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Press Release

WIZZ AIR HOLDINGS PLC – RESULTS FOR THE 12 MONTHS TO 31 MARCH 2023

WIZZ AIR TOPS INDUSTRY ANNUAL GROWTH; READY TO DELIVER RECORD SUMMER TRAFFIC AND F24 NET PROFIT

LSE: WIZZ

Geneva, 8 June 2023: Wizz Air Holdings Plc ("Wizz Air" or "the Company"), the fastest growing and one of the most sustainable European airlines, today announces its audited results for the full year ended 31 March 2023 ("F23").

Full year to 31 March	**2023**	2022	Change
Passengers carried	**51,071,836**	27,128,160	88.3%
Revenue (€ million)	**3,895.7**	1,663.4	134.2%
EBITDA (€ million)	**134.3**	(23.3)	n.m.
EBITDA margin (%)	**3.4**	(1.4)	4.8%
Operating loss for the period (€ million)	**(466.8)**	(465.3)	(0.3%)
Reported loss for the period (€ million)	**(535.1)**	(642.5)	(16.7%)
RASK (€ cent)	**3.98**	2.98	33.7%
Ex-Fuel CASK (€ cent)	**2.58**	2.81	(8.2%)
Total cash (€ million)*	**1,529.0**	1,378.8	10.9%
Load factor (%)	**87.8**	78.1	12.4%
Period-end fleet size	**179**	153	17.0%
Period-end seat count (thousand)	**58,190**	34,682	67.8%

* Total cash in 2023 comprises cash and cash equivalents (€ 1,408.6 million) and current and non-current restricted cash (€ 120.4 million); in 2022 it included short term deposits.

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

"F23 was a year of significant growth for the business, with our key operational and financial performance metrics moving in the right direction as we transition into the post-COVID era. During the year Wizz Air delivered industry-leading capacity increases by operating 76 per cent more ASKs versus last year (and +40 per cent vs F20).

The effects of fuel price increases and structural capacity issues at airports remained features throughout the year, but we are mitigating these through decisive actions which helped to improve ex-fuel cost performance. As anticipated, our H2 F23 ex-fuel cost per available seat kilometer ('CASK') was 8 per cent lower year-over-year and only 9 per cent higher vs F20, even accounting for our continued investment and the inflationary environment affecting our cost base.

Our strategy of driving profitable growth across our core CEE network, Western Europe and the Middle East has helped deliver a Company record revenue for F23 of €3,896 million, up 134 per cent year-on-year and a 41 per cent increase on pre-COVID levels in F20. This strong revenue performance has also been driven by strengthening load factors throughout the financial year – reaching 92.2% for the final month of F23.

Improving financial and operational performance in H2 helped the business deliver a positive EBITDA of €134 million for F23. The company ended F23 with liquidity balance of €1,529m supported by a combination of improved operating cash flow and utilization of its debt facilities."

Commenting on the outlook for the Company, József Váradi added:

"As we look ahead, we are optimistic for the current financial year and our focus continues to be on returning to net profit in F24. This will be driven by low cost, operational excellence, including continued high aircraft utilization, productivity improvements and increased flight completion factors.

We are confident in delivering this having spent much of the last year building an even better and operationally more resilient business, investing in our people, operations, and network, as well as now deploying a systematic fuel and currency hedging program.

In F24 we look forward to becoming an employer of +8,000 people and an airline of +200 aircraft, with 63 per cent share of NEOs and a fleet with an average seat count of 226, one of the highest in the world in the narrow-body aircraft segment.

The demand for our services remains very strong across our network, especially in our traditional CEE markets, where we have scaled up, while continuing to make significant progress in Western Europe. We continue to innovate in terms of our geographic network coverage and the opportunity in the Middle East remains incredibly exciting with nine aircraft deployed to date and our plan is to reach 16 over the next twelve months.

Wizz Air expects ASK capacity to grow +30% year-on-year in F24, with current expectations of H1 and H2 growth rates at similar levels. This will again be the top growth rate for any of the major European airlines, with our ex-fuel unit cost expected to continue to decline year on year.

Trading performance has been strong in the first fiscal quarter with attractive pricing and load factors above 90 per cent. For fiscal quarter two, average fares per passenger (combined ticket and ancillary) are also trending higher versus the same period last year.

The Company's net profit is expected to be in a range between €350 and €450 million in F24, subject to the absence of adverse exogenous events such as an incremental impact from the war in Ukraine, delivery delays, or similar. This guidance is dependent on the revenue performance for the all-important summer period as well as the second half of F24, a period for which the Company, like most airlines, currently has limited visibility.

We are now well placed to continue to drive profitable growth through the rest of the decade and beyond. The airline industry remains exposed to externalities such as air traffic control disruptions and continuing operational issues within the airports sector, but today we are a more resilient business and expect this year to deliver a new set of record operational and strong financial results."

NEAR TERM AND FULL-YEAR OUTLOOK

- Capacity: +30% ASKs year-on-year in F24 (H1 and H2 at similar levels)
- Load factors: above 90% for F24;
- Cost: ex-fuel CASK in F24 lower vs prior year;
- Financial performance: Full year F24 net profit in the range of €350 - €450 million.

SUMMARY OF F23 FINANCIAL RESULTS

Total revenue increased by 134 per cent to €3,895.7 million, compared to €1,663.4 million in F22.

EBITDA was positive at €134.3 million, registering an increase by €157.6 million over a loss in F22.

Operating loss was broadly flat at €466.8 million in F23 compared to €465.3 million in F22.

Net loss for F23 was €535.1 million, an improvement of €107.4 million compared to the F22 net loss.

Net financial expenses decreased to €97.9 million, compared to €176.2 million recorded in F22.

Net foreign exchange gain for F23 was €16.6 million, compared to a loss reported in F22 of €89.5 million.

Total cash at the end of March 2023 was €1,529.0 million (of which €120.4 million was restricted cash).

REVENUE AND COST HIGHLIGHTS

Revenues: Wizz Air carried 51.1 million passengers (a company record) during F23, an increase of 88.3 per cent compared to the previous fiscal year (28 per cent versus F20). Total revenue increased by 134 per cent to €3,895.7 million.

ASKs increased 75.7 per cent and passenger numbers increased 88.3 per cent, year on year.

Passenger ticket revenue increased by 176.6 per cent to €2,024.9 million to make up 52 per cent of total revenue. Ancillary revenue increased by 100.9 per cent to €1,870.8 million representing 48 per cent of total revenue (compared to 45 per cent of revenue in F20).

Average ticket revenue per passenger increased from €27.00 in F22 to €39.70 in F23 (by 46.6 per cent), supported by rising load factors (78.1% in F22 to 87.8% in F23), while average ancillary revenue per passenger increased to €36.60 from €34.30 (by 6.7 per cent), an increase of €2.30 per passenger vs F22.

Total RASK increased by 33.7 per cent year-on-year, while ticket RASK improved 57.4 per cent and ancillary RASK was up 14.5 per cent in the same period. Throughout the year, the Company has paid significant focus on maximising revenues, particularly during the peak periods, as we faced rising energy costs, while rebuilding our commodities hedging policy. Ancillary revenue performance continued to increase strongly, supported by dynamic pricing across key product streams, including bags, seats and priority boarding.

Costs: While total operating expenses increased by 105 per cent to €4,362.5 million in F23 from €2,128.7 million in F22, total unit CASK increased by 15.0 per cent to 4.58 Euro cents in F23 from 3.98 Euro cents in F22, driven mainly by significantly higher fuel prices. CASK excluding fuel costs decreased by 8.0 per cent to 2.58 Euro cents in F23 from 2.81 Euro cents in F22. The decrease in ex-fuel CASK was driven by significantly higher operated capacity and strong cost controls.

We continue to be disciplined and focused on cost management, particularly as we operated much higher capacity versus pre-COVID-19, while adjusting our operations in the face of airport and airspace interruptions impacting all European operators.

OUR GEOGRAPHIC FOOTPRINT AS SUSTAINABLE COMPETITIVE ADVANTAGE

During F23 our expansion has focused on increasing frequencies on existing routes and joining existing airports (with approximately 95 per cent of year-over-year capacity growth delivered in this fashion). Looking back to the prior two fiscal years, we deliberately expanded our footprint during periods of COVID-19 travel restrictions to secure markets to recover capacity faster once restrictions lifted. It was an opportune time to expand as we leveraged our airport bargaining power and secured attractive long-term airport agreements.

Today, when we compare ourselves to F20, we have grown in terms of seat capacity by 36 per cent whereby the rest of the industry struggles to reach parity, which due to various constraints Wizz Air has been able to avoid. Geographically, this new capacity has been deployed by: 38 per cent to Italy, 8 per cent to UAE and 54 per cent to rest of the network.

We have now fully restored the business in our core CEE region and further expanded during F23. Wizz Air has retained its market leadership positions, while growing the share of CEE total market to 24 per cent (+5.0 per cent vs F22 and +6.5 per cent vs F20) and is the top airline in three of its core CEE markets (Romania, Hungary and Bulgaria). Recent announcements highlight our expansion in Poland, where we grew the country fleet to 30 aircraft (11 aircraft in Warsaw) and in Georgia, where we allocate one more aircraft for a total fleet of four that serve the thriving city of Kutaisi.

Our historic positions in select markets in the West, notably in the London, Italian and Austrian markets were strengthened during F23. We have consolidated our presence in London, by focusing on our continued leadership in Luton and opportunities in Gatwick. In Italy, we have closed smaller bases and allocated resources to Rome and Milan, where we see great traction for our product and where additional aircraft are being allocated in F24 (growing our overall country presence from 18 to 25 aircraft). In Austria, we have differentiated our offer in the Vienna market, which has shown positive results and we are allocating further aircraft there starting in summer 2023.

As part of our “Go East” strategy, Wizz Air Abu Dhabi has now been operating for over two years. It is already the second largest airline in terms of seats at Abu Dhabi airport. Its fleet is growing from of nine to 16 aircraft in the next twelve months and it will double the number of employees to 800, serving an expanding list of destinations and pushing the brand awareness to 50 per cent. We believe it can become a 50-aircraft operation

serving a potential market of 5 billion people within a five-hour flying range from Abu Dhabi by the end of the decade.

As part of our initial phase of serving the Saudi Arabia market, we have commenced flying more routes to Jeddah, Riyadh and Dammam from our core CEE, Italy and Austria markets. There are also daily flights from Abu Dhabi to Dammam and to Medina. The initial phase of our Saudi Arabian operations includes a planned network of 24 inbound routes (21 have commenced flying at the time of press release).

AIRBUS NEO AND FLEET UPDATE

Wizz Air continued its fleet renewal and expansion program bringing forward the benefits of new technology in ownership and operating cost, fuel consumption and lower carbon and noise emissions. In the twelve months ended 31 March 2023 Wizz Air has taken delivery of 35 new A321neo aircraft, while returning nine A320ceo aircraft, ending the year with a total fleet of 179 aircraft: 50x A320ceo, 41x A321ceo, 6x A320neo, 82x A321neo.

Fleet average age stands at 4.6 years, one of the youngest fleets of any European airline with over 100 aircraft, while the average number of seats per aircraft has climbed to 219 as of March 2023.

The share of new "neo" technology aircraft within Wizz Air's fleet increased to 49 per cent by the end F23, and is planned to reach 63 per cent by the end of F24.

As at 31 March, 2023 Wizz Air's delivery backlog comprises of a firm order for 13x A320neo, 305x A321neo and 47x A321XLR aircraft, a total of 365 aircraft.

Wizz Air's aircraft delivery schedule remains intact for the coming twelve months. During F24 it is expecting deliveries of new 42x A321neo and redeliveries of sixteen A320ceos.

INVESTMENTS, FINANCING AND OTHER DEVELOPMENTS

Earlier in F23 Wizz Air has reinstated its commodities hedging policy with jet fuel zero-cost collars, accumulating a coverage of 60 percent of its jet fuel needs for F24 at a price of 844/970 $/ mT. The jet fuel-related EUR/USD FX coverage stands at 40 per cent for F24 at 1.0678/1.1108

Wizz Air systematically purchases EU/UK Emissions Trading System (ETS) units to cover its future consumption and presently has a 100 per cent coverage on a rolling twelve months basis.

We have successfully registered and started operating a new airline subsidiary in Malta, receiving a fourth Airline Operating Certificate (AOC) that, at the end of F23, supports the fleet of 54 aircraft.

In line with Wizz Air's ambition to become a 500-aircraft airline by the end of the decade, the Group has exercised its purchase rights in relation to 75 A321neo aircraft delivered in calendar years 2028–29. The exercise of purchase rights will be put to shareholders' vote in the annual general meeting of shareholders later this summer.

Leveraging our creditworthiness we have selected a lender for a three-year $280.6 million pre-delivery payment (PDP)-backed facility and have drawn $274.3 million at attractive financing terms.

While the Group faced unprecedented flight disruptions caused by external factors in the summer of 2022, significant investments and improvements in operational processes have been made. This included adding contact center capacity, along with digital customer tools. Automation solutions in the processing of claims have been deployed and further digital solutions continue to be in focus in F24.

Effective 13 July 2023, Silvia Mosquera will join Wizz Air as Executive Vice President and Group Chief Commercial Officer from her current position as Chief Commercial and Revenue Officer at TAP Portugal.

SUSTAINABILITY PERFORMANCE - environment

Wizz Air has demonstrated itself as a leader in the environmental sustainability aviation space and was named the Global and EMEA Environmental Sustainability Airline Group of the Year by CAPA (Centre for Aviation) in December 2022.

In the calendar year 2022, Wizz Air observed its average carbon emissions intensity decrease by 15.4 per cent compared to the previous calendar year. This is the most significant CO_2/RPK decrease the Company has measured and reported from one year to the next.

We have signed Memorandums of Understanding (MoUs) with a number of producers for the supply of sustainable aviation fuel (SAF) for the coming decade and beyond and made two equity investments in research and development projects that support SAF production.

In addition to number of SAF off-take agreements it has entered into, the Company has recently announced that it is investing £5 million to support a biofuel company, Firefly, and its SAF development process.

The Company made history in Hungary and had its largest SAF uplift on 10 May 2023, when Wizz Air took off from Budapest Airport for the first time with a 37 per cent blend of Neste MY Sustainable Aviation Fuel™ supplied by MOL Group, an oil and gas company headquartered in Budapest, Hungary.

SUSTAINABILITY PERFORMANCE – people

Our workforce has always been and will remain Wizz Air's most important asset – therefore people's engagement and wellbeing are crucial to constantly deliver on the Company mission. The backbone of employee engagement is the innovative Wizz Air People Council, supported by the regular people engagement surveys, floor talks hosted by Wizz Air's CEO and frequent base visits.

During the course of last calendar year management and crews have had in-person, face-to-face meetings more than 60 times. This is unique in the industry and is a key measure Wizz Air uses to create a forum where business is discussed and opportunities are offered to all staff to raise concerns.

Since 2010, the employee base of Wizz Air has grown from 1,184 to 7,389 by the end of March 2023. During F23, Wizz Air recruited 2,522 employees. In the same period, initial and recurrent training was provided for 6,500 cabin crew and 2,500 flight crew members.

The Company has been committed to offering its crew a solution that will improve roster predictability and the quality of their work-life balance. As of October 2022, a fixed rostering scheme was introduced for the flight and cabin crew.

Earlier during last fiscal year, the Company announced the introduction of a one-off bonus for its crew members for their extra performance during last summer season.

Wizz Air is an ethnically diverse and inclusive professional organization with over 93 nationalities within its employee base (71 in cabin crew, 59 in the flight crew and 49 in the office).

The company is on target to meet the Board and Management related female diversity targets set out in Wizz Air's sustainability strategy – more details can be found in the F23 Sustainability report.

SUSTAINABILITY PERFORMANCE – governance

The Board created a new role of Deputy Chair. Stephen L. Johnson was appointed to the role due to his industry experience and his long association with the Company.

In order to ensure proper Board oversight over key areas, the Board established a Safety, Security and Operational Compliance Committee, chaired by Charlotte Pedersen. The committee will assist the Board with oversight of the Group's policies, practices, objectives and performance in relation to safety, security and operational compliance management.

To protect the EU airline operating licence of Wizz Air Hungary Ltd. and Wizz Air Malta Ltd (subsidiaries of the Company), the Board has resolved to continue to apply a disenfranchisement of Ordinary Shares held by non-EEA shareholders in the capital of the Company. This will continue to be done on the basis of a "Permitted Maximum" of 45 per cent pursuant to the Company's articles of. In preparation for the 2022 Annual General Meeting (AGM), on 13 September 2022 the Company sent a Restricted Share Notice to Non-Qualifying registered Shareholders, informing them of the number of Ordinary Shares that will be treated as Restricted Shares. We will provide further details on or before 3 July 2023, simultaneously with the notice of Annual General Meeting that is scheduled to take place on 2 August 2023.

Directors' confirmations

The statements below have been prepared in connection with the group's full Annual Report and Accounts for the year ended 31 March 2023. Certain parts are not included in this release.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's financial position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report, confirm that, to the best of their knowledge:

- the Group consolidated financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board
Jozsef Varadi

ABOUT WIZZ AIR

Wizz Air, the fastest growing European ultra-low-cost airline and one of the most sustainable, and currently operates a fleet of 182 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 51.1 million passengers in the financial year F23 ending 31 March, 2023. 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 Airline of the Year by Air Transport World in 2020, as well as Airline of the Year by Air Transport Awards in 2019 and 2023. Wizz Air has also been recognised as the „Most Sustainable Low-Cost Airline" within the World Finance Sustainability Awards 2022 and the „Global Environmental Sustainability Airline Group of the Year" by the CAPA-Centre for Aviation Awards for Excellence 2022.

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- Ends -

Dear Shareholders,

Demand for air travel was quick to return this fiscal year after a rapidly retreating pandemic, with the F23 summer season proving just how eager passengers were to return to the skies and visit loved ones, take that overdue holiday and shake a customer's hand. Fears about a fundamental change in consumer travel behaviour quickly subsided as the industry proved, as it has after every other 'shock', its ability to snap back. While airline industry seat capacity struggled to recover to pre-pandemic levels, held back by manufacturer delivery delays and the lead time in reactivating aircraft from long-term parking, WIZZ launched forward growing its headcount by 2,949 employees and its fleet by 58 aircraft, from F20 to F23. We quickly proved that the decisions made during the COVID-19 period would enable Wizz Air to become Europe's fastest growing airline, while still growing unit revenue.

The choice we made during the COVID-19 period to increase our Airbus order book and place our fleet focus on the A321 aircraft variant, with an industry leading 239 seat configuration, and equipped with the most fuel-efficient engines available, gave us seat capacity to deploy across a growing network that now spans markets from Iceland to the Maldives. Nobody else has a similar order book, at least not for three or four years, and this availability will allow us to lay a foundation to return to profit next year, barring any unforeseen events such as impacts from the war in Ukraine, the pandemic or otherwise.

We deliver this by reducing costs and intelligently deploying growth. We faced unimaginable challenges in the Summer of F23, as we scrambled to redeploy our staff and capacity from Ukraine elsewhere in the WIZZ network. Airspace over and around Ukraine was either closed or severely constrained, which meant there were limitations to flying we were forced to accommodate. Air traffic controllers, affected by pandemic -related decisions, were in short supply, further complicating the limited airspace over our core central and eastern Europe market. We faced dramatically high jet fuel costs and the range of currencies that we sell tickets in demonstrated high volatility compared to the US Dollar, in which many of our costs are denominated.

To ensure that we are prepared to address externally driven labour and supply chain disruptions, we developed a set of key performance indicators to measure our business. KPIs carefully derived from prior periods of Company profitability that, when achieved, are designed to replicate the operating environment to deliver the profit margins shareholders are to expect from Wizz Air. These KPIs deliver best-in-class metrics around minimal flight cancellations, high daily aircraft utilization and balanced labour productivity while simultaneously reduce ex-fuel unit costs.

From the beginning of F24, our fuel and fuel-related FX hedging strategies are in line with internal policy, which wasn't the case in F23 due to the time required when deploying forward hedging tools. We work with the leading financial institutions to manage risk systemically to avoid speculation and to assist in financial planning and confident decision making.

The building blocks for future success are a) a stabilized expanded geographic footprint into which we can use our capacity to build market share; b) KPIs designed to improve operational performance & customer satisfaction while reducing cost, and c) risk management policies that eliminate any peer advantage on fuel and fuel-related currency cost.

A focused ultra-low-cost business model

Our business model rests on effective control over costs, efficient operations and productive use of all of our assets. During F23, as the demand for passenger air travel started to normalize, we have gradually been returning to our ultra-low cost principals, delivering higher asset utilization, passenger load factor and lower unit costs (ex-fuel) year-over-year.

Additionally, as a larger business, we have been deploying our scale to strengthen the ultra-low-cost model. We have automated a number of processes to deal with higher volume of transactions, including across number of support functions. Digital assets are now helping improve key performance metrics like on-time performance, crew and fleet utilization and schedule completion. Negotiations with our suppliers are delivering new volume discounts and we are focusing on key cost items, ranging from airport volume agreements to engine selection and aftermarket support.

The fleet we operate today is one of the youngest global fleets of 100+ aircraft with 4.6 years average age and 219 average seat-count, one of the highest on any narrow-body fleet. When this fleet is used optimally and in the normal operating conditions it delivers the best economic and environmental value for all stakeholders.

We believe the price we pay for our aircraft, on per seat basis, is one of the lowest globally due to timing and the volume of respective orders.

Two years ago we have reinstated staff salaries to pre-COVID levels, ahead of any major European airline. Since then we have adjusted salaries to respond to a rising inflationary environment. Our timely and targeted actions have prevented further cost escalation, and as we return to our high utilization model our crew compensation tops global market levels taking into account variable pay contributions.

Market share development

Market	Market share	Low-cost segment share	Low-cost market position
Albania	54.1%	77.7%	1
Austria	5.9%	20.7%	2
Bosnia and Herzegovina	42.7%	65.9%	1
Bulgaria	33.2%	50.1%	1
Cyprus	8.0%	13.5%	3
Georgia	17.2%	49.0%	1
Hungary	31.7%	45.1%	1
Italy	9.6%	14.6%	3
Lithuania	18.3%	28.1%	2
Moldova	19.6%	43.6%	2
North Macedonia	61.6%	89.1%	1
Poland	23.6%	36.6%	2
Romania	49.2%	66.8%	1
Serbia	19.7%	71.2%	1
United Arab Emirates	1.8%	5.9%	5
United Kingdom	4.6%	7.8%	4
CEE	24.0%	41.6%	1

Our fleet as a driver of competitiveness and sustainability

Operating the most competitive aircraft technology is critical for a low-cost carrier, particularly one which plans to operate its aircraft for more than 12:30 hours per day. State-of-the-art aircraft with the latest engine technology consume less fuel, have lower noise emissions, are more efficient not only to fly but also to maintain and to handle at the airport and accommodate more passengers in still very comfortable seating. Our strong balance sheet enabled us to maintain our fleet delivery programme in F23. 35 A321neos joined the fleet, taking the total number of aircraft to 179 at the end of March 2023. The fleet composition as at 31 March 2023 is as follows:

	March 2023	March 2024	March 2025
	Actual	Planned	Planned
A320ceo without winglets (180 seats)	**13**	4	—
A320ceo with winglets (180 seats)	**28**	21	11
A320ceo with winglets (186 seats)	**9**	9	9
A320neo with winglets (186 seats)	**6**	6	6
A321ceo with winglets (230 seats)	**41**	41	37
A321neo with winglets (239 seats)	**82**	127	176
A321neo XLR with winglets (239 seats)	**—**	—	2
Fleet size	**179**	208	241
Proportion of seats on A321	**74%**	85%	91%
Average number of seats per aircraft	**219**	226	231

As at the date of approval of this document, 49 per cent of the Company's total seat capacity is with the A321neo family of aircraft, probably the highest renewal rate of any fleet in Europe.

The new neo aircraft are powered by Pratt & Whitney GTF engines, which reduce fuel burn by 16 per cent and nitrogen oxide emissions by 50 per cent and deliver close to a 50 per cent reduction in noise footprint compared to previous generation aircraft.

Our emissions intensity, measured by CO2 per revenue passenger kilometre (CO2/RPK), was already the lowest in the industry in F20 and our continued investment in fleet innovation ensures we maintain a strong edge versus any competitor.

During F21 and F22 our emissions intensity was affected by COVID-19 travel restrictions given the impact on passenger load on our flights, but in F23 we have made a significant improvement, at one point reaching the lowest carbon emissions intensity ever recorded for the rolling twelve-month period in the month of December.

Creating the leading digital platform

A frictionless digital customer experience and efficient, data-driven operations are core to the business model of an ultra-low-cost carrier. It drives costs out of the system, it allows the airline to scale profitably, and it drives immediacy instead of dependency on lead times. Our digital strategy is centred around six key pillars:

1. An exceptional digital customer journey: our customers' journey remains in the centre of our strategy, with digital experience key to making travel as frictionless, safe and easy as possible in a cost-effective manner. We target all key touchpoints with our customers. Our distribution is fully digital today. Next year, the Wizz digital platform (website and app) is expected to generate over 750 million visits, making it one of the world's most visited websites. Given Wizz Air's focus on continuous modernisation of the digital platform (web and app) it has launched a programme to introduce further improvements. The programme (Next Generation Platform – OneWizz) will improve Company's digital speed to market, add scale and increase levels of stability. Digital speed to market is especially critical as the airline expands its customer base and enters new markets across multiple continents. Further benefits will include improved website and app conversion rates and allow greater levels of experimentation and personalisation. Additionally, the programme will be built on modern architecture to create scalability and accelerate delivery. In F23 we introduced an additional payment method called Trustly in certain markets and further streamlined communication channels with customers. We keep digitalising our customer service processes and continuously enhancing use cases of our chatbot Amelia.
2. Digitally powered operations: Wizz Air is deploying new technology and data to drive efficiencies in its operations and augment decision making with actionable insights. Not only are we automating existing processes, but we are reimagining our operations with digital being the catalyst for improving key performance metrics like on-time performance, crew and fleet utilisation and schedule completion, and ultimately to drive a lower CASK. Wizz Air successfully completed the roll-out of Electronic Flight Book (EFB) and equipped every pilot with a connected device. Wizz Air also launched Electronic Technical Log Book (ETLB) to replace the paper-based communication and records managed by pilots and third parties with roll-outs to be completed in F24. Wizz Air has also invested in latest technologies addressing operational disruptions, including data analytics, intelligent algorithms, and AI/ML, all of which support better decision-making, increase the scale of our Operations Control Centre, and improve predictability. Wizz also successfully delivered several initiatives focused on fuel optimisation, which drive fuel cost down by providing real-time data and insights to improve decision making about fuel consumption.
3. Scale without boundaries: to support our growth, Wizz Air is working on standardising and automating the core process across support functions like Finance, Accounting and Human Resources, with the focus on end-to-end automation of transactions, reduction of lead times and higher pixelation of data to allow for more data-driven decision making. During F23 Wizz Air automated treasury workflows, implemented a Treasury and Risk Corporate Solution and improved reporting compliance across Finance, Legal and ESG. In F24 Wizz Air will launch a custom-built Fleet Management and Planning System to support a multi-AOC setup, a Direct Cost Management Solution to drive better control over fuel and navigation cost, and Corporate Finance and Reporting Management modernisation to better support data-driven decisions. In addition, Wizz Air will initiate the journey for its ERP modernisation and build a scalable, highly standardised solution to support the growth of the airline.

4. Digital employee experience and digital upskilling: Amongst a number of initiatives Wizz Air digital experience efforts were focused on our crews, increasing the levels of their self-service (e.g. by launching MyWizz Learning to test their own safety and compliance knowledge anytime, anywhere). In addition, Wizz Air established an Automation Centre of Excellence (ACE), to further increase adoption of automation across the enterprise and enable employees to focus on value added activities. In F24 we further plan to focus and deliver several digital initiatives to streamline and simplify workflows for our crew and office staff, and improve their connectivity and productivity.
5. Data analytics: Wizz Air invests in data platforms and solutions to ensure accurate data is available where needed and as quickly as needed. This applies to the synchronisation of data between systems to de-silo digital solutions as well as making data available to end users through decision support and real-time dashboard systems. The sharing of data between critical systems has moved from periodic synchronisation to near real-time data sharing through data streams, accelerating responsiveness and visibility of airline operations.
6. Information security: Wizz Air considers information security a key priority and the Company continuously invests in strengthening its abilities. Larger investment allows it to keep abreast of the constantly changing and evolving threat landscape by actively monitoring and managing its risk posture. In pursuit of becoming a leading digital airline, the information security function combines industry best practices with leading technology to become an enabler and a trusted adviser for all functions within the Company when it comes to digital investments and protecting Wizz Air's information assets. The function is subject to constant regulatory oversight, and most recently received the "Cyber Security Certificate of Compliance" from the UK Civil Aviation Authority.

Focus on our people

Our people are at the core of our business. More than 90 per cent of our employees engage with our customers face-to-face on a daily basis. During F23 our employee engagement score was 6.4, broadly aligned with the industry average, with a participation rate of 55 per cent. Our employee engagement survey showed a small reduction in overall satisfaction rate, which is understandable after three challenging years marked by the COVID-19 pandemic, ongoing war in Ukraine and industry infrastructure limitations as travel restrictions receded, having a significant impact on our customers, colleagues and operations. Their continued strong engagement even during the toughest of times is a true testimony to the Wizz spirit, and it is their dedication and passion that is at the root of our success. We aspire for our workforce at Wizz Air to reflect our broad customer base. As such, we are proud to have a diverse team of passionate aviation professionals. Our team includes 93 different nationalities at all levels in the organisation. We are also focused on driving a better gender balance within the organisation. The current gender diversity balance is 48 per cent female to 52 per cent male. Our Board gender diversity remained at 30 per cent, just shy of our 33 per cent target, while our Management Team diversity slightly decreased from 34 per cent to 32 per cent.] Our commitment is reflected in our long-term incentive targets for our Executives, to reach 40 per cent female representation at managerial level by 2026.

We are also determined to make a step-change in the under-representation of women in the flight deck – a long-standing issue within the aviation industry – with the help of our Cabin Crew to Captain programme.

We believe that Wizz Air offers the best career progression opportunity in the industry, irrespective of whether you are a pilot, cabin crew or office employee. Wizz Air opens up opportunities for diverse talents to learn, develop and succeed.

General Outlook

We invested heavily in F23, starting with our people, to ensure that we have the right resources with the right incentives to meet the capacity growth we have added and the robust demand we are expecting in F24. We expect the changes we have made to our network, our scheduling, our flying patterns and our operations will better prepare us for continued post-COVID-19 pressure on the aviation industry's ecosystem, which is still recovering. We have taken time to reflect on the lessons learned in F23 and enter next year armed with a more experienced workforce that is now better equipped with tools to reduce the disruptions from this year while ready for new challenges.

In reinstating our commodity and financial risk management policies, we have neutralised any advantage our competitors have had on some of our largest cost drivers, which allows us to focus on those aspects of our cost base we can and will control. We have developed best-in-class operational key performance indicators which we are pairing with disciplined financial targets – both of which we have demonstrated we can deliver in the past.

By being the lowest cost airline operator, we will return to delivering low-cost fares and superior value to our stakeholders – shareholders, employees, and the passengers and communities we serve. In doing so, we drive emissions efficiency, which is at the top of Wizz Air's agenda, to migrate passengers to more environmentally efficient flights for a sustainable future.

FINANCIAL REVIEW

F23, despite loss-making, was a year of steadily improving trading where we saw strong demand recovery and passenger growth across all our markets. Along the way we faced several macroeconomic events, including the ongoing war in Ukraine, sharply rising energy costs and supply chain issues. We acknowledge these challenges as we emerged from COVID-19, and that led to high levels of passenger disruption, which we have been actively remedying. Still, Wizz Air operated record capacity and delivered an industry leading growth rate. Wizz Air's more diversified network and larger, more efficient fleet have been key in recovering capacity and returning unit costs towards pre-pandemic levels. Our focus has centred on controlling cost as we operated at a higher capacity versus pre-COVID-19, while adjusting our operations in the face of airport and airspace interruptions impacting European operators. Wizz Air carried 51.1 million passengers during F23, an increase of 88.3 per cent compared to the previous fiscal year. Revenues increased by 134 per cent to €3,895.7 million. Passenger and revenue figures reflect the increase in demand throughout the year, as more people returned to flying, encouraged by the first year without COVID-19 travel restrictions.

Throughout the year the underlying focus for the Company has been on controlling costs, but also on maximising revenues, particularly during the peak periods, as we faced rising energy costs, while trying to rebuild our commodities hedging policy.

As average fuel price went up by more than double, our fuel CASK increased by 71 per cent to 2.00 Euro cents in F23 from 1.17 Euro cents in F22. CASK excluding fuel expenses decreased by 8 per cent to 2.58 Euro cents in F23 from 2.81 Euro cents in F22. We operated 76 per cent more ASKs in F23, which, combined with a rigorous focus on cost cutting, contributed to ex-fuel CASK reducing substantially year over year. Our unit revenue, measured in terms of ASKs, increased by 33 per cent to 3.98 Euro cents, supported by a higher ticket price environment as well as another strong year of ancillary revenues.

Wizz Air reported a net loss of €535.1 million (compared to a €642.5 million net loss in F22) despite the significant revenue growth primarily due to adverse fuel prices and flight disruptions in the Summer season.

Management pursued several key actions to support relentless cost management while sustaining the growth of the business, in volatile macroeconomic conditions:

From a cost point of view:

- adjusting flight volumes, building buffers in daily schedules and redistributing resources to key areas in crew planning and logistics;
- reintroducing fixed crew roster patterns, redesigning complex flight duties and streamlining ground operations;
- decentralising Group support functions, giving more capacity to our local airlines, including operations and maintenance control;
- pooling volume with other Indigo Partner airlines in supplier selection negotiations, such as maintenance procurement, and driving additional savings from scale;
- repatriating one of our aircraft that was based in Ukraine and deploying different technical strategies on the other three aircraft to maximize the value when returned to service; and
- deploying new systems and hardware as part of its digitally powered operations, including departure control systems across its stations.

From a revenue point of view:

- maximising unit revenues across a broader and more diversified network, driving pricing and load factors during the peak demand periods;
- expanding advance data science techniques supporting dynamic pricing of key ancillary product lines, including baggage, priority boarding and seating;
- introducing a new type of checked-in bag with a weight allowance of 26kg, besides the available 10, 20 and 32kg options, offering more choice and driving further ancillary revenue; and
- allocating new and existing aircraft to markets with opportunity for scale and profitable growth.

From an investment and financing point of view:

- our commodities hedging policy with jet fuel zero-cost collars and reinstating our jet fuel-related EUR/USD FX coverage at 40 per cent of exposure for F24;
- purchasing a sufficient amount of emission units under the EU/UK reinstating Emissions Trading System (ETS) that provide 100 per cent of coverage needs for a rolling twelve months;
- exercising its purchase rights in relation to 75 A321neo aircraft to be delivered in years 2028–29, in line with Wizz Air's ambition to become a 500-aircraft airline by the end of the decade;
- signing Memorandums of Understanding (MoUs) with a number of producers for the supply of sustainable aviation fuel (SAF) for the coming decade and beyond;
- opening a new airline subsidiary in Malta and receiving a fourth Airline Operating Certificate (AOC) that supports a fleet of 54 aircraft at F23 end;
- automating and scaling the customer support process, with an addition of a new call centre, providing faster resolutions and improved customer service;
- selecting a lender for a three-year $280.6 million pre-delivery payment (PDP)-backed facility and drawing $274.3 million at attractive financing terms; and
- taking delivery of 35 new A321neo aircraft, while returning nine A320ceo aircraft, bringing forward the benefits of new technology in ownership and operating cost, fuel consumption and lower carbon and noise emissions.

From a cash point of view:

- continuing to apply our ambitious "payment days" extension programme with suppliers, leveraging the strength of our balance sheet and credit rating which allowed suppliers to better differentiate Wizz Air from other airlines, supported by our ability to offer true long-term partnerships;
- optimising key elements of our investment cash flow by focusing on optimised fleet deliveries;
- signing more EUR currency aircraft and spare engine leases during the period covering 61 per cent of new contracts;
- including caps to rent formulas limiting the impact of rising interest rates; and
- advancing aircraft with pre-delivery payments (PDP) denominated in EUR currency for inclusion in next year's delivery stream.

The macro variables with significant influence on the financial performance of the Group developed during the year as follows:

☐	F23	F22	Change
Average jet fuel price ($/metric tonne, including into-plane premium and impact of effective hedges)	1,218	789	54.4%
Average USD/EUR rate (including impact of effective hedges)	1.04	1.16	(10.2%)
Year-end USD/EUR rate	1.08	1.11	(2.4%)

Financial overview

Summary statement of comprehensive income

€ million	F23	F22	Change
Total revenue	3,895.7	1,663.4	134.2%
Fuel costs (including exceptional income)	(1,954.4)	(649.0)	201.1%
Operating expenses excluding fuel	(2,408.1)	(1,479.7)	62.7%
Total operating expenses	(4,362.5)	(2,128.7)	104.9%
Operating loss	(466.8)	(465.3)	0.3%
Comprising:			
– Operating loss excluding exceptional income	(466.8)	(469.6)	(0.6)%
– Exceptional income	—	4.3	(100.0)%
Operating profit margin (excluding exceptional income)	(12.0%)	(28.2%)	16.2 ppt
Net financing expense	(97.9)	(176.2)	(44.5)%
Loss before income tax	(564.6)	(641.5)	(12.0)%
Income tax expense	29.5	(0.9)	n.m.*
Loss for the year	(535.1)	(642.5)	(16.7)%
Exceptional income net of income tax	—	4.3	(100.0)%
Underlying loss after tax	(535.1)	(646.7)	(17.3)%

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

Loss per share

Loss per share, EUR (Note 9)	F23	F22	Change
Basic and diluted loss per share, €	(5.07)	(6.33)	(19.9%)

Return on capital employed and capital structure

Return on capital employed (ROCE) is a non-statutory performance measure commonly used to measure the financial returns that a business achieves on the capital it uses. ROCE for F23 was (13.5) per cent, compared to (16.8) per cent for the previous year.

Two rating agencies, Fitch and Moody's, have issued updates during the third quarter with Fitch maintaining Wizz Air's BBB- investment grade profile with negative outlook, while Moody's issued a Ba1 rating with stable outlook.

The Company's leverage ratio is 29.0 at the end of the 2023 financial year, while liquidity decreased to 36.2 per cent from 73.9 per cent at the end of the 2022 financial year.

	F23	F22	Change
ROCE*	(13.5%)	(16.8%)	3.3 ppt
Leverage ratio*	29.0	(117.7)	146.7 ppt
Liquidity*	36.2%	73.9%	(37.7 ppt)

* See the definition of these non-statutory measures and their calculation on page 25 of this report.

Financial performance

Revenue

The following table sets out an overview of Wizz Air's revenue items for F23 and F22 and the percentage change in those items:

	F23		F22		
	Total (€ million)	Percentage of total revenue	Total (€ million)	Percentage of total revenue	Percentage change
Passenger ticket revenue	2,024.9	52.0%	732.1	44.0%	176.6%
Ancillary revenue	1,870.8	48.0%	931.4	56.0%	100.9%
Total revenue	3,895.7	100%	1,663.4	100%	134.2%

The increase in passenger ticket revenue was driven by a 88.3 per cent increase in passengers. Similarly, ancillary (or "non-ticket") revenue increased in line with the ticket revenue development. The share of ancillary products in the total revenue decreased to 48.0 per cent.

Average revenue per passenger increased by 24.2 per cent from €61.44 in F22 to €76.28 in F23. Average ticket revenue per passenger increased from €27.00 in F22 to €39.70 in F23 (by 46.6 per cent), while average ancillary revenue per passenger increased to €36.60 from €34.30 (by 6.7 per cent).

Total operating expenses excluding exceptional income increased by 104.5 per cent to €4,362.5 million in F23 from €2,133.0 million in F22.

The following table sets out for F23 and F22 the expenses relevant for the CASK measure (thus excluding exceptional expense), and the percentage changes in those expenses:

	F23			F22			
	Total (€ million)	**Percentage of total operating expenses**	**Unit cost (€cts/ASK)**	Total (€ million)	Percentage of total operating expenses	Unit cost (€cts/ASK)	Percentage change of total cost
Staff costs	**373.9**	**8.6%**	**0.38**	220.5	10.3%	0.39	69.6%
Fuel costs (excluding exceptional income)	**1,954.4**	**44.8%**	**2.00**	653.3	30.6%	1.17	199.2%
Distribution and marketing	**91.5**	**2.1%**	**0.09**	43.4	2.0%	0.08	110.8%
Maintenance, materials, repairs	**237.0**	**5.4%**	**0.24**	170.4	8.0%	0.30	39.1%
Airport, handling, en-route charges	**963.2**	**22.1%**	**0.99**	545.9	25.6%	0.98	76.4%
Depreciation and amortisation	**601.1**	**13.8%**	**0.61**	446.3	20.9%	0.80	34.7%
Net other expenses	**141.3**	**3.2%**	**0.14**	53.2	2.5%	0.10	165.7%
Total operating expenses (excluding exceptional income)	**4,362.5**	**100%**	**4.46**	2,133.0	100%	3.82	104.5%
Net cost from financial income and expense	**114.5**		**0.12**	86.7		0.16	32.0%
Total	**4,476.9**		**4.58**	2,219.7		3.98	101.7%

Staff costs were €373.9 million in F23, up by 69.6 per cent from €220.5 million in F22. The cost increase is driven by higher office and crew numbers and higher wages as well. The number of average full time office employees increased by 14.2 per cent in F23, while crew headcount increased by 40.2 per cent in F23 compared to F22. Besides that the volume also went up as the total ASKs grew by 75.7 per cent during the financial year.

Fuel expenses (excluding exceptional income) increased by 199.2 per cent to €1,954.4 million in F23, up from €653.3 million in F22. The main driver for this increase was an ASK increase of 75.7 per cent as well as higher fuel prices.

The average fuel price, including hedging impact and into-plane premium, paid by Wizz Air in F23 was $1,218 per tonne, an increase of 54.5 per cent from the previous year's figure of $789 per tonne.

The average Euro/US Dollar exchange rate, including the impact of hedging, was 1.04 in F23 compared to a rate of 1.16 in F22. The impact of effective fuel hedges was a €33.2 million loss in F23 (compared to a €13.7 million gain in F22).

The increase in distribution and marketing costs of 110.8 per cent to €91.5 million in F23 from €43.4 million in F22 is mainly driven by the credit card commission as the revenue increased by 134.2 per cent versus F22 and the fees were increased by the card provider companies.

Maintenance, materials and repair costs increased by 39.1 per cent to €237.0 million in F23 from €170.4 million in F22. Maintenance costs are largely driven by the size of the fleet, predetermined maintenance schedules and aircraft utilisation.

Airport, handling and en-route charges increased by 76.4 per cent to €963.2 million in F23 from €545.9 million in F22. This increase is primarily driven by the increase in both seat capacity and passenger numbers, which increased by 67.8 per cent and 88.6 per cent respectively.

Depreciation and amortisation charges increased by 34.7 per cent to €601.1 million in F23, up from €446.3 million in F22 due to the increased number of aircraft in the fleet being depreciated, besides the increased variable part of depreciation (for strict obligation assets) which increased due to the higher number of flight hours and -cycles flown.

Net other expenses include primarily: (i) office overhead and crew-related costs other than direct staff costs; (ii) passenger welfare and compensation costs; (iii) aviation and other insurance costs; and (iv) credits that do not classify as revenue from customers. The increase in net other expenses to €141.3 million was primarily driven by: (i) significantly higher flight disruption costs (2023: €111.0 million; 2022: €29.5 million) because the number of flight cancellations and delays increased in F23 (mainly in the summer season); (ii) increase in crew-related costs due to ramping up operations (2023: €69.6 million; 2022: €32.5 million); and (iii) increase in overhead costs due to higher level of operations compared to F22 (2023: €62.3 million; 2022: €40.1 million). For further details, please refer to Note 5.

The Group's net financing expense was €97.9 million in F23 after an expense of €176.2 million in F22. This aggregate change was driven by foreign exchange impacts whilst the increase in net financial expense was mainly due to the increase of the leased fleet, as shown in the table below:

€ million	**F23**	F22	Change
Net financial expense	**(114.5)**	(86.7)	32.0%
Net foreign exchange gains	**16.6**	(89.5)	n.m.*
Net financing expense	**(97.9)**	(176.2)	(44.5)%

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

See also (Note 6) to the financial statements.

Taxation

The Group recorded an income tax credit of €29.5 million in F23 compared to the €0.9 million charge in F22 as the main subsidiary of the Company switched to Hungarian corporate tax from Swiss corporate tax with effect from 1 April 2023, which resulted in a deferred tax asset revaluation.

The effective rate for the Group in F23 was 5.2 per cent compared to (0.1) per cent in F22. The main components of the tax charge in F23 and F22 were local business tax and innovation tax paid in Hungary and the change in deferred tax balances.

Loss for the year

The Group incurred an underlying net loss of €535.1 million in F23, compared to the underlying net loss of €646.7 million in F22.

Other comprehensive income and expenses

In F23 the Group had other comprehensive expense of €88.8 million compared to an expense of €4.1 million in F22. This significant increase was due to the increased number of hedges in F23 as a result of the reinstatement of a systematic hedging policy.

Cash flows and financial position

Summary statement of cash flows

The following table sets out selected cash flow data and the Group's cash and cash equivalents for F23 and F22:

€ million	F23	F22 (restated*)	Change
Net cash generated by operating activities	**421.9**	281.2	50%
Net cash generated by/(used in) investing activities	**532.9**	(317.8)	n.m.
Net cash used in financing activities	**(311.2)**	(325.5)	(4)%
Net cash increase/(decrease) in cash and cash equivalents	**643.7**	(362.1)	
Cash and cash equivalents at the beginning of the year	**766.6**	1,100.7	(30)%
Effect of exchange rate fluctuations on cash and cash equivalents	**(7.7)**	28.0	
Cash and cash equivalents at the end of the year	**1,402.6**	766.6	83%

* The prior year classification between operating and investing activities was restated – refer to Note 18 for more detail.

n.m.: not meaningful as a variance is more than (-)100 per cent.

Cash flows from operating activities

The majority of Wizz Air's cash inflows from operating activities are derived from the sale of passenger tickets and ancillary services. Net cash flows from operating activities are also affected by movements in working capital items.

Cash generated by operating activities increased from €281.2 million in F22 to €421.9 million in F23 primarily driven by the following factors:

- Operating cash flows before adjusting for changes in working capital improved by €102.1 million year on year driven by the market recovery and increase in demand.
- An increase in deferred income in the amount of €161.0 million which is mainly driven by the increase in unearned revenue (tickets paid by passengers for which the flight service is yet to be performed) due to higher demand and ticket bookings made further in advance.

Investing activities resulted in €532.9 million net cash generated in F23, compared to €317.8 million net cash used in F22, due to the following:

- The net cash flows from advances paid and refunded in relation to aircraft deliveries decreased by €205.5 million from €217.6 million cash outflow in F22 to €12.1 million cash outflow in F23. This change was primarily driven by the Company's delivery schedule and associated PDP cash flows with Airbus.
- Cash inflows due to the decrease in short-term cash deposits was €450.0 million in F23 compared to the cash outflow in the amount of €99.2 million due to the increase in cash deposits in F22.
- Net cash flows from the purchase and sale of tangible and intangible assets including sale and leaseback transactions increased by €81.5 million from €3.90 million cash outflow in F22 to €77.6 million cash inflow in F23.

Cash flows from financing activities

Financing activities resulted in a net cash outflow of €311.2 million in F23 and a net cash outflow of €325.5 million in F22, including the following main components:

- Proceeds from new loans related to aircraft financing was €63.0 million in F23 and €16.4 million in F22. Repayment of such loans plus interest, in addition to lease payments amounted to €605.0 million in F23 and €470.7 million in F22.
- Proceeds from new debt was €245.5 million, mainly related to PDP financing, in F23 and €497.5 million, from the issuance of bonds, in F22. Repayment of debt plus interest amounted to €14.5 million, which includes interest payments only, in F23 compared to €368.6 million, which included the repayment of the commercial paper issuance under the CCFF, in F22.

Summary statement of financial position

The following table sets out summary statements of financial position of the Group for F23 and F22:

€ million	**F23**	F22	Change
ASSETS			
Property, plant and equipment	**4,666.0**	3,631.4	1,034.6
Restricted cash*	**120.4**	162.2	(41.8)
Derivative financial instruments*	**1.2**	0.7	0.5
Trade and other receivables*	**411.4**	207.6	203.8
Short-term cash deposits	—	450.0	(450.0)
Cash and cash equivalents	**1,408.6**	766.6	642.0
Other assets*	**426.8**	137.6	289.2
Total assets	**7,034.4**	5,356.1	1,678.4
EQUITY AND LIABILITIES			
Equity			
Equity	**(357.9)**	263.9	(621.8)
Liabilities			
Trade and other payables*	**945.4**	615.4	330.0
Borrowings (incl. convertible debt)*	**5,301.4**	3,964.9	1,336.6
Deferred income*	**873.6**	396.8	476.9
Derivative financial instruments*	**108.4**	4.6	103.8
Provisions*	**156.1**	107.0	49.1
Other liabilities*	**7.3**	3.5	3.8
Total liabilities	**7,392.3**	5,092.1	2,300.2
Total equity and liabilities	**7,034.4**	5,356.1	1,678.3

* Including both current and non-current asset and liability balances, respectively.

Property, plant and equipment increased by €1,034.6 million as at 31 March 2023 compared to 31 March 2022, primarily driven by the investment made in JOLCO-financed aircraft and sale and leaseback financed right-of-use assets (see also Notes 10 the financial statements).

Restricted cash (current and non-current) decreased by €41.8 million as at 31 March 2023 compared to the year before. The majority of this balance is linked to Wizz Air's aircraft lease contracts, being cash deposits behind letters of credit issued by Wizz Air's banks related primarily to lease security deposits and maintenance reserves.

Derivative financial assets (current and non-current) increased by €0.5 million as at 31 March 2023 compared to 31 March 2022 (see also Notes 2 and 11 to the financial statements). These balances are related to fuel hedge instruments.

Trade and other receivables increased by €203.8 million as at 31 March 2023 compared to 31 March 2022. This was primarily driven by an increase in trade receivables as a result of increased sales and operation level.

Cash and cash equivalents amounted to €1,408.6 million at 31 March 2023 (2022: €766.6 million), and short-term cash deposits to €nil at 31 March 2023 (2022: €450.0 million).

Borrowings (including convertible debt) increased by €1,336.6 million as at 31 March 2023 compared to 31 March 2022. The increase was primarily driven by lease liabilities recognised during the fiscal year, and financing against aircraft pre-delivery payments (see Note 12 to the financial statements).

Deferred income increased by €476.9 million as at 31 March 2023 compared to 31 March 2022 (see Note 13 to the financial statements). This was primarily driven by the higher business activity compared to the previous year end.

Derivative financial liabilities (current and non-current) increased by €103.8 million as at 31 March 2023 compared to 31 March 2022 (see Notes 2 and 11 to the financial statements). These balances are related to fuel hedge instruments. The significant increase is due to the reinstatement of the jet fuel hedging policy, and also due to the volatility in jet fuel prices.

Provisions increased by €49.1 million as at 31 March 2023 compared to 31 March 2022, in line with the planned aircraft maintenance schedule (see Note 14 to the financial statements).

Hedging strategy

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

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

Given the sustained and ongoing volatility in commodity prices Wizz Air has decided to reinstate the jet fuel hedging and align the policy with its peers from F24 onwards. The hedges under the hedge policy will be rolled forward quarterly, 18 months out, with coverage levels over time reaching indicatively between 65 per cent for the first quarter of the hedging horizon and 15 per cent for the last quarter of the hedging horizon. In line with the hedging policy, Wizz Air also intends to hedge its fuel consumption-related US Dollar exposure in a similar fashion. Hedge coverages as at 31 March 2023 are set out below:

Fuel hedge coverage

	F24 **12 months**	**F25** **6 months**
Exposure in metric tonnes (‘000)	**1,919.0**	**2,306.0**
Coverage in metric tonnes (‘000)	**1,081.0**	**177.5**
Hedge coverage for the period	**56%**	**8%**
Blended capped rate	**$994.0**	**$884.0**
Blended floor rate	**$864.0**	**$767.0**

	F24 **12 months**	**F25** **6 months**
Exposure (million)	**$1,632.2**	**–**
Coverage (million)	**$312.0**	**–**
Hedge coverage for the period	**19%**	**–**
Weighted average ceiling	**$1.1154**	**–**
Weighted average floor	**$1.0724**	**–**

STRATEGIC REPORT

KEY STATISTICS

	F23	F22	Change*
CAPACITY			
Number of aircraft at end of period	**179**	153	17.0%
Equivalent aircraft	**163.8**	143.5	14.1%
Aircraft utilisation (hh:mm)***	**11:08**	7:44	48.9%
Total block hours	**666,476**	405,556	64.3%
Total flight hours	**580,863**	354,461	63.9%
Revenue departures***	**267,707**	167,313	60.0%
Average departures per day per aircraft	**4.48**	3.20	40.0%
Seat capacity***	**58,190,317**	34,682,368	67.8%
Average aircraft stage length (km)	**1,680**	1,605	4.7%
Total ASKs ('000 km)***	**97,779,087**	55,655,292	75.7%
OPERATING DATA			
RPKs (revenue passenger kilometres) ('000 km)	**86,807,338**	43,679,179	98.7%
Load factor (%)	**87.8%**	78.1%	12.4%
Number of passenger segments	**51,071,836**	27,128,160	88.3%
Fuel price (US$ per tonne, including hedging impact and into-plane premium)	**1,218**	789	54.4%
Foreign exchange rate (US$/€ including hedging impact)	**1.04**	1.16	(10.3)%
FINANCIAL MEASURES			
Yield (revenue per RPK, € cents)	**4.49**	3.81	17.8%
Average revenue per seat (€)***	**66.95**	44.96	48.9%
Net Fare (Total net revenue/passenger segments (€))***	**76.28**	61.44	24.2%
RASK (€ cents)	**3.98**	2.98	33.7%
CASK (€ cents)**	**4.58**	3.98	15.0%
Ex-fuel CASK (€ cents)**	**2.58**	2.81	(8.2)%

* Percentage changes in this table are calculated by division of the two years' KPIs including when the KPIs are expressed as percentages.

** Excluding the impact of exceptional items, as explained in Note 7 to the financial statements.

***F22 figure was changed as we have updated our utilisation calculation by weighing the monthly utilisation figure with the monthly aircraft count to arrive at the annual utilisation figure.

Glossary of technical terms

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

Block hours: each hour from the moment an aircraft's brakes are released at the departure airport's parking place for the purpose of starting a flight until the moment the aircraft's brakes are applied at the arrival airport's parking place.

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

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

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

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

JOLCO (Japanese Tax Lease) and French Tax Lease: special forms of structured asset financing, involving local tax benefits for Japanese and French investors, respectively.

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

PDP: the pre-delivery payments under the Group's aircraft purchase arrangements.

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

RASK: total revenue divided by ASK.

Underlying net loss: profit after tax for the year as per IFRS excluding the impact of exceptional items.

Monthly aircraft utilisation: total block hours/number of days in the relevant period/equivalent aircraft number/24 hours.

Aircraft utilisation: weighted average of monthly aircraft utilisation (total block hours/number of days in the given month/equivalent aircraft number/24 hours) based on the month-end fleet counts.

Yield: the total revenue per RPK.

Passenger segments: the number of passengers who bought tickets (thus making revenue for the Company) for a flight within a given period.

Cash and cash equivalents comprise bank balances on current accounts and on deposit accounts that are readily convertible into cash without there being significant risk of a change in value to the Group. Cash and cash equivalents do not include restricted cash.

Short-term cash deposits comprise deposits maturing within three to twelve months of inception.

Total cash comprises cash and cash equivalents, short-term cash deposits and restricted cash.

Definition and reconciliation of non-statutory financial performance measures

Return on capital employed (ROCE) is operating profit (or loss) after tax (excluding exceptional items) divided by average capital employed, expressed as a percentage.

Average capital employed is the sum of annual average equity and interest-bearing borrowings (including convertible debt), less annual average cash and cash equivalents.

€ million	**F23**	F22
Operating loss (excluding exceptional income)	**(466.8)**	(469.6)
Effective tax rate for the year	**5.2%**	(0.1)%
Operating loss after tax (excluding exceptional income)	**(442.5)**	(470.1)
Average Shareholders' equity	**(47.0)**	583.8
Average borrowings	**4,633.1**	3,551.1
Average cash and cash equivalents	**(1,087.6)**	(933.7)
Average short-term cash deposits	**(225.0)**	(398.4)
Average capital employed	**3,273.5**	2,802.8
ROCE (%)	**(13.5)%**	(16.8)%

Leverage ratio: net debt divided by EBITDA (excluding exceptional items).

Net debt is interest-bearing borrowings (including convertible debt) less cash and cash equivalents.

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

€ million	**F23**	F22
Operating loss (excluding exceptional income)	**(466.8)**	(469.6)
Depreciation and amortisation	**601.1**	446.3
EBITDA (excluding exceptional income)	**134.3**	(23.3)
Borrowings	**5,301.4**	3,964.8
Cash and cash equivalents	**(1,408.6)**	(766.6)
Short-term cash deposits	**—**	(450.0)
Net debt	**3,892.8**	2,748.2
Leverage ratio	**29.0**	(117.9)

Liquidity is cash and cash equivalents and short-term cash deposits divided by the last twelve months' revenue, expressed as a percentage.

€ million	**F23**	F22
Cash and cash equivalents	**1,408.6**	766.6
Short-term cash deposits	**—**	450.0
Revenue	**3,895.7**	1,663.4
Liquidity	**36.2%**	73.1%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	**2023 € million**	2022 € million
Passenger ticket revenue	5,6	**2,024.9**	732.1
Ancillary revenue	5,6	**1,870.8**	931.4
Total revenue	5,6	**3,895.7**	1,663.4
Staff costs		**(373.9)**	(220.5)
Fuel costs (including exceptional income)	11	**(1,954.4)**	(649.0)
Distribution and marketing		**(91.5)**	(43.4)
Maintenance materials and repairs		**(237.0)**	(170.4)
Airport, handling and en-route charges		**(963.2)**	(545.9)
Depreciation and amortisation		**(601.1)**	(446.3)
Net other expenses	7	**(141.3)**	(53.2)
Total operating expenses		**(4,362.5)**	(2,128.7)
Operating loss	7	**(466.8)**	(465.3)
Comprising:			
- *Operating loss excluding exceptional income*		**(466.8)**	(469.6)
- *Exceptional income (included in fuel costs)*	11	**-**	4.3
Financial income	10	**20.8**	2.8
Financial expenses	10	**(135.3)**	(89.5)
Net foreign exchange gains/(losses)	10	**16.6**	(89.5)
Net financing expense	10	**(97.9)**	(176.2)
Loss before income tax		**(564.6)**	(641.5)
Income tax expense	12	**29.5**	(0.9)
Net loss for the year		**(535.1)**	(642.5)
Net loss for the year attributable to:			
Non-controlling interest		**(12.1)**	(10.7)
Owners of Wizz Air Holdings Plc		**(523.0)**	(631.8)
Other comprehensive expense – items that may be subsequently reclassified to profit or loss:			
Change in fair value of cash flow hedging reserve, net of tax	28	**(102.7)**	10.9
Cash flow hedging reserve recycled to profit or loss	28	**33.2**	(12.5)
Cost of hedging	28	**(30.0)**	-
Cost of hedging recycled to profit or loss	28	**6.0**	-
Currency translation differences	28	**4.7**	(2.5)
Other comprehensive expense for the year, net of tax		**(88.8)**	(4.1)
Total comprehensive expense for the year		**(623.9)**	(646.6)
Total comprehensive expense for the year attributable to:			
Non-controlling interest	18	**(11.5)**	(11.4)
Owners of Wizz Air Holdings Plc		**(612.4)**	(635.2)
Basic and diluted loss per share (€/share)	13	**(5.07)**	(6.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2023

	Note	**2023 € million**	2022 € million
ASSETS			
Non-current assets			
Property, plant and equipment	14	**4,666.0**	3,631.4
Intangible assets	15	**76.7**	62.4
Restricted cash	22	**56.7**	67.3
Deferred tax assets	16	**50.6**	1.7
Derivative financial instruments	21	**0.2**	-
Trade and other receivables	20	**21.4**	20.7
Total non-current assets		**4,871.7**	3,783.5
Current assets			
Inventories	19	**295.6**	70.9
Trade and other receivables	20	**390.1**	186.9
Current tax assets		**3.8**	2.5
Derivative financial instruments	21	**1.0**	0.7
Restricted cash	22	**63.7**	94.9
Short term cash deposits		**-**	450.0
Cash and cash equivalents		**1,408.6**	766.6
Total current assets		**2,162.8**	1,572.5
Total assets		**7,034.4**	5,356.1
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	28	**—**	—
Share premium	28	**381.2**	381.2
Reorganisation reserve	28	**(193.0)**	(193.0)
Equity part of convertible debt	28	**8.3**	8.3
Cash flow hedging reserve	28	**(73.2)**	(3.8)
Cost of hedging reserve	28	**(24.0)**	-
Cumulative translation adjustments	28	**3.3**	(0.7)
Retained (losses)/earnings		**(433.6)**	87.3
Capital and reserves attributable to the owners of Wizz Air Holdings Plc		**(331.0)**	279.3
Non-controlling interests	18	**(26.9)**	(15.4)
Total equity		**(357.9)**	263.9
Non-current liabilities			
Borrowings	23	**4,000.5**	3,525.3
Convertible debt	24	**25.7**	26.1
Deferred income	26	**103.3**	63.0
Deferred tax liabilities	16	**3.2**	3.4
Derivative financial instruments	21	**4.2**	-
Trade and other payables	25	**59.1**	56.8
Provisions for other liabilities and charges	29	**76.3**	43.9
Total non-current liabilities		**4,272.3**	3,718.4
Current liabilities			
Trade and other payables	25	**886.3**	558.6
Current tax liabilities		**4.1**	0.2
Borrowings	23	**1,275.0**	413.1
Convertible debt	24	**0.3**	0.3
Derivative financial instruments	21	**104.2**	4.6
Deferred income	26	**770.3**	333.8
Provisions for other liabilities and charges	29	**79.8**	63.2
Total current liabilities		**3,120.0**	1,373.7
Total liabilities		**7,392.3**	5,092.1
Total equity and liabilities		**7,034.4**	5,356.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital € million	Share premium € million	Reorganisation reserve € million	Equity part of convertible debt € million	Cash flow hedging reserve € million	Cost of hedging reserve € million	Cumulative translation adjustment € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance at 1 April 2022	**—**	**381.2**	**(193.0)**	**8.3**	**(3.8)**	**—**	**(0.7)**	**87.3**	**279.3**	**(15.4)**	**263.9**
Comprehensive income/(expense): Loss for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(523.0)**	**(523.0)**	**(12.1)**	**(535.1)**
Other comprehensive income/(expense)	**—**	**—**	**—**	**—**	**(69.5)**	**(24.0)**	**4.1**	**—**	**(89.4)**	**0.6**	**(88.8)**
Total comprehensive income/(expense) for the year	**—**	**—**	**—**	**—**	**(69.5)**	**(24.0)**	**4.1**	**(523.0)**	**(612.4)**	**(11.5)**	**(623.9)**
Transactions with owners:											
Share-based payment charge (Note 27 in Annual Report)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2.2**	**2.2**	**—**	**2.2**
Total transactions with owners	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2.2**	**2.2**	**—**	**2.2**
Balance at 31 March 2023	**—**	**381.2**	**(193.0)**	**8.3**	**(73.2)**	**(24.0)**	**3.3**	**(433.6)**	**(331.0)**	**(26.9)**	**(357.9)**

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital € million	Share premium € million	Reorganisation reserve € million	Equity part of convertible debt € million	Cash flow hedging reserve € million	Cumulative translation adjustment € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance at 1 April 2021	—	381.2	(193.0)	8.3	(2.2)	1.1	712.3	907.7	(4.0)	903.7
Comprehensive expense: Loss for the year	—	—	—	—	—	—	(631.8)	(631.8)	(10.7)	(642.5)
Other comprehensive expense*	—	—	—	—	(1.6)	(1.8)	—	(3.4)	(0.7)	(4.1)
Total comprehensive expense for the year	—	—	—	—	(1.6)	(1.8)	(631.8)	(635.2)	(11.4)	(646.6)
Transactions with owners:										
Share-based payment charge (Note 27 in Annual Report)	—	—	—	—	—	—	6.8	6.8	—	6.8
Total transactions with owners	—	—	—	—	—	—	6.8	6.8	—	6.8
Balance at 31 March 2022	—	381.2	(193.0)	8.3	(3.8)	(0.7)	87.3	279.3	(15.4)	263.9

* In FY22 items within other comprehensive income were presented separately in the consolidated changes in equity . See the details in the consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	**2023** € million	2022 (restated*) € million
Cash flows from operating activities			
Loss before income tax		**(564.6)**	(641.5)
Adjustments for:			
Depreciation	14	**587.6**	436.3
Amortisation	15	**13.5**	10.0
Financial income		**(20.8)**	(2.8)
Financial expenses		**135.3**	89.5
Unrealised fair value loss/(gain) on derivative financial instruments		**8.2**	(3.4)
Unrealised foreign currency gains		**(9.1)**	81.6
Realised non-operating foreign currency (gains)/losses		**(13.2)**	5.6
Gain on sale of property, plant and equipment		**(99.7)**	(49.7)
Share-based payment charges	27	**2.2**	6.7
Other non-cash operating (income)/expense		**(3.4)**	1.6
		36.0	(66.1)
Changes in working capital			
Increase in trade and other receivables		**(186.1)**	(74.0)
Decrease in restricted cash		**48.3**	15.4
Increase in inventory		**(226.4)**	(17.2)
(Decrease)/increase in provisions		**8.0**	9.2
Increase in trade and other payables*		**316.7**	147.1
Increase in deferred income*	26	**432.4**	271.4
Cash generated by operating activities before tax		**428.9**	286.1
Income tax paid		**(7.0)**	(4.9)
Net cash generated by operating activities		**421.9**	281.2
Cash flows from investing activities			
Purchase of aircraft maintenance assets		**(69.7)**	(59.1)
Purchase of tangible and intangible assets		**(94.7)**	(77.7)
Proceeds from the sale of tangible assets*		**242.0**	132.9
Advances paid for aircraft	14	**(475.5)**	(407.6)
Refund of advances paid for aircraft	14	**463.4**	190.0
Interest received		**17.4**	2.9
Decrease/(increase) in short-term cash deposits		**450.0**	(99.2)
Net cash generated by/(used in) investing activities		**532.9**	(317.8)
Cash flows from financing activities			
Proceeds from new loans**	30	**63.0**	16.4
Repayment of loans**	30	**(492.5)**	(397.5)

Interest paid – loans – IFRS 16 lease liability	30	**(97.7)**	(71.3)
Interest paid – loans – JOLCO	30	**(14.8)**	(1.9)
Proceeds from unsecured debt	30	**—**	497.5
Proceeds from secured debt	30	**245.5**	—
Repayment of unsecured debt	30	**—**	(357.5)
Interest paid – unsecured debt	30	**(11.8)**	(8.9)
Interest paid – secured debt	30	**(0.2)**	—
Interest paid – other	30	**(2.7)**	(2.2)
Net cash used in financing activities		**(311.2)**	(325.5)
Net increase/(decrease) in cash and cash equivalents		**643.7**	(362.1)
Cash and cash equivalents at the beginning of the year***		**766.6**	1,100.7
Effect of exchange rate fluctuations on cash and cash equivalents		**(7.7)**	28.0
Cash and cash equivalents at the end of the year***		**1,402.6**	766.6

* The prior year was restated – refer to Note 18 for more detail.

** Mostly JOLCO and IFRS 16 leases.

*** Cash and cash equivalents at 31 March 2023 include €197.3 million (€235.6 million at 31 March 2022; €461.9 million at 31 March 2021) of cash at bank and €1,211.3 million (€531.0 million at 31 March 2022; €638.8 million at 31 March 2021) of cash deposits maturing within three months of inception and overdrafts (repayable on demand) of € 6.0 million (nil at 31 March 2022 and 31 March 2021), which are an integral part of cash management activities.

1. Accounting policies

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These consolidated financial statements combine the financial information of the Company and its subsidiaries. The audited consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and IFRS IC interpretations.

Based on the exemption provided in Article 105 (11) of the Companies (Jersey) Law 1991 the Company does not present its individual financial statements and related notes.

The financial statements are presented in Euro (EUR or €).

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with adopted IFRS legislates the use of certain critical accounting estimates and requires management to exercise judgments in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimates involving significant uncertainty that have a risk of causing material adjustment to the carrying value of assets and liabilities in the coming year are disclosed in Note 3.

Going concern

Wizz Air's business activities, financial performance and financial position, together with factors likely to affect its future development and performance, are described in the Strategic Report of the Annual Report on pages 77 to 93. Emerging and principal risks and uncertainties facing the Group are described on pages 86 to 93 of our Annual Report. Note 2 to the financial statements sets out the Group's objectives, policies and procedures for managing its capital and liquidity and provides details of the risks related to financial instruments held by the Group.

At 31 March 2023, the Group held cash and cash equivalents of €1,408.6 million (total cash of €1,529.0 million including €120.4 million of restricted cash), while net current liabilities were €957.2 million and net liabilities were €357.9 million. The Group's contractual undiscounted external borrowings comprise: €500.0 million of bonds maturing in January 2024, €500.0 million of bonds maturing in January 2026, €257.7 million of PDP financing from Carlyle Aviation Partners group (see Notes 3 and 32) that is repayable over 12 months but may be re-borrowed and convertible debt with a balance of €26.0 million. In addition, borrowings include an amount of €4,192.8 million that represents future undiscounted commitments from lease contracts accounted for under IFRS 16 and liabilities related to JOLCO and FTL contracts (see Note 3). None of these borrowings contain any financial covenants.

The Group operates using a three-year planning cycle. The Directors have reviewed their latest financial forecasts for a period of eighteen months from the date of signing these financial statements including plans to finance committed future aircraft deliveries (see Note 15) due within this period that are currently unfinanced and taking into account available committed financing for aircraft. After making enquiries and testing the assumptions against different forecast scenarios including a severe but plausible (downside) scenario (see below), the Directors have satisfied themselves that the Group is expected to be able to meet its commitments and obligations as they fall due for a period of at least the next twelve months from the date of signing this report.

These enquiries and the testing performed in reaching this conclusion included the review of a base case model of how the operations of the business would develop against a backdrop of higher inflation and continued supply chain challenges. Wizz Air expects to achieve full utilisation of its fleet with higher load factors and RASK levels improving in F24, reflecting its ability to pass-through higher fuel costs in a competitive arena in which Wizz Air will no longer have a competitive disadvantage, having restored its financial risk management strategies (i.e. fuel and EUR/USD hedging). This base case was then flexed to produce a downside forecast that reflects the potential impact of trading scenarios such as a lower RASK, higher fuel costs and stronger USD as well as to reflect the financing required for expected currently unfinanced aircraft deliveries (see Note 15). Both the base and downside forecasts reflect the repayment of €500m of bonds in January 2024.

The Directors also considered the impact of climate change over the time period and concluded that it is unlikely that material physical or transition risks that are described in our Sustainability Report page [29-40] will arise over this period. As part of our base and downside forecasts, we included somewhat higher pricing for ETS levied in Europe and the UK and included the expected costs from the CORSIA implementation as from January 2024. Combined with an expected lower amount of 'free' ETS credits, this reflects in general our expected cost increases of carbon emissions. The use of Sustainable Aviation Fuel (SAF) with traditional fuel will likely impact the average cost of jet fuel and was modelled as part of the downside forecast by way of increased fuel pricing.

In preparing the base and downside forecasts the Directors also considered the requirements of security levels in its card acquirer contracts and took into account the impact of the war in Ukraine and the three aircraft stranded in Ukraine (see Note 10) and concluded that no material adverse impact on future cash flows is likely to result from these items. The Directors have assumed that there will be no further significant disruption of the magnitude experienced in recent financial years.

In this downside scenario the Group is still forecasting significant liquidity (or access to liquidity) throughout this period. Accordingly, the Directors concluded it is appropriate to retain the going concern basis of accounting in preparing the financial statements.

2. Financial risk management

Financial risk factors

The Group is exposed to market risks relating to fluctuations in commodity prices, interest rates and currency exchange rates. The objective of financial risk management at Wizz Air is to minimise the impact of commodity price, interest rate and foreign exchange rate fluctuations on the Group's earnings, cash flows and equity. To manage commodity and foreign exchange risks, Wizz Air uses foreign currency and jet fuel zero-cost collar contracts.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, fuel price risk, credit risk, use of derivative financial instruments, adherence to hedge accounting, and hedge coverage levels. The Board has mandated the Audit and Risk Committee of the Board to supervise the hedging activity of the Group and the compliance with the policies approved by the Board.

Risk analysis

Market risks

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

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

During the final quarter of F22, the Board approved a temporary exception to the Group's "no hedge" policy due to the high and volatile commodity environment. As part of this exception, a portion of the fuel cost exposure for the five-month period ending in August 2022 was capped using zero-cost collars. This decision was made to manage the risks associated with the volatile commodity market during this period.

In F23, given the sustained and ongoing volatility in commodity prices Wizz Air has decided to reinstate the jet fuel hedging and align the policy with its peers from F24 onwards. The hedges under the hedge policy will be rolled forward quarterly, 18 months out, with coverage levels over time reaching indicatively between 65 per cent for the first quarter of the hedging horizon and 15 per cent for the last quarter of the hedging horizon. In line with the hedging policy, Wizz Air also intends to hedge its fuel consumption related US Dollar exposure in a similar fashion.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and commitments that are denominated in a currency other than the functional currency of its operating entities. The foreign currency exposure of the Group is predominantly attributable to: (i) only a small portion of the Group's revenues are denominated in or linked to the USD while a significant portion of the Group's expenses are USD denominated, including fuel and aircraft leases; and (ii) there are various currencies in which the Group has significantly more revenues than expenses, primarily the British Pound (GBP) and – to a smaller extent – the Polish Zloty (PLN) and the Romanian Leu (RON)

EUR/USD foreign currency rate is the most significant underlying foreign currency exposure to the Group.

The table below analyses the financial instruments by the currencies of future receipts and payments as follows:

At 31 March 2023	EUR € million	USD € million	Other € million	Total € million
Financial assets				
Trade and other receivables	**193.4**	**65.4**	**11.6**	**270.4**
Derivative financial assets	**—**	**1.2**	**—**	**1.2**
Cash and cash equivalents	**964.4**	**373.0**	**71.2**	**1,408.6**
Restricted cash	**0.7**	**119.3**	**0.4**	**120.4**
Total financial assets	**1,158.5**	**558.9**	**83.2**	**1,800.6**
Financial liabilities				
Unsecured debt*	**1,005.5**	**—**	**—**	**1,005.5**
Secured debt	**—**	**250.0**	**—**	**250.0**
IFRS 16 aircraft and engine lease liability	**405.1**	**2,371.4**	**—**	**2,776.5**
IFRS 16 other lease liability	**5.7**	**—**	**12.8**	**18.5**
JOLCO and FTL lease liability	**850.8**	**288.4**	**72.0**	**1,211.2**
Loans from non-controlling interests	**—**	**13.8**	**—**	**13.8**
Convertible debt	**26.0**	**—**	**—**	**26.0**
Trade and other payables	**558.1**	**68.7**	**78.8**	**705.6**
Derivative financial liabilities	**—**	**108.4**	**—**	**108.4**
Deferred income	**4.8**	**—**	**—**	**4.8**
Total financial liabilities	**2,856.0**	**3,100.7**	**163.6**	**6,120.2**
Net liabilities	**(1,697.5)**	**(2,541.8)**	**(80.4)**	**(4,319.6)**

At 31 March 2022	EUR € million	USD € million	Other € million	Total € million
Financial assets				
Trade and other receivables	68.9	68.2	4.5	141.6
Derivative financial assets	—	0.7	—	0.7
Cash and cash equivalents	597.5	97.4	71.7	766.6
Short term cash deposits	450.0	—	—	450.0
Restricted cash	0.6	161.2	0.4	162.2
Total financial assets	**1,117.0**	**327.5**	**76.6**	**1,521.1**
Financial liabilities				
Unsecured debt*	997.9	—	—	997.9
IFRS 16 aircraft and engine lease liability	328.5	2,008.8	—	2,337.3
IFRS 16 other lease liability	6.8	—	3.1	9.9
JOLCO and FTL liability	398.1	154.8	27.0	579.9
Loans from non-controlling interests	—	13.5	—	13.5
Convertible debt	26.4	—	—	26.4
Trade and other payables	381.4	99.5	48.2	529.1
Derivative financial liabilities	—	4.6	—	4.6
Total financial liabilities	**2,139.1**	**2,281.2**	**78.3**	**4,498.6**
Net (liabilities)/assets	**(1,022.1)**	**(1,953.7)**	**(1.7)**	**(2,977.5)**

*Unsecured debt represent the European Mid Term Note

Trade and other receivables in this table, and also in the other disclosures in this Note, exclude balances that are not financial instruments, being prepayments, deferred expenses and part of other receivables. Similarly, trade and other payables in this table, and also in the other disclosures in this Note, exclude balances that are not financial instruments, being part of accruals and other payables.

Commodity risks

One of the most significant costs for the Group is jet fuel. The price of jet fuel can be volatile and can directly impact the Group's financial performance. See further details regarding jet fuel at market risks and hedge transactions within this Note.

The Group is also exposed to price risk related to Carbon Emission Trading System schemes (ETS). In order to comply with regulations ETS allowances must be purchased and surrendered on a yearly basis. To reduce the exposure to price volatility and inflation the Group enters into spot and forward purchase transactions.

As at 31 March 2023, all requirements for calendar year 2022 and 100 per cent of total forecast requirements for calendar year 2023 were covered. This coverage includes forward purchase agreements in the value of €219.2 million. These forward purchase agreements qualify for own use exemption and therefore are not accounted for as a financial instrument under IFRS 9.

Interest rate risk

The Group's objective is to reduce cash flow risk arising from the fluctuation of interest rates on financing.

The Group has a small portion of future commitments under certain lease contracts that are based on floating interest rates. The recently utilised PDP refinancing credit facility (see Note 12) is a variable rate loan, which is expected to be gradually settled within one year. The floating nature of these interest charges exposes the Group to interest rate risk. Interest rates charged on Eurobond, convertible debt liabilities and short and long-term loans to finance the aircraft are not sensitive to interest rate movements as they are fixed until maturity.

The Group has not used financial derivatives to hedge its interest rate risk during the year.

The Group has floating rate instruments within restricted cash, but given their short-term (within three months) maturity, the interest rates are not expected to move significantly during this short period.

Hedge transactions during the year

The Group uses zero-cost collar instruments to hedge its foreign exchange exposures and jet fuel price exposures. In F23, the Group used call options to a limited extent to hedge jet fuel price risk during the period from December to January. In order to ensure economic relationship, the Group enters into hedge relationships where critical terms of the hedging instrument match exactly with that of the hedged item.

The gains and losses arising from hedge transactions during the year were as follows:

a) Foreign exchange hedge:

	2023	2022
	€ million	€ million
(Loss)/gain recognised within fuel costs		
Effective cash flow hedge	–	(1.8)
Discontinued cash flow hedge expiring in the financial year*	–	—
Fair value change of discontinued cash flow hedge expiring in the financial year*	–	(0.4)
Total loss recognised within fuel costs	–	(2.2)

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

b) Fuel hedge:

	2023	2022
	€ million	€ million
(Loss)/gain recognised within fuel costs		
Effective hedge	**(33.2)**	**13.7**
Discontinued cash flow hedge expiring in the financial year*	**—**	**0.6**
Fair value change of discontinued cash flow hedge expiring in the financial year*	**—**	**4.0**
Cost of hedging recycled to profit or loss	**(6.0)**	**—**
Total (loss)/gain recognised within fuel costs	**(39.3)**	**18.3**

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

Hedge year-end open positions

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

At the end of the year and the prior year the Group had the following open hedge positions:

c) Foreign exchange hedges with derivatives:

		Derivative financial instruments				
At 31 March 2023	Notional amount US$ million	Non-current assets € million	Current assets € million	Non-current liabilities € million	Current liabilities € million	Net liability € million
Effective fair value hedge positions	—	—	—	—	—	—
Effective cash flow hedge positions	312.0	—	—	—	(0.4)	(0.4)
Discontinued cash flow hedge positions	—	—	—	—	—	—
Total foreign exchange hedges	**312.0**	**—**	—	**—**	**(0.4)**	**(0.4)**

No such hedges as at 31 March 2022.

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

The open foreign currency cash flow hedge positions at year end can be analysed according to the maturity periods and price ranges of the underlying hedge instruments as follows:

EUR/USD foreign exchange hedge:

At 31 March 2023	F24 12 months	F25 6 months
Maturity profile of notional amount (million)	$312.0	—
Weighted average ceiling	$1.1154	—
Weighted average floor	$1.0724	—

No such hedges as at 31 March 2022.

d) Foreign exchange hedge with non-derivatives:

Non-derivatives, such as cash, are existing financial assets or liabilities that hedge highly probable foreign currency cash flows in the future and therefore act as a natural hedge.

Fuel hedge:

		Derivative financial instruments				
At 31 March 2023	'000 metric tonnes	Non-current assets € million	Current assets € million	Non-current liabilities € million	Current liabilities € million	Net liability € million
Effective cash flow hedge positions	**1,258.5**	**0.2**	**1.0**	**(4.2)**	**(103.8)**	**(106.8)**
Discontinued cash flow hedge positions	**—**	**—**	**—**	**—**	**—**	**—**
Total fuel hedge	**1,258.5**	**0.2**	**1.0**	**(4.2)**	**(103.8)**	**(106.8)**

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

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

The fuel hedge positions at year end can be analysed according to the maturity periods and price ranges of the underlying hedge instruments as follows:

At 31 March 2023	**F24** **12 months**	**F25** **6 months**
Maturity profile ('000 metric tonnes)	**1,081.0**	**177.5**
Blended capped rate	**$994.0**	**$884.0**
Blended floor rate	**$864.0**	**$767.0**

At 31 March 2022	**F23** **12 months**	F24 6 months
Maturity profile ('000 metric tonnes)	**240.0**	—
Blended capped rate	**$1,130.0**	—
Blended floor rate	**$982.0**	—

Effects of hedge accounting on the financial position and performance

The effects of the foreign exchange hedges on the Group's financial position and performance are as follows:

	2023	2022
	€ million	€ million
Zero-cost collars		
Carrying amount (net liability)	**(0.4)**	—
Notional amount	**312.0**	—
Maturity date	**April 2023 - March 2024**	—
Hedge ratio	**1:1**	—
Change in fair value of outstanding hedging instruments	**—**	—
Change in value of hedged item used to determine hedge effectiveness	**—**	—

The effects of the fuel hedges on the Group's financial position and performance are as follows:

	2023	2022
	€ million	€ million
Zero-cost collars		
Carrying amount (net liability)	**(106.8)**	(3.9)
Notional amount	**1,006.9**	259.4
Maturity date	**April 2023 - October 2024**	April 2022 - August 2022
Hedge ratio	**1:1**	1:1
Change in fair value of outstanding hedging instruments	**(83.2)**	(3.9)
Change in value of hedged item used to determine hedge effectiveness	**83.2**	3.9

Hedge effectiveness

Hedge effectiveness testing is performed at each reporting date. Ineffectiveness may arise in case of changing in the timing of forecast transactions, or material changes in credit risk of the hedge counterparties.

Due to COVID-19 the fuel consumption in F21 and early F22 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 net loss or gain on these instruments (2023: €nil; 2022: €4.2 million net gain) has been recognised in the income statement.

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

Sensitivity analysis

The table below shows the sensitivity of the Group's profits to various market risks for the current and the prior year, excluding any hedge impacts.

	2023 Difference in profit after tax € million	2022 Difference in profit after tax € million
Fuel price sensitivity		
Fuel price $100 higher per metric tonne	**-142.4**	-74.5
Fuel price $100 lower per metric tonne	**+142.4**	+74.5
FX rate sensitivity (USD/EUR)		
FX rate 0.05 higher (meaning EUR stronger)	**+208.9**	+104.2
FX rate 0.05 lower	**-269.0**	-113.6
FX rate sensitivity (GBP/EUR)		
FX rate 0.03 higher (meaning EUR stronger)	**-11.6**	-5.4
FX rate 0.03 lower	**+12.4**	+5.7
Interest rate sensitivity (EUR)		
Interest rate is higher by 100 bps	**+14.1**	+14.9
Interest rate is lower by 100 bps	**-13.9**	-14.8

The group is primarily exposed to changes in EUR/USD foreign exchange rate. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD lease liabilities and JET fuel related USD exposure.

The interest rate sensitivity calculation above considers the effects of varying interest rates on the interest income on bank deposits and floating rate leases.

The table below shows the sensitivity of the Group's other comprehensive income to various market risks for the current and the prior year. These sensitivities relate to the impact of the market risks on the balance of the cash flow hedging reserve (which includes gains and losses related to open cash flow hedges both for foreign exchange rates and jet fuel price).

	2023 Difference € million	2022 Difference € million
Fuel price sensitivity		
Fuel price $100 higher per metric tonne	**-114.3**	+20.6
Fuel price $100 lower per metric tonne	**+114.3**	-20.6
FX rate sensitivity (USD/EUR)		
FX rate 0.05 higher (meaning EUR stronger)	**-5.1**	-0.2
FX rate 0.05 lower	**+5.1**	+0.2
Fuel volume sensitivity (metric tonnes)		
100,000 metric tonnes reduction in forecast fuel purchases	**-7.8**	-6.7
100,000 metric tonnes increase in forecast fuel purchases	**+7.8**	+6.7

The sensitivity analyses for 2023 above were performed with reference to the following market rates, as the base case:

1. for profits, annual average rates: jet fuel price $1,196.0 per metric tonne; EUR/USD FX rate 1.04; EUR/GBP FX rate 0.86; and
2. for other comprehensive income, year-end spot rates: jet fuel price $800.1 per metric tonne; EUR/USD FX rate 1.08.

Liquidity risks

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. The unprecedented impact of the COVID-19-related prolonged travel restrictions and the following disruptions in the supply chain affected the liquidity position of the Group. As a response to these special challenges a number of actions were taken to improve costs and liquidity, the most important ones being:

- continue to ensure that the flights that are operated deliver positive cash contribution;
- securing nearly all lease financing for aircraft delivery positions until December 2023;
- working with suppliers to reduce contracted rates and improve payment terms;
- reducing discretionary spending and suspending non-essential capital expenditure;
- issuance of a three-year €500 million bond in January 2021 that pays an annual fixed coupon of 1.35 per cent;
- issuance of a four-year €500 million bond in January 2022 that pays an annual fixed coupon of 1.00 per cent; and
- contracting a flexible PDP refinancing credit facility available for a maximum of three years in February 2023 (see Note 12).

As a result of these measures, the Group is confident in its ability to maintain sufficient liquidity in case of further unexpected events or increases in commodity prices. For further notes, refer to the going concern assessment under Note 1.

The Group invested excess cash primarily in USD, EUR and GBP denominated short-term time deposits with high-quality bank counterparties.

The table below analyses the Group's financial assets and liabilities (receivable or payable either in cash or net settled in case of certain derivative financial assets and liabilities) into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts disclosed in the table below are the contractual undiscounted cash flows except for derivatives where fair values are presented. Therefore, for certain asset and liability categories the amounts presented in this table can be different from the respective amounts presented in the statement of financial position.

At 31 March 2023	Within three months € million	Between three months and one year € million	Between one and five years € million	More than five years € million	Total € million
Financial assets					
Trade and other receivables	**234.4**	**14.7**	**21.3**	**—**	**270.4**
Derivative financial assets	**0.3**	**0.7**	**0.2**	**—**	**1.2**
Cash and cash equivalents	**1,408.6**	**—**	**—**	**—**	**1,408.6**
Restricted cash	**16.2**	**47.5**	**56.1**	**0.6**	**120.4**
Total financial assets	**1,659.5**	**62.9**	**77.6**	**0.6**	**1,800.6**
Financial liabilities					
Unsecured debt	**6.0**	**511.8**	**510.0**	**—**	**1,027.8**
Secured debt	**77.1**	**180.6**	**—**	**—**	**257.7**
IFRS 16 aircraft and engine lease liability	**105.0**	**328.9**	**1,348.6**	**1,004.5**	**2,787.0**
IFRS 16 other lease liability	**0.9**	**2.6**	**12.3**	**7.3**	**23.1**
JOLCO and FTL lease liability	**21.6**	**71.9**	**388.3**	**900.9**	**1,382.7**
Loans from non-controlling interests	**—**	**—**	**—**	**13.8**	**13.8**
Convertible debt	**—**	**—**	**26.0**	**—**	**26.0**
Trade and other payables	**609.0**	**37.5**	**48.6**	**10.5**	**705.6**
Derivative financial liabilities	**38.7**	**65.4**	**4.3**	**—**	**108.4**
Deferred income	**4.8**	**—**	**—**	**—**	**4.8**
Total financial liabilities	**863.1**	**1,198.7**	**2,338.1**	**1,937.0**	**6,336.9**

At 31 March 2022	Within three months € million	Between three months and one year € million	Between one and five years € million	More than five years € million	Total € million
Financial assets					
Trade and other receivables	**110.0**	**11.0**	**20.6**	—	**141.6**
Derivative financial assets	**0.7**	—	—	—	**0.7**
Cash and cash equivalents	**766.6**	—	—	—	**766.6**
Short term cash deposits	—	**450.0**	—	—	**450.0**
Restricted cash	**36.7**	**58.2**	**66.7**	**0.6**	**162.2**
Total financial assets	**914.0**	**519.2**	**87.3**	**0.6**	**1,521.1**
Financial liabilities					
Unsecured debt	**6.8**	**11.8**	**1,021.8**	—	**1,040.4**
IFRS 16 aircraft and engine lease liability	**122.1**	**321.4**	**1,338.4**	**847.8**	**2,629.7**
IFRS 16 other lease liability	**0.5**	**1.6**	**6.7**	**5.2**	**14.0**
JOLCO and FTL lease liability	**10.6**	**32.9**	**174.0**	**410.8**	**628.3**
Loans from non-controlling interests	—	—	—	**13.5**	**13.5**
Convertible debt	—	—	**26.4**	—	**26.4**
Trade and other payables	**432.7**	**39.7**	**49.7**	**7.0**	**529.1**
Derivative financial liabilities	—	**4.6**	—	—	**4.6**
Financial guarantees	—	—	—	—	—
Total financial liabilities	**572.7**	**412.0**	**2,617.0**	**1,284.3**	**4,886.0**

The Group has obligations under financial guarantee contracts. The most significant financial guarantee contracts relate to aircraft leases, hedging, EMTN notes, PDP financing and convertible notes. For these items the respective underlying liabilities are reflected under the appropriate line of the financial liabilities part of the table above (for leases the liability is presented under borrowings). Since the liability itself is already reflected in the table, it would not be appropriate to also include the financial guarantee provided by another Group entity for the same obligation.

Management does not expect that any payment under these guarantee contracts will be required by the Company.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk from individual customers is limited as the large majority of the payments for flight tickets are collected before the service is provided.

However, the Group has significant banking, hedging, aircraft manufacturer and card acquiring relationships that represent counterparty credit risk. The Group analysed the creditworthiness of the relevant business partners in order to assess the likelihood of non-performance of liabilities and therefore assets due to the Group. The credit quality of the Group's financial assets is assessed by reference to external credit ratings (pubished by Standard & Poor's or similar institutions) of the counterparties as follows:

At 31 March 2023	A € million	A- € million	Other € million	Unrated € million	Total € million
Financial assets					
Cash and cash equivalents	**1,398.6**	**0.3**	**2.9**	**6.8**	**1,408.6**
Restricted cash	**120.4**	**—**	**—**	**—**	**120.4**
Trade and other receivables	**20.8**	**0.4**	**—**	**249.2**	**270.4**
Derivative financial assets	**0.9**	**0.3**	**—**	**—**	**1.2**
Total financial assets	**1,540.7**	**1.0**	**2.9**	**256.0**	**1,800.6**

At 31 March 2022	A € million	A- € million	Other € million	Unrated € million	Total € million
Financial assets					
Cash and cash equivalents	757.1	1.9	7.1	0.5	766.6
Short term cash deposits	450.0	—	—	—	450.0
Restricted cash	161.9	0.1	0.2	—	162.2
Trade and other receivables	—	—	—	141.6	141.6
Derivative financial assets	0.7	—	—	—	0.7
Total financial assets	1,369.7	2.1	7.3	142.1	1,521.1

From the unrated category within trade and other receivables the Group has €21.0 million (2022: €25.2 million) receivables from different aircraft lessors in respect of maintenance reserves and lease security deposits paid. However, given that the Group physically possesses the aircraft owned by the lessors and that the Group has significant future lease payment obligations towards the same lessors, management does not consider the credit risk on maintenance reserve receivables to be material. Most of the remaining balance in this category in both years relates to ticket sales receivables from customers and non-ticket revenue receivables from business partners. These balances are spread between a significant number of counterparties and the credit performance in these channels has historically been good.

Based on the information above management does not consider the counterparty risk of any of the counterparties to be material and therefore no fair value adjustment was applied to the respective cash or receivable balances.

Fair value estimation

The Group classifies its financial instruments based on the technique used for determining fair value into the following categories:

Level 1: Fair value is determined based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is determined based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value is determined based on inputs that are not based on observable market data (that is, on unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2023:

	Level 1 € million	**Level 2 € million**	**Level 3 € million**	**Total € million**
Assets				
Derivative financial instruments	**—**	**1.2**	**—**	**1.2**
	—	**1.2**	**—**	**1.2**
Liabilities				
Derivative financial instruments	**—**	**108.4**	**—**	**108.4**
	—	**108.4**	**—**	**108.4**

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

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

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.

Capital management

The Group's objectives when managing capital are: (i) to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders; (ii) to secure funds at competitive rates for its future aircraft acquisition commitments (see Note 15); and (iii) to maintain an optimal capital structure to reduce the overall cost of capital.

The current sources of capital for the Group are equity as presented in the statement of financial position, bonds and other borrowings (see Note 12), as well as, to a smaller extent, convertible debt.

Wizz Air's strategy is to hold significant cash and liquid funds to mitigate the impact of potential business disruption events and to invest in opportunities as they come along in an increasingly volatile market environment. Accordingly, the Group has so far retained all profits and paid no dividends and financed all its aircraft and most of its spare engine acquisitions through sale and leaseback agreements. The Group furthered its financing options through the establishment in January 2021 of a €3.0 billion European Mid Term Note (EMTN) programme and issuance of its debut bond by Wizz Air Finance Company B.V., unconditionally and irrevocably guaranteed by Wizz Air Holdings Plc. In addition, the Group entered into a PDP refinancing credit facility which is available for a maximum of three years.

The existing aircraft orders of the Group create a need for raising significant amounts of capital in the following years. The strategy of the Group is to ensure that it has access to various forms of long-term financing, which in turn allows the Group to further reduce its cost of capital and the cost of ownership of its aircraft fleet.

3. Critical accounting estimates and judgements made in applying the Group's accounting policies

a) Maintenance policy

The estimations and judgements applied in the context of the maintenance accounting policy of the Group impact the balance of (i) property, plant and equipment (and, within that, of aircraft maintenance assets, as detailed in Note 10) and (ii) aircraft maintenance provisions (as detailed in Note 14).

Estimate: For aircraft held under lease agreements, provision is made for the minimum unavoidable costs of specific future maintenance obligations required by the lease at the time when such obligation becomes certain. The amount of the provision involves making estimates of the cost of the heavy maintenance work that is required to discharge the obligation, including any end of lease costs. A 5 per cent increase in the planned costs of heavy maintenance works at the 31 March 2023 year end would increase the balance of both aircraft maintenance assets and aircraft maintenance provisions by €7.4 million.

Estimate: The cost of heavy maintenance is capitalised and recognised as a tangible fixed asset (and classified as an "aircraft maintenance asset") at the earlier of: (a) the time the lease re-delivery condition is no longer met; or (b) when maintenance, including enhancement, is carried out. The calculation of the depreciation charge on such assets involves making estimates primarily for the future utilisation of the aircraft. A 31 per cent decrease in the F24 forecast aircraft utilisation would result in the same average utilisation as in F23. This would cause €6.0 million decrease in the balance of aircraft maintenance assets.

The basis of these estimates is reviewed annually at least, and also when information becomes available that is capable of causing a material change to an estimate, such as renegotiation of end of lease return conditions, increased or decreased utilisation of the assets, or changes in the cost of heavy maintenance services.

Judgment: On a lease by lease basis the Group makes a judgment whether it would perform future maintenance that would impact the condition of the respective aircraft or spare engine asset in a way that eliminates the need for paying compensation to the lessor on the re-delivery of the leased asset. When such maintenance is not expected then accrual is made for the compensation due to the lessor in line with the terms of the respective lease contract.

Judgment: The policy adopted by the Group, as summarised above, is only one of the policies available under IFRS in accounting for heavy maintenance for aircraft held under lease agreements. A principal alternative policy involves recognising provisions for future maintenance obligations in accordance with hours flown or similar measure, and not only when lease re-delivery conditions are not met. In the judgment of the Directors the policy adopted by the Group, whereby provisions for maintenance are recognised only when lease re-delivery conditions are not met, provides the most reliable and relevant information about the Company's obligations to incur major maintenance expenditure on leased aircraft and at the same time it best reflects the fact that an aircraft has lower maintenance requirements in the early years of its operation. The average age of the Group's aircraft fleet at 31 March 2023 was 4.6 years (5.0 years at 31 March 2022). Given the policy adopted we currently do not consider that the impact of climate change has a material impact on maintenance provision.

b) Hedge and derivative accounting

Estimate: The asset and liability balances at year end related to open hedge instruments can be material. The fair value of derivatives is estimated by the contracting financial institutions as per their industry practice. As required, the fair values ascribed to those instruments are verified also by management using high-level models. These estimations are performed based on market prices observed at year end and therefore, according to paragraph 128 of IAS 1, do not require further disclosure. Such fair values might change materially within the next financial year but these changes would not arise from assumptions made by management or other sources of estimation uncertainty at the end of the year but from the movement of market prices. The fair value calculation is most sensitive to movements in the jet fuel and foreign currency spot prices, their implied volatility and respective yields. A sensitivity analysis for the jet fuel price and for the FX rate on most relevant currency pairs is included in Note 2.

Due to the reinstated hedging policy, the open hedge instrument balances of the Group increased significantly during the period. The net carrying amount of cash flow hedges was €(107.2) million liability at 31 March 2023 (31 March 2022: €(3.9) million liability). There was no discontinued hedging relationship during the financial year.

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

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

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

c) Net presentation of government taxes and other similar levies

The Group's accounting policy stipulates that where charges levied by airports or government authorities on a per passenger basis represent a government tax in fact or in substance, then such amounts are presented on a net basis in the statement of comprehensive income (netted against revenue).

Judgment: Management reviews all passenger-based charges levied by airports and government authorities to ensure that any amounts recovered from passengers in respect of these charges are appropriately classified within the statement of comprehensive income. Given the variability of these charges and the number of airports and jurisdictions within which the Group operates, the assessment of whether these items constitute taxes in nature is an inherently complex area for some airports, requiring a level of judgment.

d) Accounting for aircraft and spare engine assets

Judgment: When the Group acquires new aircraft and spare engines, it applies the following critical judgments in determining the acquisition cost of these assets:

- engine contracts typically include the selection of an engine type to be installed on future new aircraft, a commitment to purchase a certain number of spare engines, and lump-sum (i.e. not per engine) concessions from the manufacturer. Management recalculates the unit cost of engines by allocating lump-sum credits over all engines ordered and by adjusting costs between installed and spare engines in a way that ensures that identical physical assets have an equal acquisition cost; and
- aircraft acquisition costs are recalculated to reflect the impacts of: (i) any adjustment on the cost of installed engines (as above); and (ii) concessions received from the manufacturers of other aircraft components under selection agreements. Such acquisition cost has relevance also for leased aircraft when calculating the amount of total gain or loss on the respective sale and leaseback agreement.

e) Accounting for leases

Judgment: Some of the Group's lease contracts contain options to extend the lease term for a period of one to two years. The extension option is taken into account in the measurement of the lease liability only when the Group is reasonably certain that it would later exercise the option. Such judgment is made lease by lease, and is relevant both at inception, for the initial measurement of the lease liability, and also for a subsequent remeasurement of the lease liability if the initial judgment is revised at a later date.

Judgment: The Group takes the view that, as a lessee, it is not able to readily determine the interest rate implicit in its lease contracts. Therefore, it applies its incremental borrowing rate for discounting future lease payments.

The estimations made by management in accounting for leases do not materially impact the asset and liability balances of the Group. The majority of aircraft and spare engine assets are leased and as such their period of depreciation is the shorter of their useful economic lives and lease duration. As these assets are new at the inception of the lease and typically have a useful economic life of at least twice the duration of the lease no further estimation has been required.

f) Revenue from contracts with other partners

As explained in Note 4, revenue from contracts with other partners relates to commissions on the sale of on-board catering, accommodation, car rental, travel insurance, bus transfers, premium calls and co-branded cards.

Judgment: The Group considers that it is an agent (as opposed to principal) in relation to all its contracts with other partners. Accordingly, Wizz recognises revenue from these contracts on a net (commission) basis.

Out of these contracts, the one for the provision of on-board catering services is the most significant in value and it is also the most complex from the perspective of making the "agent versus principal" assessment/judgment. The Company's judgment was based on the facts that it is the partner that: (i) enters into contracts with the passengers/customers and bears the liability towards them for delivering the products and services; (ii) defines the majority of the product portfolio, manages the inventory, is responsible for product availability/outage, has title to the inventory and bears the risk of loss; and (iii) has discretion in establishing prices. The difference on this contract between gross sales and net commission revenue (as recognised in the statement of comprehensive income) was €49.2 million (2022: €45.7 million).

g) Aircraft in Ukraine

Judgement: Successful efforts have been made to repatriate one aircraft, which has already been reintegrated into the fleet without major repairs in F23. Based on checks and maintenance work performed on the remainder three aircraft on ground, management believes that those are in good condition and have not been damaged. Engineers can access the aircraft to perform storage procedures and maintenance. Management will continue to closely monitor the situation and take necessary actions to expedite the return of these aircraft to the fleet. It is assumed to happen by the end of the summer season.

4. Revenue

The split of total revenue presented in the consolidated statement of comprehensive income, being passenger ticket revenue and ancillary revenue, is a non-IFRS measure (or alternative performance measure). The existing revenue 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 financial performance of the (now only one) operating segment.

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

	2023 **€ million**	2022 € million
Revenue from contracts with passengers	**3,833.7**	1,627.1
Revenue from contracts with other partners	**62.0**	36.4
Total revenue from contracts with customers	**3,895.7**	1,663.4

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

The contract assets reported at 31 March 2023 as part of trade and other receivables amounted to €5.9 million (31 March 2022: €2.3 million) and the contract liabilities (unearned revenues) reported as part of deferred income were €761.1 million (31 March 2022: €326.6 million). Out of the €3,833.7 million revenue from contracts with passengers recognised in F23 (2022: €1,627.1 million), €326.6 million (2022: €65.0 million) was included in the contract liability balance at the beginning of the year (see unearned revenue in Note 13).

5. Operating loss

Net other expenses

The following charges are included in net other expenses:

	2023 **€ million**	2022 € million
Gain on sale and leaseback transactions	**99.7**	49.7
Flight disruption-related expenses	**(130.6)**	(29.5)
Crew related expenses	**(69.6)**	(32.5)
Overhead-related expenses	**(62.3)**	(40.1)
Expense relating to short-term leases	**(8.4)**	(2.5)
Expense relating to variable lease payments	**(3.0)**	(0.5)
Auditors' remuneration (see Note below)	**(1.7)**	(1.4)
Impairment reversal/(charge) for receivables	**0.2**	(1.0)
Net other income	**34.2**	4.6
Net other expenses	**(141.3)**	(53.2)

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

Net other income is mainly related to credits received from suppliers and to income and expenses from cargo operations.

Auditors’ remuneration

	2023 € million	2022 € million
Fees payable to Company’s auditors for the audit of the consolidated financial statements	**1.2**	1.0
Audit of financial statements of subsidiaries pursuant to legislation	**0.4**	0.2
Audit-related assurance services	**-**	0.1
Other assurance services	**0.1**	0.1
Total remuneration of auditors	**1.7**	1.4

Fees payable to Company’s auditors for the audit of the consolidated financial statements includes amounts in respect of the interim review, and out of pocket expenses.

Inventories

Inventories totalling €21.2 million were recognised as maintenance materials and repairs expenses in the year (2022: €14.5 million).

6. Net financing income and expense

	2023 € million	2022 € million
Interest income	**20.8**	2.8
Financial income	**20.8**	2.8
Interest expenses:		
Convertible debt	**(1.7)**	(2.0)
IFRS 16 lease liability	**(97.9)**	(71.3)
JOLCO and FTL lease liability	**(18.8)**	(4.7)
Unsecured debt	**(13.3)**	(10.5)
Secured debt	**(2.0)**	—
Other	**(1.5)**	(1.0)
Financial expenses	**(135.3)**	(89.5)
Net foreign exchange (loss)/gain	**16.6**	(89.5)
Net financing expense	**(97.9)**	(176.2)

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

Net foreign exchange gain in net amount of €5.4 million (F22: €96.0 million loss) relates to the remeasurement of lease liabilities denominated in USD (Note 2). While the USD/EUR exchange rate decreased in the first half of the financial period, there was a significant increase in the second half, which resulted in a decrease (F22: increase) in lease liabilities and related recognition of foreign exchange gain (F22: loss).

7. Exceptional items and underlying loss

Exceptional items

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

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

Underlying loss

	2023 **€ million**	2022 € million
Net loss for the year	**(535.1)**	(642.5)
Adjustment for exceptional items	**–**	(4.3)
Underlying loss after tax	**(535.1)**	(646.7)
Non-controlling interest	**(12.1)**	(10.7)
Owners of Wizz Air Holdings Plc	**(523.0)**	(636.1)

The tax effects of the adjustments made above are insignificant.

8. Income tax expense

Recognised in the statement of comprehensive income:

	2023 **€ million**	2022 € million
Current tax on loss for the year	**1.0**	0.3
Adjustment for current tax of prior years	**(1.1)**	(0.4)
Other income-based taxes for the year	**9.7**	5.7
Adjustment for income-based taxes of prior years	**0.1**	(1.0)
Total current tax expense	**9.7**	4.6
Increase/(decrease) in deferred tax liabilities	**(0.2)**	(3.0)
Increase/(decrease) in deferred tax assets	**(39.0)**	(0.6)
Total deferred tax charge/ (credit)	**(39.2)**	(3.6)
Total tax charge/ (credit)	**(29.5)**	0.9

The Company, that is Wizz Air Holdings Plc., has a local corporate tax rate of 13.97 per cent (2022: 13.97 per cent). The tax rate relates to Switzerland, where the Company is tax resident. The income tax expense/benefit is fully attributable to continuing operations. The deferred tax benefit in F23 of €29.7 million (shown also in the tax reconciliation table below) is a one-off credit impact attributable to the change of the tax residency of Wizz Air Hungary Ltd. from Switzerland to Hungary effective from 1 April 2023, as temporary differences will be reversed at a higher tax rate in the future.

Reconciliation of effective tax rate

The tax benefit for the year (including both current and deferred tax charges and credits) is different to the Company's standard rate of corporation tax of 13.97 per cent (2022: 13.97 per cent). The difference is explained below.

	2023 € million	2022 € million
Loss before tax	**(564.6)**	(641.5)
Tax at the corporation tax rate of 13.97 per cent (2021: 13.97 per cent)	**(78.9)**	(89.6)
Adjustment for current tax of prior years	**(1.1)**	(0.4)
Adjustment for income-based taxes of prior years	**0.1**	(1.0)
Effect of the change of tax residency of Wizz Air Hungary from 1 April 2023	**(29.7)**	—
Effect of different tax rates of subsidiaries versus the parent company	**55.3**	79.7
Effect of current year losses not being eligible for utilisation against taxable profits in future years	**15.1**	6.6
Other income-based foreign tax	**9.7**	5.7
Total tax (credit)/charge	**(29.5)**	0.9
Effective tax rate	**5.2%**	(0.1)%

The effect of different tax rates of subsidiaries is a composition of impacts primarily in Switzerland, Hungary, the UK and Malta, relating to the airline subsidiaries of the Group. The Company paid €6.8 million tax in the year (2022: €4.9 million). Substantially all the losses of the Group, both in the current and in the prior financial year, were made by the airline subsidiaries of the Group, and substantially all the tax charges and credits presented in this Note were incurred by these entities.

Other income-based foreign tax represents the local business tax and the "innovation contribution" payable in Hungary in F23 and F22 by the Hungarian subsidiaries of the Group, primarily Wizz Air Hungary Ltd. Hungarian local business tax and innovation contribution are levied on an adjusted profit basis.

On 20 December 2021, the OECD released a framework for Pillar Two Model Rules which will introduce a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. On 15 December 2022, the EU Council formally adopted the EU minimum tax directive by written procedure and rules are expected to apply for accounting periods starting on or after 31 December 2023 (i.e. the year ending 31 March 2025 for the Group). Management is reviewing this legislation and monitoring the status of implementation outside of the EU to understand the potential impact on the Group's future tax position.

Tax residency change

Wizz Air Hungary Ltd. moved its place of effective management from Switzerland to Hungary with an effective date of 1 April 2023. As a consequence, its tax residency is Hungarian from F24 onwards.

Recognised in the statement of other comprehensive income

	2023 € million	2022 € million
Deferred tax related to movements in cash flow hedging reserve	**9.9**	—
Total tax charge	**9.9**	—

Interpretation 23 "Uncertainty over Income Tax Treatments" (IFRIC 23)

The Group has open tax periods in a number of jurisdictions involving uncertainties of different nature and materiality, the most important open ones being for F20–F23. The Group assessed the impact of uncertainty of each of its tax positions in line with the requirements of IFRIC 23. The outcome of this assessment in F23 was to release €0.9 million of provisions (F22: release €0.8 million of provisions) previously made, resulting in an F23 year-end balance of €0.1 million. The F23 reversal was due to the facts that during the year: (i) some prior tax periods expired for tax authority examination; or

(ii) there was a tax examination that confirmed the treatment applied by the Company. For all other tax returns the Group concluded that it was probable that the tax authority would accept the uncertain tax treatment that has been taken or is expected to be taken in those tax returns and therefore accounted for

income taxes consistently with that tax treatment. The final liabilities, as later assessed by the tax authorities, is not expected to materially vary from the amounts that have been recognized by the Group.

9. Loss per share

Basic and diluted loss per share

Basic earnings or loss per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during each year. There is no difference between the basic and diluted loss per share for F23 and F22 as potential Ordinary Shares are anti-dilutive due to incurred loss.

	2023	2022
Loss for the year, € million	**(523.0)**	(631.8)
Weighted average number of Ordinary Shares in issue	**103,210,067**	99,812,331
Basic and diluted loss per share, €	**(5.07)**	(6.33)

There were no Convertible Shares in issue at 31 March 2023 (nil at 31 March 2022).

Underlying loss per share

The underlying earnings per share is a fully diluted non-IFRS measure defined by the Company, calculated as follows:

	2023	2022
Underlying loss for the year (see Note 7), € million	**(523.0)**	(636.1)
Weighted average number of Ordinary Shares for underlying earnings per share	**103,210,067**	99,812,331
Underlying loss per share, €	**(5.07)**	(6.37)

The calculation of the underlying EPS is different from the calculation of the IFRS diluted EPS measure in that for earnings the underlying loss for the year was used (see Note 7) as opposed to the statutory (IFRS) loss for the year. The underlying EPS measure was introduced by the Company to better reflect the underlying earnings performance of the business.

10. Property, plant and equipment

	Land and buildings € million	Aircraft maintenance assets € million	Aircraft assets and parts € million	Fixtures and fittings € million	Advances paid for aircraft* € million	Advances paid for aircraft maintenance assets € million	RoU assets aircraft and spares € million	RoU assets other € million	Total € million
Cost									
At 1 April 2021	18.2	430.3	545.9	8.6	527.1	217.3	2,809.6	15.5	4,572.5
Additions	7.6	36.1	163.8	2.7	407.6	40.5	738.9	0.6	1,397.8
Disposals	—	(126.1)	(19.5)	—	(200.2)	(0.3)	(137.2)	—	(483.3)
Transfers	—	33.0	—	—	—	(33.0)	—	—	—
FX translation effect	—	0.7	—	—	—	0.1	2.8	—	3.6
At 31 March 2022	25.8	374.0	690.3	11.3	734.4	224.6	3,414.1	16.1	5,490.6
Additions	0.1	106.4	652.8	1.8	481.7	69.7	745.5	11.2	2,069.2
Disposals	—	(137.2)	(38.2)	(0.9)	(406.1)	—	(225.0)	—	(807.4)
Transfers	—	85.2	—	—	—	(85.2)	—	—	—
FX translation effect	—	0.2	(6.6)	—	—	(0.9)	(14.0)	—	(21.3)
At 31 March 2023	**25.9**	**428.6**	**1,298.3**	**12.2**	**810.0**	**208.2**	**3,920.6**	**27.3**	**6,731.1**
Accumulated depreciation									
At 1 April 2021	3.3	298.9	61.5	6.4	—	—	1,319.1	5.0	1,694.2
Depreciation charge for the year	1.2	89.0	33.1	1.2	—	—	310.1	2.2	436.8
Disposals	—	(124.6)	(10.8)	—	—	—	(137.1)	—	(272.5)
FX translation effect	—	0.1	—	—	—	—	0.6	—	0.7
At 31 March 2022	4.5	263.4	83.8	7.6	—	—	1,492.7	7.2	1,859.2
Depreciation charge for the year	1.5	117.5	59.0	1.7	—	—	405.7	2.7	588.1
Disposals	—	(137.2)	(14.1)	(0.9)	—	—	(225.0)	—	(377.2)
FX translation effect	—	(1.3)	(0.1)	—	—	—	(3.6)	—	(5.0)
At 31 March 2023	**6.0**	**242.4**	**128.6**	**8.4**	**—**	**—**	**1,669.8**	**9.9**	**2,065.1**
Net book amount									
At 31 March 2023	**19.9**	**186.2**	**1,169.7**	**3.8**	**810.0**	**208.2**	**2,250.8**	**17.4**	**4,666.0**
At 31 March 2022	21.3	110.6	606.5	3.7	734.4	224.6	1,921.4	8.9	3,631.4

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

The Group entered into various financing arrangements in order to finance aircraft including Sale and Leaseback, Japanese Operating Lease with Call Option (JOLCO) and French Tax Lease (FTL) structures. Certain of these arrangements include Special Purpose Vehicles (SPV) in the financing structure and in accordance with IFRS 10, where the Group has control of these entities, these are consolidated in the Group balance sheet. Aircraft assets and parts leased under JOLCO as part of sale and leaseback arrangements are not classified as leases under IFRS 16 and treated as aircraft assets and parts (as if there were no sale at all) (Note 1).

Other right-of-use (RoU) assets include leased buildings and simulator equipment. Please refer to Note 12 for details on lease liabilities.

Additions to aircraft maintenance assets (€106.4 million in F23 and €36.1 million in F22) were fixed assets created primarily against provision, as the Group's aircraft or their main components no longer met the relevant return conditions under lease contracts.

Additions to "advances paid to aircraft maintenance assets" reflect primarily the advance payments made by the Group to the engine maintenance service provider under power by the hour agreements.

Additions to "advances paid for aircraft" represent PDPs made in the year, while disposals in the same category represent PDP refunds received from the manufacturer where the respective aircraft or spare engine was leased (i.e. not purchased) by the Group. During F23 in the statement of cash flows the cash inflow was €463.4 million "refund of advances paid for aircraft" and the cash outflow was €(475.5) million "advances paid for aircraft". In F23, the Group entered into a PDP financing loan agreement denominated in US dollars ($), according to which PDPs in the amount of $334.4 million were pledged as collateral (see Note 12).

The Group has reviewed the expected useful economic lives attributed to its leased aircraft fleet and notes that the duration of its leases is significantly less than the current expected life of the aircraft. No change as a result of climate change has been made.

Impairment assessment

An impairment assessment was performed for the Group's aircraft fleet which comprises a single cash generating unit (CGU) that includes virtually all property, plant, equipment, and also the intangible assets of the Group. The recoverable amount of that CGU was estimated by value in use calculations based on cash flow projections in the plan approved by the Board for the following three financial years up to and including March 2026.

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

	2024	2025	2026
Jet fuel price (EUR per metric tonne)	924.0	750.0	750.0
USD/EUR exchange rate	1.1	1.1	1.1

Cash flow projections of the approved plan were extrapolated beyond March 2026 for a period of 12 years in total to cover all lease terms in the existing aircraft fleet. A pre-tax discount rate of 10.1% (2022: 9.7%) was derived from the weighted average cost of capital of the Group. The risk of significant adverse changes in cash flows were taken into account by calculating and weighting management's base case approved plan with a downside scenario that is consistent with that used in the Group's going concern assessment. Sensitivity analysis was performed by management to assess the impact of changes in its trading assumptions and the key assumptions detailed above. Management did not identify any reasonable possible changes in assumptions that would cause an impairment

Aircraft in Ukraine

The above impairment assessment includes the three aircraft on the ground in Ukraine, with a total net book value of €14.7 million. Based on photographic evidence and local employee information these aircraft are in good condition and have not been damaged in the war. Whilst not a separate CGU cash flow projections were estimated for these aircraft based on the average cash contribution generated per aircraft in the Group's fleet adjusted for a downward scenario according to the plans and calculations described above, and the cost of planned maintenance of the particular aircraft. Management remains cautiously optimistic about the near term resolution of the war and the return of grounded assets to Wizz Air's fleet. Its working assumption is that these aircraft will be returned to the fleet by the end of the summer season and, if needed, the assets economic useful life can be extended through buy-out or lease amendment to maximise their value in use. However, delays to the date until the aircraft remain on the ground or inability to extend the period during which the assets can generate cash flows can cause material changes to their estimated recoverable amount. If the aircraft do not return into service for a prolonged period of time, then additional consideration will be needed in the upcoming reporting cycles.

11. Derivative financial instruments

	2023 € million	2022 € million
Assets		
Non-current derivatives	**0.2**	-
Cash flow hedges	**0.2**	-
Current derivatives	**1.0**	0.7
Cash flow hedges	**1.0**	0.7
Total derivative financial assets	**1.2**	0.7
Liabilities		
Non-current derivatives	**(4.2)**	-
Cash flow hedges	**(4.2)**	-
Current derivatives	**(104.2)**	(4.6)
Cash flow hedges	**(104.2)**	**(4.6)**
Total derivative financial liabilities	**(108.4)**	**(4.6)**

Derivative financial instruments represent cash flow hedges (see Note 2). The full value of a hedging derivative is classified as a current asset or liability if the remaining maturity of the hedged item is less than a year.

The changes in the net position of assets and liabilities in respect of open cash flow hedges are detailed in the consolidated statement of changes in equity.

The mark-to-market gains (derivative financial assets) were generated on gains on call options bought (as part of zero-cost collar instruments) that were in the money at year end.

The mark-to-market losses (derivative financial liabilities) were generated on losses on put options sold (as part of zero-cost collar instruments) that were out of the money at year end.

12. Borrowings

	2023 € million	2022 € million
Lease liability under IFRS 16	**444.2**	374.3
Unsecured debt	**506.7**	—
Secured debt	**250.0**	—
Liability related to JOLCO and FTL contracts	**74.1**	38.8
Total current borrowings	**1,275.0**	413.1
Lease liability under IFRS 16	**2,350.9**	1,972.9
Unsecured debt	**498.8**	997.9
Loans from non-controlling interests	**13.8**	13.5
Liability related to JOLCO and FTL contracts	**1,137.0**	541.0
Total non-current borrowings	**4,000.5**	3,525.3
3Total borrowings	**5,275.5**	3,938.4

On 19 January 2021, Wizz Air Finance Company B.V., a 100 per cent owned subsidiary of Wizz Air Holdings Plc, issued €500.0 million 1.35 per cent Eurobond, fully and irrevocably guaranteed by the Company, under the €3,000.0 million EMTN programme with a maturity in January 2024. Further to that, on 19 January 2022, Wizz Air Finance Company B.V., a 100 per cent owned subsidiary of Wizz Air Holdings Plc, issued €500.0 million 1.00 per cent Eurobond, fully and irrevocably guaranteed by the Company, under the €3,000.0 million EMTN programme with a maturity in January 2026. These Eurobonds do not contain any financial covenants.

In February 2023, the Group entered into a PDP financing loan agreement, according to which a part of the PDPs made have been financed and at the same time pledged as collateral, through the novation of the PDPs and the associated aircraft purchase rights to an orphan SPV. At 31 March 2023 $274.3 million is borrowed, and PDPs in the amount of $334.4 million are collateralised. The Group has an obligation to repay the financed amount, its interest and other costs related to the transaction within one year. When all obligations are settled, the aircraft purchase rights and the PDPs are automatically re-novated to Wizz Air. In case of default, the Group bears the potential risk of losing the purchase rights and the related PDP amounts. The PDP refinancing credit facility is available for further financing for a maximum of three years and does not contain any financial covenants.

The maturity profile of borrowings as at 31 March 2023 is as follows:

	IFRS 16 aircraft and engine lease liability € million	IFRS 16 other lease liability € million	JOLCO and FTL lease liability € million	Unsecured debt € million	Secured debt € million	Loans from non-controlling interests € million	Total € million
Payments due:							
Within one month	**44.9**	**0.2**	**—**	**6.0**	**5.2**	**—**	**56.3**
Between one and three months	**68.8**	**0.4**	**18.6**	**—**	**65.0**	**—**	**152.8**
Within three months and one year	**328.0**	**1.9**	**55.6**	**500.7**	**179.8**	**—**	**1,066.0**
Between one and two years	**415.0**	**2.6**	**77.8**	**—**	**—**	**—**	**495.4**
Between two and three years	**385.0**	**2.3**	**79.5**	**498.8**	**—**	**—**	**965.6**
Between three and four years	**303.1**	**1.9**	**81.4**	**—**	**—**	**—**	**386.4**
Between four and five years	**222.6**	**1.8**	**83.2**	**—**	**—**	**—**	**307.6**
More than five years	**1,009.1**	**7.4**	**815.1**	**—**	**—**	**13.8**	**1,845.4**
Total borrowings	**2,776.5**	**18.5**	**1,211.2**	**1,005.5**	**250.0**	**13.8**	**5,275.5**

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

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

The total cash outflow for leases, including JOLCO and FTL, during F23 was €604.9 million (2022: €470.7 million). See Note 5 for details on expenses relating to short-term and variable lease payments, and Note 10 for details on right-of-use assets.

13. Deferred income

	2023 € million	2022 € million
Non-current liabilities		
Deferred income	**103.3**	63.0
Current liabilities		
Unearned revenue	**761.1**	326.6
Other	**9.2**	7.2
	770.3	333.8
Total deferred income	**873.6**	396.8

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

Current deferred income represents the value of tickets paid by passengers for which the flight service is yet to be performed ("unearned revenue"), the value of membership fees paid but not yet recognised, the current part of the value of supplier credits received and credits provided to passengers with no cash conversion option in the amount of €19.4 million. Unearned revenue increased due to higher demand and ticket booking made further in advance.

The contract liabilities (unearned revenue) of €761.1 million existing at 31 March 2023 (€326.6 million at 31 March 2022) will become revenue during F24 (subject to further cancellations that might happen after the year end).

14. Provisions for other liabilities and charges

	Aircraft maintenance € million	Other € million	Total € million
At 1 April 2021	78.1	10.8	88.9
Non-current provisions	49.3	1.8	51.1
Current provisions	28.8	9.0	37.8
Capitalised within property, plant and equipment	21.0	—	21.0
Charged to comprehensive income	0.8	19.0	19.8
Used during the year	(11.1)	(11.5)	(22.6)
At 31 March 2022	88.8	18.3	107.1
Non-current provisions	43.0	0.9	43.9
Current provisions	45.8	17.4	63.2
Transfer to Trade and other payables and Deferred income	—	(13.0)	(13.0)
Capitalised within property, plant and equipment	86.6	—	86.6
Charged to comprehensive income	7.0	4.6	11.6
Used during the year	(34.5)	(2.5)	(37.0)
FX translation effect	0.8	—	0.8
At 31 March 2023	**148.7**	**7.4**	**156.1**
Non-current provisions	76.2	0.1	76.3
Current provisions	72.5	7.2	79.8

Non-current provisions mainly relate to future aircraft maintenance obligations of the Group on leased aircraft and spare engines, falling due typically between one and five years from the balance sheet date. Current aircraft maintenance provisions relate to heavy maintenance obligations expected to be fulfilled in the coming financial year. The amount of provision reflects management's estimates of the cost of heavy maintenance work that will be required in the future to discharge obligations under the Group's lease agreements (see Note 3). Maintenance provisions in relation to engines and APUs covered by power by the hour agreements are netted off with the prepayments made to the maintenance service provider under those agreements in respect of the same group of engines and APUs.

15. Capital commitments

At 31 March 2023 the Group had the following contracted capital commitments:

- A commitment to purchase 290 Airbus aircraft of the A320 family in the period 2023–2028. The total commitment is valued at US$42.2 billion (€38.8 billion) based on list prices last published in 2018 and escalated annually until the reporting date based on contract terms (2022: US$45.8 billion (€41.1 billion) to purchase 325 Airbus aircraft of the A320 family in the period 2022–2027). As at the date of approval of this document out of the 290 aircraft 42 are to be delivered in F24 and for 29 financing is already contracted. The Group uses various financing arrangements in order to finance aircraft including Sale and Leaseback, Japanese Operating Lease with Call Option (JOLCO) and French Tax Lease (FTL) structures.
- In line with Wizz Air's ambition to become a 500-aircraft airline by the end of the decade, the Group has exercised its purchase rights in relation to 75 A321neo aircraft to be delivered in calendar years 2028–2029. As at 31 March 2023, this commitment is subject to Shareholder approval and is valued at US$11.0 billion (€10.1 billion) based on list prices last published in 2018 and escalated annually until the reporting date based on contract terms.
- A commitment to purchase 27 IAE "neo" (GTF) spare engines in the period 2023–2026. The total commitment is valued at US$572.5 million (€525.7 million) at list prices in 2023 US$ terms (2022: US$534.7 million (€480.4 million), valued at 2022 list prices, to purchase 32 IAE "neo" (GTF) spare engines in the period 2022–2026). As at the date of approval of this document out of the 27 engines 11 are to be delivered in F24 and none of them are financed yet.

16. Contingent liabilities

Legal disputes

European Commission state aid investigations

Between 2011 and 2015, the European Commission has initiated state aid investigations with respect to certain arrangements made between Wizz Air and the following airports, respectively: Timişoara, Cluj-Napoca, Târgu Mureş, Beauvais and Girona. In the context of these investigations, Wizz Air has submitted its legal observations and supporting economic analyses of the relevant arrangements to the European Commission, which are currently under review. The European Commission has given notice that the state aid investigations involving Wizz Air will be assessed on the basis of the new "EU Guidelines on state aid to airports and airlines" which were adopted by the European Commission on 20 February 2014. Where relevant, Wizz Air has made further submissions to the European Commission in response to this notification. In relation to the Timişoara arrangements, the European Commission confirmed on 24 February 2020 that the arrangements did not constitute state aid. We are awaiting decisions in relation to the other airport arrangements mentioned herein above. Ultimately, an adverse decision by the European Commission could result in a repayment order for the recovery from Wizz Air of any amount determined by the European Commission to constitute illegal state aid. None of these ongoing investigations are expected to lead to exposure that is material to the Group.

Claims by Carpatair

Between 2011 and 2013, Carpatair, a regional airline based in Romania, has initiated a number of legal proceedings in Romania alleging that Wizz Air has been receiving state aid from Timişoara airport, demanding that Wizz Air reimburse any such state aid. In addition, Carpatair has initiated an action for damages demanding recovery from Wizz Air of approximately €93.0 million in alleged damages, which damages claim was dismissed by the Bucharest court of appeals on the basis of the substantive argument that Carpatair lacks an interest in the matter. In 2023 the Romanian Supreme Court dismissed the claim entirely.

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

17. Related parties

Identity of related parties

Related parties are:

- Indigo Hungary LP and Indigo Maple Hill LP (collectively referred to as "Indigo" here), because it has appointed two Directors to the Board of Directors (all in service at 31 March 2023); and
- key management personnel (Directors and Officers).

Indigo, Directors and Officers altogether held 25.6 per cent of the voting shares of the Company at 31 March 2023 (2022: 25.6 per cent).

Transactions with related parties

Transactions with Indigo

At 31 March 2023 Indigo held 24,684,895 Ordinary Shares, equal to 23.9 per cent of the Company's issued share capital (2022: 24,684,895 Ordinary Shares, 23.9 per cent).

Indigo has an interest in convertible debt instruments issued by the Company. The Company's liability to Indigo, including principal and accrued interest, was €26.0 million at 31 March 2023 (2022: €26.4 million).

During the year ended 31 March 2023 the Company entered into transactions with Indigo as follows:

- the Company recognised interest expense on convertible debt instruments held by Indigo in the amount of €1.7 million (2022: €2.0 million); and
- fees of €0.4 million (2022: €0.3 million) were paid to Indigo in respect of the remuneration of two of the Directors who were delegated by Indigo to the Board of Directors of the Company.

Transactions with key management personnel

Officers (members of executive management) and Directors of the Board are considered to be key management personnel. The compensation of key management personnel, including Non-Executive Directors, is as follows:

	2023 € million	2022 € million
Salaries and other short-term employee benefits	**9.1**	5.4
Social security costs	**1.2**	1.1
Share-based payments	**6.3**	5.6
Amounts paid to third parties in respect of Directors' service	**2.9**	2.5
Total key management compensation expense	**19.5**	14.6

There were no termination benefits paid to any key management personnel in the year or the prior year.

There were no post-employment benefits and other long-term benefits provided to any key management personnel in the year or the prior year.

There were no material transactions with related parties during the financial year except as indicated below.

In addition, the Group has contracted an IT company, which is a related party to the CEO, to provide machine learning capabilities with regard to ticket and ancillary sales. The amount paid for this service in F23 was €2.5 million (F22: €1.2 million), which in the judgment of the Board was not material.

18. Prior period restatements

After careful reflection and having regard to the growth in the number of aircraft on order and increased significance of gains on sale and leaseback transactions, the Group determined that the proceeds from sale and leaseback transactions which were included in cash flows from operating activities within the statement of cash flows in the prior period should be presented as cash flows from investing activities. Accordingly, management has restated the presentation of the consolidated statement of cash flows for the year ended 31 March 2022. Gains and credits associated with sale and leaseback transactions in the prior period amounted to €89.4 million; they were previously included under changes in deferred income within cash generated by operating activities before tax, and are now presented under proceeds from the sale of tangible assets within cash flows from investing activities. There was no impact on the consolidated statement of financial position or consolidated statement of comprehensive income as a result of this change in presentation within the consolidated statement of cash flows.

	2022 As previously stated € million	Impact of sale and leaseback gain reclassification € million	2022 As restated € million
Changes in working capital			
Increase in trade and other payables	138.7	8.7	147.4
Increase in deferred income	369.5	(98.1)	271.4
Cash generated by operating activities before tax	375.5	(89.4)	286.1
Net cash generated by operating activities	370.6	(89.4)	281.2
Cash flows from investing activities			
Proceeds from the sale of tangible assets	43.5	89.4	132.9
Net cash used in investing activities	(407.2)	89.4	(317.8)