

3 Boeing 737-800 type aircrafts were reclassified to assets held for sale in accordance with TFRS-5 “Assets Held for Sale and Discontinued Operations”.

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

### APPENDIX : EURO SELECTED NOTES

(Amounts are expressed in TL unless otherwise stated.)

#### Revenue

	Euro 1 January- 30 June 2022	Euro 1 January- 30 June 2021	Euro 1 April - 30 June 2022	Euro 1 April - 30 June 2021
Scheduled flight and service revenue	747.493.335	270.143.922	483.176.170	151.210.109
<i>International flight revenue</i>	410.233.743	94.575.203	280.973.350	55.175.412
<i>Domestic flight revenue</i>	116.926.574	78.916.505	74.952.333	44.034.545
<i>Service revenue</i>	220.333.018	96.652.214	127.250.487	52.000.152
Charter flight and service revenue	22.655.672	2.095.440	18.533.161	1.603.604
<i>Charter flight revenue</i>	22.655.672	2.095.440	18.533.161	1.603.604
Other revenue	3.925.236	4.826.594	2.538.984	1.717.687
	<b>774.074.243</b>	<b>277.065.956</b>	<b>504.248.315</b>	<b>154.531.400</b>

#### Expenses by Nature

	Euro 1 January- 30 June 2022	Euro 1 January- 30 June 2021	Euro 1 April - 30 June 2022	Euro 1 April - 30 June 2021
Jet fuel expenses	323.924.806	91.624.325	223.826.421	49.367.400
Depreciation and amortisation expenses	133.199.158	130.869.949	70.713.002	65.114.399
Personnel expenses	85.758.429	50.739.273	45.412.884	26.123.511
Handling and station fees	56.728.054	28.652.990	32.818.565	15.847.421
Navigation expenses	47.070.452	24.814.992	27.012.312	13.145.036
Maintenance expenses	39.811.504	23.050.658	22.831.349	11.131.194
Landing expenses	23.237.151	10.658.703	13.476.968	5.913.847
Commission expenses	8.036.838	3.088.760	4.703.270	1.750.771
Advertising expenses	4.066.506	1.835.878	2.649.000	967.376
Passenger service and catering expenses	5.211.798	2.192.064	3.006.366	1.115.108
Other expenses	43.772.461	32.070.190	24.647.744	15.398.370
	<b>770.817.157</b>	<b>399.597.782</b>	<b>471.097.881</b>	<b>205.874.433</b>