



Corporate Governance Compliance Rating Report



Pegasus Hava Taşımacılığı A.Ş.

11 August 2025

Validity Period : 11.08.2025-11.08.2026

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 02 October 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).

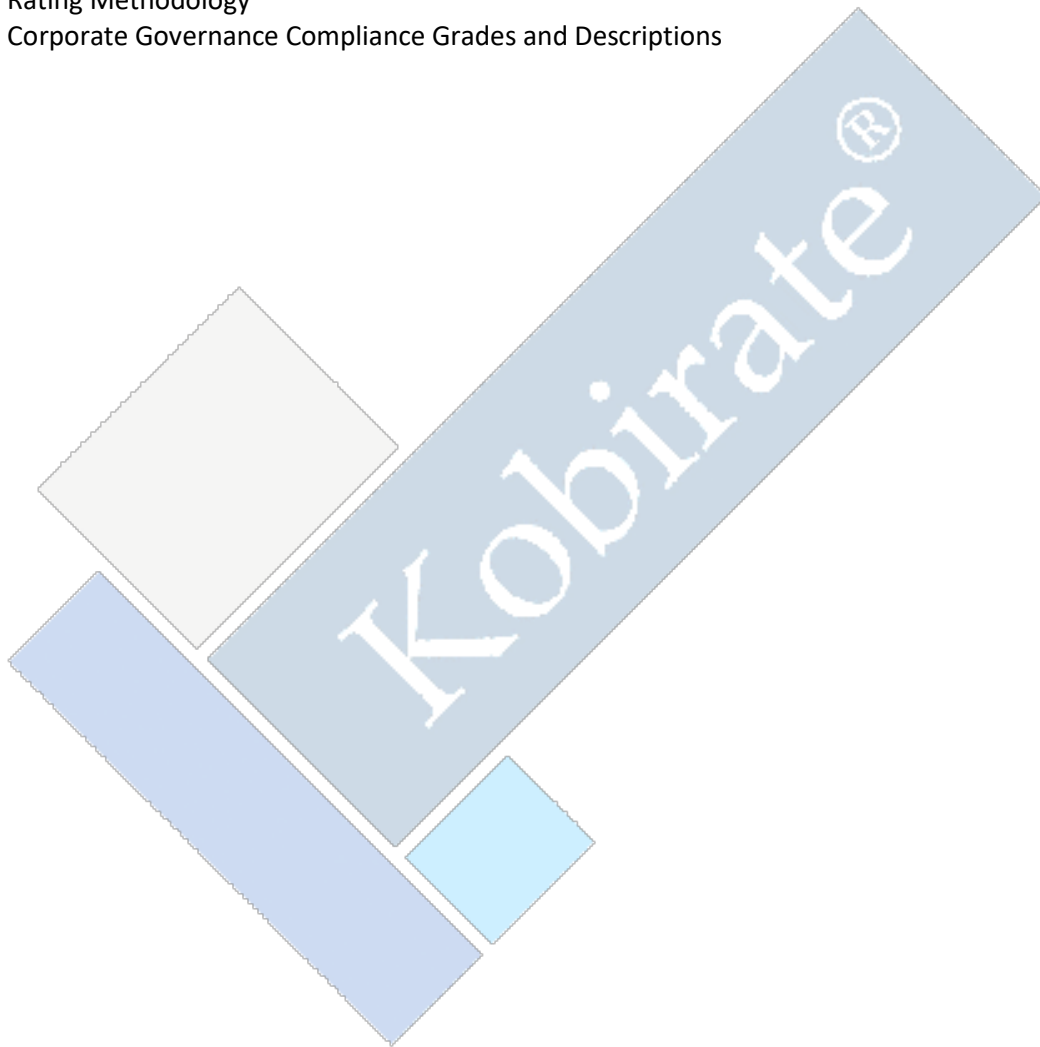
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., formed according to the methodology disclosed.

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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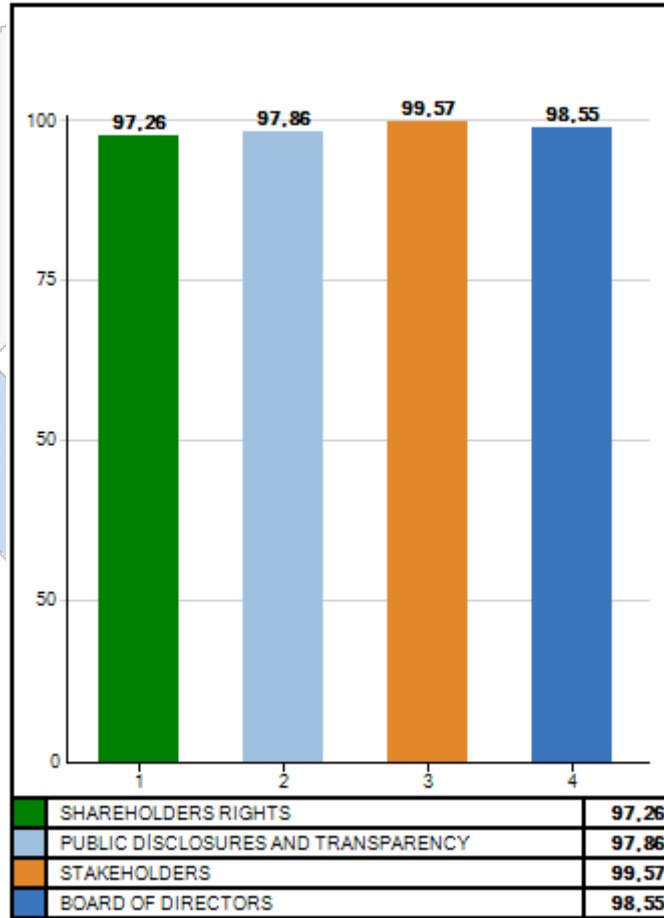
PEGASUS HAVA TAŞIMACILIĞI A.Ş.

1. RATING RESULT

BIST FIRST GROUP COMPANY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.82





Kobirate A.Ş. Contact:

Rating Expert:

Serap ÇEMBERTAŞ (License Number: 700342)

(216) 3305620 Pbx

serapcembertas@kobirate.com.tr

www.kobirate.com.tr

Hasanpaşa Mahallesi, Ali Ruhi Sokak No:2, Kat:2, Daire:2 Kadıköy/İSTANBUL

Corporate Governance Rating Committee

Burhan TAŞTAN

(License Number: 700545)

Can TEKİN

(License Number: 700573)

Nermin Z. UYAR

(License Number: 702999)

2. REVISED RATING SUMMARY

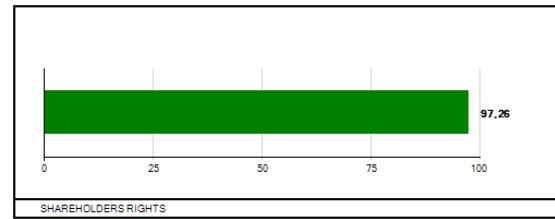
This report of the rating of compliance of Pegasus Hava Taşımacılığı Anonim Şirketi with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and other examinations and observations. 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 16.01.2025 and numbered 3/76, Pegasus is listed in the BIST 1st Group Companies. 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 as **9.82**.

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. The

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 the 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 of 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 2024, on 20–21 March, 29–30 May, 18–19 September, and 11–12 December. As of June 2025, 2 (two) reports were made, on 20 March and 27 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 General Assembly meeting to discuss the operations of 2024 took place on 28.03.2025. 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 03.03.2025, and on 04.03.2025 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.

At the General Assembly Meeting, Mr. Mehmet Tefik 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, Sustainability Director and Secretary General), Mr. Ömer L. ÖMERBAŞ (Investor Relations Manager), Ms. Ekin DİKMEN (Expert Corporate Governance Specialist), and a representative of the independent external audit firm were present.

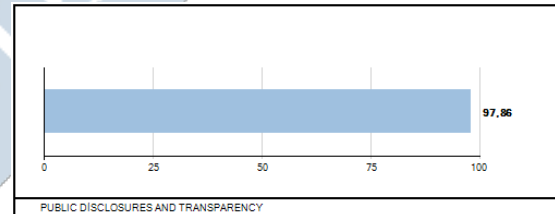
According to the company's articles of association, each share gives one voting right. There is no privilege for voting.

For the 2024 financial year, a net profit for the period of TRY 13,285,437,677 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 (15,177,494,548) was incurred (TRY (21,813,503,659) including prior years' losses).

The explanations are provided in section "ii. Profit Distribution" of our report.

The profit distribution decision of the board of directors and the profit distribution table prepared were published on the Public Disclosure Platform on the same day as the announcement to the general assembly.

■ In the Public Disclosure and Transparency section, the company's rating was confirmed as **97.86**.



During the reviewing period, it was determined that the company continued its activities regarding transparency and informing shareholders and the public with the same sensitivity and effectiveness.

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 observed that the company's corporate website and annual

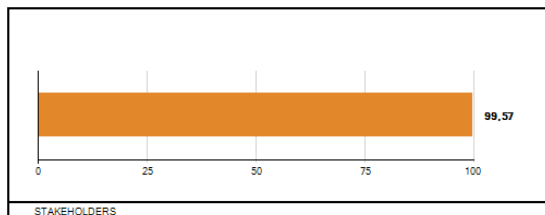
activity reports are effectively used as a means of public disclosure.

The persons responsible for disclosures to the public and authorized to sign on behalf of the Company 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, Senior Director of Sustainability and Secretary General), Ms. H. Nur KARABACAK (Group Manager of Budget, Cost Control and Financial Reporting), and Mr. Ömer L. ÖMERBAŞ (Investor Relations Manager).

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

The Independent external audit for 2024 was conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). There are no cases where the independent audit avoided expressing an opinion, expressed an opinion with conditions or avoided signature in the reports. Based on discussions held with Company officials, it was learned that there had been no developments involving the independent audit firm or its auditors that could impair their independence, and that there were no legal disputes. It was resolved that the independent external audit for 2025 would be conducted by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte Türkiye), upon the recommendation of the Audit Committee and the Board of Directors and with the approval of the shareholders attending the General Assembly.

▪ In the Stakeholders section, the company's rating has been revised to **99.57**.



The scope of implementation entered into force as of 01.01.2024, pursuant to the Türkiye Sustainability Reporting Standards (TSRS) published in the Official Gazette dated 29.12.2023 and numbered 32414. The publication of Pegasus's first TSRS report within the scope of its 2024 Sustainability Report constitutes the reason for the Company's rating upgrade under this section.

It is concluded that the company protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that in case of lack 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.

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.

As of 31.12.2024, Pegasus employed 8,459 employees, while the number of employees increased to 9,171 as of 30.06.2025.

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 the vote of 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.

In 2023, the Diversity, Equality and Inclusion initiative "Harmoni" was launched. Working groups have been formed and made operational to develop targets and practices. With this initiative, targets are set for a more equal and multi-vocal future by carrying out different projects within the framework of disseminating an inclusive culture, especially gender equality.

The long-standing "Flying to Tomorrow" project, aimed at supporting ideas that empower youth, continues. In 2023, it was decided to support projects targeting the empowerment of young people in three different thematic areas directly related to them. Accordingly, it was reported that grant support was provided to the projects of three different non-governmental organizations.

Sustainability;

Pegasus summarized its *Corporate Sustainability Policy* under three headings and committed to implementing 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 five 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. Within the scope of the LSEG (Refinitiv) ESG Sustainability Index (BIST 25), our Company is included in the index thanks to its strong performance in environmental, social and governance areas. In 2024, as a result of the independent assessment of airline emissions data, we brought our achievement to the global level and were granted CAPA's 'Global Environmental Sustainability Airline of the Year' award."

- *Environmental Management System*

Pegasus has established a fundamental framework for environmental management in accordance with the ISO 14001 Environmental Management System

standard. Through its environmental policy, designed in line with national and international standards, particularly the ISO 14001 Environmental Management System, the company is committed to achieving and improving the environmental targets set for its operations. This includes preventing environmental pollution and minimizing its impact, complying with regulations and applicable standards, fostering sustainable environmental awareness among stakeholders, and continuously improving its environmental management system by enhancing environmental performance.

- Energy Management

Pegasus plans all its investments, including fleet investments, transformation in ground operations, energy monitoring systems, energy efficiency, and renewable energy, with the primary aim of achieving its commitment to net zero carbon emissions by 2050.

• OUR ROUTE IS A FUTURE OF EQUALITY AND DIVERSITY

Pegasus declares that it is directing its route toward a future of equality and diversity for all stakeholders. In this context:

The proportion of female employees in managerial and higher-level positions has increased to 33%. While scholarship and internship programs are maintained to contribute to equal opportunities in education, efforts are also made to raise awareness of the aviation industry through projects aimed at young people. Initiatives have been developed under Pegasus HARMONI to increase internal awareness, promote cultural transformation and contribute to the Sustainable Development Goals. As a result of the activities carried out throughout 2024, the Harmoni Initiative received the Bronze Stevie Award in the Diversity & Inclusion category. In 2025, Pegasus also aims to organize workshops at all locations, providing opportunities for direct engagement with employees, in addition to online awareness activities.

• 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. Under the motto "*Our Route is a Better Future Together*," Pegasus aims to directly or indirectly contribute to Sustainable Development Goals (SDGs) such as SDG 9, SDG 10, SDG 11, SDG 12, SDG 16, and SDG 17 through all its initiatives.

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.

In 2025, Pegasus introduced two significant developments in the field of sustainability:

1) Pegasus received an A rating for 2024 in the Carbon Disclosure Project (CDP) Supplier Engagement Assessment (SEA) and was included among A-rated companies.

2) Pegasus published a “Sustainable Finance Framework” suitable for use in sustainability-linked financing activities and had its targets for emissions intensity and gender balance in management positions reviewed by the independent verification provider S&P, which assessed them as realistic, measurable and effective targets. The framework document in question is publicly available on the Investor Relations website.

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.

In accordance with the regulations of the Public Oversight, Accounting and Auditing Standards Authority of Türkiye, it was resolved that the assurance services for 2024 under Turkish Sustainability Reporting Standards (TSRS) 1 and 2 would be provided by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young Türkiye), and this resolution was approved at the Ordinary General Assembly Meeting.

Awards:

In 2024, Pegasus received the following awards:

○ Güliz ÖZTÜRK (CEO) received the “Executive Leadership: Europe” award at The

Airline Strategy Awards, organized by FlightGlobal’s Airline Business brand and corporate consulting firm Korn Ferry, as well as the “Leadership in Commercial Aviation” award in the Leadership category at the Aviation Week Laureate Awards,

○ Barış FINDIK (Chief Information Officer) received the “Exceptional Ambition and Orchestration” award at the EMEA Future Travel Experience event. He was also named among the “50 Most Effective Technology Leaders”,

○ The “Global Environmental Sustainability Airline of the Year” award at the CAPA Sustainability Awards 2024, and an award in the “Collaboration” category of the Sustainable Business Awards for the “Zero Waste Now in the Skies” project,

○ At the Stevie Awards:

- Gold Award in the Employer of the Year – Aerospace & Defense category,

- Bronze Award in the Diversity & Inclusion category for the Harmoni Initiative,

- Bronze Award in the Best Recruitment Process category for the GoYoung Program,

- Bronze Award in the Leadership Development category for the GoLead Program,

○ Gold Awards in the "Best Talent Management Strategy," "Best Employee Experience," and "Best Leadership Development Program" categories at the Brandon Hall Group HCM Excellence Awards,

○ At the Youth Awards, the Gold Award and first place in the “Most Desired Transportation Company to Work For” category, and an Achievement Award in the “Most Admired Recruitment Program” category for the GoYoung Young Talent Program,

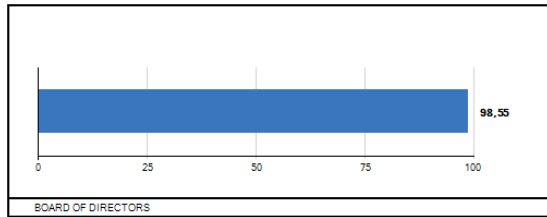
○ At the Kristal Elma Awards, the Crystal Award in the “TV, Cinema & Online Film” category for the film “Bu Kadar Özlemeye Gerek Yok,” the Crystal Award in the “Radio and Audio Special” category for the “Genç Olmak Lazım” radio spot, and the Bronze Award in the “Radio and Audio Sectoral” category for the “Dünyayı Gezenler Bilir” radio spot,

○ At the Felis Awards, the Gold Award in the “Transformative Marketing Strategy”

category and the Silver Award in the “Creative Strategy” category for the “Bu Kadar Özlemeye Gerek Yok” campaign.

Pegasus is listed on the BIST Sustainability Index.

- In the Board of Directors section, Pegasus's score has been revised to **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. 3 (three) of the non-executive members are independent within the framework of the criteria defined in the Corporate Governance Principles.

In 2024, the Board of Directors held a total of 4 (four) meetings on 21 March, 30 June, 19–20 September and 12 December. As of June 2025, it had held 2 (two) meetings, on 20 March and 27 May.

In 2024, the Audit Committee held a total of 4 (four) meetings on 1 March, 8 May, 9 August and 8 November. As of the end of June 2025, it had held 2 (two) meetings, on 3 March and 5 May.

The Internal Audit Directorate, which operates under the Audit Committee, carried out 15 (fifteen) audits in 2024. It has been learned that 7 (seven) audits have been completed as of the end of June 2025. Audits are conducted within the scope of the Internal Audit Plan approved by the Audit Committee. The Internal Audit Department submitted reports to the Audit Committee regarding the audit results 4 (four) times in 2024 and 2 (two) times as of the end of June 2025. The Audit Committee also reports to the Board of Directors on a quarterly basis. As of 31 December 2024, the Internal Audit Department consisted of the Group Head of Internal Audit, Integrated Management Systems and Business Excellence, one Internal Audit Manager, three Internal Audit Specialists, one Information Technology Internal Audit Specialist, two Internal Control Specialists, one Business Excellence Manager, two Business Excellence Specialists and one 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 "2025 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. Additionally, during the period, committee members took part in creating a pool of new board members. In these works, the previous Board of Directors Performance Evaluation outputs regarding the competency of the board of directors and the competencies and expected competencies of the current members were taken into account.

The Corporate Governance Committee has worked on the evaluation of independent board members and presented its report on the subject to the board of directors. The Board of Directors approved the proposed member candidates and submitted them to the Capital Markets Board, together with the board of directors' decision and all relevant documents, 60 days before the general assembly date. 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 2024, on 20 March, 28 May, 16 September and 10 December. As of the end of June 2025, it held 2 (two) meetings on 14 March and 23 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 of which committee meetings had 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 secretariat of the Board of Directors and Committees has been consolidated within the Office of the General Legal Counsel and the General Secretariat, and it has been learned that the meeting minutes and related documents are preserved in a sound manner. The relevant unit, which operated under the name of the General Secretariat in previous years, was restructured as Corporate Legal & Governance as of 4 August 2025. 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 2024, the attendance rate at Board of Directors and committee meetings was 96%.

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

On March 30, 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 Corporate Governance Committee has established the "Representation Policy on the Board of Directors" and declared that "Pegasus aims to increase the female member representation rate on the Board of Directors to at least 25% by 2025." Currently, 2 (two) female members serve on the board of directors, and both the policy target and the 25% rate recommended in the principles have been reached.

The Board of Directors conducts a board performance evaluation every two years to assess whether it is fulfilling its responsibilities effectively. Following the self-assessment conducted in 2022, several changes were implemented. These included documenting the procedures for the election of Board members, preparing a competency matrix setting out the qualifications required for Board membership and the extent to which the existing members meet these qualifications, establishing new communication channels between the Board of Directors and senior management, making site visits a regular practice, and introducing new reporting and oversight methods for sustainability and stakeholder relations. The entire action plan approved by the Board of Directors was implemented as of the end of June 2024. Performance measurement activities based on the implemented methodology commenced in May 2025 and were completed in August 2025. It was learned that the results of the study would be evaluated together with all relevant inputs at the Corporate Governance Committee and Board of Directors meetings planned for September 2025, after which the actions identified through the study and the related action plans would be prepared and implemented. These have been seen as the justification for the grade increase in this heading.

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 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.

Remuneration 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 Kurtköy 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 İstanbul 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:

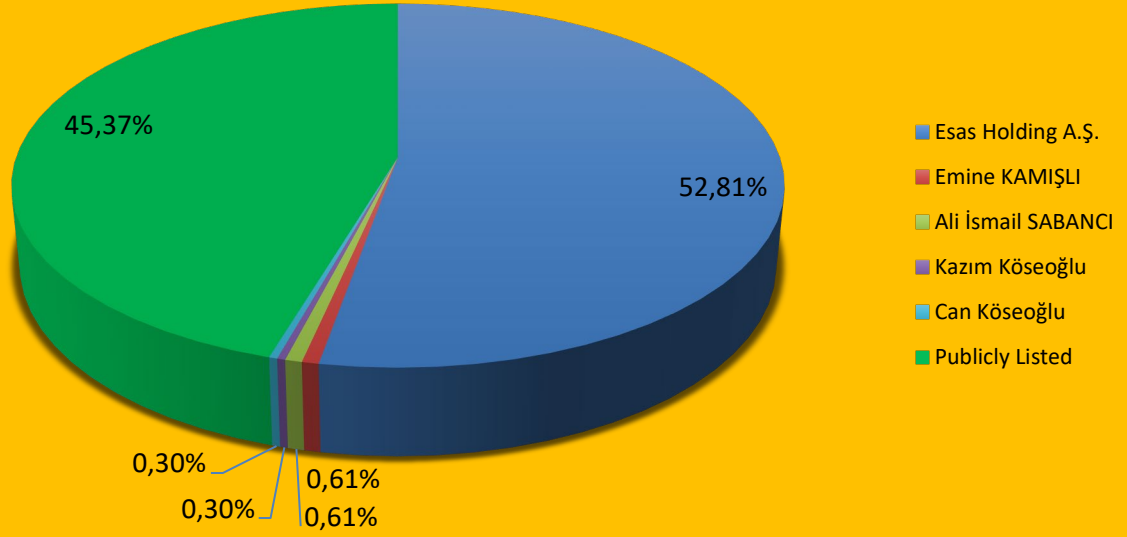
Ömer L. ÖMERBAř

Investor Relations Manager

ir@flypgs.com

0 (216) 560 7542

Quality of Shareholder Structure



Source: www.pegasusyatirimciliskileri.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 KÖSEOĞLU	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.pegasusyatirimciliskileri.com.tr

Real Person Ultimate Controlling Shareholders

Shareholder Name	Share (TRY)	Share(%)
Şevket SABANCI and HIS 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
H. Zeynep Bodur OKYAY	Member of Board of Directors	Non - Executive
Stephen Mark GRIFFITHS	Member of Board of Directors	Non - Executive
Agah UĞUR	Independent 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

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
Agah UĞUR	Independent Member of Board of Directors	Chairman
Ayşegül İLDENİZ	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	Independent Member of Board of Directors	Member
H. Zeynep Bodur OKYAY	Member of Board of Directors	Member
Mustafa TERCAN	Esas Holding AŞ-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 Senior Management

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

Source: www.pegasusyatirimciiliskileri.com.tr

Investor Relations Unit

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

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

	2023/12 (TRY)	2024/12 (TRY)	2023/12 (EUR)	2024/12 (EUR)	Change % (TRY)
Current Assets	48,001,577,327	69,511,513,150	1,473,620,823	1,891,835,243	44.8
Fixed Assets	153,953,502,230	213,808,263,691	4,726,283,979	5,819,032,995	38.8
Total Assets	201,955,079,557	283,319,776,841	6,199,904,802	7,710,868,238	40.2
Short-Term Liabilities	37,183,794,680	54,463,615,723	1,482,289,523	1,141,521,116	46.4
Long-Term Liabilities	110,102,098,656	153,937,068,322	3,380,071,120	4,189,573,178	39.8
Shareholders' Equity	54,669,186,221	74,919,092,796	1,678,312,566	2,039,005,537	37.0
Paid-In Capital	102,299,707	500,000,000	60,544,134	230,037,951	388.7

Source: Independent Audit Report dated 01.01.2024 – 31.12.2024

(*) Currency Used: Although there is no predominant currency affecting sales revenue and cost of sales, the Company's functional currency has been determined as the Euro because a significant portion of the scheduled flight revenue representing the Company's core operations is generated from European flights, the euro accounts for a significant portion of the Group's financial liabilities, and the management reports and budget used by the Company's management in making administrative decisions are prepared in euros.

(**) 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 dated 31 December 2023 and 31 December 2024, prepared in accordance with the Tax Procedure Law, have been subject to inflation adjustment in accordance with the legislation.

Income Comparison of the Company's Certain Selected Items for yearends of the last two years

	2023/12 (TRY)	2024/12 (TRY)	2023/12 (EUR)	2024/12 (EUR)	Change % (TRY)
Revenue	70,531,532,601	111,822,522,278	2,670,391,155	3,125,970,722	58.5
Cost of Sales	(53,713,133,638)	(86,596,697,071)	(2,027,343,986)	(2,410,389,043)	61.2
Gross Profit/Loss	16,818,398,963	25,225,825,207	643,047,169	715,581,679	49.9
Main Operating Profit/(Loss)	13,087,349,012	20,807,220,975	489,228,951	578,189,099	58.9
Net Profit/Loss	20,907,501,797	13,285,437,677	789,940,474	361,492,696	- 36.4
Earnings Per Share	204.37	39.55	7.72	1.08	

Source: Independent Audit Report dated 01.01.2024 – 31.12.2024

See: Explanatory Notes (*) and (**) on page 17

Subsidiaries, Financial Fixed Assets and Financial Investments

Source.kap.org.tr

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
In liquidation Pegasus Uçuş Eğitim Merkezi A.Ş.	Training with Simulator	200,000	98,800	TRY	49.4	Business Partnership
Hitit Bilgisayar Hizmetleri A.Ş.	IT Solutions	127,500,000	46,153,846	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

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

BIST 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 (04.08.2024/04.08.2025)

<i>Bottom (TRY)</i>	<i>Peak (TRY)</i>
208.60 (26.08.2024)	282.75 (14.03.2025)

Source: Pegasus Hava Taşımacılığı A.Ş.

B. Changes in the Company in the Last Year:

i. Changes in Capital and Articles of Association

The Company's Material Disclosure dated 28.01.2025 is as follows:

"Pursuant to the resolution of our Board of Directors dated 28 January 2025, it has been resolved to make the necessary applications to increase the registered capital ceiling of TRY 500,000,000, valid for the years 2023–2027, to TRY 2,500,000,000 for the years 2025–2029 and to amend Article 6 of the Company's Articles of Association accordingly.

The reasoned draft amendment to the Articles of Association is attached. Following the approvals of the Capital Markets Board and the Ministry of Trade, the proposed amendment will be submitted for the approval of our shareholders at the first General Assembly Meeting to be held."

Following the approvals granted by the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye, the amendment concerning the registered capital and the Articles of Association was discussed and approved under agenda item 5 at the Ordinary General Assembly Meeting held on 28 March 2025.

ii. Profit Distribution

The resolution of the Board of Directors dated 04.03.2025, and numbered 835, 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 2024 to 31 December 2024, 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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., 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 2024; 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 28 March 2025 the fact that no distributable profit arose for 2024, 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

No changes were made in company policies (Disclosure Policy, Dividend Distribution Policy, Remuneration Policy, Compensation Policy, Human Resources Policy, Donations and Aid Policy, Ethical Principles) during the reviewing 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 Meeting held on 28 March 2025, Mr. Agah UĞUR, Ms. Ayşegül İLDENİZ and Mr. David F. A. VISMANS were re-elected as independent members of the Board of Directors for a term of one year.

There were no other changes in the Board of Directors or senior management.

v. Changes in Group Companies, Subsidiaries and Affiliates

The Company's Material Disclosure dated 03.03.2025 is as follows:

"As announced in our material disclosure dated 28 December 2023, the shareholders unanimously resolved at the General Assembly Meeting to liquidate Pegasus Uçuş Eğitim Merkezi A.Ş. (PUEM), in which our Company held a 49.40% interest and from which our Company received Boeing 737 simulator and flight training services between 2010 and 2023, taking into account the evolving training requirements arising from our Company's fleet planning. Following completion of the liquidation proceedings, PUEM was deregistered from the trade registry as of 27 February 2025."

The Company's Material Disclosure dated 05.08.2025 is as follows:

"Since the end of 2023, our Company has been operating in Silicon Valley in the United States through its subsidiary Pegasus Airlines Innovation Lab, Inc. in order to further develop its capabilities in digitalization and technology in the coming years and to monitor and evaluate the latest global developments at source. Our Board of Directors has resolved to establish Pegasus Airlines Ventures Limited Partnership in the United States as a limited partnership, with our Company as its sole limited partner, in order to evaluate investment opportunities in ventures engaged in artificial intelligence-focused technology development activities through Innovation Lab. Pegasus Airlines Ventures LP will evaluate investment opportunities in ventures identified within the scope of Innovation Lab activities."

4. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system that audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy 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 the stock exchange, it was emphasized by OECD that it would also be useful to implement these principles in public enterprises and companies whose shares were not quoted on the 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 members, as well as other countries.

In 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.

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 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 the 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 minimum requirements of corporate governance principles, stated by 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 by 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 and 10. In this scale of grade, "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 minimal 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 fully 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 interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.