**WIZZ AIR HOLDINGS PLC – RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2020**

# STRONG LIQUIDITY WITH €1.6BN TOTAL CASH
# RELENTLESS FOCUS ON COST AND MARKET OPPORTUNITIES

**LSE: WIZZ**

**Geneva, 5 November 2020**: Wizz Air Holdings Plc ("Wizz Air", "the Company" or "the Group"), the fastest-growing European airline today issues unaudited results for the six months to 30 September 2020 ("first half" or "H1").

*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 annual report for the year ended 31 March 2020 and any public announcements made by Wizz Air Holdings Plc during the interim reporting period.*

| Six months to 30 September | 2020 | 2019 (restated*) | Change |
|---|---|---|---|
| Passengers carried (million) | **6.5** | 22.1 | (70.7%) |
| Revenue (€ million) | **471.2** | 1,670.8 | (71.8%) |
| Underlying EBITDA (€ million) | **17.3** | 607.0 | (97.1%) |
| Underlying EBITDA margin (%) | **3.7** | 36.3 | (32.6ppt) |
| Underlying net (loss)/profit for the period (€ million)** | **(144.9)** | 368.8 | n.m.*** |
| Underlying net (loss)/profit margin for the period (%) | **(30.8)** | 22.1 | n.m.*** |
| Statutory net (loss)/profit for the period (€ million) | **(243.1)** | 368.8 | n.m.*** |
| Statutory net (loss)/profit margin for the period (%) | **(51.6)** | 22.1 | n.m.*** |
| Ex-fuel CASK (€ cent) | **2.91** | 2.22 | 31.4% |
| CASK (€ cent) excluding exceptional operational expense | **3.93** | 3.37 | 16.7% |
| RASK (€ cent) | **2.86** | 4.39 | (34.7%) |
| Total cash (€ million)**** | **1,559.5** | 1,819.2 | (14.3%) |
| Load factor (%) | **64.3** | 94.6 | (30.3ppt) |

* The prior period was restated – refer to Note 6 for more detail.

** H1 FY21 underlying net profit excludes the impact of hedge losses classified as discontinued (amounting to €98.2 million) resulting from the impact of COVID-19 relating to the full year F21 based on the latest ASK forecast for F21.

*** n.m.: not meaningful as variance is more than (-)100%.

**** Total cash comprises cash and cash equivalents and short-term and long-term restricted cash.

**József Váradi, Wizz Air Chief Executive commented on the results:**
*"Wizz Air distinctly outperformed the industry in the second quarter of the current financial year: we carried 5.8 million passengers at 66% load factor and 72% of our 2019 capacity against an ever-shifting backdrop of travel restrictions across all of our markets. Our ancillary revenues continue to increase on a per passenger basis, driven by a resilient performance of our core products. At the same time, our disciplined cost management allowed us to sustain our investment graded balance sheet with a total cash balance of €1.6bn."*

**Commenting on business developments, Mr Váradi added:**
*"During the first half of the financial year, we demonstrated outstanding agility and invested in long-term market opportunities: we announced 13 new bases since the beginning of the fiscal year, and added more than 260 new routes, including domestic routes, thereby significantly expanding the company's geographical footprint and enhancing our strategic positioning to capture demand. In addition to this, our new Abu Dhabi airline has received its Air Operator Certificate and is ready for take-off once restrictions allow. We continue to pursue opportunities as they arise and to create a unique competitive advantage for the future.*

*These achievements would not have been possible without the relentless effort of our people, who continue to deliver outstanding performance in these difficult times and I would like to thank them for their dedication and resilience. As the first ever ultra-low cost carrier, Wizz Air was named "Airline of the Year" in 2020 by Air Transport World, which is a meaningful external recognition of the unrivalled performance of the entire team of Wizz Air during these unprecedented times."*

**On current trading and the outlook for the full year, Mr Váradi said:**
*"During the winter period, we expect conditions to be particularly challenging with ongoing travel restrictions due to COVID-19 as well as the seasonal drop in demand for travel. We will continue to focus on cost management and strive to maintain cash-positive flying with a disciplined approach towards capacity.*

*Notwithstanding the challenges that lie ahead of us during the remainder of this fiscal year, we have laid the foundation for a swift recovery: in addition to expanding into new markets, we intend to retain all our current staff base and thereby generate a head start for when demand returns.*

*We are confident we will emerge as a structural winner, enabling Wizz Air to grow profitably in the years to come."*

**FINANCIAL RESULTS IN H1**

- Total revenue decreased by 71.8% to €471.2 million:
  - Ticket revenues decreased by 78.9% to €201.8 million
  - Ancillary revenues decreased by 62.3% to €269.4 million
  - Total unit revenue decreased by 3.8% to 72.7 Euro cents per available seat per kilometre (ASK)
  - Ancillary revenue per passenger increased by 28.6% to 41.6 Euro cents
- Total operating expenses (including discontinued fuel hedges) decreased by 43% to €716.8 million:
  - Total unit costs increased by 34.4% year-on-year to 4.52 Euro cents per ASK
  - Ex-fuel unit costs increased by 31.1% year-on-year to 2.91 Euro cents per ASK
  - Fuel unit costs increased by 40.8% year-on-year to 1.61 Euro cents per ASK
- Statutory loss for the period was €243.1 million
- Statutory loss for the second quarter was €135.1 million
- Total cash (including restricted cash balances) at the end of September 2020 was €1,559.5 million

**SEIZING SIGNIFICANT LONG-TERM MARKET OPPORTUNITIES**

- Significant expansion with the announcement of 13 new bases and the allocation of 29 aircraft:
  - Doncaster, United Kingdom: 2 based aircraft and 13 new routes
  - London Gatwick, United Kingdom: 1 based aircraft and 4 new routes
  - Catania, Italy: 2 based aircraft and 5 new routes
  - Milan Malpensa, Italy: 5 based aircraft, 29 new routes
  - Larnaca, Cyprus: 3 based aircraft, 16 new routes
  - Lviv, Ukraine: 1 based aircraft, 10 new routes
  - Tirana, Albania: 3 based aircraft, 15 new routes
  - Bacău, Romania: 2 based aircraft, 12 new routes
  - Dortmund, Germany: 3 based aircraft, 20 new routes
  - St. Petersburg, Russia: 2 based aircraft, 10 new routes
  - Oslo, Norway: 2 based aircraft, 3 new routes
  - Trondheim, Norway: 2 based aircraft, 7 new routes
  - Bari, Italy: 1 based aircraft, 3 new routes

- Wizz Air entered the domestic air travel market in Italy and Norway.
- Wizz Air Abu Dhabi, a national airline of the United Arab Emirates has received its Air Operator Certificate in October 2020.
- Wizz Air improved optionality in its fleet delivery plan and delayed eight aircraft deliveries for the next three years which allows the company to react to the demand environment accordingly.
- Wizz Air remains investment grade rated with Moody's and Fitch.
- The fleet continued to grow with 11 new Airbus A320neo family aircraft during the period taking the fleet to 132 aircraft at the end of the first half: 72 A320ceo, 41 A321ceo, 14 A321neo and 5 A320neo aircraft. These game-changing aircraft are powered by Pratt & Whitney GTF engines and deliver close to 50% reduction in noise footprint compared to previous generation aircraft. In addition, Pratt and Whitney's GTF engine reduces fuel burn by 16% and nitrogen oxide emissions by 50%.
- Average aircraft age of 5.4 years as at 30 September 2020, one of the youngest fleets of any major European airline.
- Wizz Air continuously operates at the lowest CO2 emissions per passenger/km among all competitor airlines, with 62.5 grams per passenger/km for the rolling 12 months to 30 September 2020.

**RECENT TRADING UPDATE AND GUIDANCE**

The demand environment is still largely shaped by various travel restrictions across Wizz Air's markets, which adds to the usual seasonality in air travel demand seen throughout the winter months. Wizz Air targets to only fly cash contribution positive whilst retaining flexibility to swiftly adjust capacity according to market conditions.

We reiterate our guidance on cash burn of €70 million per month in the case of a full grounding until the end of F21. This includes the cost of the operation, the cost of our leases, and the cash payments linked to hedges. Should current restrictions and lockdowns persist over winter, we believe that cash positive flying could be minimal. We will continue to invest in the renewal of our fleet during H2 2020 and CY2021 in order to further increase our competitive position and our edge on cost and sustainability.

The protection of the Company's liquidity position is our top priority and we expect, despite the projection of a difficult winter for the industry, to end the FY at a solid liquidity position with an ability to respond to surging demand within weeks as a result of a strongly diversified network and a full integrity of its supply chain.

Due to the ongoing uncertainty caused by COVID-19, the Company is not in a position to provide guidance on net profit for the financial year 2021.

## ABOUT WIZZ AIR

Wizz Air, the fastest growing and greenest European low-cost airline, operates a fleet of 134 Airbus A320 and A321 aircraft. A team of dedicated aviation professionals delivers superior service and very low fares, making Wizz Air the preferred choice of 40 million passengers in the financial year F20 ended 31 March 2020. 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 or individual can receive, recognizing individuals and organizations that have distinguished themselves through outstanding performance, innovation, and superior service.

**For more information:**


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## H1 FINANCIAL REVIEW

In the first half of the financial year, Wizz Air carried 6.5 million passengers, a 70.7% decrease compared to the same period in the previous year, and generated revenues of €471.2 million, 71.8% lower than last year. These rates compare to capacity drop measured in terms of ASKs of 56.8% and 56.9% fewer seats. The load factor decreased from 94.6% to 64.3%.

The statutory loss for the first half was €243.1 million, compared to a profit of €368.8 million in the same period of 2019.

### Summary statement of comprehensive income (unaudited)

*For the six months ended 30 September*

| | 2020<br>€ million | 2019<br>(restated*)<br>€ million | Change |
|---|---|---|---|
| Passenger ticket revenue | **201.8** | 956.6 | (78.9%) |
| Ancillary revenue | **269.4** | 714.2 | (62.3%) |
| **Total revenue** | **471.2** | 1,670.8 | (71.8%) |
| Staff costs | **(73.4)** | (118.4) | (38.0%) |
| Fuel costs | **(265.4)** | (436.2) | (39.2%) |
| Distribution and marketing costs | **(12.0)** | (24.4) | (50.8%) |
| Maintenance materials and repair costs | **(64.3)** | (87.8) | (26.8%) |
| Airport, handling and en-route charges | **(147.1)** | (357.7) | (58.9%) |
| Depreciation and amortisation | **(164.7)** | (194.6) | (15.4%) |
| Other income/(expense) | **10.1** | (39.4) | 125.6% |
| **Total operating expense** | **(716.8)** | (1,258.4) | (43.0%) |
| Operating (loss)/profit | **(245.6)** | 412.4 | (159.6%) |
| Comprising: | | | |
| Operating (loss)/profit excluding exceptional expense | **(147.4)** | 412.4 | (135.7%) |
| Exceptional expense | **(98.2)** | — | — |
| Financial income | **10.3** | 23.7 | |
| Financial expenses | **(38.1)** | (47.5) | |
| Net foreign exchange gain/(loss) | **35.9** | (3.4) | |
| **Net financing income/(expense)** | **8.1** | (27.2) | |
| **(Loss)/profit before income tax** | **(237.4)** | 385.2 | |
| Income tax expense | **(5.6)** | (16.4) | |
| **Statutory (loss)/profit for the period*** | **(243.1)** | 368.8 | n.m.*** |
| Statutory (loss)/profit for the period attributable to: | | | |
| Non-controlling interest | **(0.5)** | — | |
| Owners of Wizz Air Holdings Plc | **(242.6)** | 368.8 | |
| **Underlying net (loss)/profit for the period**** | **(144.9)** | 368.8 | n.m.*** |
| Underlying (loss)/profit for the period attributable to: | | | |
| Non-controlling interest | **(0.5)** | — | |
| Owners of Wizz Air Holdings Plc | **(144.4)** | 368.8 | |

* The prior period was restated – refer to Note 6 for more detail.

** H1 FY21 underlying net profit excludes the impact of hedge losses classified as discontinued (amounting to €98.2 million) resulting from the impact of COVID-19 relating to the full year F21 based on the latest ASK forecast for F21.

*** n.m.: not meaningful as variance is more than (-)100%.

### Revenue

Passenger ticket revenue decreased by 78.9% to €201.8 million and ancillary income (or “non-ticket” revenue) decreased by 62.3% to €269.4 million. Total revenue per ASK (RASK) decreased by 34.7% to 2.86 Euro cents.

Average revenue per passenger was €72.7 during the first half, a decrease of 3.8% versus 2019. Average ticket revenue per passenger decreased from €43.3 in H1 2019 to €31.1 in H1 2020, €12.1 or 28.0% lower than last year, while average ancillary revenue per passenger increased from €32.3 in H1 2019 to €36.1 in H1 2020, an increase of €3.8 or 11.8%. This figure is normalised and therefore excludes cargo revenue and accounting distortion due to low number of passengers. Reported ancillary revenue for H1 2020 amounted to €41.6 per passenger.

The decrease in ticket revenue was driven by the passenger demand environment which was strongly impacted by the travel restrictions due to COVID-19, while the increase in ancillary revenue per passenger was driven by strong conversion, especially on the core and flexibility products.

**Summary statement of comprehensive income (unaudited)** continued

### Operating expenses

Operating expenses for the first half decreased by 43.0% to €716.8 million from €1,258.4 million in H1 2019, driven in particular by higher fuel costs due to existing hedging as well as depreciation. Total cost per ASK (CASK) including impact of hedges increased by 34.4% to 4.52 Euro cents in H1 2020 from 3.37 Euro cents in H1 2019. CASK excluding fuel expenses increased by 31.1% to 2.91 Euro cents in H1 compared to 2.22 Euro cents in H1 2019.

**Staff costs** decreased by 38% to €73.4 million in H1 2020, down from €118.4 million in H1 2019, reflecting the drop in capacity as well as a company-wide headcount and salary decrease.

**Fuel expenses** decreased by 39.2% to €265.4 million in H1 2020, down from €436.2 million in the same period of 2019. The decrease was driven primarily by the drop in capacity. The effect of discontinued hedges amounted to €98.2 million. The average fuel price (including hedging impact and into-plane premium) paid by Wizz Air in the first half was US$679.5 per tonne, a decrease of 6.8% from US$729.4 in the same period in 2019.

**Distribution and marketing** costs decreased by 50.8% to €12.0 million from €24.4 million in the first half of 2020, in line with the drop in capacity.

**Maintenance, materials and repair** costs decreased by 26.8% to €64.3 million in H1 2020 from €87.8 million in H1 2019, driven by lower utilisation due to the drop in capacity and the timing of certain maintenance events.

**Airport, handling and en-route charges** decreased to €147.1 million in the first half of 2020 versus €357.7 million in the same period of 2019. The decrease was primarily due to the drop in traffic as well as effective cost management.

**Depreciation and amortisation** charges were 15.4% lower at €164.7 million in the first half, down from €194.6 million in the same period in 2019. The decrease is related to depreciation charge on engines and was the result of decreased flight cycles flown.

**Other income** amounted to €10.1 million in H1 2020, compared to an expense of €39.4 million in the same period in 2019. The variance was primarily driven by (i) increase in engine and aircraft sale and leaseback gains (H1 2020: €27.9 million gain, H1 2019: €3.6 million gain), (ii) increase in compensation received for delays in aircraft deliveries (H1 2020: €9.2 million income, H1 2019: €3.8 million income), (iii) decrease in compensations paid to passenger (H1 2020: €0.8 million cost, H1 2019: €16.9 million cost), (iv) decrease in crew related costs other than direct staff costs (H1 2020: €6.1 million cost, H1 2019: €11.0 million cost). Latter two are a direct impact of the decrease in flights due to the COVID-19 pandemic and travel restrictions.

**Financial income** amounted to €10.3 million in the first half from €23.7 million in the same period in 2019, driven by lower interest rates on deposits.

**Financial expenses** amounted to €38.1 million in the first half compared to €47.5 million in the same period in 2019. Financial expenses predominately arise from interest charges related to lease liabilities under IFRS 16, which decreased because of the aging of the aircraft already in the fleet vs. in the same period in 2019.

**Net foreign exchange gain** was €35.9 million in the first half compared to €3.4 million of loss in the same period in 2019. As a result of our COVID-19 crisis management, the Company ceased the practice of using derivatives to hedge the FX translation risk created by US dollar lease liabilities in April 2020 that came on balance sheet with the adoption of IFRS 16 from 1 April 2019. The significant net foreign exchange gain realised in the period is mainly caused by the FX translation of the net unhedged US dollar lease liability position.

### Taxation

The Group recorded an income tax expense of €5.6 million in the period compared to €16.4 million in the same period in 2019 that is mainly attributable to local business tax and innovation tax paid in Hungary and increase in deferred tax liabilities.

### Second Quarter Performance

In the three months to 30 September 2020 (“Q2” or “second quarter”), Wizz Air carried 5.8 million passengers, a 50.8% decrease compared to the same period in the previous year, and generated revenues of €380.5 million. These rates compare to a drop in capacity measured in terms of ASKs of 28.4%.The load factor decreased from 95.5% to 65.6%. The statutory loss for the second quarter was €135.1million, compared to a statutory profit of €299.1 million in the same period of 2019.

## OTHER INFORMATION

### 1. Cash

Total cash at the end of the first half year decreased by 14.3% to €1,559.5 million versus September 2019. Compared to the end of the first quarter of the financial year, the cash balance is largely unchanged. Cash and cash equivalents comprise bank balances on current accounts and on deposit accounts that are readily convertible into cash without significant risk of a change in value to the Company. Some of the deposits mature over 3 to 12 months of inception, the balance of which was €592.4 million (in original currency: $360.0 million and £260.0 million) at 30 September 2020 compared to €796 million (in original currency: $870 million) at 30 September 2019.

### 2. Restatement of F20 H1 Comparatives

The Group is accruing for the compensation payable to lessors related to re-delivery condition of its leased aircraft where it is not expected that such obligations would be avoided by performing maintenance at the re-delivery. The Group in earlier years did not accrue for these costs on a few of its aircraft leases of shorter tenure. These costs, albeit are immaterial to any statement of comprehensive income, were recognised with retrospective effect, as if were accrued from the inception of the respective lease contracts, and the financial statements for the year ended 31 March 2019 were re-stated accordingly. The impact of the restatement on the comparative period is presented in Note 6 to the interim financial information, together with the impact of adopting IFRIC 23 in financial year 2020, and the revised presentation method concerning unrealized FX on deposits in the Cash Flow Statement.

### 3. Hedging positions

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit and Sustainability Committee. The aim of our hedging policy is to reduce short-term volatility in earnings and liquidity. Pre-COVID, Wizz Air hedged a minimum of 50 per cent of the projected US Dollar and jet fuel requirements for the next twelve months (40 per cent on an 18-month hedge horizon).

Following the COVID-19 outbreak, the majority of the Group's fleet was grounded for a period from mid-March 2020. The fuel consumption in the six-month-period to 30 September 2020 was significantly lower than that on which the Group hedging programme was originally based, resulting in fuel and foreign currency hedge instruments being discontinued for hedge accounting. As a consequence, hedge accounting for certain derivatives has been discontinued and the associated loss on these instruments of €98.2 million (31 March 2020: €61.8 million), including hedges expiring between October 2020 and March 2021, was charged to the statement of comprehensive income and presented as an exceptional expense within the consolidated statement of comprehensive income.

In light of ongoing travel restrictions as a result of the COVID-19 pandemic and the subsequent uncertainty in demand for travel, a decision was taken in September 2020 not to increase US Dollar and jet fuel hedge levels in order to reduce the risk of over-hedging.

Due to the current volatile environment, managing the cash balance of the Company is a key priority. As a result, in April 2020 the Company suspended its fair value hedging programme with respect to FX exposure on lease liabilities.

Details of the current hedging positions (as at 19 October 2020) are set out below:

#### Foreign exchange (FX) hedge coverage of Euro/US Dollar

| Period covered | **FY21 5 months** | FY22 12 months |
|---|---|---|
| Exposure (million) | **$80** | $592 |
| Hedge coverage (million)* | **$114** | $130 |
| **Hedge coverage for the period*** | **142%** | 22% |
| Weighted average ceiling | **$1.1618** | $1.1620 |
| Weighted average floor | **$1.1216** | $1.1163 |

#### Fuel hedge coverage

| Period covered | **FY21 5 months** | FY22 12 months |
|---|---|---|
| Exposure in metric tons ('000) | **220** | 1451 |
| Coverage in metric tons ('000)* | **384** | 370 |
| **Hedge coverage for the period*** | **175%** | 26% |
| Blended capped rate | **$606.33** | $554.42 |
| Blended floor rate | **$552.40** | $503.14 |

* Including discontinued hedges

Excluding discontinued hedges, the Company`s foreign currency and fuel hedge coverage for the remainder of 2021 fiscal year was 81% and 83% respectively.

### 3. Hedging positions continued

**Sensitivities**

- Pre-hedging, a one cent movement in the euro/US dollar exchange rate impacts the 2021 financial year operating expenses by €1.3 million.
- Pre-hedging, a one penny movement in the euro/British pound exchange rate impacts the 2021 financial year operating expenses by €0.4 million.
- Pre-hedging, a $10 (per metric ton) movement in the price of jet fuel impacts the 2021 financial year fuel costs by $2.7 million.

### 4. Fully diluted share capital

The figure of 127,457,230 should be used for the Company's theoretical fully diluted number of shares as at 30 September 2020. This figure comprises 85,596,230 issued Ordinary Shares, 17,377,203 Convertible Shares, 24,246,715 new Ordinary Shares which would have been issued if the full principal of outstanding convertible notes had been fully converted on 30 September 2020 (excluding any Ordinary Shares that would be issued in respect of accrued but unpaid interest on that date) and 237,082 new Ordinary Shares which may be issued upon exercise of vested but unexercised employee share options.

### 5. EEA ownership

The Company remains within the 49% maximum permitted level of Ordinary Share ownership by Non-Qualifying Nationals set by the Company's Board of Directors ("the Permitted Maximum"). The Company's Board of Directors will continue to monitor the situation closely and will take such action as it considers necessary and as contemplated by the Company's articles of association.

Qualifying Nationals include (1) EEA nationals, (2) nationals of Switzerland and (3) 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 the Regulation (EC) No. 1008/2008, 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 a third country (whether or not such an undertaking is itself granted an operating licence). A Non-Qualifying National is any person who is not a Qualifying National in accordance with the above definition. (http://corporate.wizzair.com/en-GB/investor_relations/news/press_releases)

## KEY STATISTICS

*For the six months ended 30 September*

| | **2020** | 2019 (restated*) | Change |
|---|---|---|---|
| **Capacity** | | | |
| Number of aircraft at end of period | **132** | 119 | 10.9% |
| Equivalent aircraft | **124.4** | 114.7 | 8.5% |
| Utilisation (block hours per aircraft per day) | **5.45** | 13.37 | (59.2%) |
| Total block hours | **124,365** | 280,663 | (55.7%) |
| Total flight hours | **110,169** | 245,132 | (55.1%) |
| Revenue departures | **50,952** | 117,458 | (56.6%) |
| Average departures per day per aircraft | **2.24** | 5.60 | (60.0%) |
| Seat capacity | **10,075,374** | 23,362,404 | (56.9%) |
| Average aircraft stage length (km) | **1,634** | 1,630 | 0.2% |
| Total ASKs ('000 km) | **16,461,134** | 38,089,461 | (56.8%) |
| **Operating data** | | | |
| RPKs ('000 km) | **10,726,943** | 36,118,855 | (70.3%) |
| Load factor | **64.3%** | 94.6% | (30.3ppt) |
| Number of passenger segments | **6,481,053** | 22,104,157 | (70.7%) |
| Fuel price (average US$ per ton, including hedging impact but including into-plane premium) | **679.5** | 729.4 | (6.8%) |
| Foreign exchange rate (average US$/€, including hedging impact) | **1.15** | 1.17 | (2.1%) |

* The prior period was restated – refer to Note 6 for more detail.

## CASK

*For the six months ended 30 September*

| | ***2020*** ***Euro cents*** | 2019 (restated*) *Euro cents* | Change *Euro cents* |
|---|---|---|---|
| Fuel costs | **1.61** | 1.15 | 0.47 |
| Staff costs | **0.45** | 0.31 | 0.14 |
| Distribution and marketing | **0.07** | 0.06 | 0.01 |
| Maintenance, materials and repairs | **0.39** | 0.23 | 0.16 |
| Airport, handling and en-route charges | **0.89** | 0.94 | (0.05) |
| Depreciation and amortisation | **1.00** | 0.51 | 0.49 |
| Other (income)/expenses | **(0.06)** | 0.10 | (0.16) |
| Net of financial income and expenses | **0.17** | 0.06 | 0.11 |
| **Total CASK** | **4.52** | 3.37 | 1.16 |
| **CASK excluding exceptional operating expense** | **3.93** | 3.37 | 0.56 |
| **Total ex-fuel CASK** | **2.91** | 2.22 | 0.70 |

* The prior period was restated – refer to Note 6 for more detail.

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.

For the definition of certain other technical terms used in this document, including some non-GAAP financial measures, please refer to our annual report for the financial year ended 31 March 2020, particularly on pages 22-23.

### 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 amortization and exceptional items.

| € million | **2020** | 2019 (restated) |
|---|---|---|
| Operating (loss)/profit (excluding exceptional expense) | **(147.4)** | 412.4 |
| Depreciation and amortisation | **164.7** | 194.6 |
| EBITDA (excluding exceptional expense) | **17.3** | 607.0 |

## 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, you 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 annual report for the financial year ended 31 March 2020, 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 Brexit, safety events, Black Swan events including epidemics like COVID-19, foreign exchange rates and the price of fuel. The Directors consider that the principal risks to the Company's business during the second half of the financial year remain those set out on pages 24 to 29 of our annual report for the financial year ended 31 March 2020, available at corporate.wizzair.com.*

This announcement includes inside information.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### Condensed consolidated interim statement of profit or loss and other comprehensive income

*For the half year ended 30 September 2020 (unaudited)*

| | Note | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 € million (restated)* |
|---|---|---|---|
| Passenger ticket revenue | 7,8 | **201.8** | 956.6 |
| Ancillary revenue | 7,8 | **269.4** | 714.2 |
| **Total revenue** | 7,8 | **471.2** | 1,670.8 |
| Staff costs | | **(73.4)** | (118.4) |
| Fuel costs | | **(265.4)** | (436.2) |
| Distribution and marketing | | **(12.0)** | (24.4) |
| Maintenance materials and repairs | | **(64.3)** | (87.8) |
| Airport, handling and en-route charges | | **(147.1)** | (357.7) |
| Depreciation and amortisation | | **(164.7)** | (194.6) |
| Net other income/(expense) | | **10.1** | (39.4) |
| **Total operating expense** | | **(716.8)** | (1,258.5) |
| **Operating (loss)/profit** | 9 | **(245.6)** | 412.4 |
| Comprising: | | | |
| Operating (loss)/profit excluding exceptional expense | | **(147.4)** | 412.4 |
| Exceptional expense | 11 | **(98.2)** | — |
| Financial income | 10 | **10.3** | 23.7 |
| Financial expenses | 10 | **(38.1)** | (47.5) |
| **Net foreign exchange gain/(loss)** | 10 | **35.9** | (3.4) |
| **Net financing income/(expense)** | 10 | **8.1** | (27.2) |
| (Loss)/profit before income tax | | **(237.4)** | 385.2 |
| Income tax expense | 12 | **(5.6)** | (16.4) |
| **Statutory (loss)/profit for the period** | | **(243.1)** | 368.8 |
| Statutory (loss)/profit for the period attributable to: | | | |
| Non-controlling interest | 24 | **(0.5)** | — |
| Owners of Wizz Air Holdings Plc | | **(242.6)** | 368.8 |
| **Underlying net (loss)/profit for the period**** | | **(144.9)** | 368.8 |
| Underlying (loss)/profit for the period attributable to: | | | |
| Non-controlling interest | | **(0.5)** | — |
| Owners of Wizz Air Holdings Plc | | **(144.4)** | 368.8 |
| | | | |
| Other comprehensive income/(expense) – items that may be subsequently reclassified to profit or loss | | | |
| Movements in cash flow hedging reserve, net of tax | | **152.4** | (28.3) |
| Net change in fair value | | **1.5** | (15.7) |
| Recycled to profit or loss | | **150.9** | (12.6) |
| Currency translation differences | | **0.3** | 0.5 |
| **Other comprehensive income/(expense) for the period, net of tax** | | **152.7** | (27.8) |
| **Total comprehensive (loss)/income for the period** | | **(90.4)** | 341.0 |
| Total comprehensive (loss)/income attributable to: | | | |
| Non-controlling interest | | **(0.5)** | — |
| Owners of Wizz Air Holdings Plc | | **(89.9)** | 341.0 |
| | | | |
| Earnings per share (Euro/share) | 13 | **(2.84)** | 5.07 |
| Diluted earnings per share (Euro/share) | 13 | **(1.90)** | 2.91 |
| Underlying earnings per share (Euro/share)*** | 13 | **(1.13)** | 2.91 |

* The prior period was restated – refer to Note 6 for more detail.

** H1 FY21 underlying net profit excludes the impact of hedge losses classified as discontinued (amounting to €98.2 million) resulting from the impact of COVID-19 relating to the full year F21 based on the latest ASK forecast for F21.

*** Excluding the impact of exceptional items, as explained in Note 11 to the interim financial information.

## Condensed consolidated interim statement of financial position

*As at 30 September 2020 (unaudited)*

| | Note | **30 Sep 2020 € million** | 31 March 2020 € million |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | **2,657.1** | 2,553.0 |
| Intangible assets | | **30.3** | 27.2 |
| Restricted cash | | **145.9** | 179.7 |
| Deferred tax assets | | **2.3** | 3.1 |
| Derivative financial instruments | | **0.1** | 0.9 |
| Trade and other receivables | 15 | **20.9** | 19.9 |
| Total non-current assets | | **2,856.4** | 2,783.7 |
| Current assets | | | |
| Inventories | | **50.0** | 70.6 |
| Trade and other receivables | 15 | **142.5** | 169.8 |
| Current tax prepaid | | **5.7** | — |
| Derivative financial instruments | | **—** | 17.3 |
| Restricted cash | | **29.0** | 6.1 |
| Cash and cash equivalents | | **1,384.6** | 1,310.5 |
| Total current assets | | **1,611.9** | 1,574.4 |
| **Total assets** | | **4,468.4** | 4,358.1 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | | **—** | — |
| Share premium | | **381.1** | 380.6 |
| Reorganisation reserve | | **(193.0)** | (193.0) |
| Equity part of convertible debt | | **8.3** | 8.3 |
| Cash flow hedging reserve | | **(89.3)** | (241.7) |
| Cumulated translation adjustments | | **0.5** | 0.2 |
| Retained earnings | | **1,039.5** | 1,280.3 |
| Capital and reserves attributable to the owners of Wizz Air Holdings Plc | | **1,147.1** | 1,234.8 |
| Non-controlling interest | 24 | **(0.5)** | — |
| **Total equity** | | **1,146.6** | 1,234.8 |
| **Non-current liabilities** | | | |
| Borrowings | 18 | **1,743.9** | 1,671.9 |
| Convertible debt | | **26.3** | 26.4 |
| Deferred income | 19 | **23.6** | 13.1 |
| Deferred tax liabilities | | **2.4** | — |
| Derivative financial instruments | | **0.5** | 41.3 |
| Provisions for other liabilities and charges | 17 | **62.3** | 46.9 |
| Total non-current liabilities | | **1,859.1** | 1,799.5 |
| **Current liabilities** | | | |
| Trade and other payables | 16 | **513.7** | 469.6 |
| Current tax liabilities | | **2.3** | — |
| Borrowings | 18 | **678.1** | 340.8 |
| Convertible debt | | **0.3** | 0.3 |
| Derivative financial instruments | | **134.2** | 266.5 |
| Deferred income | 19 | **82.4** | 172.3 |
| Provisions for other liabilities and charges | 17 | **51.7** | 74.3 |
| Total current liabilities | | **1,462.7** | 1,323.8 |
| **Total liabilities** | | **3,321.8** | 3,123.3 |
| **Total equity and liabilities** | | **4,468.4** | 4,358.1 |

## Condensed consolidated interim statement of changes in equity

*For the half year ended 30 September 2019 (unaudited)*

| | Attributable to owners of Wizz Air Holdings Plc | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital € million | Share premium € million | Reorganisation reserve € million | Equity part of convertible debt € million | Cash flow hedging reserve € million | Cumulated translation adjustment € million | Retained earnings € million | Total € million | Non-controlling interest € million | Total equity € million |
| **Balance at 1 April 2019 as stated before** | **—** | **379.1** | **(193.0)** | **8.3** | **12.5** | **0.5** | **1,320.2** | **1,527.7** | **—** | **1,527.7** |
| IFRS 16 adjustment | — | — | — | — | — | — | (303.3) | (303.3) | — | (303.3) |
| Lessor compensation adjustment | — | — | — | — | — | — | (18.3) | (18.3) | — | (18.3) |
| IFRIC 23 adoption opening adjustment | — | — | — | — | — | — | (3.7) | (3.7) | — | (3.7) |
| **Balance at 1 April 2019*** | **—** | **379.1** | **(193.0)** | **8.3** | **12.5** | **0.5** | **995.0** | **1,202.4** | **—** | **1,202.4** |
| **Comprehensive income** | | | | | | | | | | |
| Profit for the period | — | — | — | — | — | — | 368.8 | 368.8 | — | 368.8 |
| **Other comprehensive income** | | | | | | | | | | |
| Hedging reserve | — | — | — | — | (28.3) | — | — | (28.3) | — | (28.3) |
| Currency translation differences | — | — | — | — | — | 0.5 | — | 0.5 | — | 0.5 |
| **Total other comprehensive income** | — | — | — | — | **(28.3)** | **0.5** | **—** | **(27.8)** | **—** | **(27.8)** |
| **Total comprehensive income** | — | — | — | — | **(28.3)** | **0.5** | **368.8** | **341.0** | **—** | **341.0** |
| **Transactions with owners** | | | | | | | | | | |
| Share based payment charge | — | — | — | — | — | — | 2.2 | 2.2 | — | 2.2 |
| **Total transactions with owners** | — | — | — | — | — | — | 2.2 | 2.2 | — | 2.2 |
| **Balance at 30 September 2019**** | **—** | **379.1** | **(193.0)** | **8.3** | **(15.8)** | **1.0** | **1,366.0** | **1,545.6** | **—** | **1,545.6** |

* The restated opening balance at 1 April 2019 contains the effect of the adoption of IFRS 16 on 1 April 2019, adoption of IFRIC 23 on 1 April 2019 and lessor compensation restatement for FY14-19. For further details please refer to Note 6 and 14 in the 2020 Annual Report and Accounts.

** The closing balance at 30 September 2019 contains the effect of lessor compensation restatement for H1 FY20. For further details please refer to Note 6 and 14 in the 2020 Annual Report and Accounts.

## Condensed consolidated interim statement of changes in equity

*For the half year ended 30 September 2020 (unaudited)*

Attributable to owners of Wizz Air Holdings Plc

| | Share capital € million | Share premium € million | Reorganisation reserve € million | Equity part of convertible debt € million | Cash flow hedging reserve € million | Cumulated translation adjustment € million | Retained earnings € million | Total € million | Non-controlling interest € million | Total equity € million |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2020** | **—** | **380.6** | **(193.0)** | **8.3** | **(241.7)** | **0.2** | **1,280.3** | **1,234.8** | **—** | **1,234.8** |
| **Comprehensive income** | | | | | | | | | | |
| Loss for the period | — | — | — | — | — | — | (242.6) | (242.6) | (0.5) | (243.1) |
| **Other comprehensive income** | | | | — | — | — | | | | |
| Hedging reserve | — | — | — | — | 152.4 | — | — | 152.4 | — | 152.4 |
| Currency translation differences | — | — | — | — | — | 0.3 | — | 0.3 | — | 0.3 |
| **Total other comprehensive income** | — | — | — | — | **152.4** | **0.3** | — | **152.7** | — | **152.7** |
| **Total comprehensive income** | — | — | — | — | **152.4** | **0.3** | **(242.6)** | **(89.9)** | **(0.5)** | **(90.4)** |
| **Transactions with owners** | | | | | | | | | | |
| Share options exercised | — | 0.5 | — | — | — | — | — | 0.5 | — | 0.5 |
| Share based payment charge | — | — | — | — | — | — | 1.8 | 1.8 | — | 1.8 |
| **Total transactions with owners** | — | **0.5** | — | — | — | — | **1.8** | **2.3** | — | **2.3** |
| **Balance at 30 September 2020** | — | **381.1** | **(193.0)** | **8.3** | **(89.3)** | **0.5** | **1,039.5** | **1,147.1** | **(0.5)** | **1,146.6** |

## Condensed consolidated interim statement of cash flows

*For the half year ended 30 September 2020 (unaudited)*

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 € million (restated) |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Loss)/income before income tax | **(237.4)** | 385.2 |
| **Adjustments for:** | | |
| Depreciation | **160.4** | 191.4 |
| Amortisation | **4.4** | 3.3 |
| Financial income | **(46.2)** | (16.0) |
| Financial expenses | **20.6** | 50.9 |
| Gain on sale of property, plant and equipment | **(27.0)** | — |
| Non cash operating expenses (ineffective hedge) | **(8.0)** | — |
| Share based payment charges | **1.8** | 2.2 |
| | **(131.6)** | 617.0 |
| **Changes in working capital (excluding the effects of exchange differences on consolidation)** | | |
| Decrease in trade and other receivables | **27.1** | 14.9 |
| Decrease in restricted cash | **12.1** | 4.7 |
| Decrease / (increase) in inventory | **20.6** | (21.6) |
| (Decrease)/Increase in provisions | **(2.3)** | 5.9 |
| Increase in trade and other payables | **46.1** | 41.8 |
| (Decrease) in deferred income | **(50.8)** | (105.2) |
| **Cash (used in)/generated by operating activities before tax** | **(78.7)** | 557.4 |
| Income tax paid | **(5.3)** | (6.3) |
| **Net cash (used in)/generated by operating activities** | **(84.0)** | 551.1 |
| **Cash flows from investing activities** | | |
| Purchase of aircraft maintenance assets | **(29.2)** | (72.5) |
| Purchases of tangible and intangible assets | **(96.1)** | (193.4) |
| Proceeds from sale of property, plant and equipment | **46.2** | — |
| Advances paid for aircraft | **(25.0)** | (89.3) |
| Refund of advances paid for aircraft | **81.0** | 73.1 |
| Interest received | **8.0** | 23.3 |
| **Net cash used in investing activities** | **(15.1)** | (258.8) |
| **Cash flows from financing activities** | | |
| Proceeds from the issue of share capital | **0.5** | — |
| Interest paid | **(37.6)** | (46.8) |
| Proceeds from new loan | **411.0** | 197.5 |
| Repayment of loans | **(163.1)** | (150.1) |
| **Net cash received from financing activities** | **210.8** | 0.7 |
| Net increase in cash and cash equivalents | **111.7** | 293.0 |
| Cash and cash equivalents at the beginning of the period | **1,310.5** | 1,316.0 |
| Effect of exchange rate fluctuations on cash and cash equivalents | **(37.5)** | 24.4 |
| **Cash and cash equivalents at the end of the period** | **1,384.6** | 1,633.4 |

# Notes to the condensed consolidated interim financial information (unaudited)

### 1. General information

Wizz Air Holdings Plc ("the Company") is a limited liability company incorporated in Jersey under the address 44 Esplanade, St Helier JE4 9WG, Jersey. The Company is managed from Switzerland. 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

This condensed consolidated interim financial information presents the financial track record of the Group for the six-month period ended 30 September 2020. This condensed consolidated interim financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, IAS 34 'Interim Financial Reporting' as adopted by the European Union and with those parts of the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2020, 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 2020 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 2020, 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.

#### Going concern

At 30 September 2020, the Group held cash and cash equivalents of €1,384.6 million (total cash of €1,559.5 million including €174.9 million of restricted cash), while net current assets were €149.3 million. The external borrowings of the Group are convertible debt with a balance of €26.6 million and the CCFF fund of £300.0 million. A further €2,094.2 million are presented as borrowings in relation to future commitments from lease contracts.

Wizz Air's business activities, financial performance and financial position, together with external factors and principle risks likely to affect its future development and performance as described in our 2020 Annual Report and Accounts, including the plans to finance future aircraft deliveries have been reviewed by the Directors and are considered to be unchanged. After making enquiries and testing the assumptions against different forecast scenarios, the Directors have satisfied themselves that the Group is expected to be able to meet its commitments and obligations for 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 in the current operating context affected by COVID-19 especially. The base case assumes that the Group continues to operate flights throughout the assessment period, however at reduced utilisation of the fleet, and reduced load factors with the overall objective to fly cash positive.

In addition, the Directors have also modelled a severe but plausible downside scenario where the full fleet would be required to be grounded (i.e. no flights) until 31 March 2021 due to COVID-19 and during the next six months of the time horizon would continue to operate at a materially reduced capacity and pricing/load factors (i.e. around 70% of the fleet flying and a depressed trading environment in terms of pricing and load factors).

In both scenarios including the more bearish scenario, the Group is still forecasting significant liquidity throughout the going concern period given the strength of its balance sheet and the low monthly cash burn rate of the Company.

Due to the level of uncertainty in the projections and the varying patterns of how the operations of the business could emerge from the pandemic, the Directors also assessed the cash burn rate of the business in the event of a full grounding of the airline for the going concern period. The Directors concluded that, due to a combination of a strong balance sheet going into the pandemic and a low monthly cash burn rate, the business would have sufficient liquidity for the next twelve months even if it remained grounded over that time.

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

## 3. Accounting policies

This condensed consolidated interim financial information has been prepared in accordance with the accounting policies, methods of computation and presentation applied in the Group's most recent published consolidated financial statements for the year ended 31 March 2020, save for the changes explained below.

The preparation of condensed consolidated interim financial information 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 information 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 2020, 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 rate that would be applicable to expected total annual profit or loss.

### French Tax Lease

The Company started to apply an additional aircraft financing method in F21, namely the French Tax Leases ("FTL"). Since these financing arrangements are special forms of structured asset financing, involving local tax benefit for French investors, from an accounting point of view, they are "in substance purchases" and not leases, therefore IFRS 16 lease accounting is not applicable; the related liability is considered as a financial debt under IFRS 9 and the asset, as an aeronautical asset, according to IAS 16.

## 4. Financial risk management

The changes in the risk management policies of the Group since the year end are explained below.

Wizz Air operates under a clear set of treasury policies approved by the Board and supervised by the Audit and Sustainability Committee. The aim of our hedging policy is to reduce short-term volatility in earnings and liquidity. Pre-COVID, Wizz Air hedged a minimum of 50 per cent of the projected US Dollar and jet fuel requirements for the next twelve months (40 per cent on an 18-month hedge horizon).

Following the COVID-19 outbreak, the majority of the Group's fleet was grounded for a period from mid-March 2020. The fuel consumption in the six-month-period to 30 September 2020 was significantly lower than that on which the Group hedging programme was originally based, resulting in fuel and foreign currency hedge instruments being discontinued for hedge accounting. As a consequence, hedge accounting for these derivatives has been discontinued and the associated loss on these instruments of €98.2 million (31 March 2020: €61.8 million) was charged to the statement of comprehensive income, and presented as an exceptional operating expense within the consolidated statement of comprehensive income.

In light of ongoing travel restrictions as a result of the COVID-19 pandemic and the subsequent uncertainty in demand for travel, a decision was taken in September 2020 not to increase US Dollar and jet fuel hedge levels in order to reduce the risk of over-hedging.

Due to the current volatile environment, managing the cash balance of the Company is a key priority. As a result, in April 2020 the Company suspended its fair value hedging programme with respect to FX exposure on lease liabilities.

### Interest rate benchmarks

Interest rate benchmarks (IBORs) are being reformed, and many LIBOR and other benchmark interest rates are anticipated to no longer be published or supported past the end of 2021. The Group has exposures to IBORs on its financial instruments in connection with restricted cash balances, floating rate bank deposits and floating rate leases. The IBOR reform is not expected to have a material impact on the Group's financial statement.

#### *Hedge effectiveness*

As a result of COVID-19, the capacity to be operated in the 2021 financial year will be significantly lower than that on which the hedging programme was based and hence certain hedging instruments no longer correspond to future purchases of jet fuel or, to a smaller extent, foreign currency purchases. As such, hedge accounting for certain derivatives has been discontinued and the associated loss on these instruments of €98.2 million, split between a loss of €100.5 million on fuel price hedges and a gain of €2.3 million on the foreign currency hedges, including hedges expiring between October 2020 and March 2021, has been charged to the statement of comprehensive income for six months ended 30 September 2020. This is in addition to the loss of €61.8 million charged to the statement of comprehensive income in 2020.

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

#### *Fair value estimation*

The Group measures its derivative financial instruments at fair value, calculated by the banks involved in the hedging transactions that fall into the Level 2 category. 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 are measured at amortised cost.

**4. Financial risk management** (continued)

*Fair value estimation (continued)*

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 September 2020.

| | Level 1 € million | Level 2 € million | Level 3 € million | Total € million |
|---|---|---|---|---|
| Assets | | | | |
| Derivative financial instruments | — | 0.1 | — | 0.1 |
| | — | 0.1 | — | 0.1 |
| Liabilities | | | | |
| Derivative financial instruments | — | 134.7 | — | 134.7 |
| | — | 134.7 | — | 134.7 |

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2020.

| | Level 1 € million | Level 2 € million | Level 3 € million | Total € million |
|---|---|---|---|---|
| Assets | | | | |
| Derivative financial instruments | — | 18.2 | — | 18.2 |
| | — | 18.2 | — | 18.2 |
| Liabilities | | | | |
| Derivative financial instruments | — | 307.8 | — | 307.8 |
| | — | 307.8 | — | 307.8 |

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

For critical estimates and judgments refer to Note 4 in the 2020 Annual Report and Accounts of the Group. Additional judgements applied by the Group since the year end are explained below.

### Determination of functional currency for Abu Dhabi

The Group conducted the analysis on potential functional currencies for the Abu Dhabi holding (WAAD Limited) and the Abu Dhabi airline (WAAD LLC) as per IAS 21, considering the primary economic environment in which entities operate, and the other factors described by the standard. Wizz Air concluded that the functional currency for WAAD Limited should be USD and for WAAD LLC it should be AED.

### Income taxes

A significant judgment has been made by the Group in relation to the position that the Swiss tax authority would take with respect to the calculation of the income tax base for financial years 2018-2020 for one of the legal entities of the Group. In applying IFRIC 23 the Group applied the 'most likely amount method' and, by relying also on professional advice, took the view that the positions taken by the Group represent also the most likely outcome for the Swiss income tax liabilities.

## 6. Prior period adjustments/ restatements

The Group is accruing for the compensation payable to lessors related to re-delivery condition of its leased aircraft where it is not expected that such obligations would be avoided by performing maintenance at the re-delivery. The Group in earlier years did not accrue for these costs on a few of its aircraft leases of shorter tenure. These costs, albeit these are immaterial to any statement of comprehensive income, were recognised with retrospective effect, as if were accrued from the inception of the respective lease contracts, and the financial statements for the year ended 31 March 2019 were re-stated accordingly. In addition, as per the 2020 Annual Report and Accounts of the Group, it adopted IFRIC 23 in 2020. Also, taken into account the change in the cash deposit currency (from EUR to USD) from FY2020 which led to a material unrealized FX fluctuation, the management reconsidered the presentation method of unrealized FX to reflect more reliably its effect on the net cash change in the cash flow statement. Impact of these changes on FY20 is shown below.

**6. Prior period adjustments/ restatements** (continued)

The consolidated statement of financial position at 30 September 2019 has been restated as follows:

| | Balance at 30 September 2019 As previously stated € million | Impact of lessor compensation restatement € million | Impact of IFRIC 23 adaptation € million | Balance at 30 September 2019 As restated € million |
|---|---|---|---|---|
| Retained earnings | 1,390.6 | (21.0) | (3.7) | 1,366.0 |
| Provisions for other liabilities and charges – non-current | 50.5 | | 2.7 | 53.2 |
| Trade and other payables – current | 338.1 | 21.0 | | 359.1 |
| Provisions for other liabilities and charges – current | 80.2 | | 1.0 | 81.2 |

The Consolidated statement of comprehensive income for the half year ended 30 September 2019 has been restated as follows:

| | 2019 half year As previously stated € million | Impact of lessor compensation restatement € million | 2019 half year As restated € million |
|---|---|---|---|
| Maintenance materials and repairs | (85.5) | (2.2) | (87.8) |
| Operating profit | 414.6 | (2.2) | 412.4 |
| Net foreign exchange loss | (2.8) | (0.5) | (3.4) |
| Net financing cost | (26.7) | (0.5) | (27.2) |
| Profit after tax for the year | 371.5 | (2.7) | 368.8 |

Earnings per share for the half year ended 30 September 2019 has been restated as follows:

| Euro/ share | As previously stated | Impact of lessor compensation restatement | As restated |
|---|---|---|---|
| Earnings per share | 5.10 | (0.03) | 5.07 |
| Diluted earnings per share | 2.93 | (0.02) | 2.91 |

The Consolidated statement of cash flows for the half year ended 30 September 2019 has been restated as follows:

| | 2019 half year As previously stated € million | Impact of lessor compensation restatement € million | Impact of separating unrealized FX on deposits € million | 2019 half year As restated € million |
|---|---|---|---|---|
| Profit before tax | 387.9 | (2.7) | | 385.2 |
| Financial expense | 50.4 | 0.5 | | 50.9 |
| Decrease in trade and other receivables | 23.7 | | (8.8) | 14.9 |
| Decrease in restricted cash | 10.8 | | (6.1) | 4.7 |
| Impact of change in trade and other payables | 50.6 | 2.2 | (11.0) | 41.8 |
| **Cash generated by operating activities before tax** | 583.3 | | (25.9) | 557.4 |
| **Net cash generated by operating activities before tax** | 577.0 | | (25.9) | 551.1 |
| Net increase in cash and cash equivalents | 318.9 | | (25.9) | 293.0 |
| Effect of exchange rate fluctuations on cash and cash equivalents | (1.5) | | 25.9 | 24.4 |

**7. Segment information**

**Reportable segment information**

During 2020 and 2021 the Group had only one reportable segment being its entire route network, resulting in a statutory net profit of €243.1 million loss, and underlying net profit of €144.9 million loss in the first half of 2021 financial year. All segment revenue of €471.2 million was derived wholly from external customers and, as the Group had a single reportable segment, inter-segment revenue was zero.

**7. Segment information** (continued)

**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 2020 € million** | Six months ended 30 Sep 2019 € million |
|---|---|---|
| Airline passenger ticket revenue | **201.8** | 956.6 |
| Airline ancillary revenues | **269.4** | 714.2 |
| Total revenue from external customers | **471.2** | 1,670.8 |

These categories are non-IFRS categories meaning that they are not necessarily distinct from the point of view of their nature and the risks associated to them; 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 8.

Airline ancillary revenues arise 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 seat), loyalty programme membership fees, and from commission on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls and co-branded cards.

***Geographic areas***

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

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 € million |
|---|---|---|
| EU | **350.3** | 1,220.4 |
| UK | **80.4** | 230.4 |
| Other (non-EU) | **40.4** | 220.0 |
| Total revenue from external customers | **471.2** | 1,670.8 |

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

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 material within the total non-current assets.

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

| | **30 Sep 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Hungarian airline | **2,559.2** | 2,555.0 |
| UK airline | **208.8** | 226.9 |
| Other | **88.5** | 1.8 |
| Total non-current assets | **2,856.4** | 2,783.7 |

**8. Revenue**

The split of total revenue presented in the statement of profit or loss and other comprehensive income, being passenger ticket revenue and ancillary revenue, is a non-IFRS measure. The Group decided not to change the presentation (disaggregation) of revenue to that defined under IFRS 15. 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 the operating segments.

### 8. Revenue (continued)

Revenue from contracts with customers can be disaggregated as follows based on IFRS 15. These categories represent revenues that are distinct from nature, risk and timing point of view:

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 € million |
|---|---|---|
| Revenue from contracts with passengers | **441.3** | 1,656.0 |
| Revenue from contracts with other partners | **29.9** | 14.8 |
| Total revenue from contracts with customers | **471.2** | 1,670.8 |

The contract assets reported as part of trade and other receivables amounted to €0.4 million and the contract liabilities reported as part of deferred income were €78.3 million as at 30 September 2020.

### 9. Operating profit

#### Leases recognised in the statement of profit or loss

The statement of profit or loss includes the following amounts relating to leased assets accounted for under IFRS 16:

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 (restated) € million |
|---|---|---|
| Aircraft and spares | **114.6** | 140.4 |
| Other right-of-use assets | **0.6** | 1.1 |
| Depreciation charge for right-of-use assets | **115.2** | 141.5 |
| | | |
| Interest expense (included in finance cost) | **34.3** | 44.8 |
| | | |
| Net gains/(losses) arising from sale and leaseback transactions (included in net other expenses) | **1.0** | (3.7) |

Other right-of-use assets include leased buildings and simulator equipment.

The total cash outflow for leases in the period was €191.8 million (2019: €182.5 million).

### 10. Net financing income and expense

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 (restated) € million |
|---|---|---|
| Interest income | **8.1** | 23.7 |
| Other | **2.2** | — |
| **Financial income** | **10.3** | 23.7 |
| Interest expenses: | | |
| Convertible debt | **(1.0)** | (1.0) |
| Leases | **(35.5)** | (45.1) |
| Other | **(1.5)** | (1.4) |
| Other | **(0.1)** | — |
| **Financial expenses** | **(38.1)** | (47.5) |
| **Net foreign exchange gain/(loss)** | **35.9** | (3.4) |
| **Net financing income/(expense)** | **8.1** | (27.2) |

Interest expense related to leases includes interest computed both on lease liabilities under IFRS 16 and on other lease-related borrowings (JOLCO and French tax aircraft lease contracts).

### 11. Exceptional items and underlying profit

#### 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 non-recurring items of income or expense that have been shown separately due to the significance of their nature or amount.

In the first half of 2021 financial year the Group had exceptional operating expense of €98.2 million relating to fuel hedges that were classified as discontinued as a consequence of the grounding of the majority of the Group's fleet under the COVID-19 virus situation. These items were used by management in the determination of the non-IFRS underlying profit measure for the Group – see below.

### 11. Exceptional items and underlying profit (continued)

#### Underlying profit

| | **Six months ended 30 Sep 2020 € million** | Six months ended 30 Sep 2019 € million |
|---|---|---|
| Statutory (loss)/profit | **(243.1)** | 368.8 |
| Adjustment for (exclusion of) exceptional items | **98.2** | — |
| Underlying (loss)/profit after tax | **(144.9)** | 368.8 |

The tax effects of the adjustments made above are insignificant.

### 12. Income tax expense

The income tax charge for the six months ended 30 September 2020 was €5.6 million (30 September 2019: €16.4 million). The tax charge is mainly attributable to local business tax and innovation tax paid in Hungary and an increase in deferred tax liabilities.

The effective income tax rate of the Group for the six months ended 30 September 2020 was -2.4% (prior year: 4.2%).

### 13. Earnings per share

#### Basic earnings per share

| | **Six months ended 30 Sep 2020** | Six months ended 30 Sep 2019 (restated) |
|---|---|---|
| Profit for the half year (€ million) | **(243.1)** | 368.8 |
| Weighted average number of Ordinary Shares in issue (thousands) | **85,471** | 72,795 |
| Basic earnings per share (€) | **(2.84)** | 5.07 |

There were also 17,377,203 Convertible Shares in issue at 30 September 2020 (30 September 2019: 29,830,503). These shares are non-participating, i.e. the profit attributable to them is €nil. Therefore, these shares are not included in the basic earnings per share calculation above.

#### Diluted earnings per share

| | **Six months ended 30 Sep 2020** | Six months ended 30 Sep 2019 (restated) |
|---|---|---|
| Profit for the half year (€ million) | **(243.1)** | 368.8 |
| Interest expense on convertible debt (net of tax) (€ million) | **1.0** | 1.0 |
| Profit used to determine diluted earnings per share (€ million) | **(242.1)** | 369.8 |
| Weighted average number of Ordinary Shares in issue (thousands) | **85,471** | 72,795 |
| Adjustment for assumed conversion of convertible instruments (thousands) | **41,926** | 54,433 |
| Weighted average number of shares for diluted earnings per share (thousands) | **127,397** | 127,228 |
| Diluted earnings per share (€) | **(1.90)** | 2.91 |

Convertible instruments include Convertible Shares, convertible debt and vested employee share options – each are convertible into Ordinary Shares of the Company.

#### Underlying earnings per share

| | **Six months ended 30 Sep 2020** | Six months ended 30 Sep 2019 (restated) |
|---|---|---|
| Underlying profit for the half year (€ million) | **(144.9)** | 368.8 |
| Interest expense on convertible debt (net of tax) (€ million) | **1.0** | 1.0 |
| Profit used to determine underlying earnings per share (€ million) | **(143.9)** | 369.8 |
| Weighted average number of shares for underlying earnings per share (thousands) | **127,397** | 127,228 |
| Diluted earnings per share (€) | **(1.13)** | 2.91 |

The calculation of the underlying EPS is different from the calculation of the IFRS diluted EPS measure in that for earnings the underlying profit for the year was used (see Note 11) as opposed to the statutory (IFRS) profit for the year. The underlying EPS measure was introduced by the Company to better reflect the underlying earnings performance of the business.

### 14. 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** | 17.9 | 414.3 | 74.1 | 8.3 | 259.9 | 138.6 | 2,286.0 | 7.9 | 3,207.0 |
| At 1 April 2019* | | | | | | | | | |
| Additions | 0.2 | 14.6 | 184.5 | 1.4 | 19.6 | 32.6 | 86.9 | 3.1 | 342.9 |
| Disposals | — | (13.6) | 0.6 | (0.1) | (3.4) | — | (14.9) | — | (31.4) |
| Transfers | — | 21.8 | — | — | — | (21.8) | — | — | — |
| At 30 September 2019** | 18.1 | 437.1 | 259.2 | 9.6 | 276.1 | 149.4 | 2,358.0 | 11.0 | 3,518.5 |
| At 31 March 2020*** | 18.1 | 463.4 | 354.9 | 12.7 | 546.0 | 192.0 | 2,422.5 | 10.9 | 4,020.5 |
| Reclassification to intangible assets | — | — | — | (4.7) | — | — | — | — | (4.7) |
| Additions | — | 18.5 | 94.6 | 0.3 | 25.1 | 9.9 | 225.9 | 3.2 | 377.5 |
| Disposals | — | (7.6) | (22.8) | — | (81.0) | — | (3.2) | — | (114.6) |
| Transfers | — | 3.3 | 30.6 | — | (30.6) | (3.3) | — | — | — |
| FX translation effect | — | — | — | — | — | (0.3) | (6.0) | — | (6.3) |
| **At 30 September 2020** | **18.1** | **477.6** | **457.3** | **8.3** | **459.5** | **198.3** | **2,639.2** | **14.1** | **4,272.4** |
| | | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | | |
| At 1 April 2019* | 1.6 | 223.7 | 26.3 | 4.8 | — | — | 882.1 | 1.4 | 1,139.9 |
| Depreciation charge for the period | 0.6 | 43.2 | 6.3 | 0.4 | — | — | 140.4 | 1.1 | 192.0 |
| Disposals | (0.7) | (12.1) | — | (0.1) | — | — | (14.9) | — | (27.8) |
| At 30 September 2019** | 1.5 | 254.8 | 32.6 | 5.1 | — | — | 1,007.6 | 2.5 | 1,304.1 |
| At 31 March 2020*** | 2.1 | 287.0 | 41.7 | 5.5 | — | — | 1,128.1 | 3.2 | 1,467.5 |
| Depreciation charge for the period | 0.6 | 33.2 | 11.0 | 0.4 | — | — | 114.6 | 0.6 | 160.4 |
| Disposals | — | (7.6) | (4.9) | — | — | — | (3.2) | — | (15.6) |
| FX translation effect | — | — | — | — | — | — | 3.0 | — | 3.0 |
| **At 30 September 2020** | **2.7** | **312.6** | **47.8** | **5.9** | **—** | **—** | **1,242.5** | **3.8** | **1,615.3** |
| | | | | | | | | | |
| **Net book amount** | | | | | | | | | |
| At 1 April 2019* | 16.3 | 190.6 | 47.8 | 3.5 | 259.9 | 138.6 | 1,403.9 | 6.5 | 2,067.0 |
| At 30 September 2019** | 16.6 | 182.3 | 226.6 | 4.5 | 276.1 | 149.4 | 1,350.4 | 8.5 | 2,214.4 |
| At 31 March 2020*** | 16.0 | 176.6 | 313.4 | 7.1 | 546.0 | 192.0 | 1,294.3 | 7.6 | 2,553.0 |
| **At 30 September 2020** | **15.4** | **165.0** | **409.5** | **2.4** | **459.5** | **198.3** | **1,396.7** | **10.3** | **2,657.1** |

* The opening balance at 1 April 2019 contains the effect of previous restatements: adoption of IFRS 16 on 1 April 2019, and lessor compensation restatement for FY14-19. For further details please refer to Note 6 and 14 in the 2020 Annual Report and Accounts.

** The closing balance at 30 September 2019 contains the effect of lessor compensation restatement for H1 FY20. For further details please refer to Note 6 and 14 in the 2020 Annual Report and Accounts.

*** The closing balance at 31 March 2020 contains the effect of lessor compensation restatement for FY20. For further details please refer to Note 6 and 14 in the 2020 Annual Report and Accounts.

The Group enter 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.

Other RoU (right-of-use) assets include leased buildings and simulator equipment.

The Group considered potential triggers of impairment of its property, plant and equipment particularly in the context of COVID-19, but after preparing the impairment assessment concluded that no impairment is needed, taking into account also that it is expected that the business performance will materially recover and continue to improve significantly during the upcoming years.

### 15. Trade and other receivables

| | **30 September 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Non-current | | |
| Receivables from lessors | **9.6** | 11.0 |
| Other receivables | **11.3** | 8.9 |
| Non-current trade and other receivables | **20.9** | 19.9 |
| Current | | |
| Trade receivables | **61.8** | 83.9 |
| Receivables from lessors | **35.4** | 52.4 |
| Other receivables | **2.2** | 0.9 |
| Total current other receivables | **37.6** | 53.3 |
| Less: provision for impairment of other receivables | **—** | — |
| Other current receivables net | **37.6** | 53.3 |
| Prepayments, deferred expenses and accrued income | **43.1** | 32.6 |
| Current trade and other receivables | **142.5** | 169.8 |
| Total trade and other receivables | **163.4** | 189.7 |

Trade and other receivables at 30 September 2020 included financial instruments in the amount of €115.3 million (at 31 March 2020: €153.3 million).

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

Trade receivables included €26.0 million receivables from contracts with customers (at 31 March 2020: €29.2 million). The decrease in contract assets was driven by the significant decline in sales revenues in F21 due to the COVID-19 outbreak.

#### Impairment of trade and other receivables

| | **30 September 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Impaired receivables | | |
| – other receivables | **2.6** | 2.6 |

The Group recorded €2.1 million 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 Wizz Air, plus interest, was awarded by the District Court of Warsaw in June 2018. However, the airport appealed against the decision, which appeal is currently pending. There was no transaction regarding this receivable in the first half of this financial year.

### 16. Trade and other payables

| | **30 September 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Current liabilities | | |
| Trade payables | **141.8** | 119.1 |
| Payables to passengers | **117.8** | 132.0 |
| Other trade payables | **13.1** | 12.6 |
| Accrued expenses | **241.0** | 205.9 |
| Total trade and other payables | **513.7** | 469.6 |

At 30 September 2020 the €117.8 million payables to passengers relate to flights cancelled mostly since March 2020 due to COVID-19 and not yet refunded by the Group. It is yet to be seen how much of this amount will be used by customers for re-booking tickets for later dates and how much will need to be refunded by the Group in cash, respectively.

## 17. Provisions for other liabilities and charges

| | Aircraft maintenance € million | Other € million | Total € million |
|---|---|---|---|
| At 1 April 2019 | 138.3 | 10.9 | 149.2 |
| Adoption of IFRIC 23 as per 1 April 2019 | | 3.7 | 3.7 |
| Capitalised within property, plant and equipment | 21.0 | — | 21.0 |
| Charged to comprehensive income | — | 13.9 | 13.9 |
| Used during the period | (45.5) | (7.9) | (53.4) |
| At 30 September 2019 | 113.8 | 20.6 | 134.4 |
| At 31 March 2020 | 105.9 | 15.3 | 121.2 |
| Capitalised within property, plant and equipment | 18.3 | — | 18.3 |
| Charged to comprehensive income | — | 2.0 | 2.0 |
| Used during the period | (23.2) | (4.3) | (27.5) |
| **At 30 September 2020** | **101.0** | **13.0** | **114.0** |
| Non-current provisions | 59.6 | 2.7 | 62.3 |
| Current provisions | 41.4 | 10.3 | 51.7 |

Aircraft maintenance provisions relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines. Other provisions relate to future liabilities (i) under the Group's customer loyalty programme and (ii) in relation to compensation expected to be payable under EU legislation to passengers impacted by operational disruptions ("EU261 compensations").

## 18. Borrowings

| | **30 Sep 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Lease liability under IFRS 16 | **324.5** | 324.3 |
| Liability related to JOLCO and French tax lease contracts | **25.8** | 16.5 |
| Bank of England loan | **327.8** | — |
| **Total current borrowings** | **678.1** | 340.8 |
| Lease liability under IFRS 16 | **1,400.8** | 1,397.0 |
| Liability related to JOLCO and French tax lease contracts | **340.5** | 274.9 |
| Long term obligation to Owners | **2.6** | — |
| **Total non-current borrowings** | **1,743.9** | 1,671.9 |
| **Total borrowings** | **2,422.0** | 2,012.7 |

The maturity profile of borrowings as at 30 September 2020 is as follows:

| | IFRS 16 aircraft & engine lease liability € million | IFRS 16 other lease liability € million | JOLCO and French tax lease liability € million | Bank of England loan liability € million | Long term obligation to Owners € million | Total € million |
|---|---|---|---|---|---|---|
| Payments due: | | | | | | |
| Within one year | 323.7 | 0.8 | 25.8 | 327.8 | — | 678.1 |
| Between one and five years | 1,037.0 | 5.1 | 98.3 | — | 2.6 | 1,143.0 |
| In more than five years | 353.8 | 4.9 | 242.2 | — | — | 600.9 |
| Total | 1,714.5 | 10.8 | 366.3 | 327.8 | 2.6 | 2,422.0 |

## 19. Deferred income

| | **30 September 2020 € million** | 31 March 2020 € million |
|---|---|---|
| Non-current financial liabilities | | |
| Deferred income | **23.6** | 13.1 |
| Current financial liabilities | | |
| Unearned revenue | **78.2** | 168.4 |
| Other | **4.2** | 3.9 |
| | **82.4** | 172.3 |
| **Total deferred income** | **106.0** | 185.4 |

**19. Deferred income** (continued)

Non-current deferred income represents the value of benefit for the Group coming from concessions (cash credits and free aircraft components) received from aircraft and certain component suppliers, that will be recognised as a credit (an aircraft rentals expenses decreasing item) on a straight-line basis over the lease term 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. The decrease in unearned revenue was driven by the high number of cancellations and the significant drop in ticket sales in H1 2020 due to the coronavirus outbreak.

The contract liabilities (unearned revenue) of €78.2 million existing at 30 September 2020 will become revenue during the upcoming financial years (subject to further cancellations that might happen).

## 20. Financial instruments

### Fair values

The fair values of the financial instruments of the Group together with their carrying amounts shown in the statement of financial position are as follows:

| | Carrying amount 30 September 2020 € million | Fair value 30 September 2020 € million | Carrying amount 31 March 2020 € million | Fair value 31 March 2020 € million |
|---|---|---|---|---|
| Trade and other receivables due after more than one year | 20.9 | 20.9 | 19.9 | 19.9 |
| Restricted cash | 174.9 | 174.2 | 185.9 | 185.9 |
| Derivative financial assets | 0.1 | 0.1 | 18.2 | 18.2 |
| Trade and other receivables due within one year | 142.5 | 142.5 | 169.8 | 169.8 |
| Cash and cash equivalents | 1,384.6 | 1,385.2 | 1,310.5 | 1,310.5 |
| Trade and other payables due within one year | (513.7) | (513.7) | (469.6) | (469.6) |
| Derivative financial liabilities | (134.7) | (134.7) | (307.8) | (307.8) |
| Convertible debt | (26.6) | (26.6) | (26.7) | (26.7) |
| Borrowings | (2,422.0) | (2,521.5) | (2,012.7) | (2,042.4) |
| Net balance of financial instruments (asset) | (1,374.1) | (1473,6) | (1,112.5) | (1,142.2) |

## 21. Capital commitments

At 30 September 2020 the Group had the following capital commitments:

a) A commitment to purchase 257 Airbus aircraft of the A320 family in the period 2020–2026. Of the 257 aircraft 237 relate to the "neo" version of the A320 family (91 from the purchase orders placed in June 2015 and 146 from the purchase order placed in November 2017), while the remaining 20 relate to the "neo XLR" version (from the purchase order placed in June 2019). The total commitment is valued at US$32.1 billion (€27.5 billion) at list prices in 2018 US Dollar terms (as at 31 March 2020: US$33.5 billion (€30.5 billion), valued at 2018 list prices). As at the date of approval of this document 29 of the 257 aircraft are covered by sale and leaseback agreements. Three aircraft are to be delivered in December 2020, 24 aircraft in CY2021; and two aircraft in CY2022.

b) A commitment to purchase 36 IAE "neo" (GTF) spare aircraft engines in the period 2020–2026. 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 (of which five were received in the 2019 financial year). In September 2019 the Group restated and amended this engine selection agreement with certain other commitments including a purchase of additional 25 spare engines until 2026. The total commitment is valued at US$569.1 million (€486.0 million) at list prices in 2020 US Dollar term (as at 31 March 2020: US$569.1 million (€518.4 million), valued at 2020 list prices). As at the date of approval of this document the 36 engines are not yet financed. Only a few of these 36 engines will be delivered in the 2021 financial year.

## 22. 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 2020 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.

## 23. Subsequent events

There were no matters arising, between the statement of financial position date and the date on which this interim financial information was approved by the Board of Directors, requiring adjustment or disclosure in accordance with IAS 10, 'Events After the Reporting Period'. The following important non-adjusting events should be noted, all being direct or indirect consequence of the COVID-19 pandemic:

- On 6 October 2020, CDB Aviation completed a sale and leaseback for six A321neos with Wizz Air, with four aircraft due in calendar Q4 2021 and two in Q2 2022.
- On 9 October 2020, JLPS Holding Ireland Limited signed the lease agreement for four A321neos with the Group, all aircraft to be delivered in H2 2021.

## 24. Related parties

The Group has related party relationships with Indigo and its key management personnel (Directors and Officers).

There were no related party transactions in the period ended 30 September 2020 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 2020 Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the same period.

In May 2020 the Group established Wizz Air Abu Dhabi LLC, an airline company in the United Arab Emirates as a subsidiary of Wizz Air Abu Dhabi Limited.

On 8 July 2020 Wizz Air Leasing Ltd. and on 22 July 2020 Wizz Air Finance Company B.V. were incorporated as wholly owned subsidiaries of Wizz Air Holdings Plc. Wizz Air Finance Company B.V. was dormant since its incorporation and as at 30 September 2020.

## 25. Seasonality of operation

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 period 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. However, due to the travel restrictions regarding Covid-19 this seasonality is less visible in F21.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the interim report in accordance with applicable law and regulations.

The Directors confirm that the condensed consolidated interim financial information has 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 and Transparency Rules paragraphs 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 September 2020 and their impact on the condensed set of financial information, 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 2020 and any material changes in the related party transactions described in the 2020 Annual Report and Accounts of the Group.

The Directors of Wizz Air Holdings Plc are listed in the 2020 Annual report and Accounts of the Group. The following changes have happened since the date of publication: Charlotte Pedersen was appointed effective as of 2 June 2020, Susan Hooper retired effective as of 2 June 2020, and Guido Demuynck retired effective as of 28 July 2020. A list of current Directors is maintained on the Wizz Air Holdings Plc website: wizzair.com.

The interim report was approved by the Board of Directors and authorised for issue on 5 November 2020 and signed on its behalf by:

**József Váradi**
***Director***

# INDEPENDENT REVIEW REPORT TO WIZZ AIR HOLDINGS PLC

### Report on the condensed consolidated interim financial information

#### Our conclusion

We have reviewed Wizz Air Holdings Plc's condensed consolidated interim financial information (the "interim financial statements") in the results for the six months to 30 September 2020 of Wizz Air Holdings Plc for the 6 month period ended 30 September 2020 (the "half-yearly report"). 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.

#### What we have reviewed

The interim financial statements comprise:

- the condensed consolidated interim statement of financial position as at 30 September 2020;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly report 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.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Responsibilities for the interim financial statements and the review

#### Our responsibilities and those of the directors

The half-yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly report based on our review. 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.

#### What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board 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 half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

**PricewaterhouseCoopers LLP**
***Chartered Accountants***
*London*
*5 November 2020*