

PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in TL unless otherwise stated.)

NOTE 5 - RELATED PARTY TRANSACTIONS

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

(i) Balances with Related Parties:

a) Trade payables to related parties

Balances with parent company:	30 September 2022	31 December 2021
Esas Holding	-	1.624.341
Balances with joint ventures:		
Hitit Bilgisayar	8.622.750	2.090.952
PUEM	1.232.592	4.685.846
Balances with other related parties:		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (Esasburda)	572.411	218.403
Alarm Sağlık Hizmetleri San. ve Tic. A.Ş.(Alarm Sağlık)	-	37.348
	10.427.753	8.656.890

b) Other payables to related parties

	30 September 2022	31 December 2021
Balances with joint ventures:		
Hitit Bilgisayar	-	158.955
	-	158.955

(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.

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(ii) Significant Transactions with Related Parties:

a) Other Income from Related Parties

	1 January- 30 September 2022	1 January- 30 September 2021	1 July - September 2022	1 July - September 2021
Transactions with joint ventures:				
PUEM	2.240.177	1.098.708	906.263	432.418
	2.240.177	1.098.708	906.263	432.418

b) Purchases of goods or services

	1 January- 30 September 2022	1 January- 30 September 2021	1 July - September 2022	1 July - September 2021
Transactions with joint ventures:				
Hitit Bilgisayar	45.172.628	21.399.067	18.999.381	7.111.553
PUEM	13.893.277	6.977.572	4.470.371	2.318.477
Transactions with other related parties:				
Alarm Sağlık	411.611	328.532	205.963	72.847
Esasburda	5.107.263	2.234.400	2.014.123	958.083
	64.592.386	30.939.571	25.697.445	10.460.960

c) Rent expenses

	1 January- 30 September 2022	1 January- 30 September 2021	1 July - September 2022	1 July - September 2021
Esasburda(*)	9.818.309	6.751.439	3.275.926	1.100.524
	9.818.309	6.751.439	3.275.926	1.100.524

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

d) Commission expenses

	1 January- 30 September 2022	1 January- 30 September 2021	1 July - September 2022	1 July - September 2021
Esas Holding	11.677.177	6.593.931	3.277.750	2.087.266
	11.677.177	6.593.931	3.277.750	2.087.266

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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 September 2022 and 30 September 2021 are as follows:

	1 January- 30 September 2022	1 January- 30 September 2021	1 July - September 2022	1 July - September 2021
Salaries and other short term benefits	49.970.294	16.922.276	7.862.604	12.714.208
Other long term benefits	56.100.313	-	46.405.440	-
	106.070.607	16.922.276	54.268.044	12.714.208