

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ

INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS

FOR THE PERIOD BETWEEN JANUARY 1 – SEPTEMBER 30, 2026

NOVEMBER 9, 2026

Genel (Public)

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ
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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:

- *"**Company**" or "**Pegasus Airlines**" refers to Pegasus Hava Taşımacılığı A.Ş., more fully described in Section 1/A of this Report.*
- *"**Board**" or "**Board of Directors**" refers to the Pegasus Airlines Board of Directors.*
- *"**Esas Holding**" or "**Esas**" refers to Esas Holding A.Ş.*
- *"**Hitit CS**" refers to Hitit Bilgisayar Hizmetleri A.Ş.*
- *"**Pegasus Innovation Lab**" refers to Pegasus Innovation Lab, Inc.*
- *"**Pegasus Aviation Technologies**" refers to Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.*
- *"**Pegasus Airlines Ventures**" refers to Pegasus Airlines Ventures Limited Partnership*
- *"**Pegasus Europe**" refers to Pegasus Europe Besloten Vennootschap*
- *"**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, 2026 – September 30, 2026
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. http://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 under the auspices of 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.*"

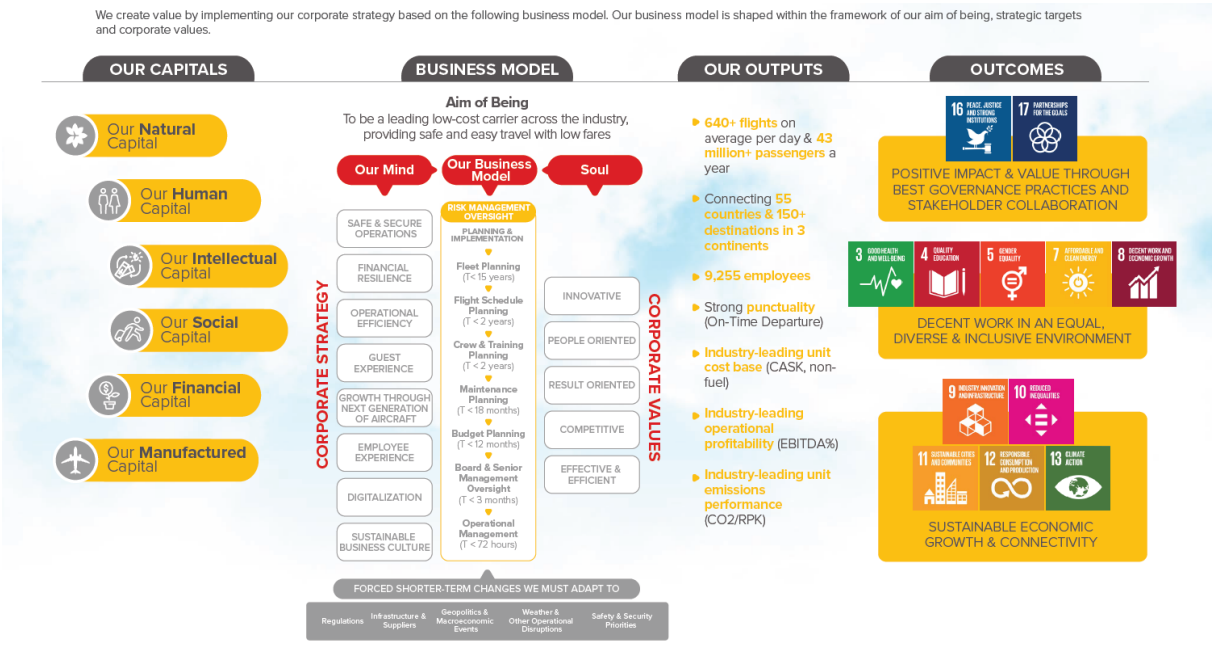
Our strategic targets are underpinned by our key corporate values: Innovation, People Orientation, Competitiveness, Result Orientation, and Effectiveness & Efficiency.

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,

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against budgeted targets. Our Board of Directors reviews our strategic targets and the Company's progress in terms of strategic key performance indicators on a regular basis. Each year, our Board of Directors also carries out its oversight on strategically important domains including technology and Artificial Intelligence, Human Resource management and succession planning, sustainability and climate change adaptation, and corporate governance.

Our value model, first developed in 2024 and shown below, provides a more holistic approach on the value impact of our business. For more information on our value model, please refer to the **2025 TSRS Compliant Sustainability Report**.



C- CAPITAL, SHAREHOLDING AND ORGANIZATION STRUCTURE OF PEGASUS AIRLINES

Our issued capital is ₺500,000,000 and our authorized capital ceiling is ₺2,500,000,000. Information on our capital and shareholding structure as of January 1, 2026, and September 30, 2026, respectively, is shown in the table below.

	January 1, 2026		**September 30, 2026**	
Shareholder	***Number of Shares***	***Shareholding Ratio***	***Number of Shares***	***Shareholding Ratio***
Esas Holding	264,056,018	52.81%	264,056,018	52.81%
Publicly Traded	226,866,830	45.37%	226,866,830	45.37%
Emine KAMIŞLI	3,025,717	0.61%	3,025,717	0.61%
Ali İsmail SABANCI	3,025,717	0.61%	3,025,717	0.61%
Kazım KÖSEOĞLU	1,512,859	0.30%	1,512,859	0.30%
Can KÖSEOĞLU	1,512,859	0.30%	1,512,859	0.30%
Total	**500,000,000**	**100.00%**	**500,000,000**	**100.00%**

As of September 30, 2026, 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.

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Our Company's management organization chart as of September 30, 2026, 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 133 aircraft with 5,63 average aircraft age as of September 30, 2026.

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 September 30, 2026, we offered scheduled passenger services on 39 domestic destinations in Türkiye and 122 international destinations to European (including North Cyprus), CIS, Middle Eastern and African destinations, serving a flight network covering 161 destinations in 57 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 September 30, 2026, our CASK, non-fuel was recorded as €2,85, while revenue recorded from ancillary services constituted 36% of total revenue for the period. As of September 30, 2026, 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 September 30, 2026, 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 Board Member	2013	Member, Corp. Gov. Comm.
Stephen Mark GRIFFITHS	Non-Executive Board Member	2016	Member, Corp. Gov. Comm.
Agah UĞUR	Independent Board Member	2019	Member, Risk Comm.
Ayşegül İLDENİZ	Independent Board Member	2022	Chair, Audit Comm., Corp. Gov. Comm.

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			Member, Technology Comm.
Neyran ARSLANTÜRK	Independent Board Member	2026	Member, Audit Comm., Technology Comm.
Alejandro CRUZ DE LLANO	Independent Board Member	2026	Chair, Risk 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 31, 2026.

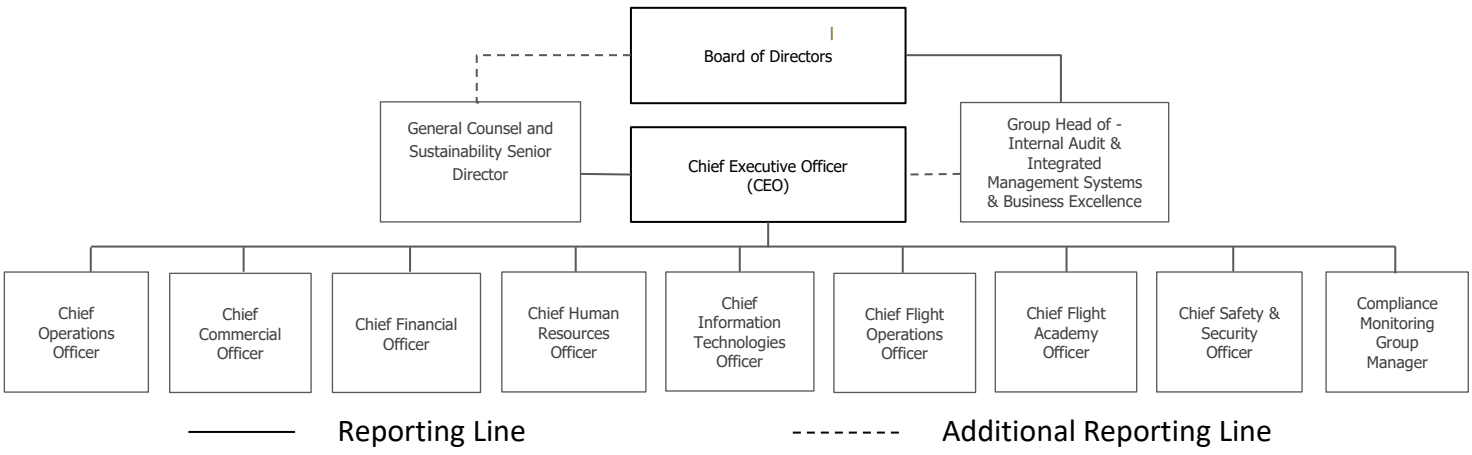
b)- Senior Management: Our senior management comprises the General Manager (CEO) and department heads directly reporting to the CEO. Information on Pegasus senior management and their duties as of September 30, 2026, is provided in the following chart.

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 & Security Officer	2011	2020
Yavuz Selim ÖZMEN	Chief Flight Academy Officer	2016	2020
Ali UZUN	General Counsel and Sustainability Senior 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 September 30, 2026, was 9.952. 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 September 30, 2026, is shown below:

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AIRCRAFT TYPE	RANGE (KM)	NUMBER OF AIRCRAFT			SEAT CAPACITY			*AVERAGE FLEET AGE*
		30.09.2026	30.09.2025	Growth (%)	30.09.2026	30.09.2025	Growth (%)	*30.09.2026*
B737-800	4.163	9	9	0%	1.701	1.701	0%	12,24
A320CEO	4.074	6	9	-33%	1.092	1.632	-33%	11,02
A320NEO	4.740	46	46	0%	8.556	8.556	0%	7,71
A321NEO	4.237	72	66	9%	17.208	15.774	9%	3,03
TOTAL		**133**	**130**	2%	**28.557**	**27.663**	3%	5,63

In July 2012, we placed an order with Airbus for 57 firm order A320neo and 18 firm order A321 neo 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 aircraft to firm orders in A321neo configuration. In October 2021, we placed an order with Airbus for 6 additional A321neo aircraft, and 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. Pegasus is the first customer of CFM-Leap series engine used on A320neo aircraft. Between January 1 and September 30, 2026, six A321NEO aircraft joined Pegasus fleet.

In line with our fleet management strategy and in addition to the existing firm aircraft orders, in December 2024 we placed an order with Boeing covering up to 200 B737-10 aircraft to satisfy our aircraft requirements envisaged for 2028 and beyond. As part of this agreement, we placed a firm order for 100 B737-10 aircraft with expected deliveries starting from 2028, and secured options for up to 100 additional B737-10 aircraft, convertible to firm orders in the upcoming years.

The delivery schedule for the A320neo/A321neo aircraft under our Airbus order and the B737-10 aircraft under our Boeing order is as follows:

Aircraft Type	2026	2027	2028	2029	2030-2034
A320neo	0	0	0	0	0
A321neo	7	10	15	11	0
B737-10	0	0	7	12	81

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 September 30, 2026. As of September 30, 2026, 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	₺300,000,000	₺108.597.285	36.20%	Joint Venture
Pegasus Aviation Technologies	Türkiye / Simulated flight training	₺100,000	₺100,000	100.00%	Subsidiary

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Pegasus Innovation Lab	U.S.A. / Collaboration for and Development of Applicable Aviation Technology and Software Solutions	$200,000	$200,000	100.00%	Subsidiary
Pegasus Airlines Ventures	U.S.A / Carrying out investments for innovative technologies, Artificial Intelligence products and software applicable in the air transport industry.	$ 1,000,000	$ 1,000,000	100.00%	Subsidiary
Pegasus Europe	Netherlands/ Acquisition and management of foreign equity investment	€ 250,000.00	€ 250,000.00	100.00%	Subsidiary
Smarwings Group*	The Czech Republic/ Air Transportation	CZK 2,000,000	CZK 2,000,000	100.00%	Subsidiary

*The acquisition of České aerolinie a.s., Smartwings a.s., and its subsidiaries (together the Smartwings Group) was completed by our Company on October 1, 2026.

2-FINANCIAL STATUS

A- PEGASUS SHARE

Pegasus shares started trading on Borsa Istanbul on April 26, 2013. As of September 30, 2026, 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 TRANSPORTATION / BIST SERVICES / BIST 100 / BIST 50 / BIST LIQUID 10 EX BANKS / BIST ISTANBUL / BIST 500 / BIST SUSTAINABILITY 25 / BIST 30
BIST Ticker	: PGSUS
Bloomberg Ticker	: PGSUS.TI
Reuters Ticker	: PGSUS.IS

Pegasus shares closed the nine-month period ending September 30, 2026 at a price of ₺136,10/share with year-to-date decline of 29%.

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 – September 30, 2026 compared against the same period in 2025 and the year-over-year changes for the relevant line items are set out in the following charts:

Overall Traffic Results	***Jan. – Sept. 2026***	***Jan. – Sept. 2025***	***Y-O-Y Change %***
Number of passengers (*million*)	33,43	31,94	4,6
Cycles	183.848	173.561	5,9
Number of seats (*million*)	38,89	36,56	6,4
Load factor (%)	86,0	87,4	-1,4

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ASK [1] (*million*)	60.403	58.145	3,9
Passengers per cycle	182	184	-1,2
Avg. daily aircraft utilization (*hours*) [2]	12,9	13,2	-2,4
Domestic			
Number of passengers (*million*)	12,97	11,46	13,2
Cycle	68.180	58.339	16,9
Number of seats (*million*)	14,49	12,49	16,0
Load factor (%)	89,5	91,7	-2,3
ASK [1] (million)	11.271	9.486	18,8
Passengers per cycle	190	196	-3,1
International			
Number of passengers (*million*)	20,18	20,13	0,3
Cycle	114.185	113.252	0,8
Number of seats (*million*)	24,13	23,70	1,8
Load factor (%)	83,6	84,9	-1,3
ASK [1] (million)	48.563	47.994	1,2
Passengers per cycle	177	178	-0,6
Charter			
Number of passengers (*million*)	0,27	0,36	-23,5
Cycle	1.483	1.970	-24,7
Number of seats (*million*)	0,27	0,36	-23,6
ASK [1] (million)	570	664	-14,2

[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)	***30.09.2026***	***31.12.2025***	***Change (%)***
Current assets	122.081.948	91.770.253	33%
Non-current assets	370.022.704	318.397.959	16%
Total assets	492.104.652	410.168.212	20%
Current liabilities	119.287.915	88.019.783	36%
Non-current liabilities	241.081.192	205.294.557	17%
Shareholders' equity	131.735.545	116.853.872	13%
Summary P&L ('000 TL)	***30.09.2026***	***30.09.2025***	***Change (%)***
Sales	150.626.803	114.405.095	32%
Gross (loss) / profit	16.508.206	22.617.707	-27%
(Loss) /profit from operations	9.359.283	10.872.782	-14%
Operating (loss) / profit before financial income/(expense)	10.565.786	13.544.371	-22%
(Loss) / profit before tax	(1.461.787)	15.822.720	-109%
(Loss) / profit for the period	(1.279.203)	13.326.666	-110%
(Loss) / profit per share	(2,56)	26,65	-110%
Changes in Financial Position ('000 TL)	***30.09.2026***	***31.12.2025***	***Change (%)***
Cash and cash equivalents	87.331.919	54.845.603	59%
Financial Investments	27.207.724	23.946.239	14%
Financial liabilities	282.808.171	233.184.791	21%
Net debt position [1]	168.268.528	154.392.949	9%

[1] Net debt position = Financial liabilities - Cash and cash equivalents – Financial Investments

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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 September 30, 2026, the outstanding balance of the total loans borrowed for the financing of 105 aircraft acquired by way of financial lease is ₺ 194.882.944.249.

Furthermore, as of September 30, 2026, together with our subsidiary, we had drawn ₺ 46.962.875.222 on cash loans and ₺ 3.079.240.851 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.

We concluded issue of Eurobonds, within the issuance limit of US$750,000,000, approved by the Capital Markets Board by its decision dated August 1, 2024 and numbered 41/1181, with a nominal value of US$500,000,000 on September 11, 2024. The bonds carrying the ISIN XS2897383043 and US705567AB14 were issued for a term of 2,556 days ad variable rate interest coupon payment in six-month arrears and will mature on September 11, 2031 ("**2031 Eurobonds**"). On 16 July 2026, an additional issuance of notes with an aggregate principal amount of USD 149,900,000 (the "New Notes") was completed for the purpose of being consolidated and forming a single series with the Eurobonds due in 2031.

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

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Following the receipt of the necessary administrative approvals in the Czech Republic, in Türkiye, and other countries where Smartwings Group operates, and the fulfillment of standard share transfer conditions, the acquisition was completed on 01.10.2026. For detailed information, you may access the Public Disclosure Platform disclosure here https://www.kap.org.tr/en/Bildirim/1670922.

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

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