



PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD BETWEEN JANUARY 1 – JUNE 30, 2024

AUGUST 12, 2024

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(Convenience translation of a report originally issued in Turkish)

Review Report On Compliance Of Interim Operating Report

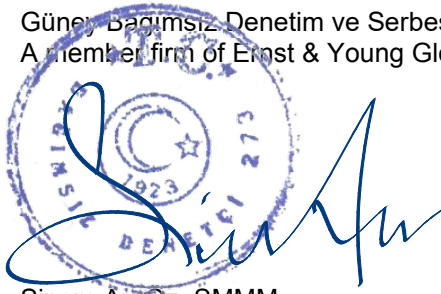
To the Board of Directors of Pegasus Hava Taşımacılığı Anonim Şirketi

We have been engaged to perform a review on the compliance of the financial information included in the accompanying interim operating report of Pegasus Hava Taşımacılığı Anonim Şirketi (the Company) and its subsidiaries ("the Group") as of June 30, 2024, with the interim condensed consolidated financial statements, which we reviewed. Interim operating report is the responsibility of the Group management. Our responsibility as the auditors is to express a conclusion regarding if the financial information included in the accompanying interim operating report is consistent with the interim condensed consolidated financial statements and explanatory notes, which we reviewed as the subject of the review report dated August 12, 2024.

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.

Based on our review, nothing has come to our attention that causes us to believe that the financial information included in the accompanying interim operating report is not consistent, in all material respects, with the information disclosed in the interim condensed consolidated financial statements and explanatory notes, which we reviewed.

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



Sinem Ari Oz, SMMM
Partner

12 August 2024
İstanbul, Turkey

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
FOR THE PERIOD JANUARY 1 – JUNE 30, 2024

This Report is prepared in accordance with the Regulation on the Determination of the Minimum Content of Company Annual Reports published by the Turkish Ministry of Commerce, the Corporate Governance Communiqué No. II-17.1 and the Corporate Governance Principles published by the Turkish Capital Markets Board and other applicable provisions of Turkish law.

As used in this Report, the following terms shall have the meanings indicated below:

- **“Board”** or **“Board of Directors”** refers to the Pegasus Airlines Board of Directors.
- **“Company”** or **“Pegasus Airlines”** refers to Pegasus Hava Taşımacılığı A.Ş., more fully described in Section 1/A of this Report.
- **“Esas Holding”** or **“Esas”** refers to Esas Holding A.Ş.
- **“Hitit CS”** refers to Hitit Bilgisayar Hizmetleri A.Ş.
- **“PIN Lab”** refers to Pegasus Innovation Lab, Inc.
- **“PFTC in Liquidation”** refers to Tasfiye Halinde Pegasus Uçuş Eğitim Merkezi A.Ş.
- **“PAT”** refers to Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.
- **“Principles”** refers to the Corporate Governance Principles published by the Turkish Capital Markets Board.
- **“Report”** refers to this Annual Report of the Pegasus Airlines Board of Directors.

1- GENERAL INFORMATION

A- GENERAL INFORMATION ON PEGASUS AIRLINES

Reporting Period : January 1, 2024 – June 30, 2024
Commercial Title : Pegasus Hava Taşımacılığı A.Ş.
Trade Registration : Istanbul Trade Registry / 261186
Central Registry No. : 0-7230-0470-8500017
Headquarters : Aeropark, Yenişehir Mahallesi, Osmanlı Bulvarı, No: 11/A
Kurtköy 34912 Pendik / Istanbul
Contact Information : Telephone. +90 216 560 7000
Corporate Website. www.flypgs.com
Investor Relations Website.
<http://www.pegasusinvestorrelations.com>

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

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

Our strategic targets are underpinned by our key corporate values: Innovation, People Orientation, Competitiveness, Result Orientation, and Effectiveness & Efficiency.

Our annual budget is approved by our Board of Directors before each fiscal year. Our operational and financial results are monitored by the Board of Directors on a regular basis,

against budgeted targets. The Board of Directors reviews our strategic targets and the Company's progress in terms of strategic key performance indicators on a regular basis.

C- CAPITAL, SHAREHOLDING AND ORGANIZATION STRUCTURE OF PEGASUS AIRLINES

Our issued capital is ₺500,000,000 and our authorized capital ceiling is ₺500,000,000. Information on our capital and shareholding structure as of January 1, 2024, and June 30, 2024, respectively, is shown in the table below.

| Shareholder | January 1, 2024 | | June 30, 2024 ⁽¹⁾ | |
|--------------------|--------------------|--------------------|------------------------------|--------------------|
| | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio |
| Esas Holding | 57,959,838 | 56.66% | 283,284,477 | 56.66% |
| Publicly Traded | 42,482,689 | 41.53% | 207,638,371 | 41.53% |
| Emine KAMIŞLI | 619,060 | 0.61% | 3,025,717 | 0.61% |
| Ali İsmail SABANCI | 619,060 | 0.61% | 3,025,717 | 0.61% |
| Kazım KÖSEOĞLU | 309,530 | 0.30% | 1,512,859 | 0.30% |
| Can KÖSEOĞLU | 309,530 | 0.30% | 1,512,859 | 0.30% |
| Total | 102,299,707 | 100.00% | 500,000,00 | 100.00% |

⁽¹⁾ In connection with the increase of the Company's current issued capital of TRY 102,299,707 to TRY 500,000,000, by an increase of TRY 397,700,293, through the conversion of funds available as part of the "Share Premiums on Capital Stock", within the TRY 500,000,000 authorized capital ceiling; an application was filed with the Capital Markets Board on 29.02.2024 for the approval of the Issuance Certificate regarding the shares to be issued with a nominal value of TRY 397,700,293 and the approval of the amendments to Section 6 of our Articles of Association entitled "Company Capital". The Issuance Certificate is approved by Capital Markets Board on May 3, 2024 and was registered with the Trade Registry on May 30, 2024.

As of June 30, 2024, Esas Holding is the controlling shareholder of Pegasus Airlines. Established in 2000, Esas Holding is the largest family-owned investment firm in Türkiye and is backed by the first- and second-generation family members of Şevket SABANCI, one of the five founding members of H. Ö. Sabancı Holding A.Ş., a leading Turkish conglomerate. With offices in Istanbul and London, Esas invests in various asset classes globally including private equity, real estate, venture capital and public markets.

Our Company's management organization chart as of June 30, 2024, is provided in Section 1/F of this Report.

D- INFORMATION ON BUSINESS ACTIVITIES

We are the leading low-cost airline in Türkiye. We operated charter flights since 1990. Following our acquisition by Esas at the beginning of 2005, we changed our business model, introducing a low-cost network carrier model for the first time and focused on providing affordable and on-time air travel service with a young fleet.

As a result of the successful implementation of this low-cost strategy, we experienced rapid expansion of our operations both in domestic and international routes. Between 2009 and 2019, our cumulative average annual passenger growth reached 18%, significantly outpacing the 9% annual average growth recorded by the Turkish market. We operate a growing young and modern fleet of 108 aircraft with 4.46 average aircraft age as of June 30, 2024.

We provide high-frequency services on short- and medium-haul, point-to-point, and transit routes on its domestic and international network primarily from our main hub in Istanbul Sabiha Gökçen International Airport. As of June 30, 2024, we offered scheduled passenger services on 35 domestic destinations in Türkiye and 103 international destinations to European (including North Cyprus), CIS, Middle Eastern and African destinations, serving a flight network covering 138 destinations in 53 different countries.

Our business model is based on a strong focus on efficient operations and cost control, and revenue generation through various services ancillary to the core air passenger services. As of June 30, 2024, our CASK, non-fuel was recorded as €2,42, while revenue recorded from ancillary services constituted 36% of total revenue for the period. As of June 30, 2024, we continued to derive revenue from other services, primarily consisting of cargo services and a relatively low volume of charter and split charter flights for tour operators, which represented 2% of total revenue for the period.

E- INFORMATION ON PRIVILEGED SHARES

We do not have any privileged shares. Therefore, there are no voting privileges attached to Pegasus Airlines shares or any preference in respect of the nomination of Board members or the allocation of any distribution or payment to be made from Company profits.

F- INFORMATION ON THE MANAGEMENT BODY, SENIOR MANAGEMENT AND PEGASUS AIRLINES EMPLOYEES

a)- Management Body: Our management body is the Board of Directors. Within the framework of Article 10 of our Articles of Association, the Board of Directors must be composed of at least five members. As of June 30, 2024, the Board of Directors consisted of eight members.

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

| Name / SURNAME | Duty | | Serves Since ⁽¹⁾ | Committee Duties |
|---------------------------------|--------------------------|-------|-----------------------------|---|
| Mehmet Tevfik NANE | Chairperson of the Board | | 2022 | Member, Technology Comm. |
| Ali İsmail SABANCI | Board Member | | 2005 | - |
| Mehmet Cem KOZLU | Non-Executive Member | Board | 2013 | Member, Corp. Gov. Comm. |
| Hatice Zeynep Bodur OKYAY | Non-Executive Member | Board | 2016 | Member, Risk Comm. |
| Agah UĞUR | Independent Board Member | | 2019 | Chair, Audit Comm. Member, Risk Comm. |
| David Alexander Florenz VISMANS | Independent Board Member | | 2022 | Chair, Risk Comm. Member, Technology Comm. |
| Ayşegül İLDENİZ | Independent Board Member | | 2022 | Chair, Corp. Gov. Comm. Member, Audit Comm., Technology Comm. |
| Stephen Mark GRIFFITHS | Non-Executive Member | Board | 2024 | Member, Corp. Gov. Comm. |

⁽¹⁾ Board appointments are made annually at the discretion of our shareholders and our current Board members were appointed for a term of one year at the Annual General Assembly Meeting dated March 28, 2024.

b)- Senior Management: Our senior management comprises the General Manager (CEO) and department heads directly reporting to the CEO. Information on Pegasus senior management and their duties as of June 30, 2024, is provided in the following chart.

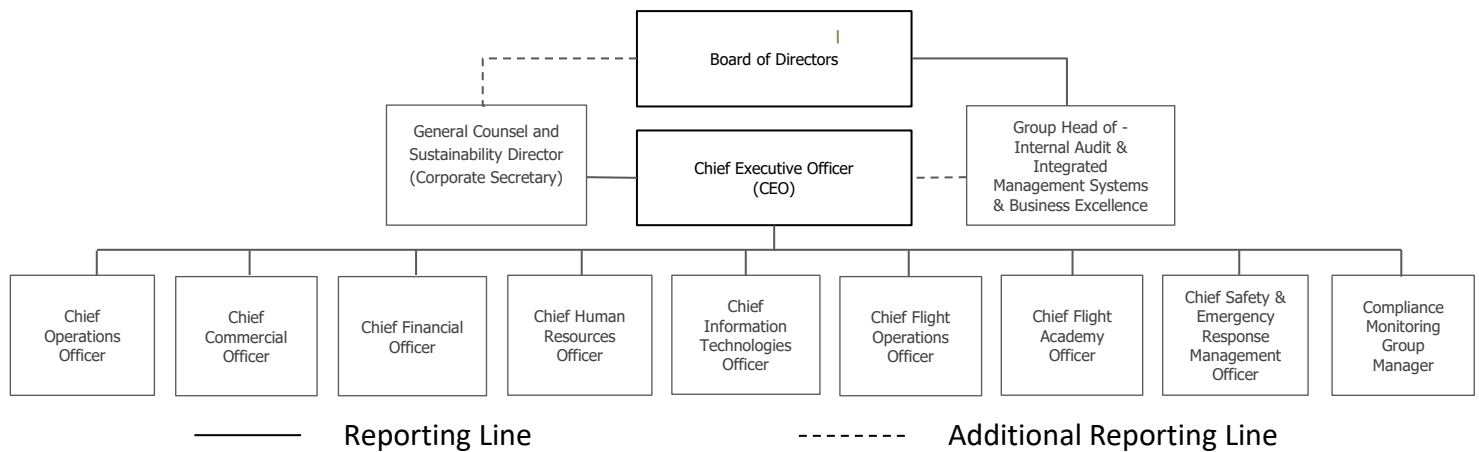
| Name / SURNAME | Duty | Serves Since ⁽¹⁾ | Serves in Position Since ⁽²⁾ |
|-----------------------|--|-----------------------------|---|
| Güliz ÖZTÜRK | Chief Executive Officer | 2005 | 2022 |
| M. Barbaros KUBATOĞLU | Chief Financial Officer | 2007 | 2018 |
| Onur DEDEKÖYLÜ | Chief Commercial Officer | 2010 | 2022 |
| Ergün DEMİRCİ | Chief Operations Officer | 2013 | 2022 |
| Gençer KARATEPE | Chief Flight Operations Officer | 2018 | 2020 |
| Dilara OĞUR | Chief Human Resources Officer | 2015 | 2015 |
| Barış FINDIK | Chief Information Technologies Officer | 2017 | 2017 |

| | | | |
|-------------------|--|------|------|
| Murat TÜNAY | Chief Safety Management & Emergency Response Management Officer | 2011 | 2020 |
| Yavuz Selim ÖZMEN | Chief Flight Academy Officer | 2016 | 2020 |
| Ali UZUN | General Counsel and Sustainability Director | 2013 | 2022 |
| Sinan Onur ÖZTUNA | Compliance Monitoring Group Manager | 2016 | 2020 |
| Ayşe Naz ÇAĞIL | Group Head of – Internal Audit & Integrated Management Systems and Business Excellence | 2023 | 2023 |

(1) Indicates service in Pegasus Airlines Group Companies.

(2) Indicates service in the stated duty.

Our management organization chart is shown below:



c)- Number of Employees: The total number of our full-time employees, including the employees of our consolidated subsidiary defined in Section 1/H of this Report, as of June 30, 2024, was 8.514. This number includes the members of our senior management listed above. There are no employees under a collective bargaining agreement.

G- INFORMATION ON INVESTMENTS MADE BY PEGASUS AIRLINES IN THE RELEVANT ACCOUNTING PERIOD

Information relating to our fleet as of June 30, 2024, is shown below:

| AIRCRAFT TYPE | RANGE (KM) | NUMBER OF AIRCRAFT | | | SEAT CAPACITY | | | AVERAGE FLEET AGE |
|---------------|------------|--------------------|------------|------------|---------------|---------------|------------|-------------------|
| | | 30.06.2024 | 30.06.2023 | Growth (%) | 30.06.2024 | 30.06.2023 | Growth (%) | 30.06.2024 |
| B737-800 | 4.163 | 10 | 15 | -33% | 1.890 | 2.835 | -33% | 9,79 |
| A320CEO | 4.074 | 6 | 8 | -25% | 1.092 | 1.452 | -25% | 8,77 |
| A320NEO | 4.740 | 46 | 46 | 0% | 8.556 | 8.556 | 0% | 5,46 |
| A321NEO | 4.237 | 46 | 31 | 48% | 10.994 | 7.409 | 48% | 1,73 |
| TOTAL | | 108 | 100 | 8% | 22.532 | 20.252 | 11% | 4,46 |

In July 2012, we placed an order with Airbus for 57 firm order A320neo and 18 firm order A321neo aircraft, totaling 75, and an additional 25 optional aircraft, thereby constituting a purchase order for 100 new aircraft. This was the largest single aircraft order in Turkish civil aviation history at the time. In December 2017, we exercised our option for 25 additional aircraft and converted these option aircrafts to firm orders in A321neo configuration. In October 2021, we placed an order with Airbus for 6 additional A321neo aircraft, in June 2022, we placed an order with Airbus for 8 additional A321neo aircraft and in July 2023, we placed an order with Airbus for 36 additional A321neo aircraft. The 2012 Airbus Order, as amended, comprised a total of

42 A320neo and 108 A321neo aircraft as of August 14, 2023. Pegasus is the first customer of CFM-Leap series engine used on A320neo aircraft. 5 aircraft joined Pegasus fleet as of January 1, 2024 until June 30, 2024.

The delivery schedule for the A320neo/A321neo aircraft under our Airbus order is as follows:

| Aircraft Type | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---------------|------|------|------|------|------|------|------|------|------|------|------|
| A320neo | 5 | 9 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A321neo | 2 | 5 | 1 | 17 | 15 | 16 | 11 | 8 | 11 | 11 | 11 |

H- INFORMATION ON DIRECT AND INDIRECT INVESTMENTS BY PEGASUS AIRLINES IN OTHER VENTURES

The table below lists information relating to our direct subsidiaries and joint ventures as of June 30, 2024. As of June 30, 2024, we did not have any indirect subsidiaries or joint ventures. We were not subject to any cross-shareholding for the same period.

| Affiliate | Nationality / Area of Activity | Issued Share Capital | Nominal Shareholding | Share % | Affiliation with Pegasus |
|---------------------|---|----------------------|----------------------|---------|--------------------------|
| Hitit CS | Türkiye / Information Technologies Solutions | ₺127,500,00 | ₺46,939,893 | 36.82% | Joint Venture |
| PFTC in Liquidation | Türkiye / Simulated flight training | ₺200,000 | ₺98,800 | 49.40% | Joint Venture |
| PAT | Türkiye / Simulated flight training | ₺100,000 | ₺100,000 | 100.00% | Subsidiary |
| PIN Lab | U.S.A. / Collaboration for and Development of Applicable Aviation Technology and Software Solutions | \$150,000 | \$150,000 | 100.00% | Subsidiary |

Pegasus Uçuş Eğitim Merkezi A.Ş. (PFTC) in which our Company has 49.40% ownership stake, provided Boeing 737 simulator flight training services to our Company, in line with the training requirements arising from our fleet planning between 2010 and 2023 entered into liquidation by the shareholders' approval at the General Assembly Meeting dated December 28, 2023.

Pegasus Airlines Innovation Lab, Inc. (PIN Lab) in which our Company has 100% ownership stake is incorporated in the State of Delaware, U.S.A., effective as of December 28, 2023, to undertake operations primarily in the Silicon Valley with the aim of identifying collaboration and development opportunities for technology and software applicable in the air transport industry.

2-FINANCIAL STATUS

A- PEGASUS SHARE

Pegasus shares started trading on Borsa Istanbul on April 26, 2013, at the initial public offer price of ₺18.40. As of March 31, 2024, the indices including Pegasus Airlines shares and information on Pegasus Airlines shares are as follows:

| | |
|-----------------|----------------------------------|
| Issuer | : PEGASUS HAVA TAŞIMACILIĞI A.Ş. |
| Trade Platforms | : BORSA ISTANBUL (BIST) |
| Market Segment | : STAR MARKET |

Indices : BIST CORPORATE GOVERNANCE / BIST STARS / BIST ALL SHARES / BIST SUSTAINABILITY / BIST SUSTAINABILITY 25 / BIST PARTICIPATION 30 / BIST TRANSPORTATION / BIST SERVICES / BIST 100 / BIST PARTICIPATION 100 / BIST 50 / BIST ISTANBUL / BIST PARTICIPATION ALL SHARES / BIST SUSTAINABILITY PARTICIPATION / BIST PARTICIPATION 50 / BIST 30

BIST Ticker : PGSUS

Bloomberg Ticker : PGSUS.TI

Reuters Ticker : PGSUS.IS

Pegasus shares closed the six-month period ending June 30, 2024 at a price of ₺227.90/share with year-to-date increase of 71%.

B- SALES AND PROFITABILITY IN THE REPORTING PERIOD, REVENUE GENERATION, DEBT/EQUITY RATIO AND OTHER ASPECTS THAT PROVIDE INFORMATION ON THE COMPANY'S OPERATIONAL RESULTS COMPARED AGAINST PREVIOUS YEARS

Operational and financial results of Pegasus for the period between January 1 – June 30, 2024 compared against the same period in 2023 and the year-over-year changes for the relevant line items are set out in the following charts:

| Overall Traffic Results | Jan. – Jun. 2024 | Jan. – Jun. 2023 | Y-O-Y Change % |
|---|-----------------------------|-----------------------------|---------------------------|
| Number of passengers (<i>million</i>) | 17,43 | 14,13 | 23,3 |
| Cycles | 96.854 | 85.599 | 13,1 |
| Number of seats (<i>million</i>) | 19,95 | 17,09 | 16,7 |
| Load factor (%) | 87,3 | 82,7 | 4,7 |
| ASK ⁽¹⁾ (<i>million</i>) | 31.088 | 26.157 | 18,9 |
| Passengers per cycle | 180 | 165 | 9,0 |
| Avg. daily aircraft utilization (<i>hours</i>) ⁽²⁾ | 12,7 | 12,0 | 5,8 |
| Domestic | | | |
| Number of passengers (<i>million</i>) | 6,70 | 5,35 | 25,2 |
| Cycle | 36.206 | 32.178 | 12,5 |
| Number of seats (<i>million</i>) | 7,39 | 6,31 | 17,0 |
| Load factor (%) | 90,8 | 84,8 | 7,0 |
| ASK ⁽¹⁾ (<i>million</i>) | 5.532 | 4.649 | 19,0 |
| Passengers per cycle | 185 | 166 | 11,3 |
| International | | | |
| Number of passengers (<i>million</i>) | 10,52 | 8,60 | 22,3 |
| Cycle | 59.500 | 52.419 | 13,5 |
| Number of seats (<i>million</i>) | 12,36 | 10,60 | 16,6 |
| Load factor (%) | 85,1 | 81,1 | 4,0 |
| ASK ⁽¹⁾ (<i>million</i>) | 25.228 | 21.243 | 18,8 |
| Passengers per cycle | 177 | 164 | 7,8 |
| Charter | | | |
| Number of passengers (<i>million</i>) | 0,20 | 0,18 | 14,3 |
| Cycle | 1.148 | 1.002 | 14,6 |
| Number of seats (<i>million</i>) | 0,21 | 0,18 | 15,8 |
| ASK ⁽¹⁾ (<i>million</i>) | 328 | 265 | 23,6 |

⁽¹⁾ Refers to available seat kilometers and is equal to the number of seats available for passengers during a specified period multiplied by the number of kilometers that those seats are flown.

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

| Summary Balance Sheet ('000 TL) | 30.06.2024 | 31.12.2023 | Change (%) |
|---|-------------------|-------------------|-------------------|
| Current assets | 58.408.330 | 48.001.577 | 22% |
| Non-current assets | 180.242.564 | 153.953.503 | 17% |
| Total assets | 238.650.895 | 201.955.080 | 18% |
| Current liabilities | 52.867.881 | 37.183.795 | 42% |
| Non-current liabilities | 126.108.296 | 110.102.099 | 15% |
| Shareholders' equity | 59.674.717 | 54.669.186 | 9% |
| Summary P&L ('000 TL) | 30.06.2024 | 30.06.2023 | Change (%) |
| Sales | 43.963.935 | 23.902.449 | 84% |
| Gross (loss) / profit | 5.954.780 | 4.149.077 | 44% |
| (Loss) / profit from operations | 3.938.656 | 2.354.291 | 67% |
| Operating (loss) / profit before financial income/(expense) | 4.797.013 | 2.961.723 | 62% |
| (Loss) / profit before tax | (270.341) | 1.376.897 | -120% |
| (Loss) / profit for the period | 496.188 | 1.326.900 | -63% |
| (Loss) / profit per share | 2,92 | 12,97 | -78% |
| Changes in Financial Position ('000 TL) | 30.06.2024 | 31.12.2023 | Change (%) |
| Cash and cash equivalents | 30.837.871 | 16.078.359 | 92% |
| Financial Investments | 13.704.759 | 20.208.861 | -32% |
| Financial liabilities | 136.780.906 | 119.518.239 | 14% |
| Net debt position ⁽¹⁾ | 92.238.276 | 83.231.019 | 11% |

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

C- FINANCING SOURCES AND CAPITAL MARKETS INSTRUMENTS ISSUED BY PEGASUS

We finance approximately 85% of the purchase price for the Boeing and Airbus aircraft acquired by way of financial lease through loans obtained from various banks. As of June 30, 2024, the outstanding balance of the total loans borrowed for the financing of 83 aircraft acquired by way of financial lease is ₺104.116.809.495.

Furthermore, as of June 30, 2024, together with our subsidiary, we had drawn ₺11.783.306.028 on cash loans and ₺1.223.849.615 on non-cash loans under credit lines with various Turkish and foreign banks. These credit lines are open credit facilities that can be generally used for terms ranging from 12 to 24 months.

We issued debts in capital markets as a separate source of financing. Within the issuance limit of US\$750,000,000, approved by the Capital Markets Board by its decision dated April 1, 2021, and numbered 17/524, we concluded a first tranche issue of Eurobonds with a nominal value of US\$375,000,000 on April 30, 2021. The bonds carrying the ISIN XS2337336445 and US705567AA31 were issued for a term of 1,826 days and variable rate interest coupon payment in six-month arrears and will mature on April 30, 2026.

3- RISKS AND THE EVALUATION OF THE MANAGEMENT BODY

A- INFORMATION ON THE RISK MANAGEMENT POLICY ADOPTED BY PEGASUS AIRLINES WITH RESPECT TO FORSEEABLE RISKS

Our Board of Directors is responsible for protecting the long-term benefits of our Company through a rational and prudent risk management approach by performing optimum balance between risk, growth and returns.

The Committee on the Early Detection of Risks (Risk Committee) assists the Board with respect to the determination in advance, management and mitigation of the risks that may endanger the existence, development, and the future of Pegasus Airlines.

When performing its risk detection and management duties, the Committee cooperates with other Board Committees and the Company management. In this respect, the Committee works in cooperation with the Audit Committee with respect to risks inherent to financial reporting and internal control mechanisms, with the Corporate Governance Committee with respect to human resources related risks involving the Board and the senior management.

The main risks to which the Company is exposed, the relevant departments responsible for the scrutiny and management of these risks and the measurement tools and tolerance limits applicable to these risks are determined by the Risk Committee. Risk areas thus defined are regularly reviewed, re-evaluated and the mitigating actions implemented by Company management in response to these risks are periodically submitted for the review and evaluation of the Committee. The risk evaluation analysis reviewed by the Committee and recommendations by the Committee are communicated to the Board once every two months.

4- OTHER MATTERS

A- MATERIAL EVENTS TAKING PLACE AFTER PERIOD END THAT MAY AFFECT THE RIGHTS AND BENEFITS OF THE SHAREHOLDERS, CREDITORS AND OTHER RELATED PERSONS AND ENTITIES

International credit rating agency S&P Global Ratings Limited (S&P) affirmed its rating for the Company's long term credit rating B+ (stable outlook). S&P also affirmed its rating B+ for the foreign-currency senior unsecured bonds issued by the Company to investors outside of Türkiye and indicated in our Material Event Disclosure dated 19.04.2021.

In connection with the increase of the Company's current issued capital of TRY 102,299,707 to TRY 500,000,000, by an increase of TRY 397,700,293, through the conversion of funds available as part of the "Share Premiums on Capital Stock", within the TRY 500,000,000 authorized capital ceiling; the Issuance Certificate regarding the shares to be issued with a nominal value of TRY 397,700,293 and the amendments to Section 6 of our Articles of Association entitled "Company Capital", approved by the Capital Markets Board. Bonus share acquisition right will commence on May 14, 2024. Capital increase was registered with the Trade Registry on May 30, 2024 and was published in the Turkish Trade Registry Gazette dated May 30, 2024 and numbered 11093.

For obtaining a new rating on our compliance with the Corporate Governance Principles published by the Capital Markets Board, a new agreement is concluded with Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., effective for one year as of May 31, 2024 and rating work is underway.

In accordance with the Capital Markets Law No. 6362 and other applicable law and Article 9 of the Company Articles of Association, our Board of Directors resolved on 14.06.2024, on the issuance of debt securities for up to USD 750,000,000.00- for sale outside of Turkey in one or multiple tranches. An application was filed today with the Capital Markets Board seeking the approval of the issuance document. Issuance document was approved by the Capital Markets Board on August 1, 2024.

B- OTHER MATTERS AND ADDITIONAL INFORMATION THAT ARE NOT INCLUDED IN THE FINANCIAL STATEMENTS THAT MAY STILL BE HELPFUL FOR INTERESTED PARTIES

The following annexes have been incorporated into this Report by reference:

- **Annex-1:** Pegasus Corporate Governance Compliance Statement (*URF*)

- **Annex-2:** Pegasus Corporate Governance Information Document (KYBF)

The above annexes are accessible through the following link:

<https://www.kap.org.tr/en/sirket-bilgileri/ozet/1710-pegasus-hava-tasimaciligi-a-s>

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

