



Corporate Governance Compliance Rating Report



Pegasus Hava Taşımacılığı A.Ş.

7 August 2026

Validity Period : 07.08.2026-07.08.2027

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Pegasus Hava Taşımacılığı Anonim Şirketi;

Has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on October 2, 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no. II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the concerned firm electronically, including data open to the general public and examinations made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD, including generally accepted ethical customs, which are shared with the public through its Internet website (www.kobirate.com.tr).

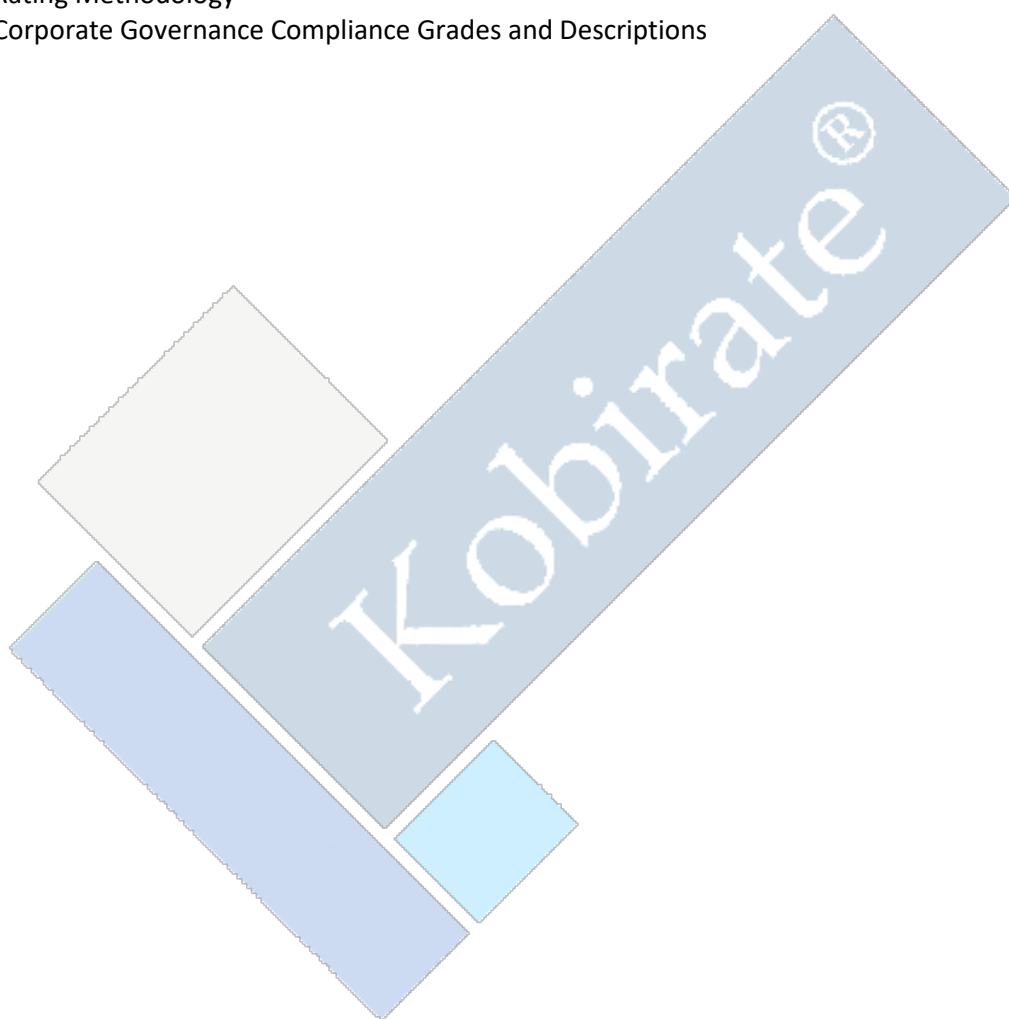
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBİRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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TABLE OF CONTENTS

1.	Rating Result	3
2.	Revised Rating Summary	5
3.	Company Profile and Changes over the Past Year	14
4.	Rating Methodology	22
5.	Corporate Governance Compliance Grades and Descriptions	24





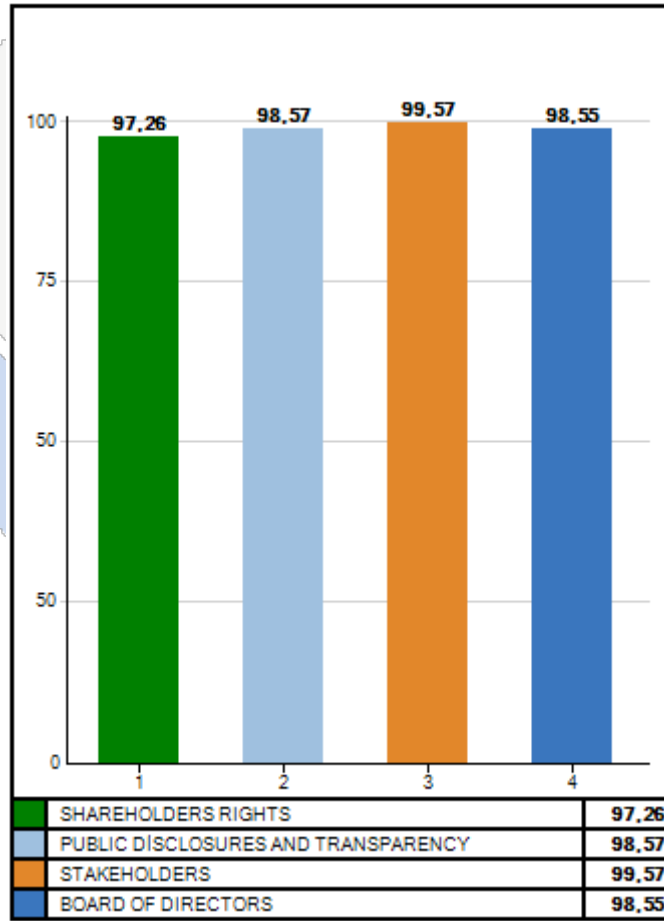
PEGASUS HAVA TAŞIMACILIĞI A.Ş.

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.84





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Corporate Governance Rating Committee

Burhan TAŞTAN

(License Number: 700545)

Can TEKİN

(License Number: 700573)

Nermin Z. UYAR

(License Number: 702999)

2. REVISED RATING SUMMARY

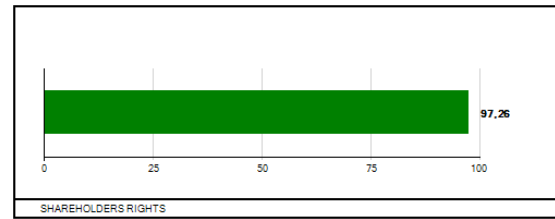
This report on the rating of compliance of Pegasus Hava Taşımacılığı Anonim Şirketi with the Corporate Governance Principles is based on on-site examinations of the documents and information open to the public, interviews held with executives and persons involved, and other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

According to the decision of the Capital Markets Board dated 23.01.2026 and numbered 4/109, İSDEMİR is in the BIST 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies". At the end of the examination of the criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, the Corporate Governance Compliance Rating Grade of Pegasus has been revised to **9.84**.

This result shows that the Company achieved great compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems have been established and are in use. The risks that may arise for the company have been identified and are controllable. The level of public disclosure and transparency is high.

Rights of the shareholders and stakeholders are treated fairly. Composition and operational methods of the Board comply with the Corporate Governance Principles. In conclusion, this rating indicates that the Company highly deserves to be included in the BIST Corporate Governance Index.

■ In the Shareholders section, the rating of Pegasus has been confirmed as **97.26**.



It has been observed that the company continues its activities in the field of informing the shareholders and exercising their fundamental shareholder rights with the same sensitivity and efficiency.

Activities regarding relations with shareholders are carried out by the Investor Relations Manager, Mr. Ömer L. ÖMERBAŞ, and by the Deputy General Manager of Finance, Mr. M. Barbaros KUBATOĞLU.

Investor Relations Manager Mr. Ömer L. ÖMERBAŞ was appointed as a Member of the Corporate Governance Committee as of 15.04.2021 in accordance with the CMB's Corporate Governance Communiqué No. II.17-1 and was announced to the public with the Material Disclosure on the same date. The aforementioned director has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses.

The Investor Relations Department reported to the Corporate Governance Committee and the Board of Directors 4 (four) times in 2025, on 20 March, 27 May, 17-18 September, and 18 December. As of June 2026, 2 (two) reports were made, on 24 March and 22 May.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company. The company carries out its disclosures to the shareholders and the public in accordance with the "Disclosure Policy". The said policy is published on the corporate website of the company.

The Ordinary General Assembly meeting to discuss operations of 2025 took place on 31.03.2026. The invitation to the meeting, including the agenda and the information and documents relating to the agenda, was duly announced, as stipulated by applicable legislation and the Articles of Association, in issue no. 11283 of the Turkish Trade Registry Gazette (TTRG) dated 27.02.2026, and on 24.02.2026 on the Public Disclosure Platform (PDP), the e-General Meeting System (e-GMS) of the Central Securities Depository, and the Company's corporate website, 3 (three) weeks prior to the meeting date.

The general assembly information document includes detailed information about the distribution of company shares, the voting rights and voting privileges granted by the shares, significant changes in the management and activities of Pegasus Hava Yolları and its Subsidiaries, shareholders' requests for inclusion of items on the agenda, and agenda items.

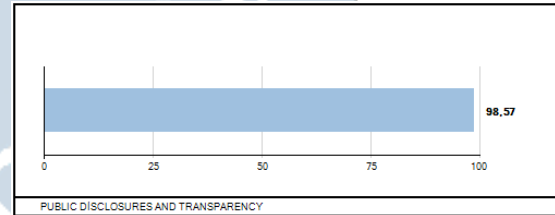
The following were present at the General Assembly meeting: Mr. Mehmet Tevfik NANE (Chairman of the Board of Directors), Ms. Güliz ÖZTÜRK (General Manager/CEO), Mr. M. Barbaros KUBATOĞLU (Deputy General Manager), Mr. Abdullah ATACAN (Group Director of Financial Reporting and Control), Mr. Ali UZUN (Chief Legal Counsel and Senior Director of Sustainability (Secretary General)), Mr. Ömer L. ÖMERBAŞ (Group Head of Investor Relations), Ms. Ceren MURSALOĞLU (Senior Head of Corporate Legal & Governance), Ekin DİKMEN (Corporate Governance Expert), and a representative of the independent external audit firm.

According to the company's articles of association, each share gives one voting right. There is no voting privilege.

For the 2025 financial year, a net profit for the period of TRY 13,750,218,852 was generated in accordance with CMB regulations. According to the statutory records prepared in accordance with the provisions of Tax Procedure Law No. 213, a net loss for the period of TRY (-) 39,740,868,934 was incurred (TRY (-) 42,355,129,931 including prior years' losses).

The relevant board resolution is included in the "ii. Dividend Distribution" section of our report.

■ In the Public Disclosure and Transparency section, the company's rating was revised to **98,57**.



The Company's corporate website (<http://www.pegasusyatirimciiliskileri.com/tr>) was updated to improve its functionality and went live in July 2026. This has been regarded as the justification for the company's grade increase in this heading.

All information and documents that the public, investors and other interested parties want to access are published on Pegasus' corporate website (<http://www.pegasusyatirimciiliskileri.com/tr>, <https://www.flypgs.com/>), in the form of data for the last five (5) years. The corporate website is designed as a convenient, easily accessible structure. It has been determined that the company's corporate website and annual activity reports are effectively used as a means of public disclosure.

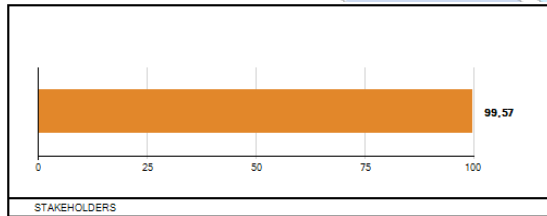
The persons responsible for the Company's public disclosures and authorized to sign them

are Mr. M. Barbaros KUBATOĞLU (Deputy General Manager of Finance/CFO), Mr. Abdullah ATACAN (Director of Financial Reporting and Control), Mr. Ali UZUN (Chief Legal Counsel and Senior Director of Sustainability (Secretary General)), Ms. H. Nur KARABACAK (Group Manager of Budget, Cost Control and Financial Reporting), Mr. Ömer L. ÖMERBAŞ (Investor Relations Manager), and Ms. Ceren MURSALOĞLU (Senior Head of Corporate Legal and Governance).

The named persons have been assigned to maintain and monitor all kinds of issues related to public disclosure.

Independent external audit for 2025 was carried out by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte Türkiye). There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with qualifications, or omitted a signature in the reports. In discussions with Company officials, it was confirmed that no circumstances had arisen that would impair the independence of the independent audit firm or its auditors, and that there were no legal disputes. It was also resolved that the same firm would conduct the independent external audit for 2026, following the recommendation of the Audit Committee and the Board of Directors and the approval of the shareholders attending the General Assembly meeting.

▪ In the Stakeholders section, the company's rating has been confirmed as **99.57**.



It is concluded that the company protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in the absence of any regulation, the company respects

stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared to this end.

A Compensation Policy has been established and is published on the company's corporate website. In addition, all policies listed in the principles and relevant to stakeholders and all other parties are also published on the corporate website.

During the review period, the Information Security Policy was updated, and the authorizations required to ensure the smooth continuation of activities under the policy were granted.

Recruitment, wage, health, leave rights, promotions, appointments, discipline, dismissal, death, resignation and retirement procedures have been determined, and it is thought that these procedures are adhered to in practice. Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

The company's organizational structure and the applied performance and reward criteria are announced to all employees and published on the company's corporate intranet site and document management system.

Pegasus employed 9,243 people as of 31 December 2025 and 9,846 people as of 30 June 2026.

The Company conducts Employee Engagement Surveys periodically, and the Sustainable Engagement Score in its 2025 survey rose to 84%.

It has been stated that company officials attach importance to the opinions and suggestions of all stakeholders and thus take care to implement practices that will further develop their activities.

Stakeholder requests, questions and complaints are received and evaluated through the communication channels on the Corporate Website (<https://www.flypgs.com>) and the Pegasus Call Center.

The employee suggestion system established under the name "FLYDEA" in 2022 continues to be actively and effectively implemented. Under the FLYDEA program, employees are encouraged to submit innovative ideas aimed at improving the company's business processes. After the ideas go through a gradual review system, they are put to a vote by the employees, and the winning ideas are planned for implementation, while the employees who present these ideas are rewarded.

Pegasus continues to support and develop many projects in accordance with its Corporate Social Policies. Information on the Company's work in this area is available on its corporate website, in its annual reports and in its TSRS-compliant sustainability reports.

Sustainability;

Pegasus summarized its *Corporate Sustainability Policy* under three headings and committed to implement it. These are;

- These are: to establish environmental, social and corporate sustainability targets related to its activities,
- To define the organizational responsibilities necessary to operate the processes in order to achieve these targets,
- To continuously improve the sustainability compliance program by raising awareness about corporate sustainability among its stakeholders.

The company has also established its *Sustainability Strategy* and detailed it under three main components with the slogan "Our Route is a Sustainable Future":

- OUR ROUTE IS A CLEAN FUTURE

The Company expresses this objective as follows: "In our value creation process, we use all forms of capital to establish systems focused on climate change, environmental management and energy efficiency, while complying not only with legal regulations but also with various voluntary standards.

Since 2015, we have adopted the principle of transparency and carried out reporting through the Carbon Disclosure Project (CDP). Always striving for improvement, we present our projects with a transparent approach. Our Company is included in the LSEG (Refinitiv) ESG Sustainability Index (BIST 25) in recognition of our strong environmental, social and governance performance. In 2025, Airline Economics Aviation named us "Sustainability Team of the Year" for our work to create value through a holistic approach and a cross-functional ESG strategy, including a climate roadmap, gender balance initiatives, and a strong governance structure supported by transparent reporting practices.

Pegasus is putting its "Our Route is a Clean Future" motto into practice through the following initiatives:

- Environmental Management System
- Zero Waste
- Environmental Sustainability Management
- Energy Management
- OUR ROUTE IS A FUTURE OF EQUALITY AND DIVERSITY

Pegasus declares that it regards equality, diversity and inclusion not only as a goal, but also as a shared responsibility for all its stakeholders and an area of long-term transformation. The Company states that it continues to strengthen its inclusive culture through equal pay for equal work, recruitment and promotion practices that take gender balance into account, and projects shaped by employees' active contributions.

In 2023, the Diversity, Equality and Inclusion initiative "Harmony" was launched. With this initiative, targets are set for a more equal and multi-vocal future by carrying out different projects within the framework of disseminating inclusive culture, especially gender equality.

Over time, Pegasus Harmony has evolved beyond individual projects into an approach that is integrated into human resources processes, informs decision-making and shapes the Company's culture.

The increase in the proportion of women in manager-level positions and above, scholarship, internship and talent programs for young people, and initiatives promoting equal opportunity in education support this statement. Women account for 33% of employees in manager-level positions and above.

In 2025, the Company was named an exemplary organization in the "Gender Equality" category at the Sustainable Business Awards and received a Silver Award in the "Diversity & Inclusion" category at the Stevie Awards.

- OUR ROUTE IS A BETTER FUTURE TOGETHER

Pegasus, believing that every social initiative and effort requires a solid governance structure, emphasizes its commitment to extending good governance practices throughout the value chain in alignment with the company's sustainability strategy.

In February 2022, the "Sustainability Office" was established, responsible for the implementation of sustainability policy and strategic sustainability goals. The Sustainability Office is also responsible for the coordination and reporting of sustainability and ESG efforts across the company.

In addition, a "Sustainability Working Group" was established to ensure the flow of

information about studies in the field of sustainability and ESG between different business units.

Monitoring the progress of studies in the field of sustainability and ESG and overseeing issues related to long-term goals and planning are carried out by the "Sustainability Management Group" consisting of the Sustainability Director and senior managers. The Sustainability Director ensures communication between the Management Group and the Working Group and reports all efforts to the general manager. At the same time, the activities carried out by these units are reported to the corporate governance committee and the board of directors regularly.

Corporate Sustainability Policy, sustainability risk and opportunities framework, strategic targets in this field, key performance indicators and reporting content are reviewed and approved by the general manager, corporate governance committee and/or board of directors as determined in the relevant corporate procedures.

The company created and implemented a "Sustainability Center" on its corporate website (www.flypgs.com). This section of the website is designed as the main source of information on sustainability efforts and aims to provide open and easily accessible information about sustainability practices to anyone interested.

Pursuant to the regulations of the Public Oversight, Accounting and Auditing Standards Authority of the Republic of Türkiye, the audit services for 2025 under Turkish Sustainability Reporting Standards (TSRS) 1 and 2 were provided by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte Türkiye). Upon the recommendation of the Audit Committee and with the favorable opinion of the Board of Directors, it was resolved that the same firm would conduct the 2026 audit, and the shareholders approved this decision at the Ordinary General Assembly meeting.

Awards:

Treasury Management Summit

- Kyriba LIVE Awards CEMEA (Central & Eastern Europe, Middle East & Africa) Award Platinum Business Books Awards
- *Best Autobiography/Biography Book of the Year* – Mehmet Tevfik Nane

Contact Center World – Global Best Practice Awards

- "Best Contact Center" Award
- "Best Use of Social Media" Award
- "Best Home & Remote Agent Program" Award
- "Best Improvement Award (Training & Quality Practices)" Award

Felis Awards

- Entertainment Felis and Media Felis for the "Aircraft Tracking" broadcast produced with HTalks (two awards)
- Print & Publishing Felis for the "Better When You're Young – France" project (one award)

16th Corporate Responsibility Summit

- Bronze Award in the Waste Management category
- Special Award in the Sustainability Communication category

The TECHX Awards

- "Campaign Experience" Award
- "Innovation in Experience" Award
- "Brand Turning Experience into Recommendations" Award

Turquility Vision Meeting and Branding Conference

- Turquility Champion for the Highest Service Exports
- Turquility Champion for the Highest Service Exports to Member Countries of the Organization of Islamic Cooperation

Excellence in Action

- Silver Award in the "Company Culture" category

Innovative Leaders – Digital CMO 50

- Ahmet Bağdat

Boğaziçi Business World Awards

- "Sustainability Company of the Year" Award

Golden Spider Awards

- Best Mobile App of the Year, ranked first across all categories

- First place in the Mobile App – E-Commerce category

- Third place and People's Favorite on the Website – Services category

- Third place on the Website – Tourism and Travel category

Fin-Erth Women Leaders in Climate and Sustainability

- Latife Nur Demir

- SAFETY AND SECURITY-FOCUSED BUSINESS APPROACH

Pegasus has grouped its activities in this area under the following headings:

- Flight Safety
- Operational Security
- Information Security
- Occupational Health and Safety

- TECHNOLOGY- AND INNOVATION-FOCUSED BUSINESS APPROACH

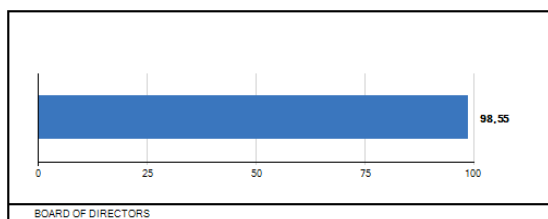
The Company's activities in this area fall under the following main headings:

- Innovative Structure
- Operational Efficiency
- Innovation

Detailed information on the Company's sustainability activities is available on its corporate website and in its annual reports and TSRS-compliant sustainability reports.

Pegasus is listed on the BIST Sustainability Index.

- In the Board of Directors section, Pegasus's rating was confirmed as **98.55**.



Pegasus Board of Directors has determined its mission and vision and continues its activities in line with the strategic goals defined in accordance with this mission and vision.

The duties of the chairman of the board of directors and the general manager are carried out by different persons, and the authorities of each are defined.

The Audit, Corporate Governance and Early Risk Detection Committees, referred to by the Principles, have been established, and their working principles have been prepared as written documents.

It has been learned that a draft agenda is shared with the members one month before the Board of Directors meetings, and agenda suggestions are gathered to prepare for the meeting. The Board of Directors consists of 8 members, of which 2 are executive members, and 6 are non-executive members. Three (3) of the non-executive members are independent within the framework of the criteria defined in the Corporate Governance Principles.

The Board of Directors held a total of four (4) meetings in 2025, on 20 March, 27 May, 18–19 September and 18 December. As of June 2026, it had held two (2) meetings, on 24 March and 22 May.

The Audit Committee held a total of 4 (four) meetings in 2025, on 03 March, 05 May, 11 August and 7 November. As of the end of June 2026, 2 (two) meetings were held on 03 March and 08 May.

Internal Audit

The establishment of an effective internal control system within Pegasus Airlines is carried out under the responsibility of the Board of Directors and the oversight of the Audit Committee. In this regard, the Committee evaluates the information it receives from Company management, the Internal Audit Unit and the independent auditor, and reports its views and recommendations on internal controls to the Board of Directors. The Audit Committee ensures that all necessary measures are taken for internal audit activities to be carried out adequately and transparently. The Internal Audit Unit conducts its work under the oversight of the Audit Committee and in accordance with the work plan approved by the Committee. In addition to the internal control activities carried out by the Internal Audit Unit, the Company also uses various operational internal control systems implemented by management in accordance with civil aviation regulations and Company practices.

A total of 18 audits were conducted in 2025, comprising nine scheduled audits and nine special audits. As of June 2026, a total of 12 audits had been completed, comprising six scheduled audits and six special audits.

Scheduled audits are broad in scope and are not limited to a single unit; they cover all units, areas of activity and subprocesses affected by the process under review. This enables processes to be evaluated from end to end and the control environment to be assessed as a whole.

As of 31 December 2025, Pegasus' Internal Audit Department comprised a Group Head of Internal Audit, EYS and Business Excellence; one Internal Audit Manager; four Internal Audit Specialists; one IT Internal Audit Specialist; one Internal Control Specialist; one Business Excellence Manager; two Business Excellence Specialists; and one Assistant Business Excellence Support Specialist.

The Corporate Governance Committee held a total of 4 (four) meetings in 2024, on 20 March, 29 May, 28 September and 11 December. As of June 2025, it has held 2 (two) meetings, on 19 March and 26 May.

The duties of the Nomination and Remuneration Committee are also carried out by the Corporate Governance Committee. The Committee is responsible for creating a transparent system for identifying, evaluating and training suitable candidates for board membership and developing policies and strategies in this regard, in accordance with Article 4.5.11 of the Capital Markets Board Corporate Governance Principles and the Committee Duties and Working Principles. In this regard, the "2026 Board of Directors Nomination Principles and Criteria" accepted by the Corporate Governance Committee have been submitted for the evaluation of shareholders as an annex to the general assembly information document.

On the other hand, the Committee evaluated the Independent Member candidate applications (including the continuation of current members and applications from outside) and forwarded its recommendations to the Board of Directors. The Board of Directors approved the proposed candidates and submitted their applications to the Capital Markets Board, together with the Board resolution and all other required documents. With the approval of the board, independent board member candidates were presented to the shareholders for approval at the ordinary general assembly.

Remuneration Principles for the Corporate Governance Committee Members of the Board of Directors and Senior Executives have been determined and disclosed to the public on the Company's corporate website.

The Early Detection of Risk Committee held a total of 4 (four) meetings in 2025, on 20 March, 27 May, 18-19 September and 18 December. As of the end of June 2026, it held 2 (two) meetings on 16 March and 20 May.

The Committee also reported bimonthly to the Board of Directors regarding its activities and evaluations in accordance with the provisions of Article 378 of the Turkish Commercial Code.

The "Risk Review Board", which started in 2018 and whose committee meetings have been regularly carried out by the senior management, and which contributes to the senior management's formation of the corporate perspective on consolidated risks, continues its efforts.

All mentioned Committees regularly report to the board of directors on their work after each meeting.

The secretarial functions of the Board of Directors and its committees have been consolidated within the Corporate Legal & Governance Department, and it was confirmed that meeting minutes and related documents are properly maintained. Secretariat duties are performed by Mr. Ali UZUN (Chief Legal Counsel and Senior Director of Sustainability), Ms. Ceren MURSALOĞLU (Head of Corporate Legal & Governance) and Ms. Ekin DİKMEN (Corporate Governance Specialist).

In 2025, the attendance rate at Board of Directors and committee meetings was 100%.

Executive board members and the general manager do not take part in the committees listed in the principles.

On 30.03.2023, the Technology Committee was established as a new committee within the Board of Directors. Pegasus Hava Yolları Technology Committee was established to support and develop airline activities that make a difference with technology in terms of guest experience, employee experience and operational impact and to use technological developments in the most efficient way in product and service delivery, in line with the aim of "Turkey's Digital Airline," and to make recommendations to the board of directors.

The committee consists of two non-executive members of the board of directors and the chairman of the board of directors. The Committee met on 20 May and 2 December in 2025, and on 13 May in 2026.

Two (2) women serve on the Board of Directors, meeting the 25% representation level recommended in the principles.

The Board of Directors conducts a performance evaluation every two years to assess whether it is fulfilling its responsibilities effectively. The 2025 evaluation was conducted in June and reviewed at the Corporate Governance Committee meeting held in September and at a subsequent Board meeting.

There is no reward or dismissal practice taking these evaluation results into consideration yet.

Board Members have been included in the "Manager Liability Insurance policy", against defects in their carrying out of their duties. In accordance with the principles, the insured amount exceeds 25% of the Company's share capital and was disclosed on the Public Disclosure Platform on 8 May 2025.

It has been learned that the Company has not lent or extended a loan to any member of the board or top executive, or made available any credit under a personal loan through any third person, or provided securities such as surety in favor of them.

Remunerations and all other benefits provided to the members of the Board of Directors or executives with administrative responsibility are disclosed together in the annual report. This practice does not align with the principle of individual disclosure recommended in corporate governance guidelines.

3. COMPANY PROFILE AND CHANGES OVER THE PAST YEAR

A. Company Profile:



Company Name	: PEGASUS Hava Tařımacılıęı A.ř.
Company Address	: AEROPARK Yeniřehir Mah. Osmanlı Bulvarı No:11/A Kurtky 34912 Pendik İSTANBUL
Company Phone	: (0216) 5607000
Company Fax Number	: (0216) 5607090
Company's Web Address	: www.flypgs.com
Date of Incorporation	: 12.01.1990
Registered Number	: 261186 Istanbul Trade Registry Office
Paid-in Capital	: TRY 500,000,000
Line of Business	: Air Transportation
Company's Sector	: Transport

Company's Representative in Charge of Rating:

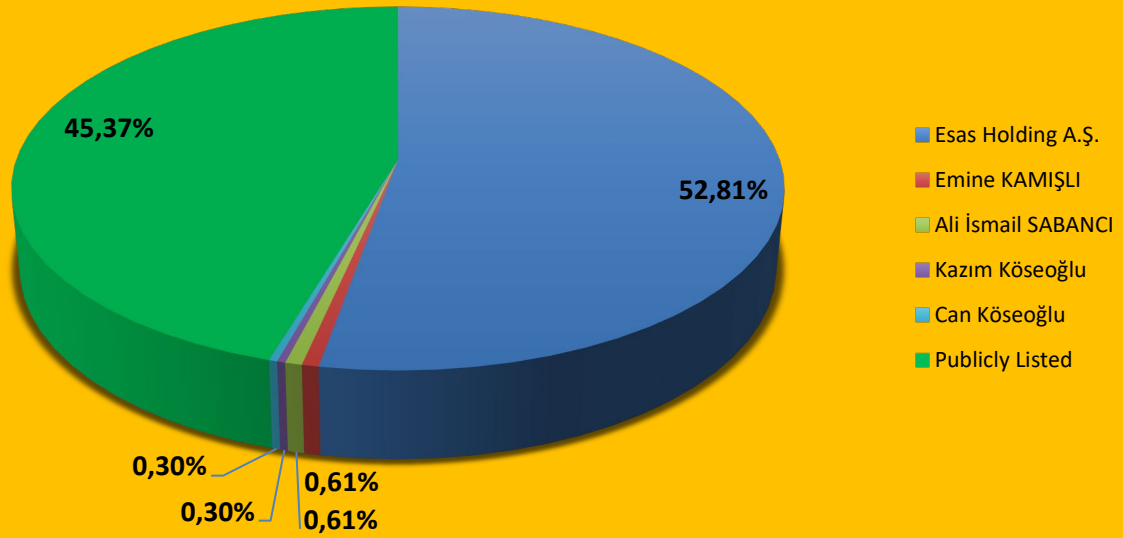
mer L. MERBAř

Group Head of Investor Relations

ir@flypgs.com

0(216) 560 7542

**Quality of Shareholder Structure
(As of the Report Date)**



Source: www.pegasusyatirimciiliskileri.com

Shareholder Name	Share (TRY)	Share (%)
Esas Holding A.Ş.	264,056,018	52.81
Emine KAMIŞLI	3,025,717	0.61
Ali İsmail SABANCI	3,025,717	0.61
Kazım KÖESOĞLU	1,512,859	0.30
Can KÖSEOĞLU	1,512,859	0.30
Publicly Listed	226,866,830	45.37
Total	500,000,000	100.00

Source: www.pegasusyatirimciiliskileri.com.tr

Real Person Ultimate Controlling Shareholders

Shareholder Name	Share (TRY)	Share(%)
ESAS HOLDİNG and Şevket SABANCI FAMILY	292.361.629	58.47
Public	207,638,371	41.53

Source: www.kap.org.tr

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Mehmet Tevfik NANE	Chairman of the Board of Directors	Executive
Ali İsmail SABANCI	Member of Board of Directors	Executive
Mehmet Cem KOZLU	Member of Board of Directors	Non - Executive
Stephen Mark GRIFFITHS	Member of Board of Directors	Non - Executive
Agah UĞUR	Member of Board of Directors	Non - Executive
David F. A. VISMANS	Independent Member of Board of Directors	Non - Executive
Ayşegül İLDENİZ	Independent Member of Board of Directors	Non - Executive
Neyran ARSLANTÜRK	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Committees Formed Within Board of Directors

Corporate Governance Committee

Name Surname	Title	Duty
Ayşegül İLDENİZ	Independent Member of Board of Directors	Chairman
Mehmet Cem KOZLU	Member of Board of Directors	Member
Stephen Mark GRIFFITHS	Member of Board of Directors	Member
Ömer L. ÖMERBAŞ	Investor Relations Manager	Member

Audit Committee

Name Surname	Title	Duty
Ayşegül İLDENİZ	Independent Member of Board of Directors	Chairman
Neyran ARSLANTÜRK	Independent Member of Board of Directors	Member

Early Detection of Risk Committee

Name Surname	Title	Duty
David F. A. VISMANS	Independent Member of Board of Directors	Chairman
Agah UĞUR	Member of Board of Directors	Member
Mustafa TERCAN	Esas Holding A.Ş.-CFO	Member

Source: www.kap.org.tr

Technology Committee

Name Surname	Title	Duty
Ayşegül İLDENİZ	Independent Member of Board of Directors	Member
David F. A. VISMANS	Independent Member of Board of Directors	Member
Mehmet Tevfik NANE	Chairman of the Board of Directors (Executive)	Member

Company Top Management

Name/ Surname	Title
Güliz ÖZTÜRK	General Manager/CEO
M. Barbaros KUBATOĞLU	Deputy General Manager -Finance
Ergün DEMİRCİ	Deputy General Manager - Operation
Onur DEDEKÖYLÜ	Deputy General Manager - Trade
Gençer KARATEPE	Deputy General Manager - Flight Operation
Barış FINDIK	Deputy General Manager-Information Technologies
Dilara OĞUR	Deputy General Manager-Human Resources
Yavuz Selim ÖZMEN	Group President-Flight Academy
Murat TÜNAY	Group President-Safety and Emergency Management
Ali UZUN	Chief Legal Counsel and Senior Director of Sustainability – Secretary General
Ayşe Naz ÇAĞIL	Group President-Internal Audit & Integrated Man. Systems and Business Excellence
Sinan Onur ÖZTUNA	Group Manager-Compliance and Monitoring

Source: www.pegasusyatirimciiliskileri.com.tr

Investor Relations Unit

Name Surname	Title	Contact
Ömer L. ÖMERBAŞ	Group Head of Investor Relations	0 (216) 560 7542 ir@flypgs.com

Consolidated Balance-Sheet Comparison of the Company's Certain Selected Items for year-ends of the last two years

	2024/12 (TRY Thousand)	2025/12 (TRY Thousand)	Change %(TRY)	2024/12 (EUR Thousand)	2025/12 (EUR Thousand)	Change% (EUR)
Current Assets	69,668,331	90,234,819	29.5	1,896,103	1,788,486	- 5.7
Fixed Assets	213,909,565	319,933,392	49.5	5,821,790	6,341,191	8.9
Total Assets	283,577,896	410,168,211	44.6	7,717,893	8,129,677	5.3
Short-Term Liabilities	55,339,898	88,019,783	59	1,506,139	1,744,583	15.8
Long-Term Liabilities	153,318,905	205,294,557	33.9	4,172,749	4,069,010	- 2.5
Shareholders' Equity	74,919,093	116,853,871	55.9	2,039,006	2,316,084	13.6
Paid Capital	500,000	500,000	-	230,038	230,038	-

Source: Independent Audit Report dated 01.01.2025 – 31.12.2025

(*) Pursuant to the announcement issued by the Public Oversight, Accounting and Auditing Standards Authority on 23 November 2023, entities applying Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after 31 December 2023 adjusted for the effects of inflation in accordance with the relevant accounting principles set out in Turkish Accounting Standard 29, "Financial Reporting in Hyperinflationary Economies" (TAS 29). Since the Company's functional currency is the Euro, there is no need to make any adjustments in the financial statements to be prepared in accordance with TFRS within the scope of TAS 29. However, the financial statements as of 31 December 2024 were prepared in accordance with the Tax Procedure Law and adjusted for inflation as required by law. Inflation accounting was not applied as of 31 December 2025.

Consolidated Income Statement Comparison of the Company's Certain Items for the year-ends of the last two years

	2024/12 (TRY Thousand)	2025/12 (TRY Thousand)	Change % (TRY)	2024/12 (EU Thousand)	2025/12 (EU Thousand)	Change % (EU)
Revenue	111,822,522	154,127,554	37.8	3,125,971	3,414,378	9.2
Cost of Sales	(86,887,042)	(127,931,805)	47.2	(2,432,049)	(2,833,013)	16.5
Operational Profit / Loss	20,807,221	11,707,541	- 43.7	578,190	258,394	- 55.3
Profit/Loss Before Tax	11,922,458	14,835,918	24.4	323,094	325,475	0.7
Profit/Loss for the Period	13,285,438	13,750,218	3.5	361,493	301,200	- 16.7
Earnings (Loss) Per Share	26.57	27.50	-	0.72	0.60	-

Source: Independent Audit Report dated 01.01.2025 – 31.12.2025

See: Explanatory Notes (*) on page 17

Subsidiaries, Financial Fixed Assets and Financial Investments

Trade name	Company's Line of Business	Paid-in/ Issued Capital	Company's Share in Capital (TRY)	Currency	Company's Share in Capital (%)	The Nature of the Relationship with the Company
Hitit Bilgisayar Hizmetleri A.Ş.	IT Solutions	300,000,000	108,597,285	TRY	36.2	Business Partnership
Pegasus Havacılık Teknolojileri ve Ticaret A.Ş.	Synthetic Flight Training Equipment Service Training Services	100,000	100,000	TRY	100	Affiliated Company
Pegasus Airlines Innovation Lab, Inc	Researching Applicable Technology and Software Solutions and Collaboration Opportunities in Air Transportation	150,000	150,000	USD	100	Affiliated Company
Pegasus Airlines Ventures LP	Investment in Innovative AI-Focused Technology and Software Ventures with Applications in Air Transportation	1,000,000	1,000,000	USD	100	Affiliated Company
Pegasus Europe B.V.	Management of Investments in Overseas Affiliates	250,000	250,000	EURO	100	Affiliated Company

Source: www.kap.org.tr

The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BİST Code :PGSUS

Market in which the Capital Market Instrument is Traded: BIST STAR

Indices in which it is included : 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

The Peak and Bottom Closing Values of the Company Stock in the BIST for the Last One Year (30.07.2025 - 30.07.2026)

Bottom (TRY)	Peak (TRY)
148.70 (30.07.2026)	274.00 (11.08.2025)

Source: Pegasus Hava Taşımacılığı A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

There were no changes in the company's capital structure and articles of association during the review period.

ii. Profit Distribution

The resolution of the Board of Directors dated 04.03.2026, and numbered 861, is as follows:

“It has been resolved to approve the profit distribution table prepared on the basis of our financial statements for the accounting period from 1 January 2025 to 31 December 2025, which were prepared in accordance with Turkish Accounting Standards pursuant to the Capital Markets Board’s Communiqué No. II-14.1 on the Principles of Financial Reporting in the Capital Markets and audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte Türkiye), as well as our statutory records prepared in accordance with the provisions of Tax Procedure Law No. 213; to determine that our Company generated no distributable profit in 2025; and, accordingly, within the framework of the applicable legislation, Article 21 of the Company’s Articles of Association and the provisions of the Company’s Profit Distribution Policy, to submit for the approval of the shareholders at the Ordinary General Assembly Meeting to be held on 31 March 2026 the fact that no distributable profit arose for 2025, and to make the necessary disclosures regarding the matter.”

The Board of Directors’ profit distribution proposal was discussed and approved under agenda item 4 at the Ordinary General Assembly Meeting.

iii. Policies

The Board Representation Policy was updated by a Board resolution dated 28 July 2026 to align with the Company’s 2030 “Forward Faster” targets for gender balance under the United Nations Global Compact.

No changes were made to the other company policies (Disclosure Policy, Dividend Distribution Policy, Remuneration Policy, Compensation Policy, Human Resources Policy, Donations and Aid Policy, Ethical Principles) during the review period.

The aforementioned policies were disclosed to the public on the corporate website of the company.

iv. Management and Organization

At the Ordinary General Assembly held on 31 March 2026, Ms. Ayşegül İLDENİZ, Mr. David F. A. VISMANS and Ms. Neyran ARSLANTÜRK were elected as independent Board members for a term of one year. Mr. Agah UĞUR, who served as an independent Board member in the previous term, was

reelected to the Board and continues to serve as a non-executive Board member. The other members who served in the previous term remain unchanged.

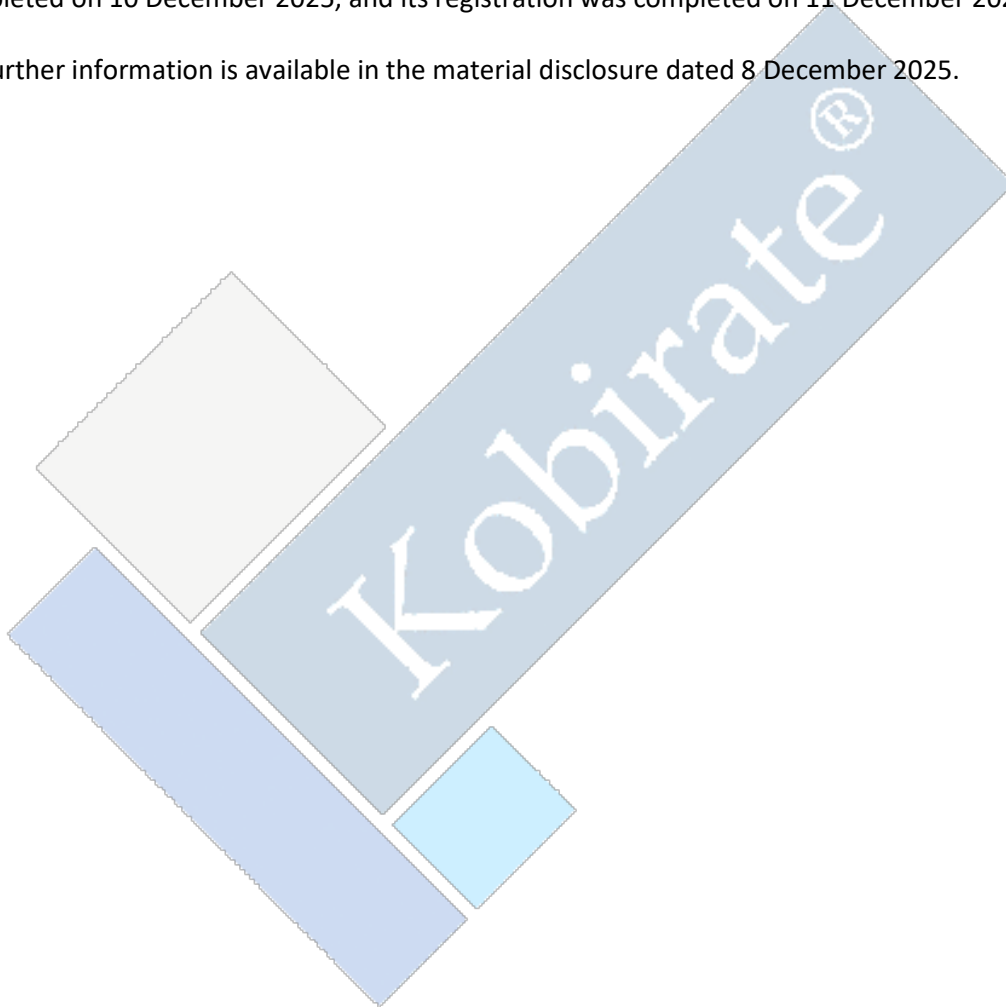
There were no further changes under this heading during the review period.

v. Changes in Group Companies, Subsidiaries and Affiliates

The Company's Material Disclosure dated 12.12.2025 is as follows:

"In line with our material disclosure dated 8 December 2025, the procedures for establishing a new subsidiary in the Netherlands to acquire shares in Smartwings Group have been completed. The establishment procedures for Pegasus Europe B.V., a wholly owned subsidiary of our Company, were completed on 10 December 2025, and its registration was completed on 11 December 2025."

(*) Further information is available in the material disclosure dated 8 December 2025.



4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in a transparent and accurate manner are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non-binding principles.

The fact that principles are open to change over time was also accepted in this work. Although at first these principles were focused on the companies whose shares were quoted on a stock exchange, it was emphasized by the OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on a stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision-makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles have kept the concept of corporate governance on the agenda and have become guidelines for the laws and regulations in OECD member countries, as well as other countries.

In the OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group established

within TUSIAD in 2001 prepared the guide titled "Corporate Governance: The best implementation code". Then, CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014 according to international developments in this field.

The obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non-quoted companies.

It has been prepared by taking into account the criteria specified in the Corporate Governance Communiqué of the CMB, numbered II-17.1, published in the Official Gazette dated 03 January 2014 and numbered 28871, as well as the decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105.

In this analysis, the full compliance of the workflow and analysis technique with KOBİRATE A.Ş.'s Ethical Rules is considered.

456 criteria are used in the rating process for BIST 1st Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are transformed into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'s software.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as follows:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that, in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle, and it is required to add new questions/methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements, are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the 2014/2 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting the minimum requirements of corporate governance principles, as stated in the CMB Communiqué of Corporate Governance published on 03.01.2014, is restricted to 85 % of the full points. A rating is made with a system that completes the section grades up to 100 based on the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grades, "10" points mean excellent, full compliance with CMB's Corporate Governance Principles, while grade "0" means that there is no compliance with CMB's Corporate Governance Principles, in any sense, in the existing weak structure.

5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ
A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

NOTE	DEFINITIONS
9-10	The Company achieved substantial compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7-8,9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place and operational, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6-6,9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at a moderate level have been established and operated; however, improvement is required. Potential risks that the Company may be exposed to are identified and can be managed. The interests of the shareholders are taken care of, although improvement is needed. Although public disclosure and transparency are taken care of, there is a need for improvement. The benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.

NOTE	DEFINITIONS
4–5,9	The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, and the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interests of the shareholders and stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause investors to incur material losses.