Press Release

WIZZ AIR HOLDINGS PLC – RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2022

STRONG REVENUE AND CAPACITY GROWTH IN H1

LSE: WIZZ

Geneva, 2 November 2022: Wizz Air Holdings Plc ("Wizz Air", "the Company" or "the Group"), the fastest-growing European low-cost airline, today issues unaudited results for the six months to 30 September 2022 ("first half", "H1" or "H1 F23").

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the 2022 Annual Report and Accounts, and any public announcements made by Wizz Air Holdings Plc during the interim reporting period.

Financial results

Six months to 30 September

	2022	2021	Change
Passengers carried (million)	**26.5**	12.5	112.0%
Revenue (€ million)	**2,193.8**	880.4	149.2%
EBITDA (€ million)	**217.8**	164.3	32.5%
EBITDA margin (%)	**9.9**	18.7	-8.8ppt
Operating loss for the period (€ million)	**(63.8)**	(51.9)	22.9%
Unrealised FX loss	**(285.2)**	(16.5)	1,628.5%
Reported loss for the period (€ million)	**(384.3)**	(120.9)	217.9%
RASK (€ cent)	**4.48**	3.38	32.4%
Ex-fuel CASK (€ cent)	**2.62**	2.75	-4.7%
Total cash (€ million)*	**1,629.9**	1,378.8	18.2%
Load factor (%)	**86.9**	75.3	11.5ppt
Period-end fleet size	**168**	144	16.7%
Period-end seat count (thousand)	**30,485**	16,588	83.8%

* Comparative number is total cash balance as at 31 March 2022. Total cash comprises cash and cash equivalents, cash deposits, and restricted cash.

József Váradi, Wizz Air Chief Executive, commented on the results:

"Wizz Air delivered strong results in the second quarter of the fiscal year, after a difficult first quarter operationally. Revenue in the first half of the fiscal year was materially higher than it was in the same period last year, and up 31 per cent versus the same period pre-COVID-19. For the second quarter, revenue was up 41 per cent versus the same period pre-COVID-19. Revenue per available seat kilometre improved from -10 per cent during the first quarter to +11 per cent during the second quarter, ahead of guidance, all measured versus the pre-COVID-19 quarters. This was driven by load factors recovering and improved yields, no longer held back by COVID-19 or the war in Ukraine. Wizz Air's focus continues to be the combined approach of delivering growth while pricing for cost inflation.

EBITDA for the second quarter turned strongly positive to €374 million, bringing the first half to total EBITDA of €218 million (up 32.5 per cent half year on half year), despite the headwinds we continued to encounter on supply chain disruptions and high commodity prices.

This performance confirms that our network investments and sustained capacity growth drive strong top-line growth.

Our liquidity position, however, remained unaffected by foreign exchange moves and further increased from June as we closed the period with €1,630 million in total cash."

Commenting on business developments, Mr Váradi added:

"Much has been done within the aviation industry to address the significant issues that were a feature early in the 2022 calendar year. As a consequence, our operational performance has recently normalised and we are now back in line with our historically low levels of cancellations and flight disruptions. This is important as it helps us to return to the customer service excellence the brand is built on and proud of whilst having a consequential positive impact on the financial performance of the business. We are proud that we set a new Company record by operating 859 flights in a single day on 5 September 2022 and reported record traffic in the period June to August, carrying a total of 12.9 million passengers.

Beyond normalising the operations, during the quarter we reached important milestones. We have exercised existing purchase rights for 75 A321neo aircraft, locking in highly competitive aircraft prices, negotiated prior to the current inflationary environment. Wizz Air benefits from having fixed interest rate structures financing 94 per cent of its existing fleet. We have agreed the financing terms of 31 aircraft since the summer. Our aircraft finance tender processes continue to be oversubscribed, with a 15 per cent increase in financing participants compared to last year. We are successfully adding EUR-denominated lease contracts with 61 per cent of new contracts now EUR-financed.

As a consequence, Wizz Air's fleet programme continues to provide it with significant and structurally embedded competitive advantage both in terms of operating and fuel efficiency, as well as financing costs.

Within the quarter we have taken expansion initiatives in key markets that will further drive our leading CEE market share. Following the signing of an MoU with the Ministry of Investment in the Kingdom of Saudi Arabia, Wizz Air has started operating the first of 20 new routes to Riyadh, Jeddah and Dammam. Also, with the most recent expansion across Italy, Wizz Air is now the third largest airline there in terms of capacity offered on sale in the December-ending quarter."

On current trading and the outlook for the full year, Mr Váradi said:
"As we move closer to the winter 22/23 season, we are gearing up to operate c.35 per cent higher capacity in the second half versus 2019 (normalized for COVID-19 impact in Feb-March 2020).

On top of this additional capacity, our trading for the period comes with average fares (combined ticket and ancillaries) above 2019 levels, placing our RASK expectations to mid-single digit gains in second half. Our diversification strategy into the Gulf will also see more inbound and outbound routes to the Middle East and we are expecting moderate counter-seasonal contribution in terms of traffic and revenues from these destinations.

While the macroeconomic backdrop remains challenging and uncertainty for consumers has heightened, we have put in place measures to mitigate the impact on our costs. We expect to continue to see the seasonal effect of lower utilisation on our ex-fuel CASK during the second half of the year, but are on track to return to pre-COVID-19 utilisation levels in spring 2023. As we have announced, as of April 2023, we will also be levelling the playing field on fuel costs as the Company returns to the systematic hedging of jet fuel and ETS credits. In the meantime, we expect continued cost management to bring ex-fuel CASK in line with a single digit increase when comparing H2 F23 to H2 F20. Whilst there remains some uncertainty during the winter period in relation to macroeconomic and input costs, the combination of a return to proven levels of both ex-fuel and fuel CASK in April 2023, and the continued diversification and growth of our network supported by fleet expansion plans leaves the Company well positioned to drive profitable growth in the future."

Revenue and cost highlights for H1

Total revenue amounted to €2,193.8 million, an increase of 149.2 per cent versus H1 F22:

- Passenger ticket revenues increased by 185.7 per cent to €1,182.1 million.
- Ancillary revenues increased by 116.8 per cent to €1,011.7 million.
- Total unit revenue increased by 32.4 per cent to 4.48 Euro cents per available seat kilometre (ASK).
- Ticket revenue per passenger increased by 34.7 per cent to €44.6 and was also up by 3.1 per cent versus H1 F20.
- Ancillary revenue per passenger increased by 2.3 per cent to €38.2 and was also up by 18.3 per cent versus H1 F20.

Total operating costs increased 142.2 per cent to €2,257.6 million versus H1 F22:

- Total unit costs (including net financing expense) increased by 26.5 per cent to 4.73 Euro cents per ASK.
- Ex-fuel unit costs decreased by 4.7 per cent to 2.62 Euro cents per ASK.
- Fuel unit costs increased by 113.6 per cent to 2.11 Euro cents per ASK.

Total cash increased by 18.2 per cent to €1,629.9 million from €1,378.8 million.

The unrealised non-cash FX charge in H1 amounted to €285.2 million (H1 F22: €16.5 million). This is due to the continuously strengthening USD against the EUR, which drove a revaluation of USD liabilities on the balance sheet.

Network additions

Base rationalisation

- Doncaster, United Kingdom: one aircraft
- Cardiff, United Kingdom: one aircraft (made seasonal)
- Sarajevo, Bosnia and Herzegovina: two aircraft
- Palermo, Italy: one aircraft
- Chisinau, Moldova: three aircraft (temporary suspension)

New bases

- Suceava, Romania: one aircraft

Base aircraft additions

- Rome, Italy: two additional aircraft, taking the base to seven aircraft
- Milan, Italy: one additional aircraft, taking the base to six aircraft
- Vienna, Austria: one additional aircraft, taking the base to five aircraft
- Bucharest, Romania: five additional aircraft, taking the base to seventeen aircraft
- Cluj, Romania: one additional aircraft, taking the base to seven aircraft
- Iasi, Romania: one additional aircraft, taking the base to four aircraft
- Sofia, Bulgaria: one additional aircraft, taking the base to seven aircraft
- Abu Dhabi, UAE: four additional aircraft, taking the base to eight aircraft

With the announcement of Blue Air rescue fares and allocating an additional five aircraft to Bucharest, more capacity was also added to Bacau, Cluj-Napoca, Iasi and Sibiu. Temporarily, we are switching to serving Chisinau base in Moldova with in-bound flights due to heightened risk of airspace closure. Our major expansion in Italy is adding 750,000 seats on sale from Rome and Milan and twelve new routes launching from October.

We set a new Company record by operating 859 flights in a single day on 5 September 2022 and reported record traffic in the period June to August, carrying 12.9 million passengers.

Fleet update

- In the first six months of the fiscal year Wizz Air took delivery of 21 new A321neo aircraft, while redelivering six A320ceo aircraft, ending the second quarter with a total fleet of 168 aircraft: 53 x A320ceo, 41 x A321ceo, 6 x A320neo and 68 x A321neo.
- Delivered aircraft were financed through twelve sale and leaseback and nine JOLCO transactions.
- The average age of the fleet currently stands at 4.6 years, one of the youngest fleets of any major European airline, while the average number of seats per aircraft has climbed to 216 as at September 2022.
- The share of new “neo” technology aircraft within Wizz Air’s fleet increased to 44 per cent by the end of H1 F23, and is planned to surpass 50per cent by the end of F23.
- For the remainder of F23 we expect 14 new A321neo aircraft deliveries, while nine A320ceo aircraft will reach the end of their lease and will exit the fleet.
- In line with Wizz Air’s ambition to become a 500-aircraft airline by the end of the decade, the Group has exercised its purchase rights in relation to 75 A321neo aircraft delivered in calendar years 2028–29.
- As at 30 September 2022, Wizz Air’s delivery backlog comprises a firm order for 13 x A320neo, 319 x A321neo and 47 x A321XLR aircraft, plus the additional order for 15 x A321neo, a total of 394 aircraft.

Financial update

- In light of the current volatile macroeconomic conditions, we implemented the following remedial measures during the period:
  - signed more EUR currency leases during the period covering 61 per cent of new contracts;
  - included caps to rent formulas limiting impact of rising interest rates; and
  - advanced aircraft with pre-delivery payments (PDP) in EUR currency into next year's delivery stream.
- Jet fuel hedging using zero-cost collars has been supplemented with call options for 8 per cent of F23 consumption during the winter 2022/23 season at $1,201/mT. Overall, F23 coverage is at 54 per cent of consumption with F24 at 28 per cent.

Sustainability update

Wizz Air's CO_2 emissions amounted to 57.1 grams per passenger/km for the rolling twelve months to 30 September 2022. For the month of September 2022, CO_2 emissions were 55.3 grams per passenger/km (12.7 per cent lower compared to same month last year).

We continue to be focused on delivering value for all stakeholders and to further our environmental and social agenda. The most material sustainability developments during the first six months of F23 were:

Month	Project	Description
April 2022	Sustainable Procurement Policy	The Company implemented its Sustainable Procurement Policy in April 2022 to increase its oversight regarding indirect emissions in the supply chain.
June 2022	Annual Sustainability Report with TCFD	As part of the 2022 Annual Report and Accounts, Wizz Air released its Annual Sustainability Report for F22, including its TCFD disclosure with an enhanced climate risk analysis, and reported the Company's greenhouse gas emissions for Scope 1, 2 and 3 for the first time, in accordance with the Greenhouse Gas Protocol.
June 2022	"Most Sustainable Low-Cost Airline" Award	Wizz Air was recognised as the "Most Sustainable Low-Cost Airline" within the World Finance Sustainability Awards 2022, announced in this year's summer issue of the World Finance magazine.
June 2022	Green demonstration flight with SAF	On 28 June, Wizz Air operated its first green demonstration flight between Bucharest and Lyon on the occasion of the European Commission's "Connecting Europe Days 2022". During the demonstration, Wizz Air took 4.5 tonnes of a SAF fuel blend, consisting of 30 per cent pure SAF and 70 per cent jet A1 fuel. This helped Wizz Air achieve the lowest emissions per passenger kilometre out of the airlines taking part in this sustainability effort.
July 2022	Target True Zero coalition	Wizz Air has joined the World Economic Forum's Target True Zero (TTZ) coalition. The coalition published a report on 18 July on "Unlocking Sustainable Battery and Hydrogen Powered Flight".
August 2022	New policies and updates	New Equal Opportunities and Fair Treatment Policy, Working Hours Compliance Disclosure and Policy of Good Conduct.
August 2022	Carbon Disclosure Project (CDP)	Wizz Air submitted its second voluntary disclosure to CDP.
September 2022	Change in Sustainability and Culture Committee	In connection with the creation of the Safety, Security and Operational Compliance Committee, Charlotte Pedersen has stepped down from the Sustainability and Culture Committee as a result of becoming Chair of the Safety, Security and Operational Compliance Committee. At the same time, Charlotte Andsager has stepped down from the Remuneration Committee and has become the new Chair of the Sustainability and Culture Committee.
September 2022	Management gender diversity	Our management team female diversity increased to 36 per cent (target is 40 per cent by F26).
September 2022	Alliance for Zero-Emission Aviation and Renewable and Low-Carbon Fuels Value Chain Industrial Alliance	Wizz Air has joined the Alliance for Zero-Emission Aviation (AZEA), a voluntary initiative launched by the European Commission to pave the way for next-generation sustainable aircraft. The Company also joined the Renewable and Low-Carbon Fuels Value Chain Industrial Alliance, a new initiative that focuses on boosting production and supply of renewable and low-carbon fuels in the aviation and waterborne sectors.

Other developments previously announced during the period

- The Board has decided to create the new role of Deputy Chair. The Deputy Chair will deputise for the Chairman if the Chairman is not present at the Board meetings. Stephen Johnson has been appointed to the role due to his industry experience, as well as his long association with the Company.
- The Board has established a Safety, Security and Operational Compliance Committee, chaired by Charlotte Pedersen, to assist the Board with oversight of the Group's policies, practices and performance in relation to safety, security and operational compliance management.
- Wizz Air successfully repatriated one of its aircraft that was based in Ukraine. The remaining three aircraft are in sound technical shape and efforts to return these to service are underway.
- Effective from 1 October 2022, Ian Malin joined the Company to take on the Group Chief Financial Officer position, based in Budapest and reporting to the Chief Executive Officer.

About Wizz Air

Wizz Air, the fastest-growing European ultra-low-cost airline, and one of the most sustainable, operates a fleet of 172 Airbus A320 and A321 aircraft at the date of this press release. A team of dedicated aviation professionals delivers superior service and very low fares, making Wizz Air the preferred choice of 27.1 million passengers in the financial year that ended on 31 March 2022. Wizz Air is listed on the London Stock Exchange under the ticker WIZZ. The Company was recently named one of the world's top ten safest airlines by airlineratings.com, the world's only safety and product rating agency, and 2020 Airline of the Year by ATW, the most coveted honour an airline can receive, recognising individuals and organisations that have distinguished themselves through outstanding performance, innovation and superior service, and was also rated the most sustainable airline in Europe by Sustainalytics in January 2022.

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H1 financial review

In the first half of the financial year, Wizz Air carried 26.5 million passengers, a 112.0 per cent increase compared to the same period in the previous year, and generated revenues of €2,193.8 million, 149.2 per cent higher than last period. These rates compare to capacity increase measured in terms of ASKs of 88.2 per cent and 83.8 per cent more seats. The load factor increased from 75.3 per cent to 86.9 per cent.

The loss for the first half was €384.3 million, compared to a loss of €120.9 million in the same period of F22.

Summary condensed consolidated interim statement of comprehensive income (unaudited)

For the six months ended 30 September

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million	Change
Passenger ticket revenue	**1,182.1**	413.8	185.7%
Ancillary revenue	**1,011.7**	466.6	116.8%
Total revenue	**2,193.8**	880.4	149.2%
Staff costs	**(180.3)**	(97.2)	85.5%
Fuel costs (including exceptional income)	**(1,032.7)**	(256.9)	302.0%
Distribution and marketing	**(46.2)**	(21.2)	117.9%
Maintenance, materials and repairs	**(115.5)**	(58.5)	97.4%
Airport, handling and en-route charges	**(503.5)**	(254.4)	97.9%
Depreciation and amortisation	**(281.6)**	(216.2)	30.2%
Net other expense	**(97.9)**	(27.8)	252.2%
Total operating expense	**(2,257.6)**	(932.3)	142.2%
Operating loss	**(63.8)**	(51.9)	22.9%
Comprising:			
Operating loss excluding exceptional income	**(63.8)**	(56.2)	
Exceptional income	—	4.3	
Financial income	**3.1**	1.8	72.2%
Financial expenses	**(59.8)**	(42.7)	40.0%
Net foreign exchange loss	**(269.2)**	(26.8)	904.5%
Net financing expense	**(325.9)**	(67.7)	381.4%
Loss before income tax	**(389.7)**	(119.6)	225.8%
Income tax credit/(expense)	**5.4**	(1.3)	(515.4)%
Loss for the period	**(384.3)**	(120.9)	217.9%
Loss for the period attributable to:			
Non-controlling interest	**(9.5)**	(4.6)	
Owners of Wizz Air Holdings Plc	**(374.8)**	(116.3)	
Underlying loss for the period*	**(384.3)**	(125.2)	206.9%
Underlying loss for the period attributable to:			
Non-controlling interest	**(9.5)**	(4.6)	
Owners of Wizz Air Holdings Plc	**(374.8)**	(120.6)	

* Underlying loss excludes exceptional items, being the impact of hedge gains classified as discontinued resulting from the impact of COVID-19.

Revenue

Passenger ticket revenue increased by 185.7 per cent to €1,182.1 million and ancillary revenue (or "non-ticket" revenue) increased by 116.8 per cent to €1,011.7 million. Total revenue per ASK (RASK) increased by 32.4 per cent to 4.48 Euro cents.

Average revenue per passenger was €82.9 during H1 F23, an increase of 17.6 per cent versus H1 F22. Average ticket revenue per passenger increased from €33.1 in H1 F22 to €44.6 in H1 F23, €11.5 or 34.7 per cent higher than last year, while average ancillary revenue per passenger increased from €37.4 in H1 F22 to €38.2 in H1 F23, an increase of €0.8 or 2.3 per cent.

The increase in passenger ticket revenue was driven by the improvement in the passenger demand environment which was strongly impacted by the lifting of travel restrictions due to COVID-19, while the increase in ancillary revenue per passenger was driven by our core and flexibility products.

Operating expenses

Operating expenses for the first half increased by 142.2 per cent to €2,257.6 million from €932.3 million in H1 F22, driven in particular by fuel price increase, capacity ramp-up and the resulting higher staff, airport, handling and en-route charges. Total cost per ASK (CASK) including impact of hedges increased by 26.5 per cent to 4.73 Euro cents in H1 F23 from 3.74 Euro cents in H1 F22. CASK excluding fuel expenses decreased by 4.7 per cent to 2.62 Euro cents in H1 F23 compared to 2.75 Euro cents in H1 F22.

Staff costs increased by 85.5 per cent to €180.3 million in H1 F23, up from €97.2 million in H1 F22, reflecting the increase in capacity as well as the accompanying hiring due to the capacity ramp-up.

Fuel expenses (including exceptional items) increased by 302.0 per cent to €1,032.7 million in H1 F23, from €256.9 million in the same period of F22. The increase was driven primarily by the increasing fuel prices; the average fuel price (including hedging impact and into-plane premium) paid by Wizz Air in the first half was US$1,279.4 per tonne, an increase of 95.0 per cent from US$656.0 in the same period in F22. The unfavourable EUR/USD rate also had a big impact on fuel cost; the FX rate was 1.03 in the first half of F23, a decrease of 0.15 from the same period in F22. Fuel consumption rose 86.5 per cent to 760,851 tonnes in H1 F23 from 408,020 tonnes a year earlier.

Distribution and marketing costs increased by 117.9 per cent to €46.2 million from €21.2 million in the first half of F22, in line with the increase in capacity and marketing activity due to new base openings.

Maintenance, materials and repair costs increased by 97.4 per cent to €115.5 million in H1 F23 from €58.5 million in H1 F22, due to increased utilisation of the fleet and greater number of maintenance events.

Airport, handling and en-route charges increased to €503.5 million in the first half of F23 versus €254.4 million in the same period of F22. The increase was primarily due to the increase in traffic.

Depreciation and amortisation charges were 30.2 per cent higher at €281.6 million in the first half, up from €216.2 million in the same period in F22. The increase is related to depreciation on the growing fleet and the increased flight cycles flown.

Net other expense amounted to €97.9 million in H1 F23, compared to €27.8 million in the same period in F22. The variance was primarily driven by the significant increase of flight disruption and compensation costs due to increased delays and cancellations (H1 F23: €89.6 million cost; H1 F22: €17.5 million cost), partially offset by an increase in engine and aircraft sale and leaseback gains (H1 F23: €41.8 million gain; H1 F22: €16.1 million gain).

Financial income amounted to €3.1 million in the first half compared to €1.8 million in the same period in F22, driven by higher interest rates on deposits.

Financial expenses amounted to €59.8 million in the first half compared to €42.7 million in the same period in F22. Financial expenses predominantly arise from interest charges related to lease liabilities under IFRS 16, which increased because of the growing fleet.

Net foreign exchange loss was €269.2 million in the first half compared to a gain of €26.8 million in the same period in F22. The significant net foreign exchange loss accounted for in the period is mainly caused by the foreign exchange translation of the net unhedged USD lease liability position.

Taxation

The Group recorded an income tax credit of €5.4 million in the period compared to an income tax expense of €1.3 million in the same period in F22. The tax credit is mainly attributable to an increase in deferred tax assets due to the foreign exchange translation effect on IFRS 16 lease liabilities and a higher tax rate in the UK. This credit more than offset local business tax and innovation tax paid in Hungary.

Second quarter performance

In the three months to 30 September 2022 ("Q2" or "the second quarter"), Wizz Air carried 14.3 million passengers, a 55.9 per cent increase compared to the same period in the previous year, and generated revenues of €1,385.0 million. These rates compare to an increase in capacity measured in terms of ASKs of 37.9 per cent. The load factor increased from 79.9 per cent to 88.8 per cent. The profit for the second quarter was €68.2 million, compared to a loss of €6.5 million in the same period of F22.

Other information

1. Cash

Total cash (including restricted cash and cash deposits with more than three months' maturity) at the end of the first half increased by 18.2 per cent to €1,629.9 million versus 31 March 2022, of which €1,494.5 million is non-restricted cash. Adjusted free cash flow (defined as net cash generated by operating activities and proceeds from sale of tangible assets) in the six months period ended on 30 September 2022 was €569.1 million (in the six months period ended on 30 September 2021 was €406.6 million).

2. Restatement of F22 H1 comparatives

After careful reflection and having regard to the growth in the number of aircraft on order and increased significance of gains on sale and leaseback transactions, the Group determined that the proceeds from sale and leaseback transactions which were included in cash flows from operating activities within the statement of cash flows in the prior period should be presented as cash flows from investing activities. Accordingly, management has restated the presentation of the condensed consolidated interim statement of cash flows for the six months ended 30 September 2021. Gains and credits associated with sales and leaseback transactions in the prior period amounted to €55.9 million were previously included under changes in deferred income and are now presented under proceeds from the sale of tangible assets. Please refer to Note 19 to the condensed consolidated interim financial statements for more details.

3. Ownership and control

To protect the EU airline operating licence of Wizz Air Hungary Ltd (a subsidiary of the Company), the Board has resolved to continue to apply a disenfranchisement of Ordinary Shares held by non-EEA Shareholders in the capital of the Company. This will continue to be done on the basis of a "Permitted Maximum" of 45 per cent pursuant to the Company's articles of association ("the Permitted Maximum"). In preparation for the 2022 Annual General Meeting (AGM), on 13 September 2022 the Company sent a Restricted Share Notice to Non-Qualifying registered Shareholders, informing them of the number of Ordinary Shares that will be treated as Restricted Shares:

- a "**Qualifying National**" includes: (i) EEA nationals, (ii) nationals of Switzerland and (iii) in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating licence contained in Article 4(f) of Regulation (EC) No. 1008/2008 of the European Commission, as such conditions may be amended, varied, supplemented or replaced from time to time, or as provided for in any agreement between the EU and any third country (whether or not such undertaking is itself granted an operating licence); and
- a "Non-Qualifying National" includes any person who is not a Qualifying National in accordance with the definition above.

4. Hedging position

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit and Risk Committee. During the earlier phases of the COVID-19 crisis, key players in the airline industry, including Wizz Air, were severely impacted with significant financial hedge losses. As a result, during that time and as agreed with its Board of Directors, Wizz Air moved to a no hedge policy to avoid hedge losses in the future.

In Europe, however, key competitors continued to hedge, albeit at lower coverage levels versus pre-pandemic.

Given the sustained and ongoing volatility in commodity prices Wizz Air has decided to reinstate the jet fuel hedging and align the policy with its peers from F24 onwards. The hedges under the hedge policy will be rolled forward quarterly, 18 months out, with coverage levels over time reaching indicatively between 65 per cent for the first quarter of the hedging horizon and 15 per cent for the last quarter of the hedging horizon. In line with the hedging policy, Wizz Air also intends to hedge its US dollar exposure related to fuel consumption. There are no outstanding US dollar hedges as of 30 September 2022. Jet fuel hedge coverages at 30 September 2022 are as follows:

Jet fuel hedge coverage

Period covered	**F23 6 months**	**F24 12 months**
Exposure in metric tonnes (‘000)	**754**	**1,839**
Coverage in metric tonnes (‘000)	**407**	**513**
Hedge coverage for the period	**54%**	**28%**
Coverage by hedge types:		
Zero-cost collars in metric tonnes (‘000)	**340**	**513**
Weighted average ceiling	**$1,367**	**$1,063**
Weighted average floor	**$1,104**	**$924**
Call options in metric tonnes (‘000)	**67**	**—**
Weighted average ceiling	**$1,201**	**—**
Weighted average floor	**—**	**—**

Sensitivities

Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts the H2 F23 fuel costs by $7.5 million.

One cent movement in the EUR/USD exchange rate impacts the H2 F23 operating expenses by €8.4 million.

Key statistics

	Six months ended 30 Sep 2022	Six months ended 30 Sep 2021	Change
Capacity			
Number of aircraft at end of period	**168**	144	16.7%
Equivalent aircraft	**156.3**	140.6	11.2%
Utilisation (block hours per aircraft per day)	**11.82**	7.37	60.4%
Total block hours	**338,125**	189,572	78.4%
Total flight hours	**293,928**	165,550	77.5%
Revenue departures	**141,108**	80,488	75.3%
Average departures per day per aircraft	**4.93**	3.13	57.5%
Seat capacity	**30,485,203**	16,587,843	83.8%
Average aircraft stage length (km)	**1,607**	1,569	2.4%
Total ASKs ('000 km)	**48,976,909**	26,026,915	88.2%
Operating data			
RPKs ('000 km)	**43,219,485**	19,593,818	120.6%
Load factor	**86.9%**	75.3%	15.4%
Passengers carried	**26,476,899**	12,491,139	112.0%
Fuel price (average US$ per tonne, including hedging impact and into-plane premium)	**1,279.4**	656.0	95.0%
Foreign exchange rate (average US$/€, including hedging impact)	**1.03**	1.19	-13.4%

CASK

	Six months ended 30 Sep 2022 Euro cents	Six months ended 30 Sep 2021 Euro cents	Change Euro cents
Fuel costs	**2.11**	0.99	113.6%
Staff costs	**0.37**	0.37	—
Distribution and marketing	**0.09**	0.08	15.5%
Maintenance, materials and repairs	**0.24**	0.22	4.8%
Airport, handling and en-route charges	**1.03**	0.98	5.2%
Depreciation and amortisation	**0.57**	0.83	-30.8%
Net other expenses	**0.20**	0.11	92.1%
Net financial expenses	**0.12**	0.16	-26.4%
Total CASK	**4.73**	3.74	26.5%
CASK excluding exceptional operating expense	**4.73**	3.76	25.9%
Total ex-fuel CASK	**2.62**	2.75	-4.7%

Available seat kilometres (ASK): the number of seats available for scheduled passengers multiplied by the number of kilometres those seats were flown.

CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of financial income, excluding exceptional items.

Ex-fuel CASK: cost per ASK, where cost is defined as operating expenses and financial expenses net of fuel expenses and financial income, excluding exceptional items.

Equivalent aircraft: the number of aircraft available to Wizz Air in a particular period, reduced on a per aircraft basis to reflect any proportion of the relevant period that an aircraft has been unavailable.

Adjusted free cash flow: net cash generated by operating activities and proceeds from sale of tangible assets.

Flight hours: each hour from the moment the aircraft takes off from the runway for the purposes of flight until the moment the aircraft lands at the runway of the arrival airport.

Load factor: the number of seats sold divided by the number of seats available.

Revenue passenger kilometres (RPK): the number of seat kilometres flown by passengers who paid for their tickets.

RASK: total revenue divided by ASK.

Utilisation: the total block hours for a period divided by the total number of aircraft in the fleet during the period and the number of days in the relevant period.

Yield: the total revenue per RPK.

For the definition of certain other technical terms used in this document, including some non-GAAP financial measures, please refer to our 2022 Annual Report and Accounts, particularly on page 68.

Definition and reconciliation of other non-statutory financial performance measures

"Earnings before interest, tax, depreciation and amortisation" (EBITDA) is profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation and amortisation.

EBITDA (excluding exceptional items) is profit (or loss) before net financing costs (or gain), income tax expense (or credit), depreciation, amortisation and exceptional items.

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Operating loss (excluding exceptional items)	**(63.8)**	(56.2)
Depreciation and amortisation	**281.6**	216.2
EBITDA (excluding exceptional income)	**217.8**	160.0

The Company has a policy of rounding each amount and percentage individually from the fully accurate number to the figure disclosed in the information presented. As a result, some amounts and percentages do not total – though such differences are all small.

Forward-looking statements

The information in this announcement includes forward-looking statements which are based on the Company's or, as appropriate, the Company's Directors' current expectations and projections about future events. These forward-looking statements may be identified by the use of forward-looking terminology including, but not limited to, the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussion of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments, including, among other things, the development of its business, trends in its operating industry and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances referred to in the forward-looking statements may differ materially from those indicated in these statements. Forward-looking statements may, and often do, materially differ from actual results.

None of the future projections, expectations, estimates or prospects or any other statements contained in this announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the announcement. Forward-looking statements speak only as of the date of this announcement. Subject to obligations under the Listing Rules and Disclosure and Transparency Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time), neither the Company nor any of its affiliates, or individuals acting on its behalf, undertakes to publicly update or revise any such forward-looking statement, or any other statements contained in this announcement, whether as a result of new information, future events or otherwise.

As a result of these risks, uncertainties and assumptions, one should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The information and opinions contained in this announcement are provided as at the date of this announcement and are subject to change without notice.

Emerging and principal risks and uncertainties

The aviation industry is subject to many risks and Wizz Air's business is no exception. A number of risks, as described in our 2022 Annual Report and Accounts, have the potential to adversely affect Wizz Air's expected results for the remainder of the current financial year. These risks include competitive moves, economic and political events such as safety events, Black Swan events including pandemics like COVID-19, foreign exchange rates and the price fluctuations of jet kerosene.

The full list of risks considered is set out below:

- information technology and cyber risk, including website availability, protection of our own and our customers' data, and ensuring the availability of operations-critical systems in an increasingly complex system landscape;
- external factors, ensuring the Company has capabilities and resilience to deal with risks such as geopolitical risks, Brexit, fuel cost, foreign exchange rates, risk of higher cost of doing business, competition, general economic trends, and the default of a partner financial institution;
- network development, making sure that we are making the best use of our capacity, driving maximum utilisation and ensuring that we have access to the right airport infrastructure at the right price so that we can keep on delivering the superior Wizz Air service at low fares across an expanding network;
- fleet development, ensuring the Company has the right number of aircraft available at the right time to take advantage of commercial opportunities and grow in a disciplined way without any supply chain disruption;
- regulatory risk, making sure that we remain compliant with regulations affecting our business and operations and we remain agile to react to the changing governmental actions due to COVID-19, Brexit and changing policies due to sustainability (taxation, etc.);
- operations, including safety events and terrorist incidents and employee and passenger security;
- global pandemic, which has been the reality during 2020, 2021 and the start of 2022 and may continue to impact the Company and its interests in the near future even after the successful vaccination programmes and slowly reaching an endemic state;
- human resources, ensuring we are able to recruit the right quality and the right number of colleagues to support our ambition to grow and, once recruited, that they remain engaged and motivated and that the Company has appropriate succession management in place for key colleagues, even in the context of a global pandemic;
- social and governance risks, making sure we are at all times guided through our core values and our value of integrity, and respected throughout our business processes and deals, and providing transparency to all our stakeholders through responsible reporting and disclosure; and
- environmental risk, ensuring that we are able to answer the growing need of environmental protection and consciousness, mitigate the emerging transition and physical risks and create a sustainable, climate-friendly service for our customers at all times respecting the planet.

The Directors consider that the principal risks to the Company's business during the second half of the financial year remain those summarised above and set out on pages 70 to 77 of our 2022 Annual Report and Accounts, available at corporate.wizzair.com.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated interim statement of comprehensive income

For the six months ended 30 September 2022 (unaudited)

	Note	**Six months ended 30 Sep 2022 € million**	Six months ended 30 Sep 2021 € million
Passenger ticket revenue	[6,7]	**1,182.1**	413.8
Ancillary revenue	[6,7]	**1,011.7**	466.6
Total revenue	[6,7]	**2,193.8**	880.4
Staff costs		**(180.3)**	(97.2)
Fuel costs (including exceptional income)		**(1,032.7)**	(256.9)
Distribution and marketing		**(46.2)**	(21.2)
Maintenance, materials and repairs		**(115.5)**	(58.5)
Airport, handling and en-route charges		**(503.5)**	(254.4)
Depreciation and amortisation		**(281.6)**	(216.2)
Net other expense	[8]	**(97.9)**	(27.8)
Total operating expenses		**(2,257.6)**	(932.3)
Operating loss		**(63.8)**	(51.9)
Comprising:			
Operating loss excluding exceptional income		**(63.8)**	(56.2)
Exceptional income (included in fuel costs)	[10]	**—**	4.3
Financial income	[9]	**3.1**	1.8
Financial expenses	[9]	**(59.8)**	(42.7)
Net foreign exchange loss	[9]	**(269.2)**	(26.8)
Net financing expense	[9]	**(325.9)**	(67.7)
Loss before income tax		**(389.7)**	(119.6)
Income tax credit/(expense)	[11]	**5.4**	(1.3)
Net loss for the period		**(384.3)**	(120.9)
Net loss for the period attributable to:			
Non-controlling interest		**(9.5)**	(4.6)
Owners of Wizz Air Holdings Plc		**(374.8)**	(116.3)
Other comprehensive (expense)/income – items that may be subsequently reclassified to profit or loss:			
Net movements in cash flow hedging reserve, net of tax			
Net change in fair value		**(125.9)**	14.2
Recycled to profit or loss		**(8.7)**	(12.0)
Change in time value of call options		**(2.9)**	—
Currency translation differences		**(4.9)**	(0.7)
Other comprehensive (loss)/income for the period, net of tax		**(142.4)**	1.5
Total comprehensive loss for the period		**(526.7)**	(119.4)
Total comprehensive loss attributable to:			
Non-controlling interest		**(11.9)**	(4.8)
Owners of Wizz Air Holdings Plc		**(514.8)**	(114.6)
Basic and diluted loss per share (Euro/share)	[12]	**(3.63)**	(1.28)

Condensed consolidated interim statement of financial position

As at 30 September 2022

	Note	**30 Sep 2022 (unaudited) € million**	31 Mar 2022 (audited) € million
ASSETS			
Non-current assets			
Property, plant and equipment	[13]	**4,302.8**	3,631.4
Intangible assets		**76.1**	62.4
Restricted cash		**56.3**	67.3
Deferred tax assets		**14.1**	1.7
Trade and other receivables	[14]	**22.4**	20.7
Total non-current assets		**4,471.6**	3,783.5
Current assets			
Inventories		**128.7**	70.9
Trade and other receivables	[14]	**300.8**	186.9
Current tax assets		**6.4**	2.5
Derivative financial instruments		**3.1**	0.7
Restricted cash		**79.1**	94.9
Short-term cash deposits		**365.2**	450.0
Cash and cash equivalents		**1,129.3**	766.6
Total current assets		**2,012.6**	1,572.5
Total assets		**6,484.2**	5,356.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		**—**	—
Share premium		**381.2**	381.2
Reorganisation reserve		**(193.0)**	(193.0)
Equity part of convertible debt		**8.3**	8.3
Cash flow hedging reserve		**(138.4)**	(3.8)
Cost of hedging reserve		**(2.9)**	—
Cumulative translation adjustments		**(3.2)**	(0.7)
Retained earnings		**(283.2)**	87.3
Capital and reserves attributable to the owners of Wizz Air Holdings Plc		**(231.3)**	279.3
Non-controlling interest		**(27.3)**	(15.4)
Total equity		**(258.6)**	263.9
Non-current liabilities			
Borrowings	[17]	**4,469.0**	3,525.3
Convertible debt		**25.7**	26.1
Deferred income	[18]	**86.1**	63.0
Deferred tax liabilities		**2.0**	3.4
Derivative financial instruments		**13.7**	—
Trade and other payables	[15]	**58.9**	56.8
Provisions for other liabilities and charges	[16]	**29.6**	43.9
Total non-current liabilities		**4,684.9**	3,718.4
Current liabilities			
Trade and other payables	[15]	**875.3**	558.6
Current tax liabilities		**6.7**	0.2
Borrowings	[17]	**499.3**	413.1
Convertible debt		**—**	0.3
Derivative financial instruments		**126.1**	4.6
Deferred income	[18]	**394.3**	333.8
Provisions for other liabilities and charges	[16]	**156.2**	63.2
Total current liabilities		**2,057.9**	1,373.7
Total liabilities		**6,742.8**	5,092.1
Total equity and liabilities		**6,484.2**	5,356.1

Condensed consolidated interim statement of changes in equity

For the six months ended 30 September 2022 (unaudited)

	Share capital € million	Share premium € million	Reorganisation reserve € million	Equity part of convertible debt € million	Cash flow hedging reserve € million	Cost of hedging reserve € million	Cumulative translation adjustments € million	Retained earnings € million	Total € million	Non-controlling interest € million	Total equity € million
Balance at 1 April 2022	**—**	**381.2**	**(193.0)**	**8.3**	**(3.8)**	**—**	**(0.7)**	**87.3**	**279.3**	**(15.4)**	**263.9**
Comprehensive income											
Loss for the period	—	—	—	—	—	—	—	(374.8)	(374.8)	(9.5)	(384.3)
Fair value losses in the period	—	—	—	—	(125.9)	—	—	—	(125.9)	—	(125.9)
Gains transferred to statement of profit or loss	—	—	—	—	(8.7)	—	—	—	(8.7)	—	(8.7)
Hedge discontinuation gains transferred to income statement	—	—	—	—	—	—	—	—	—	—	—
Change in time value of call options	—	—	—	—	—	(2.9)	—	—	(2.9)	—	(2.9)
Currency translation differences	—	—	—	—	—	—	(2.5)	—	(2.5)	(2.4)	(4.9)
Total other comprehensive income/(expense)	**—**	**—**	**—**	**—**	**(134.6)**	**(2.9)**	**(2.5)**	**—**	**(140.0)**	**(2.4)**	**(142.4)**
Total comprehensive income/(expense)	—	**—**	**—**	**—**	**(134.6)**	**(2.9)**	**(2.5)**	**(374.8)**	**(514.8)**	**(11.9)**	**(526.7)**
Transactions with owners											
Share-based payment charge	—	—	—	—	—	—	—	4.2	4.2	—	4.2
Total transactions with owners	—	—	—	—	—	—	—	4.2	4.2	—	4.2
Balance at 30 September 2022	**—**	**381.2**	**(193.0)**	**8.3**	**(138.4)**	**(2.9)**	**(3.2)**	**(283.3)**	**(231.3)**	**(27.3)**	**(258.6)**

Condensed consolidated interim statement of changes in equity

For the six months ended 30 September 2021 (unaudited)

	Share capital € million	Share premium € million	Reorganisation reserve € million	Equity part of convertible debt € million	Cash flow hedging reserve € million	Cumulative translation adjustments € million	Retained earnings € million	Total € million	Non-controlling interest € million	Total equity € million
Balance at 1 April 2021	**–**	**381.2**	**(193.0)**	**8.3**	**(2.2)**	**1.1**	**712.3**	**907.7**	**(4.0)**	**903.7**
Comprehensive income										
Loss for the period	–	–	–	–	–	–	(116.3)	(116.3)	(4.6)	(120.9)
Fair value gains in the period	–	–	–	–	14.2	–	–	14.2	–	14.2
Gains transferred to statement of profit or loss	–	–	–	–	(11.4)	–	–	(11.4)	–	(11.4)
Hedge discontinuation gains transferred to income statement	–	–	–	–	(0.6)	–	–	(0.6)	–	(0.6)
Currency translation differences	–	–	–	–	–	(0.5)	–	(0.5)	(0.2)	(0.7)
Total other comprehensive income/(expense)	–	**–**	**–**	**–**	**2.2**	**(0.5)**	**–**	**1.7**	**(0.2)**	**1.5**
Total comprehensive income/(expense)	–	**–**	**–**	**–**	**2.2**	**(0.5)**	**(116.3)**	**(114.6)**	**(4.8)**	**(119.4)**
Transactions with owners										
Share-based payment charge	–	–	–	–	–	**–**	2.4	2.4	–	2.4
Total transactions with owners	–	**–**	**–**	**–**	**–**	**–**	**2.4**	**2.4**	**–**	**2.4**
Balance at 30 September 2021	**–**	**381.2**	**(193.0)**	**8.3**	–	**0.6**	**598.4**	**795.5**	**(8.8)**	**786.7**

Condensed consolidated interim statement of cash flows

For the six months ended 30 September 2022 (unaudited)

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 (restated*) € million
Cash flows from operating activities		
Loss before income tax	**(389.7)**	(119.6)
Adjustments for:		
Depreciation	**275.3**	211.5
Amortisation	**6.2**	4.7
Financial income	**(3.1)**	(1.8)
Financial expenses	**59.8**	42.7
Realised fair value gains on derivative financial instruments	**14.1**	(4.2)
Unrealised foreign currency losses	**285.2**	16.5
Realised non-operating foreign currency (gains)/losses	**(25.4)**	9.7
Gain on sale of property, plant and equipment	**(41.8)**	(16.1)
Share-based payment charges	**4.3**	2.3
	184.9	145.7
Changes in working capital		
Increase in trade and other receivables	**(114.1)**	(32.6)
Decrease in restricted cash	**45.5**	12.3
Increase in derivatives	**(6.0)**	—
(Increase)/decrease in inventory	**(57.7)**	6.5
Increase in provisions	**61.7**	5.7
Increase in trade and other payables	**300.9**	122.5
Increase in deferred income*	**62.9**	94.9
Cash generated by operating activities before tax	**478.2**	354.9
Income tax paid	**(4.2)**	(4.2)
Net cash generated by operating activities	**473.9**	350.7
Cash flows from investing activities		
Purchase of aircraft maintenance assets	**(55.2)**	(16.1)
Purchases of tangible and intangible assets	**(38.2)**	(13.3)
Proceeds from sale of tangible assets*	**95.2**	55.9
Advances paid for aircraft	**(261.9)**	(227.5)
Refund of advances paid for aircraft	**284.9**	147.4
Interest received	**2.4**	1.6
Decrease/(increase) in short-term cash deposits	**84.8**	(53.2)
Net cash generated by/(used in) investing activities	**111.9**	(105.2)
Cash flows from financing activities		
Interest paid – IFRS 16 lease liability	**(43.6)**	(34.4)
Interest paid – JOLCO	**(3.6)**	(1.0)
Interest paid – other	**(1.4)**	(1.0)
Proceeds from new loans**	**47.7**	—
Repayment of loans**	**(240.7)**	(205.5)
Net cash used in financing activities	**(241.7)**	(242.0)
Net increase in cash and cash equivalents	**344.2**	3.5
Cash and cash equivalents at the beginning of the period	**766.6**	1,100.7
Effect of exchange rate fluctuations on cash and cash equivalents	**18.5**	5.8
Cash and cash equivalents at the end of the period	**1,129.3**	1,110.0

* The prior period was restated. Refer to Note 19 for more details..

** Mostly JOLCO and IFRS 16 leases.

Notes to the condensed consolidated interim financial statements (unaudited)

1. General information

Wizz Air Holdings Plc ("the Company") is a limited liability company incorporated in Jersey, registered under the address 44 Esplanade, St Helier JE4 9WG, Jersey. The Company is managed from Switzerland, under the address Route François-Peyrot 12, 1218 Le Grand-Saconnex, Geneve. The Company and its subsidiaries (together referred to as "the Group" or "Wizz Air") provide low-cost, low-fare passenger air transportation services on scheduled short-haul and medium-haul point-to-point routes across Europe and the Middle East. The Company's Ordinary Shares are listed in the premium segment of the Official List of the Financial Conduct Authority and admitted to the Main Market of the London Stock Exchange.

2. Basis of preparation

These unaudited condensed consolidated interim financial statements present the financial results of the Group for the six-month period ended 30 September 2022. These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, IAS 34, 'Interim Financial Reporting' as adopted by the European Union and those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS. The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2022, which have been prepared in accordance with IFRSs and IFRICs as adopted by the European Union and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The comparative figures included for the year ended 31 March 2022 do not constitute statutory financial statements of the Group based on Article 105 (11) of the Companies (Jersey) Law 1991. The consolidated financial statements of the Group for the year ended 31 March 2022, together with the Independent Auditors' Report, have been filed with the Jersey Financial Services Commission and are also available on the Company's website (wizzair.com). The Independent Auditors' Report on those financial statements was unqualified.

The Company has a policy of rounding each amount and percentage individually from the fully accurate number to the figure disclosed in the condensed consolidated interim financial statements. As a result, some amounts and percentages do not total – though such differences are all small.

Going concern

Wizz Air's business activities, financial performance and financial position, together with external factors and principal risks likely to affect its future development and performance as described in our 2022 Annual Report and Accounts, including the plans to finance a growing number of future aircraft deliveries, where sale and leaseback financing is typically secured shortly before the scheduled delivery date of the aircraft and our judgment that there will continue to be demand in the leasing market to finance our aircraft prior to their delivery dates, have been reviewed by the Directors and are considered to be unchanged.

At 30 September 2022, the Group held cash and cash equivalents of €1,129.3 million (total cash of €1,629.9 million including €365.2 million of short-term cash deposits and €135.4 million of restricted cash), while net current liabilities were €45.3 million and net liabilities were €258.6 million. The external borrowings of the Group consist of €500 million of bonds maturing in January 2024, €500 million of bonds maturing in January 2026 and convertible debt with a balance of €25.7 million. A further €3,948.4 million in relation to future liabilities from lease, JOLCO and FTL contracts are presented as borrowings.

The Group operates using a three-year planning cycle. The plan projection for the period ending on 31 March 2025, end of F25, has recently been updated. The Directors have reviewed their latest financial forecasts for the next twelve months from the date of signing these financial statements including plans to finance committed future aircraft deliveries (see Note 20) due within this period that are currently unfinanced and available committed financing for aircraft. After making enquiries and testing the assumptions against different forecast scenarios including a severe but plausible downside scenario, the Directors have satisfied themselves that the Group is expected to be able to meet its commitments and obligations as they fall due for a period of at least the next twelve months from the date of signing this report.

These enquiries and testing included a base case model of how the operations of the business would develop over the next twelve months from the date of signing this report. Wizz Air expects to further improve utilisation of its fleet with higher unit revenues as compared to the previous year, as already evidenced in the first six months of F23. Pass-through of higher input costs in our pricing combined with stabilising our unit cost will restore the profitability of the Group in F24 and F25. The Directors have also modelled a downside scenario that assumes an even higher price for jet fuel and a stronger USD, whilst at the same time modelling a weaker trading environment (simulated by a lower RASK for the entire planning period) to take account of the current global economic uncertainty. The directors have also considered the impact of these downside scenarios for a period beyond the next twelve months that includes the repayment of our bonds in January 2024. In this scenario the Group is still forecasting sufficient liquidity throughout this period.

The Directors also considered the impact of climate change over the time period and concluded that it was unlikely that material physical or transition risks that are described in the Sustainability Report, on pages 17 to 59 of the 2022 Annual Report and Accounts, would arise over this period. In preparing its base and downside forecasts the Directors also took into account the impact of the war in Ukraine and the three aircraft stranded in Ukraine and no material impact is forecast. The Directors have assumed that the COVID-19 pandemic will no longer have a significant impact on business performance.

Accordingly, the Directors concluded it was correct to retain the going concern basis in preparing the condensed consolidated interim financial statements.

3. Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies, methods of computation and presentation applied in the Group's most recently published consolidated financial statements for the year ended 31 March 2022, except for the changes explained below.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2022, with the exception of changes in estimates that are required in determining the provision for income taxes. Taxes on income in the interim periods are accrued using the effective rate that would be applicable to expected total annual profit or loss. Proceeds from sale of tangible assets, including sale and leaseback transactions, were classified within cash flows from investing activities (Note 19).

In preparing the condensed consolidated interim financial statements, the Directors have considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report in the 2022 Annual Report and Accounts, the stated emission targets and the update provided on pages 3 and 4 of this Interim Report. These considerations did not have a material impact on the Group's going concern assessment, nor on the financial reporting judgments and estimates used in the preparation of these interim financial statements.

New standards, amendments and interpretations issued and effective

The following amendments and interpretations apply for the first time in the six months to 30 September 2022, but do not have a material impact, or any impact, on the condensed consolidated interim financial statements of the Group:

- Amendments to IFRS 3, 'Business Combinations': Reference to the Conceptual Framework, Contingent Liabilities and Cumulative Translation Adjustments
- Amendments to IAS 16, 'Property, Plant and Equipment': Proceeds before Intended Use
- Amendments to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets': Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements 2018–2020

New standards, amendments and interpretations issued but not yet effective

The following new accounting standards and interpretations have been published by the IASB that are not yet effective and have not been early adopted by the Group. These standards are either not relevant or not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Not yet endorsed by the EU:

- Amendments to IAS 1, 'Presentation of Financial Statements': Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Endorsed by the EU but not yet effective:

- Amendments to IAS 1, 'Presentation of Financial Statements' and IFRS Practice Statement 2: Disclosure of Accounting Policies

- Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors': Definition of Accounting Estimates
- Amendments to IAS 12, 'Income Taxes': Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- IFRS 17, 'Insurance Contracts' including Amendments to IFRS 17 (issued on 25 June 2020)
- Amendments to IFRS 17, 'Insurance Contracts': Initial Application of IFRS 17 and IFRS 9 – Comparative Information

4. Financial risk management

Interest rate benchmarks

As a result of interest rate benchmark reform many benchmark interest rates are not published anymore, or will be last published in 2023. In connection with floating rate leases, the Group has exposures to LIBORs, which are anticipated to be published until 30 June 2023. Accordingly, this had no impact on the H1 F23 condensed consolidated interim financial statements and the effect of this change will be evaluated once the existing rates are replaced and contracts are amended. Based on management's assessment to date there is no significant risk that the IBOR reform will have a material impact on the Group's results or financial position.

Hedging

During the earlier phases of the COVID-19 crisis, key players in the airline industry, including Wizz Air, were severely impacted with significant financial hedge losses. As a result, during that time and as agreed with its Board of Directors, Wizz Air moved to a no hedge policy to avoid hedge losses in the future.

In Europe, however, key competitors continued to hedge, albeit at lower coverage levels versus pre-pandemic.

Given the sustained and ongoing volatility in commodity prices Wizz Air has decided to reinstate a hedging policy and align its policy to those of its peers.

For F23 the Company has entered into jet fuel hedge deals to manage the tail risk, as a response to commodity market volatility due to the war in Ukraine.

In June the Company reinstated its Board approved systematic hedging policy from F24 with the following coverage and time horizon.

The hedges under the hedge policy will be rolled forward quarterly, 18 months out, with coverage levels over time reaching indicatively between 65 per cent for the first quarter of the hedging horizon and 15 per cent for the last quarter of the hedging horizon. In line with the hedging policy, Wizz Air also intends to hedge its US dollar exposure related to fuel consumption.

Hedge transactions during the year

The Group used zero-cost collar instruments and, to some extent, call options to hedge its jet fuel exposures.

Foreign exchange hedge:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Loss recognised within fuel costs		
Effective cash flow hedge	—	(2.3)
Fair value change of discontinued cash flow hedge expiring in the financial year*	—	(0.3)
Total loss recognised within fuel costs	—	(2.6)

Fuel hedges:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Gain recognised within fuel costs		
Effective hedge – gain transferred into the statement of profit or loss	**8.7**	13.7
Discontinued cash flow hedge expiring in the financial year*	—	0.6
Fair value change of discontinued cash flow hedge expiring in the financial year*	—	4.0
Total gain recognised within fuel costs	**8.7**	18.3

* Fair value change and result of discontinued hedges were charged to exceptional expense.

Hedge period-end open positions

The fair value of derivatives is estimated by the contracting financial institutions as per their industry practice. As required, the fair values ascribed to those instruments are verified also by management using high-level models. These estimations are performed based on market prices observed at period end and therefore, according to paragraph 128 of IAS 1, do not require further disclosure. Such fair values might change materially within the near future but these changes would not arise from assumptions made by management or other sources of estimation uncertainty at the end of the period but from the movement of market prices. The fair value calculation is most sensitive to movements in the jet fuel and foreign currency spot prices, their implied volatility and respective yields.

Foreign exchange hedge: No open position at period end.

Fuel hedge:

At 30 September 2022	'000 metric tonnes	Derivative financial instruments: Non-current assets € million	Current assets € million	Non-current liabilities € million	Current liabilities € million	Net liability € million
Effective cash flow hedge positions	920.6	—	3.1	(13.7)	(126.1)	(136.7)
Total fuel hedge	**920.6**	**—**	**3.1**	**(13.7)**	**(126.1)**	**(136.7)**

At 31 March 2022	'000 metric tonnes	Derivative financial instruments: Non-current assets € million	Current assets € million	Non-current liabilities € million	Current liabilities € million	Net liability € million
Effective cash flow hedge positions	240.0	—	0.7	—	(4.6)	(3.9)
Total fuel hedge	240.0	—	0.7	—	(4.6)	(3.9)

For the movements in other comprehensive income refer to the condensed consolidated interim statement of changes in equity.

Hedge effectiveness

The effectiveness of hedges is tested both prospectively and retrospectively to determine the appropriate accounting treatment of hedge gains and losses. Prospective testing of open hedges requires making certain estimates, the most significant one being for the future expected level of the business activity (primarily the utilisation of fleet capacity) of the Group. Building on these estimations of the future, management makes a judgment on the accounting treatment of open hedging instruments. Hedge accounting for jet fuel and foreign currency cash flow hedges is discontinued where the "highly probable" forecast criterion is not met in accordance with the requirements of IFRS 9.

Following the COVID-19 outbreak, the fuel consumption in the six months ended 30 September 2021 was significantly lower than that on which the Group hedging programme was originally based, resulting in the discontinuation of the fuel and foreign currency hedging relationships. There was no discontinued hedging relationship during the six months ended 30 September 2022.

None of the hedge counterparties had a material change in their credit status that would have influenced the effectiveness of the hedging transactions.

Fair value estimation

The Group measures its derivative financial instruments at fair value, as calculated by the banks involved in the hedging transactions. These instruments fall into the Level 2 category. Fair values are determined based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. The banks are using generally accepted valuation techniques, principally the Black-Scholes model and discounted cash flow models. All the other financial assets and financial liabilities of the Group are measured at amortised cost.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 September 2022.

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Assets				
Derivative financial instruments	—	3.1	—	3.1
	—	3.1	—	3.1
Liabilities				
Derivative financial instruments	—	139.8	—	139.8
	—	139.8	—	139.8

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2022.

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Assets				
Derivative financial instruments	—	0.7	—	0.7
	—	0.7	—	0.7
Liabilities				
Derivative financial instruments	—	4.6	—	4.6
	—	4.6	—	4.6

5. Critical estimates and judgments made in applying the Group's accounting policies

For critical estimates and judgments refer to Note 4 in the 2022 Annual Report and Accounts of the Group. No significant changes to such estimates and judgments occurred for the six months ended 30 September 2022, except for the below.

Aircraft in Ukraine

Judgment: In February 2022, the airspace of Ukraine, Russia and Moldova was closed until further notice as a result of the war in Ukraine. Four of Wizz Air's aircraft were stranded in Ukrainian territory, one in Lviv and three in Kyiv.

The aircraft in Lviv was successfully repatriated in September 2022. After attending scheduled maintenance, airframe structural checks and engine inspection the aircraft returned to service in October 2022 with no significant extra repair work required.

The aircraft grounded in Kyiv are in good condition and with no damage, evidenced by photographic images and local employee information. Maintenance work has been performed to put parking and storage procedures in place. The maintenance and inspection procedures necessary to return the aircraft into service are work in progress at the time of this report. Engine inspections already performed during October indicate no major adverse findings. It is assumed that the aircraft can return to the fleet by the end of the calendar year.

Estimate: The incremental maintenance provision requirement for the three aircraft stranded in Ukraine is a judgment by management where the range of outcomes is estimated between a minimum of €0.6 million and maximum of €22.5 million less amounts already provided of €6.5 million. Relying on the delivered inspection work, the high end of the estimated maintenance cost represents a very remote, worst-case scenario which assumes major overhaul is required on all components, including engines.

Hedge and derivative accounting

Estimate: The asset and liability balances at year end related to open hedge instruments can be material. The fair value of derivatives is estimated by contracting financial institutions as per their industry practice. As required, the fair values ascribed to those instruments are verified also by management using high-level models. These estimations are performed based on market prices observed at period end and therefore, according to paragraph 128 of IAS 1, do not require further disclosure. Such fair values might change materially within the near future but these changes would not arise from assumptions made by management or other sources of estimation uncertainty at the end of the period but from the movement of market prices. The fair value calculation is most sensitive to movements in the jet fuel and foreign currency spot prices, their implied volatility and respective yields.

Due to the reinstated hedging policy, the open hedge instrument balances of the Group increased significantly during the period. The net carrying amount of cash flow hedges was €136.7 million liability at 30 September 2022 (31 March 2022: €3.9 million liability). There was no discontinued hedging relationship during the six months ended 30 September 2022.

Estimate and judgment: The effectiveness of hedges is tested both prospectively and retrospectively to determine the appropriate accounting treatment of hedge gains and losses. Prospective testing of open hedges requires making certain estimates, the most significant one being for the future expected level of business activity (primarily the utilisation of fleet capacity) of the Group.

Building on these estimations of the future, management makes judgment on the accounting treatment of open hedge instruments. Hedge accounting for jet fuel and foreign currency cash flow hedges is discontinued where the "highly probable" forecast criterion is not met in accordance with the requirements of IFRS 9.

During the period none of the hedge counterparties had a material change in their credit status that would have influenced the effectiveness of the hedging transactions.

EU 261

EU Regulation (EC) No. 261/2004 (EU261) requires airlines to offer passengers affected by a flight cancellation covered by the scope of EU261, the option to choose between re-routing to their final destination (at the earliest opportunity or at a later date at the passenger's convenience) and reimbursement of their ticket price. The decree stipulates the conditions for airlines to compensate and provide assistance to passengers (holding a valid ticket) who have been denied boarding or whose flight has been cancelled or delayed.

The Group monitors all flight disruption and estimates the provision for compensation payable under EU261 based on known eligible events and historical claim patterns. European air travel experienced a higher than normal level of operational disruption during the Summer, where Wizz Air cancellations were in line with other European operators, resulting in cancellation levels that were multiples of that experienced in previous periods. As a consequence compensation payable to customers increased and the Group has increased its EU 261 provision to €66.5 million at 30 September 2022 (€13.0 million at 31 March 2022). As operational performance has recently normalized, provisions related to cancellations and flight disruption are expected to reduce to a lower level.

6. Segment information

Reportable segment information

During F22 and F23 the Group had only one reportable segment, being its entire route network, resulting in a net loss of €384.3 million during the six months ended 30 September 2022 (for the six months ended 30 September 2021: €120.9 million loss). All segment revenue of was derived wholly from external customers and, as the Group had a single reportable segment, inter-segment revenue was zero.

Entity-wide disclosures

Products and services

Revenue from external customers can be analysed by groups of similar services as follows:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Passenger ticket revenue	**1,182.1**	413.8
Ancillary revenues	**1,011.7**	466.6
Total segment revenue	**2,193.8**	880.4

These categories are non-IFRS categories meaning that they are not necessarily distinct from a nature, timing and risk point of view; however, management believes that these categories provide clarity over the revenue profile of the Group to the readers of the financial statements and are in line with airline industry practice. The categories as per the definition of IFRS 15 are disclosed in Note [7].

Ancillary revenue arises mainly from baggage charges, booking/payment handling fees, airport check-in fees, fees for various convenience services (e.g. priority boarding, extended legroom and reserved seating), loyalty programme membership fees, commission on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls, co-branded cards and repatriation and cargo flights.

Geographic areas

Revenue from external customers can be analysed by geographic areas as follows:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
EU	**1,560.2**	645.7
UK	**280.1**	73.1
Other (non-EU)*	**353.5**	161.6
Total revenue from external customers	**2,193.8**	880.4

* This comprises a number of non-EU geographic areas that are all individually less than 10 per cent of total revenue.

Revenue was allocated to geographic areas based on the location of the first departure airport on each ticket booking.

The Company's revenue from external customers within the EU is mainly generated by Italy of €305.7 million for the six months ended 30 September 2022 (the six months ended 30 September 2021: €128.2 million), Romania of €236.8 million (the six months ended 30 September 2021: €122.2 million) and Poland of €178.9 million (the six months ended 30 September 2021: €66.5 million).

The physical location of non-current assets is not tracked by the Group and is therefore not disclosed by geographic area. This is because: (i) by value most assets are associated either with aircraft not yet received (pre-delivery payments) or with existing leased aircraft and spare engines (RoU and maintenance assets), the location of which changes regularly following aircraft capacity allocation decisions; and (ii) the value of the remaining asset categories (land and buildings, fixtures and fittings) is not a material part of total non-current assets.

The distribution of the non-current assets between the key operating entities of the Group is as follows:

	30 Sep 2022 € million	31 Mar 2022 € million
Wizz Air Hungary	**3,581.6**	3,149.5
Wizz Air UK	**498.5**	424.5
Wizz Air Leasing	**301.1**	195.4
Wizz Air Malta	**65.4**	—
Wizz Air Abu Dhabi	**23.3**	12.4
Other	**1.7**	1.9
Total non-current assets	**4,471.6**	3,783.5

No revenue or non-current asset of the Group were recognised in Jersey, the Company's country of domicile for the six months ended 30 September 2022 (for the six months ended 30 September 2021: €nil).

Wizz Air Malta Limited and WAM Ventures Holding Limited were successfully established to reinforce Wizz Air's position and support its expansion plans in Europe.

7. Revenue

The split of total revenue presented in the condensed consolidated interim statement of comprehensive income, being passenger ticket revenue and ancillary revenue, is a non-IFRS measure (or alternative performance measure). The existing presentation is considered relevant for the users of the financial statements because: (i) it mirrors disclosures presented outside of the financial statements; and (ii) it is regularly reviewed by the Chief Operating Decision Maker for evaluating the financial performance of its single operating segment.

Revenue from contracts with customers can be disaggregated as follows based on IFRS 15:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Revenue from contracts with passengers	**2,159.4**	861.7
Revenue from contracts with other partners	**34.4**	18.7
Total revenue from contracts with customers	**2,193.8**	880.4

These two categories represent revenues that are distinct from a nature, timing and risks point of view. Revenue from contracts with other partners relates to commissions on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls and co-branded cards, where the Group acts as an agent.

The contract assets reported on 30 September 2022 as part of trade and other receivables amounted to €3.3 million (31 March 2022: €2.3 million) and the contract liabilities (unearned revenues) reported as part of deferred income were €387.6 million as at 30 September 2022 (31 March 2022: €326.6 million). Out of the €2,159.4 million revenue recognised for the six months ended 30 September 2022 (for the six months ended 30 September 2021: €861.7 million), €326.6 million (the six months ended 30 September 2021: €65.0 million) was included in the contract liability balance at the beginning of the period.

8. Operating loss

Net other expenses

Net other expenses increased from €27.8 million for the six months ended 30 September 2021 to €97.9 million for the six months ended 30 September 2022, as there was a significant increase in other expenses after the industry's recovery from the COVID-19 pandemic.

The following charges less gains are included in net other expenses:

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Gain on sale and leaseback transactions	**41.8**	16.1
Flight disruption related expenses	**(89.6)**	(17.5)
Overhead related expenses*	**(25.5)**	(16.8)
Crew related expenses	**(27.3)**	(12.0)
Expense relating to short-term leases	**(2.8)**	(0.4)
Expense relating to variable lease payments	**(1.4)**	—
Net other income	**6.9**	2.9
Net other expenses	**(97.9)**	(27.8)

* Overhead related expenses include fees for legal support, professional services, consulting and IT related services.

Inventories

Inventories totalling €7.0 million were recognised as maintenance materials and repairs expenses in the year (the six months ended 30 September 2021: €6.7 million).

9. Net financing expense

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Interest income	**3.1**	1.8
Financial income	**3.1**	1.8
Interest expenses:		
Convertible debt	**(0.9)**	(1.0)
IFRS 16 lease liability	**(43.8)**	(34.4)
JOLCO and FTL lease liability	**(7.7)**	(2.1)
Unsecured debt	**(6.6)**	(4.8)
Other	**(0.8)**	(0.4)
Financial expenses	**(59.8)**	(42.7)
Net foreign exchange loss	**(269.2)**	(26.8)
Net financing expense	**(325.9)**	(67.7)

Interest income and expense include interest on financial instruments. Interest income is earned on cash and cash equivalents and short-term deposits.

Net foreign exchange loss in net amount of €274.7 million for the six months ended 30 September 2022 (the six months ended 30 September 2021: €24.6 million) relates to remeasurement of lease liabilities denominated in USD. During H1 F23 the USD/EUR exchange rate decreased from 1.11 USD/EUR at 31 March 2022 to 0.98 USD/EUR at 30 September 2022 which resulted in an increase in lease liability and related recognition of foreign exchange loss.

10. Exceptional items and underlying loss

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

In the first half of F22, the Group had exceptional operating income of €4.3 million relating to fuel hedges that were classified as discontinued as a consequence of the partial grounding of the Group's fleet under the COVID-19 virus situation. There were no discontinued hedges, or other exceptional items in F23. These items were used by management in the determination of the non-IFRS underlying loss measure for the Group – see below.

Underlying loss

	Six months ended 30 Sep 2022 € million	Six months ended 30 Sep 2021 € million
Loss for the period	**(384.3)**	(120.9)
Adjustment for exceptional items	**—**	(4.3)
Underlying loss after tax	**(384.3)**	(125.2)

The tax effects of the adjustments made above are insignificant.

11. Income tax expense

The income tax credit for the six months ended 30 September 2022 was €5.4 million (the six months ended 30 September 2021: €1.3 million charge). The tax credit is mainly attributable to an increase in deferred tax assets due to foreign exchange translation effect on IFRS 16 lease liabilities and a higher tax rate in the UK.

The annual effective income tax rate of the Group has been used to calculate the current tax charge or credit for the period. This results in an overall effective tax rate for the six months ended 30 September 2022 of 1.4 per cent (the six months ended 30 September 2021: (1.1) per cent).

There have been no developments in the period in respect of the uncertain Swiss tax positions that we disclosed in Note 4 in the 2022 Annual Report and Accounts of the Group.

12. Loss per share

Basic and diluted loss per share

	Six months ended 30 Sep 2022	Six months ended 30 Sep 2021
Loss for the six months, € million	**(374.8)**	(120.9)
Weighted average number of Ordinary Shares in issue, thousands	**103,158**	96,574
Basic and diluted loss per share, €	**(3.63)**	(1.28)

There were no Convertible Shares in issue at 30 September 2022 (30 September 2021: nil).

Underlying loss per share

	Six months ended 30 Sep 2022	Six months ended 30 Sep 2021
Loss used to determine underlying loss per share, € million	**(374.8)**	(125.2)
Weighted average number of Ordinary Shares for underlying loss per share, thousands	**103,158**	96,574
Underlying loss per share, €	**(3.63)**	(1.30)

The calculation of the underlying EPS is different from the calculation of the IFRS diluted EPS measure in that for earnings the underlying loss for the six months was used (see Note [10]) as opposed to the statutory (IFRS) loss for the six months. The weighted average number of shares for underlying earnings per share should be the same as for the basic earnings per share calculation.

13. Property, plant and equipment

	Land and buildings € million	Aircraft maintenance assets € million	Aircraft assets and parts € million	Fixtures and fittings € million	Advances paid for aircraft* € million	Advances paid for aircraft maintenance assets € million	RoU assets aircraft and spares € million	RoU assets other € million	Total € million
Cost									
At 1 April 2021	18.2	430.3	545.9	8.6	527.1	217.3	2,809.6	15.5	4,572.5
Additions	—	24.5	5.7	1.6	227.5	12.5	414.0	0.1	685.9
Disposals	—	(79.2)	(1.0)	—	(158.8)	—	(90.6)	—	(329.6)
Transfers	—	11.0	—	—	—	(11.0)	—	—	—
FX translation effect	—	0.1	—	—	—	(0.2)	(3.0)	—	(3.1)
At 30 September 2021	18.2	386.7	550.6	10.2	595.7	218.6	3,130.0	15.6	4,925.7
At 31 March 2022	25.8	374.0	690.3	11.3	734.3	224.6	3,414.1	16.1	5,490.5
Additions	0.1	33.2	483.5	1.2	271.2	33.3	389.3	7.2	1,219.0
Disposals	—	(90.5)	(6.5)	(0.2)	(248.1)	-	(112.1)	—	(457.4)
Transfers	—	25.0	—	—	—	(25.0)	—	—	—
FX translation effect	—	1.7	(5.9)	—	—	(0.7)	(15.1)	—	(20.0)
At 30 September 2022	**25.9**	**343.4**	**1,161.4**	**12.3**	**757.4**	**232.2**	**3,676.2**	**23.3**	**6,232.1**
Accumulated depreciation									
At 1 April 2021	3.3	298.9	61.5	6.4	—	—	1,319.1	5.0	1,694.2
Depreciation charge for the period	0.6	43.0	16.4	0.4	—	—	150.3	1.2	211.9
Disposals	—	(78.4)	(0.9)	—	—	—	(90.6)	—	(169.9)
FX translation effect	—	—	—	—	—	—	(0.5)	—	(0.5)
At 30 September 2021	3.8	263.4	77.1	6.7	—	—	1,378.3	6.3	1,735.7
At 31 March 2022	4.5	263.4	83.8	7.6	—	—	1,492.7	7.2	1,859.2
Depreciation charge for the period	0.8	49.2	26.4	0.9	—	—	196.9	1.3	275.5
Disposals	—	(90.1)	(0.3)	(0.2)	—	—	(111.7)	—	(202.3)
FX translation effect	—	0.9	(0.1)	—	—	—	(3.8)	—	(3.0)
At 30 September 2022	**5.3**	**223.4**	**109.8**	**8.3**	**—**	**—**	**1,574.1**	**8.5**	**1,929.4**
Net book amount									
At 31 March 2021	14.9	131.4	484.4	2.2	527.1	217.3	1,490.5	10.4	2,878.2
At 30 September 2021	14.4	123.3	473.5	3.5	595.7	218.6	1,751.7	9.3	3,190.0
At 31 March 2022	21.3	110.6	606.5	3.7	734.4	224.6	1,921.4	8.9	3,631.4
At 30 September 2022	**20.6**	**120.0**	**1,051.6**	**4.0**	**757.4**	**232.2**	**2,102.2**	**14.8**	**4,302.8**

*Disposals represent the refunds upon delivery of aircraft of advances previously paid.

The Group entered into various financing arrangements in order to finance aircraft including sale and leaseback, Japanese Operating Lease with Call Option (JOLCO) and French Tax Lease (FTL) structures. Certain of these arrangements include Special Purpose Vehicles (SPV) in the financing structure and in accordance with IFRS 10, where the Group has control of these entities, these are consolidated in the Group balance sheet. Aircraft assets and parts leased under JOLCO as part of sale and leaseback arrangements are not classified as leases under IFRS 16 and treated as aircraft assets and parts (as if there were no sale at all).

Other right-of-use (RoU) assets include leased buildings and simulator equipment. Please refer to Note 17 for details on lease liabilities.

Aircraft maintenance assets are fixed assets created primarily against provision, as the Group's aircraft or their main components no longer meet the relevant return conditions under lease contracts.

Advances paid for aircraft maintenance assets reflect primarily the advance payments made to the engine maintenance service provider under Flight Hour Agreements (FHAs).

Advances paid for aircraft represent PDPs made in the year, while disposals in the same category represent PDP refunds received from the manufacturer where the respective aircraft or spare engine was not purchased by the Group.

Impairment

No new impairment triggers for the Group's aircraft fleet, which comprises a single cash generating unit (CGU), in the period have been identified. Nonetheless, an impairment risk review assessment was performed for the Group's aircraft fleet CGU that includes virtually all property, plant, equipment, and also the intangible assets of the Group. The recoverable amount of that CGU was estimated by value in use calculations based on cash flow projections in the plan approved by the Board for the following three financial years up to and including March 2025.

Management's assessment of future trends includes trading and other assumptions – such as fleet size, passenger numbers, load factors, commodity prices and foreign exchange rates – based on external and internal inputs, as well as climate change risks and opportunities outlined in the TCFD disclosure in the Group's 2022 Annual Report and Accounts. Key assumptions for the jet fuel price and USD exchange rate were the following:

	2023	2024	2025
Jet fuel price (EUR per metric tonne)	1,100	930	850
USD/EUR exchange rate	1.02	1.02	1.04

An average growth rate of 2.2 per cent (31 March 2022: 2.1 per cent) was used to extrapolate cash flow projections beyond March 2025 for a period of twelve years in total to cover all lease terms in the existing aircraft fleet. A pre-tax discount rate of 7.2 per cent (31 March 2022: 9.7 per cent) was derived from the weighted average cost of capital of the Group. The risk of significant adverse changes in cash flows was taken into account by calculating and weighting management's base case approved plan with a downside scenario that is consistent with that used in the Group's going concern assessment. Sensitivity analysis was performed by management to assess the impact of changes in its trading assumptions and the key assumptions detailed above. As a result of this risk review management did not identify any reasonably possible changes in assumptions that would cause an impairment.

Aircraft in Ukraine

The above impairment assessment included the three aircraft on the ground in Ukraine, with a total net book value of €17.2 million. Based on photographic and local employee information management believes that these aircraft are in good condition and have not been damaged in the conflict. Whilst not a separate CGU, cash flow projections were estimated for these aircraft based on the average cash contribution generated per aircraft in the Group's fleet adjusted for a downward scenario according to the plans and calculations described above, and the cost of planned maintenance of the particular aircraft. Management's working assumption is that these aircraft will be returned to the fleet by the end of the calendar year; however, delays to the date until the aircraft can be returned to the fleet can cause a significant but not material change to their estimated recoverable amount. If the aircraft do not return into service for a prolonged period of time, then additional consideration will be needed in upcoming reporting cycles.

14. Trade and other receivables

	30 Sep 2022 € million	31 Mar 2022 € million
Non-current		
Receivables from lessors	**12.1**	9.4
Other receivables	**10.3**	11.3
Non-current trade and other receivables	**22.4**	20.7
Current		
Trade receivables	**178.7**	96.3
Receivables from lessors	**15.7**	19.7
Other receivables	**6.7**	4.2
Prepayments, deferred expenses and accrued income	**99.7**	66.7
Current trade and other receivables	**300.8**	186.9
Total trade and other receivables	**323.2**	207.6

Receivables from lessors (both current and non-current) represent the deposits provided by the Group to lessors as security in relation to lease contracts and in relation to the funding of future maintenance events.

Trade receivables included €84.6 million of receivables from contracts with customers (at 31 March 2022: €52.3 million).

Total trade and other receivables as at 30 September 2022 included financial instruments in the amount of €203.3 million (31 March 2022: €141.6 million).

Impairment of trade and other receivables

	30 Sep 2022 € million	31 Mar 2022 € million
Impaired receivables		
– trade receivables	**3.7**	3.7
Allowances on impaired receivables		
– other receivables	**0.6**	0.6

The Group recorded €2.1 million of receivables from Warsaw Modlin airport during 2013 as compensation for damages which was immediately impaired in full. However, the Group is legally claiming the full amount in court. The compensation claimed by the Group, plus interest, was awarded by the District Court of Warsaw in June 2018. However, the airport appealed against the decision, which is currently pending. There was no transaction regarding this receivable in the first half of this financial year.

15. Trade and other payables

	30 Sep 2022 € million	31 Mar 2022 € million
Non-current liabilities		
Accrued expenses	**57.4**	55.3
Other payables	**1.5**	1.5
Non-current trade and other payables	**58.9**	56.8
Current liabilities		
Trade payables	**179.9**	123.4
Payables to passengers	**129.3**	110.9
Other trade payables	**23.6**	16.6
Accrued expenses	**542.3**	307.7
Current trade and other liabilities	**875.2**	558.6
Total trade and other payables	**934.1**	615.4

Payables to passengers include the refunds made in credits which can be used by customers for rebooking tickets for later dates or can be requested to be refunded by the Group in cash and other liabilities towards customers.

Accrued expenses mainly include accruals for operating expenses such as airport and ground handling, fuel, ETS allowances, en-route and navigation, crew and maintenance related expenses.

Total trade and other payables as at 30 September 2022 included financial instruments in the amount of €783.8 million (31 March 2022: €529.2 million).

16. Provisions for other liabilities and charges

	Aircraft maintenance € million	Other € million	Total € million
At 31 March 2021	78.1	10.8	88.9
Non-current provisions	49.3	1.8	51.1
Current provisions	28.8	9.0	37.8
Capitalised within property, plant and equipment	14.7	—	14.7
Charged to comprehensive income	—	10.6	10.6
Used during the period	(4.9)	(4.3)	(9.2)
At 30 September 2021	87.9	17.1	105.0
Non-current provisions	53.8	1.8	55.6
Current provisions	34.1	15.3	49.4
At 31 March 2022	88.8	18.3	107.1
Non-current provisions	43.0	0.9	43.9
Current provisions	45.8	17.4	63.2
Capitalised within property, plant and equipment	37.8	—	37.8
Charged to comprehensive income	6.0	91.0	97.0
Used during the period	(19.7)	(36.4)	(56.1)
At 30 September 2022	**112.9**	**72.9**	**185.8**
Non-current provisions	28.7	0.9	29.6
Current provisions	84.2	72.0	156.2

Non-current provisions relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines, falling due typically between one and five years from the balance sheet date. Current aircraft maintenance provisions relate to heavy maintenance obligations expected to be fulfilled in the coming financial year. The amount of provision reflects management's estimates of the cost of heavy maintenance work that will be required in the future to discharge obligations under the Group's lease agreements. The amount of provision reflects management's estimates of the cost of heavy maintenance work that will be required in the future to discharge obligations under the Group's lease agreements. Maintenance provision in relation to engines covered by FHA agreements is netted off with the FHA prepayments made to the engine maintenance service provider in respect of the same group of engines.

Other provisions mainly relate to liabilities for EU Regulation (EC) No. 261/2004 (EU 261) compensation to customers, refunds made to passengers, and uncertain tax positions. The value of the provision is determined based on known eligible events and historical claim patterns. As at 30 September 2022, the provision for EU 261 compensation was €66.5 million (at 31 March 2022: €13.0 million). This is mainly related to flight cancellations caused by supply chain disruptions during the summer season. Since operations have recently normalised, expenses and provision related to flight cancellations are expected to return to lower levels.

17. Borrowings

	30 Sep 2022 € million	31 Mar 2022 € million
Lease liability under IFRS 16	**437.4**	374.3
Liability related to JOLCO and FTL contracts	**61.9**	38.8
Total current borrowings	**499.3**	413.1
Lease liability under IFRS 16	**2,415.6**	1,972.9
Unsecured debt	**1,004.5**	997.9
Liability related to JOLCO and FTL contracts	**1,033.5**	541.0
Loans from non-controlling interests	**15.3**	13.5
Total non-current borrowings	**4,468.9**	3,525.3
Total borrowings	**4,968.3**	3,938.4

As at 30 September 2022, the fair value of borrowings was below its carrying amount by €481.9 million (at 31 March 2022: €163.3 million). The carrying amount of other financial assets and liabilities approximated their fair value at 30 September 2022 and 31 March 2022.

The maturity profile of borrowings as at 30 September 2022 is as follows:

	IFRS 16 aircraft and engine lease liability € million	IFRS 16 other lease liability € million	JOLCO and FTL lease liability € million	Unsecured debt € million	Loans from non-controlling interests € million	Total € million
Payments due:						
Within one month	35.3	0.2	—	—	—	35.5
Between one and three months	74.0	0.4	15.0	—	—	89.4
Between three months and one year	325.8	1.8	46.9	—	—	374.5
Between one and five years	1,401.3	11.5	277.7	1,004.5	—	2,695.1
In more than five years	1,001.0	1.7	755.8	—	15.3	1,773.8
Total borrowings	**2,837.4**	**15.6**	**1,095.4**	**1,004.5**	**15.3**	**4,968.3**

The maturity profile of borrowings as at 31 March 2022 is as follows:

	IFRS 16 aircraft and engine lease liability € million	IFRS 16 other lease liability € million	JOLCO and FTL lease liability € million	Unsecured debt € million	Loans from non-controlling interests € million	Total € million
Payments due:						
Within one month	41.7	0.2	—	—	—	41.8
Between one and three months	61.5	0.3	9.7	—	—	71.5
Between three months and one year	269.2	1.4	29.2	—	—	299.9
Between one and five years	1,176.2	5.7	161.6	997.9	—	2,341.3
In more than five years	788.7	2.2	379.4	—	13.5	1,183.8
Total borrowings	2,337.3	9.8	579.9	997.9	13.5	3,938.4

18. Deferred income

	30 Sep 2022 € million	31 Mar 2022 € million
Non-current financial liabilities		
Deferred income	**86.1**	63.0
Current financial liabilities		
Unearned revenue	**387.6**	326.6
Other	**6.7**	7.2
	394.3	333.8
Total deferred income	**480.4**	396.8

Non-current deferred income represents the value of benefit for the Group coming from credits and free aircraft components received from manufacturers and component suppliers, which will be recognised as a credit (a decrease to aircraft related expenses) over the useful life of the respective asset.

Current deferred income represents the value of tickets paid by passengers for which the flight service is yet to be performed ("unearned revenue"), the value of membership fees paid but not yet recognised and the current part of the value of supplier credits received. Unearned revenue increased due to higher demand and ticket booking made further in advance.

The contract liabilities (unearned revenue) of €387.6 million existing at 30 September 2022 (at 31 March 2022: €326.6 million) will become revenue during the upcoming financial year (subject to further cancellations that might happen after the period end).

19. Prior period restatement

After careful reflection and having regard to the growth in the number of aircraft on order and increased significance of gains on sale and leaseback transactions, the Group determined that the proceeds from sale and leaseback transactions which were included in cash flows from operating activities within the statement of cash flows in the prior period should be presented as cash flows from investing activities. Accordingly, management has restated the presentation of the condensed consolidated interim statement of cash flows for the six months ended 30 September 2021. Gains and credits associated with sales and leaseback transactions in the prior period amounted to €55.9 million were previously included under changes in deferred income and are now presented under proceeds from the sale of tangible assets.

	Six months ended 30 September 2021 As previously stated € million	Reclassification between operating and investing activities € million	Six months ended 30 September 2021 As restated € million
Changes in working capital			
Increase/(decrease) in deferred income	150.7	(55.9)	94.8
Cash generated by operating activities before tax	**410.8**	**(55.9)**	**354.9**
Net cash generated by operating activities	**406.6**	**(55.9)**	**350.7**
Cash flows from investing activities			
Proceeds from the sale of tangible assets	—	55.9	55.9
Net cash generated used in investing activities	**(161.1)**	**55.9**	**(105.2)**

20. Capital commitments

At 30 September 2022 the Group had the following capital commitments:

- A commitment to purchase 304 Airbus aircraft of the A320 family in the period of calendar year 2022–2027. Of the 304 aircraft, 257 relate to the "neo" version of the A320 family (40 from the purchase orders placed in June 2015, 142 from the purchase order placed in November 2017 and 75 from the purchase order placed in November 2021), while the remaining 47 relate to the "neo XLR" version (20 from the purchase order placed in June 2019 and 27 from the purchase order placed in November 2021).

  The total commitment is valued at US$43.2 billion (€43.9 billion) based on list prices last published in 2018 and escalated annually until the reporting date based on contract terms (31 March 2022: US$45.8 billion (€41.1 billion)).

  Out of the 304 aircraft, 14 are to be delivered in H2 F23. As at the approval date of this document the financing for 29 aircraft is already contracted. The Group uses various financing arrangements in order to finance aircraft including sale and leaseback, Japanese Operating Lease with Call Option (JOLCO) and French Tax Lease (FTL) structures.

- In line with Wizz Air's ambition to become a 500-aircraft airline by the end of the decade, the Group has exercised its purchase rights in relation to 75 A321neo aircraft to be delivered in calendar years 2028–29. As at 30 September 2022, this commitment is subject to Shareholder approval and is valued at US$10.7 billion (€10.9 billion) based on list prices last published in 2018 and escalated annually until the reporting date based on contract terms.

- A commitment to purchase 28 IAE "neo" (GTF) spare engines in the period 2022–26. In July 2016 the Group entered into an engine selection agreement with Pratt & Whitney that, among other matters, included a commitment for the Group to purchase 16 spare engines. In September 2019 the Group restated and amended this engine selection agreement with certain other commitments including a purchase of 25 additional spare engines. In October 2021 the Group committed to purchase two further spare engines.

  The total commitment is valued at US$467.1 million (€475.0 million) at list prices in 2022 US$ terms (31 March 2022: US$534.7 million (€480.4 million)).

  Out of the 28 spare engines, 1 is to be delivered in H2 F23. As at the date of approval of this document none of them are financed yet.

21. Contingent liabilities

The Group has certain contingent liabilities in relation to European Commission state aid investigations and to legal claims initiated by Carpatair. These matters were explained in Note 34 in the 2022 Annual Report and Accounts of the Group and there have been no significant developments in these cases since then.

No provision has been made by the Group in relation to these cases because there is currently no reason to believe that the Group will incur charges from these cases.

22. Subsequent events

There were no matters arising, between the condensed consolidated interim statement of financial position date and the date on which these condensed consolidated interim financial statements were approved by the Board of Directors, requiring adjustment or disclosure in accordance with IAS 10, 'Events after the Reporting Period'.

23. Related parties

The Group has related party relationships with Indigo Hungary LP and Indigo Maple Hill LP (collectively referred to as "Indigo" here) and its key management personnel (Directors and Officers).

There were no related party transactions in the period ended 30 September 2022 that materially affected the financial position or the performance of the Group during that period and there were no changes to the related party positions described in the 2022 Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the same period.

The Group has contracted with a related party of the CEO to provide IT services with regards to Machine Learning. The amount paid for this service for the six months ended on 30 September 2022 was €1.8 million (for the six months ended on 30 September 2021: €0.6 million), which in the judgment of the Board was not material.

24. Seasonality of operations

The Group's results of operations, like those of most other airlines in Europe, vary significantly from quarter to quarter within the financial year. Historically, the Group has had higher passenger revenue during the summer season in comparison to the winter season (with the exception of the periods around Christmas, the New Year and Easter) as this is the period during which many Europeans tend to take their annual holiday. Flight frequency, load factor and average ticket prices all tend to be higher during such peak periods compared to other periods of the year.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations.

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority paragraphs 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 September 2022 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions during the six months ended 30 September 2022 and any material changes in the related party transactions described in the 2022 Annual Report and Accounts of the Group.

The Directors of Wizz Air Holdings Plc are listed in the 2022 Annual Report and Accounts of the Group.

A list of current Directors is maintained on the Wizz Air Holdings Plc website: wizzair.com.

This Interim Report was approved by the Board of Directors and authorised for issue on 1 November 2022 and signed on its behalf by:

József Váradi
Director

Independent review report to Wizz Air Holdings Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Wizz Air Holdings plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim financial report of Wizz Air Holdings plc for the six month period ended 30 September 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed consolidated interim statement of financial position as at 30 September 2022;
- the condensed consolidated interim statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim financial report of Wizz Air Holdings plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

London

1 November 2022