Jet2 plc

ANNUAL REPORT & ACCOUNTS 2024

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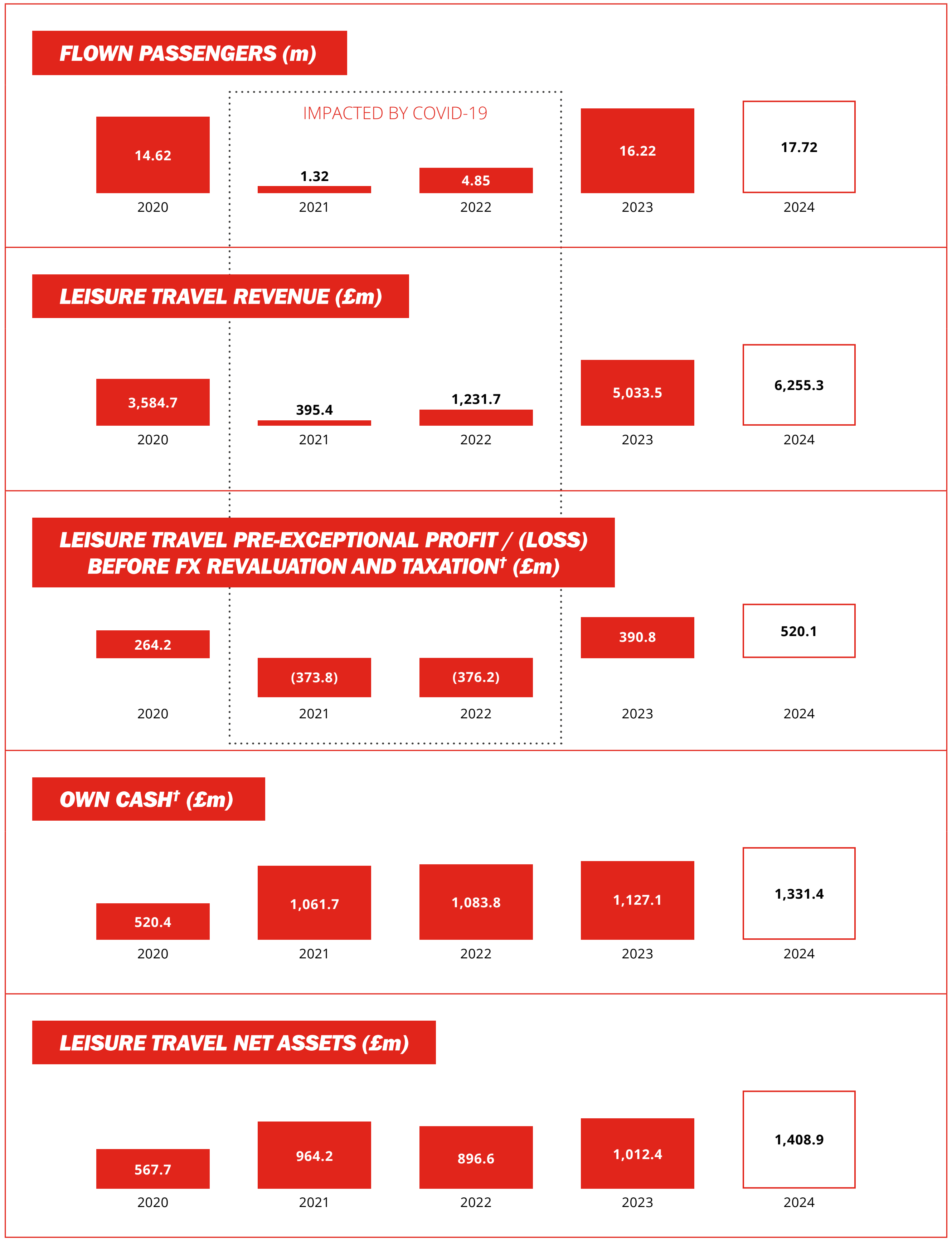
FINANCIAL HIGHLIGHTS



† Further information on the calculation of this measure can be found in Note 5.

JET2 AT A GLANCE

UK'S LARGEST TOUR OPERATOR

WE EMPLOY OVER 17,000 COLLEAGUES DURING PEAK SUMMER

3RD LARGEST UK REGISTERED AIRLINE

127 AIRCRAFT IN SUMMER 24

28 MILLION *JET2HOLIDAYS* CUSTOMERS SINCE 2007

OVER 60% OF *JET2HOLIDAYS* BOOKINGS ARE REPEAT CUSTOMERS

OVER 5,100 2-5 STAR HOTELS IN OUR PRODUCT PORTFOLIO

3,200 HOTELS RATED 4 STAR PLUS ON TRIPADVISOR

17.2 MILLION SEATS ON SALE FOR SUMMER 24

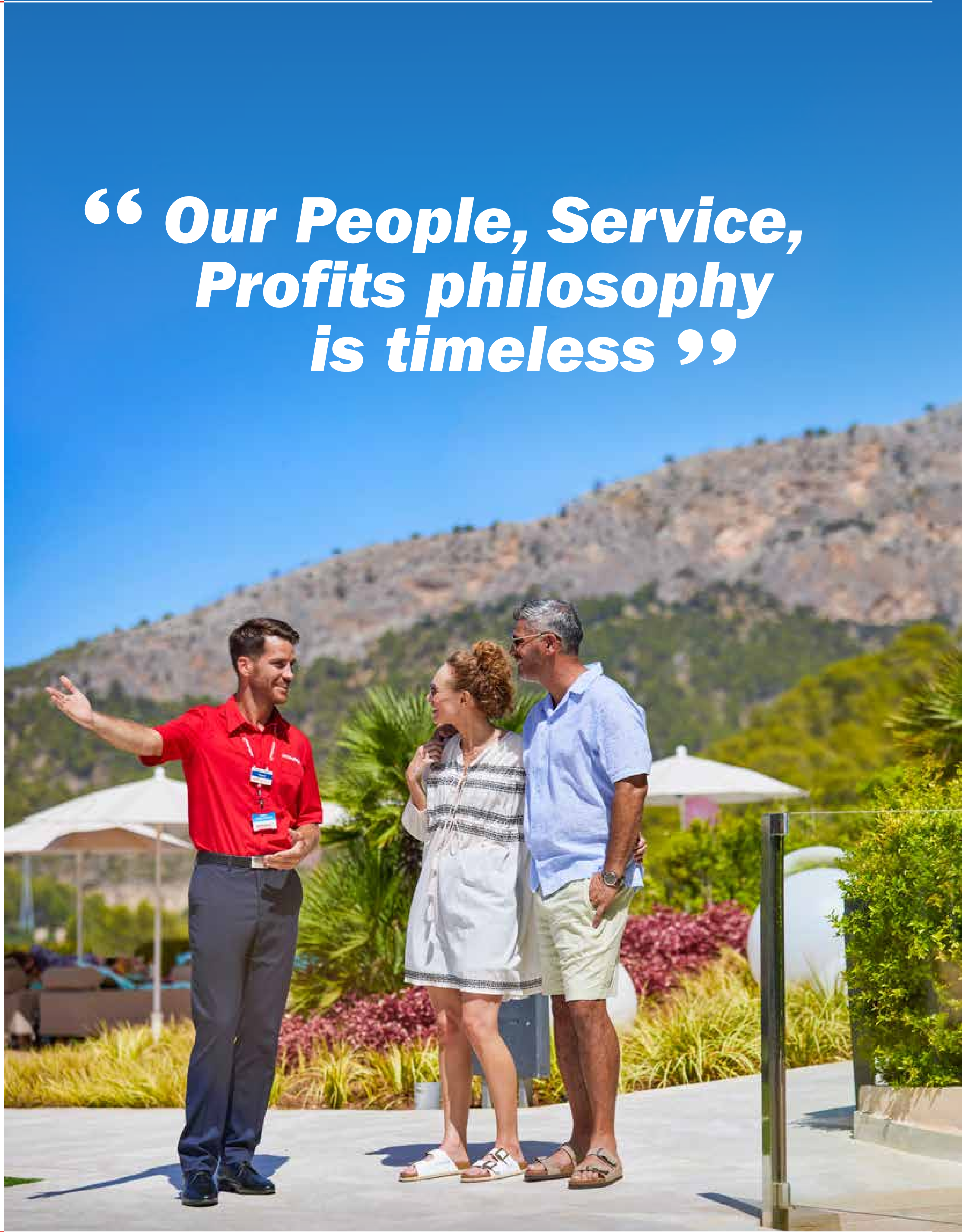
18.3 MILLION SEATS ON SALE FOR SUMMER 25

OUR PHILOSOPHY

PEOPLE – OUR MOST VALUABLE ASSET

SERVICE – AWARD-WINNING AND TRUSTED

PROFITS – SUSTAINABLE GROWTH



“ Our People, Service, Profits philosophy is timeless ”

BUSINESS MODEL

WHAT WE DO - WE TAKE PEOPLE ON HOLIDAY!

THE UK'S NUMBER 1 TOUR OPERATOR

- **Which? Travel Brand of the Year** for third consecutive year
- **Fully ATOL-protected** holidays
- **Over 650 beach resorts and cities**

- **Friendly low fares**
- **Award-winning** customer service
- **Over 70** sun, city and ski destinations

UK'S 3RD LARGEST AIRLINE

HOW WE DO IT

END-TO-END OWNERSHIP AND CONTROL OF PRODUCT

- Full flexibility and control of our seat supply
- 11 UK bases (12 bases from February 2025)
- Control of all ground handling operations at 7 of our UK bases
- Ample standby aircraft for resilience
- Retail Operations Centre - improving customer in-flight experience
- UK's most punctual short-haul airline!

A RELENTLESS FOCUS ON CUSTOMER SERVICE

- Great value truly flexible duration holidays
- Choice of over 5,100 2 to 5 star hotels
- Over 1,500 uniformed ***Jet2holidays*** Customer Helpers
- Dedicated 24/7 customer helpline
- Our famous Red Team happy to help at every stage of the customer journey!

THE VALUE WE CREATE FOR OUR STAKEHOLDERS

COLLEAGUES

- The wellbeing and motivation of our Colleagues is pivotal to achieving our award-winning *Customer First* service.
- We are proud to provide a secure and enjoyable place of work to over 17,000 Colleagues.
- Our Glassdoor rating of 4.1 out of 5.0 remains the highest in our industry.

CUSTOMERS

- We are passionate about end-to-end customer service.
- Our strategic investment decisions focus primarily on how we can enrich our Customers' holiday experiences.
- Our *Customer First* approach results in memorable, relaxing and well organised holidays for a growing and loyal customer base.

SUPPLIERS

- A stable supplier base with trusted partners is key in delivering fantastic holiday experiences.
- We support our suppliers through collaborative and constructive relationships.
- Our strategic hotelier relationships have been cultivated over more than 15 years.

SHAREHOLDERS

- Free cash generation for further profitable investment.
- Strong balance sheet supports further growth opportunities, whilst providing financial resilience.
- Long term value creation.

COMMUNITIES AND THE ENVIRONMENT

- Employment opportunities in the local communities where we operate.
- Responsible ESG policies and practices.
- Growing and nurturing talent from within via our many apprenticeships.
- Proudly supporting local and national charities.

OUR DESTINATIONS

22 COUNTRIES

OVER 650 RESORTS

12 UK BASES FOR SUMMER 2025

OVER 70 DESTINATIONS

OVER 500 ROUTES

AGADIR ALICANTE ALMERIA ANTALYA ATHENS BARCELONA BERGEN BERGERAC BERLIN BODRUM BOURGAS BUDAPEST CHAMBÉRY CHANIA COLOGNE COPENHAGEN CORFU DALAMAN DUBROVNIK FARO (ALGARVE) FUERTEVENTURA GDANSK GENEVA GIRONA GRAN CANARIA GRENOBLE HALKIDIKI HERAKLION IBIZA INNSBRUCK IZMIR JEREZ JERSEY KALAMATA KEFALONIA KOS KRAKOW LANZAROTE LARNACA LESVOS LYON MADEIRA MAJORCA MALAGA MALTA MARRAKECH MENORCA NAPLES NICE PAPHOS PARIS PISA PORTO PRAGUE PREVEZA PULA REUS REYKJAVIK (ICELAND) RHODES ROME SALZBURG SANTORINI SARDINIA SICILY SKIATHOS SPLIT TENERIFE TIVAT TURIN VENICE VERONA VIENNA ZANTE

OUR AWARDS

2024 Which? Awards TRAVEL BRAND OF THE YEAR

JET2.COM AND JET2HOLIDAYS BOTH TRAVEL BRAND OF THE YEAR 2024

DECEMBER 2023 Which? Recommended Provider BEACH & RESORT HOLIDAYS

DECEMBER 2023 Which? Recommended Provider FAMILY HOLIDAYS

DECEMBER 2023 Which? Recommended Provider ALL INCLUSIVE HOLIDAYS

DECEMBER 2023 Which? Recommended Provider SOLO HOLIDAYS

DECEMBER 2023 Which? Recommended Provider CITY BREAKS

JUNE 2024 Which? Recommended Provider VILLAS & HOLIDAY LETS ABROAD

FEBRUARY 2024 Which? Recommended Provider SHORT HAUL AIRLINES

TRAVELWEEKLY GLOBE TRAVEL AWARDS 2024 WINNER

Trustpilot Jet2.com 4.5 Jet2holidays 4.5

Platinum Trusted Service Award 2024 feefo

Trusted Service Award 2024 feefo

These are just the latest additions to our ever-growing awards cabinet. Check out the best of the rest at ***Jet2plc.com/our_awards***.

STRATEGIC REPORT

"For once an airline that delivers. My faith in air travel is restored"

Julian travelled from Manchester to Majorca with his family in June 2023

STRATEGY

TO BE THE UK'S LEADING AND BEST LEISURE TRAVEL BUSINESS

OUR STRATEGIC PILLARS	OUR OBJECTIVES	OUR PERFORMANCE DURING THE YEAR	OUR FUTURE PLANS
 **Growth of Flight-only & Package Holidays Products**	• Focus on customer-driven scheduling of flights on routes to popular high volume leisure destinations in the Mediterranean, Canary Islands and European Leisure Cities.	• ***Jet2holidays*** remains the UK's largest tour operator and ***Jet2.com*** the 3rd largest airline. • Total flown passengers increased by 9% to 17.72m. Higher margin per passenger Package Holiday customers grew 15% and were 68.3% of the mix of total departing passengers (2023: 64.9%).	• Summer 2024 flying programme growth of approximately 12%, supported by 127 aircraft. • Operations to commence from **Bournemouth Airport** from February 2025 - our twelfth UK base.
 **Careful Control of our Product**	• Full control and ownership of our aircraft seat supply. • Build and invest in strategic relationships with hoteliers, who align with our ***Jet2*** brand values. • Retain and expand our loyal customer base, supported by our consistent *Customer First* approach.	• We launched our Retail Operations Centre (ROC) in October 2023, the first of its kind in the UK aviation industry. • Awarded Which? **Travel Brand of the Year** for a third consecutive year. • ***Jet2holidays*** holds a Feefo Platinum Status, together with a ranking of 4th out of 275 companies on the UK Customer Satisfaction Index.	• Continue to differentiate through innovative product development. • Further six destinations launched including year-round sun-drenched holidays, city breaks and flights to Marrakech and Agadir.
 **A Memorable Customer Experience**	• Ensure our Colleagues are on hand at all touchpoints throughout the customer journey to ensure that each and every customer has a memorable holiday experience. • Continued investment in technology to deliver a frictionless customer experience.	• Evolution of our digital proposition through the relaunch of our ***MyJet2*** membership scheme. • Net Promoter Score for both our leisure travel products remains in the high 60's. • Retail Operations Centre phase 1 providing an improved in-flight customer experience. • ***Jet2.com*** was the most punctual short-haul UK airline in 2023 according to the CAA.	• Our experiential 'Discover More' ***Jet2CityBreaks®*** and our ***Jet2holidays*** product are perfect 'bucket list' style holidays. • Retail Operations Centre phase 2 - combining leading edge automation with customer data intelligence to create a bespoke onboard retail experience. • Continue to leverage technology to enhance the customer booking experience.
 **Continued investment supporting sustainable long-term growth**	• Carefully considered investment to ensure profit and cash flow growth is sustainable. • Ongoing capital investment to underpin our continued growth trajectory. • Recruit, develop and retain talented colleagues to deliver our award-winning customer service.	• Integrated a further six new Airbus A321neo to our aircraft fleet which have a: – 20% per seat reduction in fuel and carbon emissions; and – 50% reduction in noise footprint. • Commenced operations from **Liverpool John Lennon Airport.** • Invested £15m in our **Lifestyle 2023** program for pilots and cabin crew to provide a more balanced lifestyle. • Further **Apprenticeship Scheme expansion** to over 150 colleagues.	• A further seven Airbus A321neo aircraft will join our fleet by 31 March 2025. • Invested in a second aircraft maintenance facility at Manchester airport, giving us the opportunity to further build our base maintenance capability and support our growing aircraft fleet over the coming decade.
 **Execute our climate transition plan on our journey to net zero**	• To achieve the targets as set out in our Sustainability Strategy which can be found at: ***www.jet2plc.com/sustainability***	• Secured direct SAF supply from the Fulcrum NorthPoint Facility from 2028 via an equity investment. • Fuel burn CO_2 emissions reduced to 65.7 gCO_2 per revenue passenger kilometre, representing good progress towards our 2035 carbon intensity reduction target. • Over 50% of our ***Jet2.com***-owned Ground Services Equipment is now electrified. • Over 950 hoteliers enlisted in ***Jet2holidays'*** new GSTC certified Hotel Sustainability Charter.	• Our updated Sustainability Strategy encompasses a series of bold, clear and pragmatic actions to achieve net zero by 2050. • ***Jet2.com*** will use a 1% SAF blend in its fuel mix at London Stansted, Bristol and Malaga airports in Summer 2024. • Retrofit split scimitar winglets to our Boeing 737-800NG fleet, generating fuel burn reduction of up to 1.8% per aircraft. • Independent SBTi verification of our targeted 35% Scope 1 and 2 carbon intensity reduction by 2035.

NOTHING BEATS A JET2HOLIDAY!

VIP CUSTOMER SERVICE FROM START TO FINISH

BOOKING MADE SIMPLE!


1 SOMETHING FOR EVERYONE


2 FOUR EASY WAYS TO BOOK

3 GET HOLIDAY-READY THROUGH OUR APP

FRIENDLY LOW FARES

4 12 UK BASES FOR SUMMER 2025


5 CONVENIENT TWILIGHT CHECK-IN®


6 AWARD-WINNING IN-FLIGHT SERVICE

HAVE A LOVELY HOLIDAY!

7 WELCOMING IN-RESORT TRANSFERS


8 CAREFULLY SELECTED HOTELS


9 EXCLUSIVE EXPERIENCES

GOING HOME MADE EASY


10 REASSURING 24/7 CUSTOMER HELPLINE

11 A FRIENDLY FAREWELL


12 WHERE TO NEXT...?

OUR CHAIRMAN'S STATEMENT

This is my first report as Chairman of ***Jet2 plc*** since Philip Meeson stepped down last September. Having served on the Board since April 2020, this was a position I felt privileged and delighted to take up. I would like to pay tribute to Philip who oversaw remarkable growth as he carefully evolved and nurtured the Company over four decades into what is a truly fantastic people-orientated, customer-focused and financially sound business. As his successor, I know we are all extremely appreciative that he continues to offer the wealth of his experience and wisdom in his new role as Founder & Adviser.

Strategic performance

Our strategy remains consistent: **To be the UK's Leading and Best Leisure Travel business.** It was a challenging year for UK consumers with rising inflation and elevated interest rates putting pressure on disposable income levels. However, against this backdrop we made further progress on our growth strategy, delivering record passenger numbers, revenues and profitability and strengthening our balance sheet to underpin future growth and provide financial resilience and flexibility.

Having successfully launched operations from Liverpool John Lennon Airport in March 2024, we were delighted to announce another new base at Bournemouth Airport where flying operations will commence from February 2025. This means that more holidaymakers across the South of England will benefit from our multi-award winning leisure flights and ATOL protected package holidays.

Our well capitalised balance sheet enabled the Group to continue to invest for long-term growth, including the integration of a further six new Airbus A321neo into our aircraft fleet, plus the launch of our Retail Operations Centre (ROC) in October 2023, the first of its kind in the UK aviation industry – both will bring notable improvements to our *Customer First* proposition.

In August 2023, we relaunched ***MyJet2***, offering members tailored browsing, exclusive discounts and rewards, a streamlined booking process, easy access to key information, and excellent in-resort support via the app. ***MyJet2*** enables us to combine customer data points across sessions and devices, thus providing members with their own personalised experience.

In the past year, we welcomed over 5,000 new Colleagues to our business and expanded our apprenticeship programme to include over 150 individuals who we hope, in time, will become the bedrock of our future business.

Finally, we recently updated our Sustainability Strategy, with a series of bold, clear and pragmatic actions on route to net zero by 2050, outlining an emissions reduction pathway which will bring our 2035 carbon intensity in line with the Science Based Targets initiative (SBTi) guidance. Importantly, the strategy focuses on existing technologies and tangible actions that can be taken currently, with a commitment to understanding and investing in emerging technologies as appropriate.

Colleagues

Our most valuable assets at ***Jet2*** are our Colleagues who embody our culture. Personally, and on behalf of the Board, I would like to sincerely thank our talented and dedicated teams who have supported the business through another year of remarkable growth - every Colleague across the business has contributed to our success. Their commitment to continually delivering an exceptional customer experience is reflective of our *People, Service, Profits* guiding principles, which I firmly believe underpin the continuing success of our Leisure Travel business. Their tremendous efforts have resulted in our Net Promoter Scores remaining in the high 60s and have also culminated in ***Jet2.com*** and ***Jet2holidays*** being recognised as Which? Travel Brand of the Year for the third consecutive year, an achievement we are immensely proud of.

Board

The Board continues to evolve to ensure it provides the appropriate skills and experience to both support and challenge the executive management team. In addition to Philip stepping down from the Board, in March 2024, Mark Laurence retired following 14 years of loyal service.

SERVICE

WHICH? TRAVEL BRAND OF THE YEAR FOR THE THIRD CONSECUTIVE YEAR – AN ACHIEVEMENT WE ARE IMMENSELY PROUD OF!

I would like to thank Mark for his invaluable contribution and wish him well for the future. We also welcomed three new independent Non-Executive Directors – Simon Breakwell, who has become Chair of our Remuneration Committee; Angela Luger, who is our Designated Non-Executive Director for Workforce Engagement; and Rachel Kentleton, who is taking up the position of Chair of the Audit & Risk Committee following the conclusion of the 2024 audit process. Their breadth of experience will be invaluable in supporting the business through the next phases of its development.

Financial Results

Group Revenue increased by 24% to £6,255.3m (2023: £5,033.5m). Group profit before FX revaluation and taxation increased by 33% to £520.1m† (2023: £390.8m†) and Group profit before taxation increased by 43% to £529.5m (2023: £371.0m).

A strong balance sheet and ample liquidity are important attributes in this industry, given its nature and capital intensity. As at 31 March 2024, our cash and money market deposits† totalled £3,184.7m (2023: £2,624.7m) with our 'Own Cash'† balance increasing to £1,331.4m (2023: £1,127.1m). Net cash, stated after borrowings and lease liabilities increased by 38% to £1,729.3m (2023: £1,249.7m).

This financial capacity not only prepares us for increasing gross capital expenditure (which is expected to approach £5.0bn over the coming six years) and debt repayment commitments, but also provides a solid foundation for those opportunities and challenges that the current and future macro-economic environments may present.

Basic earnings per share increased 37% to 185.9p (2023: 135.4p).

Dividend

In view of the financial performance, our financial strength and continued confidence in the Group's prospects, in line with its capital allocation principles, the Board has resolved to pay a final dividend of 10.7p per share (2023: 8.0p), representing an increase of 34%. This final dividend is subject to shareholders' approval at the Company's Annual General Meeting on 5 September 2024 and will be payable on 23 October 2024 to shareholders on the register at the close of business on 20 September 2024, with the ex-dividend date being 19 September 2024.

Looking Ahead

I am extremely pleased with how our Leisure Travel business has performed in the two years since the pandemic. Not only have we capitalised on the growth opportunities presented, with the business having nearly doubled its pre-Covid revenue, we have also remained true to our values of carefully investing to secure our long-term growth aspirations, whilst ensuring we maintain financial stability and flexibility.

With this in mind, and demonstrating our confidence in our future growth plans, **we recently exercised the remaining 36 purchase rights of our Airbus aircraft order originally announced in late 2021, meaning we now have a firm delivery stream of 146 A321neo aircraft through to 2035.** This valuable long-term order provides favourable operating cost efficiencies and enables us to confidently plan for the long-term as we continue to expand our footprint and the range of new and exciting destinations, ensuring we can continue to delight our Customers for years to come.

In addition, our *People, Service, Profits* philosophy is timeless and actively guides our engagement with our most valuable asset, our Colleagues. Combined, these qualities provide a strong foundation to continue on our exciting journey in delivering on our long-term strategy, **To be the UK's Leading and Best Leisure Travel business.**

Robin Terrell
Non-Executive Chairman

22 July 2024

† Further information on the calculation of these measures can be found in Note 5.

OUR CHIEF EXECUTIVE'S STATEMENT

Results for the financial year

We are very pleased to have been able to report another year of strong financial results as our Leisure Travel business **delivered an improvement in Group Revenue of 24% to £6,255.3m (2023: £5,033.5m) and an increase in Group profit before FX and taxation of 33% to £520.1m[†] (2023: £390.8m[†]).**

These results underlined the popularity, resilience and flexibility of our holiday products and also our leading brand position, as despite the continuing inflationary pressures, millions of UK customers still chose to prioritise their disposable income for a rejuvenating and relaxing ***Jet2*** holiday!

For the reporting period, seat capacity increased 10% to 19.73m. Although customer bookings were closer to departure, the business achieved a healthy average load factor of 89.8% (2023: 90.5%) with growth in average pricing for both our leisure travel products robust. Higher margin per passenger Package Holiday customers grew 15% to 6.08m (2023: 5.29m) and were a materially higher mix of total departing passengers at 68.3% (2023: 64.9%), with Flight-only passengers reducing by 1% to 5.61m (2023: 5.69m).

The Group commits considerable investment in order to be well prepared for its summer operations and Summer 2023 was no different, as we welcomed over 2,500 new Colleagues bringing the total number to over 15,000 at peak summer flying activity.

Although the widespread aviation sector disruption experienced in Summer 2022 was not repeated, as always, we anticipated that there would be unpredictable challenges posed by the external operating environment. As a *Customer First* organisation, this means investing to embed sufficient resilience into our operations, including but not limited to, standby aircraft and crews, generous amounts of in-resort customer helpers, plus responsive 'go teams' in the event of unforeseen developments.

This proactive approach enabled us to effectively navigate Summer 2023 events such as Rhodes (wildfires) and Skiathos (flooding), the technological systems failure at NATS, together with the record number of air traffic control strikes across Europe and mitigate the impact on our Customers.

† Further information on the calculation of this measure can be found in Note 5.

Our Strategy

To be the UK's Leading and Best Leisure Travel business

A holiday for most UK consumers is an experience that is eagerly anticipated and, if provided in the right way, fondly remembered. Consequently, we are passionate about end-to-end customer service and our investment decisions focus primarily on how we can enrich our Customers' holiday experiences, whether embarking on a ***Real Package Holiday from Jet2holidays®***, or simply enjoying a leisure flight with ***Jet2.com***.

We know how much our Customers value their holidays as a stress-free and refreshing break – a time to be looked after and to unwind with family and friends, creating countless unforgettable positive memories. Consequently, our unwavering commitment to a *Customer First* approach focuses on delivering award-winning levels of service, where everybody is treated as a VIP. It is this philosophy which has driven ***Jet2holidays*** to be the UK's largest package holiday provider and ***Jet2.com*** to be the UK's 3rd largest airline by number of passengers flown; underpins our high levels of repeat bookings and high Net Promoter scores; and has seen both ***Jet2.com*** and ***Jet2holidays*** recently awarded the coveted Which? **Travel Brand of the Year** for the third consecutive year.

Our long-term ambition remains as relevant today as it has always been: **To be the UK's Leading and Best Leisure Travel business, which demands a clear strategic vision and an unfaltering customer focus, accompanied by consistent, and often material, investment.**

Our Commitment to Sustainability

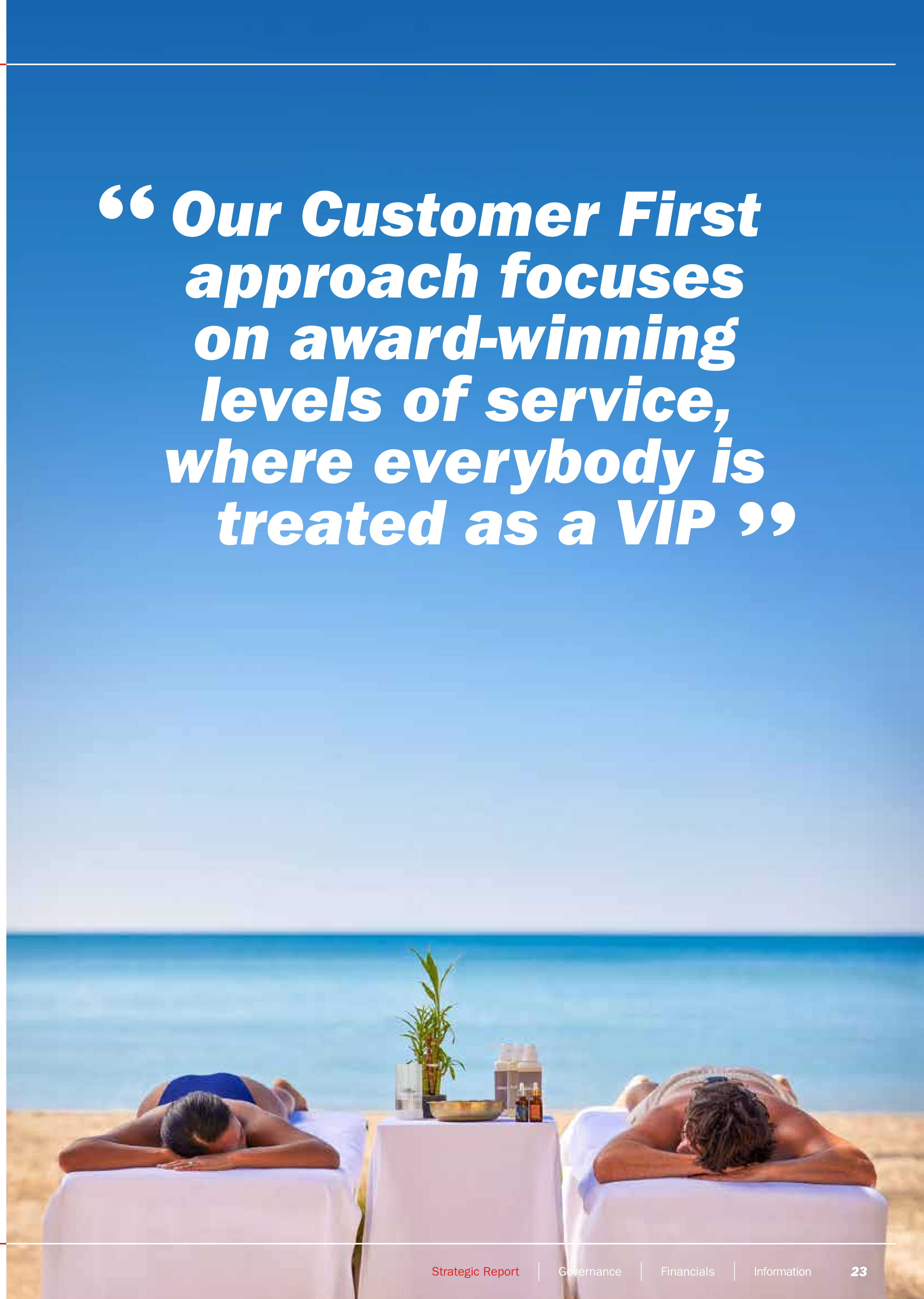
Economically, socially and culturally, travel is a force for good and we are extremely proud of our positive effect in the UK and in communities around the world. However, it is also essential to recognise and act upon the environmental impact associated with travel.

Our updated Sustainability Strategy published in May 2024 details how we are taking bold, tangible actions on the journey to our ***Jet2 Net Zero 2050*** commitment. It also reinforces our determination to embed sustainability throughout our business (**In the Air**; **On the Ground**; and **In Resort**) and ensure that ***Jet2 plc*** remains at the forefront of change in our industry.

We endeavour to operate in the most efficient manner possible, focusing on minimising both emissions and carbon intensity (grammes of CO_2 emissions per revenue passenger kilometre (gCO_2/RPK)). It is pleasing to report that the Group has continued to reduce its fuel burn gCO_2/RPK from 65.9g in 2023 to 65.7g in the year ended 31 March 2024, representing positive progress towards our 2035 carbon intensity reduction.

Pleasingly, ***Jet2.com*** was also recognised with a platinum rating for airline sustainability in the Centre for Aviation (CAPA) 2023 sustainability benchmark report. This accolade saw us included in the top 10 airlines globally for sustainability performance and ranked 4th out of 100 airlines for gCO_2/RPK.

The Group has made further progress on its goal to embed the use of Sustainable Aviation Fuel (SAF) into its operations. In 2024, ***Jet2.com*** will use a 1% blend of SAF at London Stansted, Bristol and Malaga airports, purchasing approximately 1,200 tonnes almost a year ahead of the UK and EU governments' SAF mandates which are due to be introduced from January 2025. We maintain our belief that SAF remains one of the most effective solutions for reducing carbon emissions and is key to achieving net-zero status by 2050.



OUR CHIEF EXECUTIVE'S STATEMENT
continued

We took delivery of a further six new Airbus A321neo aircraft during the year bringing the total to seven, with all being powered by CFM Leap engines. In addition, we recently exercised our remaining purchase rights with Airbus, and now have firm orders in place for an additional 139 A321neo aircraft, thereby enabling ***Jet2.com*** and ***Jet2holidays*** to grow more sustainably over the next ten years. These aircraft are already demonstrating their efficiency through a 20% per seat reduction in fuel and carbon emissions, plus a 50% reduction in noise footprint compared to the previous generation of narrow-body aircraft. In addition, we have invested in aerodynamic split scimitar winglets for our Boeing 737-800NG aircraft which we anticipate will reduce average fuel burn by up to 1.8%.

Our actions **on the ground** mean over 50% of our ***Jet2.com***-owned Ground Support Equipment is now electrified, whilst in the air we have achieved an 83% reduction in single-use plastics on our aircraft as compared to 2019.

Furthermore, **in-resort *Jet2holidays*** has implemented a Global Sustainable Tourism Council accredited hotel sustainability labelling scheme with over 950 hotel partners engaged thus far, giving our Customers the ability to make more sustainable accommodation choices.

In order for the industry to achieve Net Zero, we need a number of parties to play their part, including aircraft and engine manufacturers, fuel producers and, of course, the UK Government. Consequently, our specific asks from the UK Government are to:

- Upscale the UK Government's investment in SAF;
- Ring-fence annual UK Emissions Trading Scheme revenues for decarbonisation projects;
- Work multilaterally with governments across Europe to implement Air Traffic Management reforms; and
- Support airport operators and remove obstacles around upgrades to electrical infrastructure.

More detailed information on the Group's Sustainability Strategy can be found at ***www.jet2plc.com/sustainability.***

Operational Highlights

Retail Operations Centre

In October 2023, we were delighted to officially open our Retail Operations Centre (ROC), the first of its kind in the UK aviation industry, which will set new standards for *Customer First* service, efficiency and security. This 150,000 square foot facility, located in Middlewich, Cheshire, acts as a centre to stock, manage and distribute millions of in-flight retail products for customers to enjoy on their well-deserved leisure flights. The products being managed include drinks and ambient food that can either be pre-ordered or which feature in our in-flight menu, as well as products that can be bought from our onboard shop, such as fragrances, beauty products, gifts and duty-free.

The ROC facility employs cutting-edge x-ray scanners and security measures and given the nature of the operation, it has undergone thorough examination to ensure it complies with relevant regulations and has been approved by the UK Civil Aviation Authority.

Since becoming fully operational in January 2024, ***Jet2.com***'s on-board stock availability has improved materially on the levels achieved in previous years, averaging over 98%, which in turn has improved customer satisfaction. It is also pleasing that in a relatively short timeframe we have already realised revenue benefits through increased spend per head. The Group has now commenced the second phase of this initiative and in time expects to further optimise its inflight revenue potential, combining leading edge automation with customer data intelligence to create an improved, bespoke onboard retail experience.

New Engineering Hangar

With our long-term aircraft delivery stream in mind, the Group acquired additional premises at Manchester Airport to build a second aircraft maintenance facility which is expected to be operational from late 2025.

This property, which is located next to our existing facility, gives us the opportunity to further build our base maintenance capability and support our growing aircraft fleet over the coming decade.

New UK Bases

Recognising the significant demand from both consumers and independent travel agents across Liverpool, Merseyside and the wider region, we were pleased to commence flying from Liverpool John Lennon Airport on 28 March 2024 with over 550,000 summer seats on sale. Our careful preparation ensured a seamless launch, so that from day one we were able to provide customers with the same award-winning service which has delighted millions of others across the UK for so many years!

In addition, in late March 2024, we announced the launch of our award-winning flights and holidays from **Bournemouth Airport**, our 12th UK base, providing greater geographical reach across the South of England and reflecting our long-term strategy to grow our successful business. Flights will commence from February 2025 to many of our most popular destinations across the sun spots of the Mediterranean and Canary Islands.

New Destinations

As always, we listen carefully to what our Customers tell us. Consequently, we added Symi and Athens Coast to our Summer 2024 programme, the latter giving customers access to eight popular resorts across the region, plus Portugal's biggest city, Porto, steeped in history and combining vibrant city life with beautiful coastal beaches.

We were also excited to announce that from Winter 2024/25 we have added Morocco to our destinations, offering year-round sun-drenched holidays, city breaks and flights to Marrakech and Agadir, plus the launch of a new Christmas market destination – Gdansk.

Finally, for Summer 2025 we recently unveiled Pula on the Istrian Coast in Croatia, offering holidaymakers

OUR CHIEF EXECUTIVE'S STATEMENT
continued

everything from architectural gems and historic monuments through to Blue Flag beaches, plus Costa de la Luz, a stunning, authentic and untouched slice of Spain. Each of these new destinations provide our Customers with an even greater choice of memory-making holiday opportunities.

Our Stakeholders

Our Customers

For many families, booking a holiday is the most important purchase of the year and a smooth customer journey from start to finish is paramount. We know that each customer's purchasing habits are unique and consequently we continue to offer four distinct booking channels through our website, mobile app, contact centre and independent travel agents.

Human interaction remains important for many customers when making such an important purchase, to ensure their individual needs are catered for. Currently 9% of our Package Holiday customers book through our contact centre, aided by friendly and informative homeworking sales colleagues who have an intimate knowledge of our products. Once a booking has been made, our pre-travel services team takes over, answering queries and ensuring that customers are updated with post booking information, or provided with any further pre-travel assistance as required.

Sales through travel agents remains an important distribution channel for the business, and our package holidays can be booked through all major independent travel agent chains, homeworker companies and independent agents.

Technology and how customers interact with it is perpetually evolving and our websites and mobile app are continuously developed and refined to ensure that the search and booking experience is as effortless and efficient as possible.

We have committed considerable resources to the growth of our digital channels in order to provide customers with a best-in-class ***Jet2*** mobile app experience. This has resulted in a marked increase in the percentage of package holiday customers now booking via the app of 21ppts since 2020 to 24%. We also took the opportunity to relaunch our ***MyJet2*** account, which already has over 4.0m members. Having an account enables a seamless one-click access for customers to proactively manage their bookings in one place; engagement through competitions such as *'Bid for a Break'*, and a personalised experience to optimise booking conversion via exclusive discounts on both flights and package holidays.

As it has grown, our Leisure Travel business has benefitted from its breadth and quality of hotel choices, its family-focused approach and its *Customer First* strategy, all of which are constantly refined to ensure our Customers continue to enjoy memorable and relaxing holiday experiences. The agile nature of our business model means we can adapt our offering to meet emerging consumer trends such as increased demand for 'bucket list' style holidays to natural wonders and unique cultures, which are perfectly suited to our experiential *'Discover More'* ***Jet2CityBreaks®*** and our ***Jet2holidays*** product.

It is immensely satisfying that the considerable investment made in our industry-leading levels of customer care continues to be independently recognised through a multitude of awards received for all our brands from Which? and Feefo, together with our pre-eminent ranking on the UK Customer Satisfaction Index. In addition, we were rated the best short-haul UK airline for punctuality during 2023, according to analysis of Civil Aviation Authority (CAA) data by the PA news agency. Our repeat customer booking rate for package holidays of over 60% and net promoter scores in the high 60s for both ***Jet2.com*** and ***Jet2holidays*** products are further clear indicators that customers truly appreciate the quality of our product and our award-winning VIP customer service.

PEOPLE

OUR COLLEAGUES ENABLE US TO FULFIL THE DREAMS OF SO MANY CUSTOMERS, TAKING THEM ON THEIR WELL-DESERVED AND EAGERLY ANTICIPATED HOLIDAYS.

As a result, we remain confident that our laser sharp focus on customer service will continue to distinguish a holiday with ***Jet2*** as an unparalleled and market leading experience that customers choose time and again.

Our Colleagues

Our guiding principles of *People, Service, Profits* continue to influence the way we engage and motivate our Colleagues - we firmly believe this underpins our *Customer First* ethos.

Whether in the UK or Overseas, the ability of colleagues to continuously demonstrate the Company's ***'Take Me There'*** values (***Be Present; Create Memories; Take Responsibility***; and ***Work As One Team***), is of paramount importance. It is this approach which has set us apart and enabled us to be consistently recognised as an industry leader for outstanding customer service – great and attentive customer service is where we aim to excel.

Throughout the year, our Colleagues worked tirelessly, responding admirably to help navigate the many complex and unpredictable operational demands posed and the Board **is hugely appreciative of their tremendous support and efforts**. It is they who enable ***Jet2.com*** and ***Jet2holidays*** to fulfil the dreams of so many customers, taking them on their well-deserved and eagerly anticipated holidays.

We pride ourselves on doing the right thing for our Colleagues and to recognise their invaluable contribution, we were pleased to award a pay increase of 9% for the year ended 31 March 2024. We firmly believe that happy and well-paid Colleagues are fundamental to our future success and, with this and the pressures of elevated inflation levels in mind, we have awarded a further generous increase of 5.5% for the year ending 31 March 2025, representing a compound increase of over 24% since the end of the pandemic.

Having colleagues who are passionate about our business and able to share in its success is a powerful quality. We were therefore pleased to build on the success of our first ShareSave scheme, which had a take-up rate in excess of 60%, through a second offering in September 2023, again at a 20% discount to the prevailing share price at inception, with a third offering imminent.

Furthermore, we are very pleased to be able to award both our **Discretionary Colleague Profit Share Scheme** for non-management Colleagues and our **Discretionary Bonus Scheme** for management Colleagues following the successful operational and financial performance of the Group for the year ended 31 March 2024.

We recognise that achieving our future growth ambitions and maintaining our industry-leading levels of customer care will not be possible without appropriately skilled and experienced managerial colleagues who are empowered to ***Take Responsibility*** for key decisions and to lead, support and inspire their teams. Consequently, we have recently launched a new performance management process - *Maximising Business Performance through our People* - to directly link the contribution of each manager to their bonus reward for the year ending 31 March 2025.

To further enhance the open channels of communication between our Colleagues and the Board and ensure that their views can contribute towards our future success, Angela Luger was appointed our Designated Non-Executive Director for Workforce Engagement in April 2024.

OUR CHIEF EXECUTIVE'S STATEMENT
continued

The success of the Group, proven through the many customer satisfaction accolades won, being awarded Best Large Company to work for at the Best Workplaces in Travel awards, plus the long-term financial performance achieved, demonstrates that our *People, Service, Profits* guiding principles are bearing tangible benefits. Consequently, commensurate investment in our Colleagues remains an enduring commitment of the Board.

Suppliers

We maintain constructive relationships with our suppliers through frequent dialogue, coupled with our annual supplier conference which focuses on how we and our supplier partners can work together effectively to forge mutually beneficial long-term relationships. These strong partnerships are proving crucial as we enter our peak Summer 2024 flying operation.

We also acknowledge the importance of timely and full payment to our suppliers, including of course our hotel partners, to underpin their financial well-being. In accordance with the '*Duty to report on payment practices and performance*' legislation, the average invoice payment period during the year was again commendable, being 22.7 days (2023: 20.2 days) for ***Jet2.com*** Limited and 24.6 days (2023: 22.7 days) for ***Jet2holidays*** Limited.

Shareholders

We maintain open lines of communication with our shareholders and institutional investors, engaging with them appropriately through regular interactions at Preliminary and Interim results meetings, individual investor meetings, broker/institutional conferences and at our Annual General Meeting.

UK Government and the Civil Aviation Authority

The Executive Directors and certain senior managers within the organisation regularly engage with senior representatives of the UK government and regulatory bodies. In the past year, discussions have focused on the future of sustainable air travel, together with the investigation into the disruption created from the NATS failure in August 2023. Furthermore, I actively engage with government, business and tourism bodies in the UK and in our destination countries, fostering relationships at both national and regional levels.

In addition, our Group Chief Financial Officer has frequent dialogue with the UK Civil Aviation Authority on the financial performance of the Group and our Accountable Manager, the Managing Director of ***Jet2.com***, meets regularly with his respective counterparts.

Outlook

Summer 2024 on sale seat capacity is currently 12.3% higher than Summer 2023 at 17.16m seats. Booked to date Package Holiday customers are up by 7%, representing 72% of overall flown passengers, with Flight-Only passengers increasing by 16%. Consequently average load factor is currently 73.4% (2023: 75.2%).

Passengers are currently booking much closer to departure and therefore, pricing for our flight-only and package holiday products must remain attractive. Summer 2024 pricing to date for both products is showing a modest increase, helping to offset in part previously announced input cost increases. As ever, we remain mindful of the current macro-economic and geo-political environments and how these may influence future consumer spending patterns.

However, **we continue to believe that the end-to-end package holiday is a resilient and popular product which remains high on the priority list for our Customers, even during uncertain economic times.**

Year to date the business is trading in line with management's expectations but given the very late booking profile and the peak summer months of July, August and September not yet complete, plus the majority of Winter 2024/2025 seat capacity still to sell, it remains premature as is always the case at this time of year, to provide definitive guidance as to Group profitability for the financial year ending 31 March 2025.

For the long term, our strategy remains consistent - **To be the UK's Leading and Best Leisure Travel business** - with *People, Service, Profits* serving as our guiding principles. With our differentiated and attractive end-to-end product, breadth of hotel choice and flexibility of duration, plus our consistently high quality *Customer First* approach, we are confident that customers will continue to travel with us from our Rainy Island to the sun spots of the Mediterranean, the Canary Islands and to European Leisure Cities.

Steve Heapy

Chief Executive Officer

22 July 2024

BUSINESS & FINANCIAL REVIEW

The Group's financial performance for the year ended 31 March 2024 is reported in accordance with UK-adopted international accounting standards and applicable law.

Summary Income Statement	2024 £m	2023 £m	Change
Revenue	**6,255.3**	5,033.5	*24%*
Operating expenses	**(5,827.1)**	(4,639.5)	*(26%)*
Operating profit	**428.2**	394.0	*9%*
Net financing income / (expense) (excluding Net FX revaluation gains / (losses))	**88.6**	(5.8)	*1,628%*
Profit on disposal of property, plant and equipment	**3.3**	2.6	*27%*
Profit before FX revaluation and taxation	**520.1**	390.8	*33%*
Net FX revaluation gains / (losses)	**9.4**	(19.8)	*147%*
Profit before taxation	**529.5**	371.0	*43%*
Net financing (income) / expense (including Net FX revaluation (gains) / losses)	**(98.0)**	25.6	*483%*
Depreciation	**248.8**	185.2	*(34%)*
EBITDA*	**680.3**	581.8	*17%*

* EBITDA is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group. Further information can be found in Note 5.

Customer Demand & Revenue

Our Leisure Travel business benefitted from consistent demand for ***Real package holidays from Jet2holidays®*** and scheduled holiday flights from ***Jet2.com*** throughout Summer 2023, although the latter months saw a more pronounced late booking profile. In addition, we were pleased with the progress made in Winter 2023/24 as flown passengers increased 17.8% to 3.9m.

Having increased overall seat capacity for the year by 10% to 19.73m (2023: 17.93m), ***Jet2.com***'s average load factors remained healthy at 89.8% (2023: 90.5%).

The proportion of customers choosing our higher margin per passenger end-to-end package holiday product increased 3.4ppts to 68.3% (2023: 64.9%), underlining the appreciation of our industry-leading levels of *Customer First* care together with the security that an ATOL licensed package holiday provides. However, our flight-only product remains very important, offering considerable flexibility as booking trends evolve and we were pleased that flight-only passengers remained relatively steady at 5.61m (2023: 5.69m).

With little change in holiday booking trends and customer demand steady although later, pricing for both products was robust which helped to cover the many inflationary increases in our cost base. Flight-only net ticket yield per passenger sector increased 14% to £114.23 (2023: £100.28) and the average price of a ***Jet2holidays*** package holiday increased by 11% to £830 (2023: £750)*.

Non-Ticket revenue per passenger sector increased by 1% to £26.34 (2023: £25.99), driven by improved inflight retail spend from better product mix and stock availability as compared to the supply issues suffered during Summer 2022. This was partially offset by lower flight-only hold baggage income due to the increased package holiday mix (where hold bags are included in the holiday price).

As a result, overall **Group Revenue increased by 24% to £6,255.3m (2023: £5,033.5m)**, equating to an increase of 14% in revenue per flown passenger to £353 (2023: £310).

* The prior year average price of a package holiday has been restated and is now net of government taxes. Further information on this can be found in Note 6.

Operating Expenses

Hotel accommodation costs increased 25% to £2,465.0m (2023: £1,973.6m) primarily due to the growth in package holiday customers. However, supply-led inflation, in particular on wages, food and energy costs which was partially offset by the impact of slightly shorter duration holidays (averaging 7.6 days versus 7.8 days last year) accounted for approximately 9% of the increase.

Despite our well established, proven hedging policy remaining consistent, fuel and carbon costs combined increased by 34% to £803.7m (2023: £598.1m). This rise was materially above the growth in flying activity, as geo-political factors meant pricing in both commodity markets remained stubbornly high, with the average cost of fuel and carbon allowances 24% and 19% higher respectively than the prior year. In addition, from 1 January 2024, the EU Emissions Trading Scheme exemption for return flights from the Canary Islands to the UK was removed, which added a further 1% to the overall cost.

Landing, navigation and third-party handling increased 18% to £474.9m (2023: £403.4m), outstripping flying activity growth due to average rate increases of approximately 8% across UK and European bases, including increased charges for new security systems, passengers with reduced mobility services and also Eurocontrol flying fees.

Travel agents commission of £166.9m (2023: £142.0m) largely moved in line with the increased volume of package holiday customers and the increase in average package holiday price.

Maintenance costs rose by 44% to £152.0m (2023: £105.2m) as we operated eight additional leased aircraft in Summer 2023, bringing total leased aircraft, which have a higher maintenance rate per flying hour than owned aircraft, to thirty. The balance was a function of higher costs associated with the maintenance of ***Jet2.com***'s older aircraft which are nearing retirement, plus the effect of a 6% strengthening of USD in the year.

Other direct operating costs increased 15% to £218.7m (2023: £190.1m), as in-resort agents fees and ATOL costs increased primarily as a result of package holiday volume growth, but also due to supplier inflationary cost increases, in particular on fuel for the provision of in-resort transfers to and from hotels. These increases were offset by a significant reduction in EU261 compensation on the prior year, as the wider aviation infrastructure returned to stable operations.

Staff costs of £744.1m (2023: £590.4m) increased as a result of a 9% pay award supporting the retention of happy and motivated colleagues amidst a challenging inflationary environment. In addition, we implemented our **Lifestyle 2023** initiative for flight crew, an investment of approximately £15m, aimed at improving roster stability and supporting a more balanced lifestyle – pleasingly, feedback from our operational colleagues has been positive. Finally, we incurred the full year effect of new starters from the prior year and also invested in colleague recruitment and training to be operationally resilient for the Summer 2024 season where seat capacity growth is over 12%.

Brand and direct marketing investment was 26% higher than the previous year at £264.2m (2023: £210.2m). Booked passengers increased 13%, higher than flown passenger growth, as we pulled forward Summer 2024 customer bookings to optimise load factor, with the remainder being partly inflation and partly mix driven.

Other operating expenses increased 44% to £148.8m (2023: £103.5m), in particular due to increased energy costs across our property infrastructure; professional costs associated with strategic IT projects; upgrades of older IT equipment, together with the indirect impact of increased headcount.

Total operating expenses increased by 26% to £5,827.1m (2023: £4,639.5m), representing an increase of 15% in operating cost per flown passenger to £329 (2023: £286).

Operating profit

Overall Group operating profit increased 9% to £428.2m (2023: £394.0m), which included approximately £14.0m of lost profitability from the broader disruption caused by the NATS failure, Rhodes wildfires and flooding in Skiathos as was widely reported. Consequently, operating profit per flown passenger was flat at £24.

BUSINESS & FINANCIAL REVIEW

continued

Net Financing Income

Net financing income (excluding Net FX revaluation gains) increased by £94.4m to £88.6m (2023: £5.8m expense), primarily due to £159.5m (2023: £58.7m) of finance income driven by higher levels of cash deposits coupled with increases to bank interest rates made over the course of the financial year.

Finance expenses of £70.9m (2023: £64.5m) increased chiefly due to additional interest incurred on lease liabilities as a result of aircraft acquired to support capacity growth.

In addition, a net FX revaluation gain of £9.4m (2023: £19.8m loss) resulted from the year end revaluation of foreign currency denominated monetary balances.

Statutory Profit for the Year

As a result, **Group statutory profit before taxation was £529.5m (2023: £371.0m), an increase of 43%** with profit per flown passenger increasing 30% to £30 (2023: £23).

Taxation

The Group tax charge of £130.3m (2023: £80.2m) is made at an effective tax rate of 25% (2023: 22%).

Statutory Net Profit for the year and Earnings Per Share

Consequently, **Group statutory profit after taxation increased 37% to £399.2m** (2023: £290.8m) and basic earnings per share was 185.9p (2023: 135.4p).

Other Comprehensive Income and Expense

The Group had Other comprehensive income of £2.7m (2023: £179.0m expense), with the expense in the prior year primarily driven by the transfer to the consolidated income statement of hedged gains from in-the-money fuel derivatives as at 31 March 2022.

Cash Flows and Financial Position

The following table sets out condensed cash flow data and the Group's cash and cash equivalents and money market deposits:

Summary of Cash Flows	2024 £m	2023 £m	Change
EBITDA	**680.3**	581.8	*17%*
Other Income Statement adjustments	**11.4**	7.8	*46%*
Operating cash flows before movements in working capital	**691.7**	589.6	*17%*
Movements in working capital	**362.8**	362.6	–
Interest and taxes	**39.0**	(0.1)	–
Net cash generated from operating activities	**1,093.5**	952.1	*15%*
Purchase of property, plant and equipment, right-of-use assets and equity investments	**(410.0)**	(196.6)	*(109%)*
Movement on borrowings	**17.7**	(287.7)	*106%*
Movement on lease liabilities	**(116.5)**	(76.2)	*(53%)*
Dividends paid in the year	**(25.8)**	(6.4)	*(303%)*
Other items	**1.1**	11.0	*(90%)*
Net increase in cash and money market deposits [(a)]	**560.0**	396.2	*41%*

a. Cash flows are reported including the movement on money market deposits (cash deposits with maturity of more than three months from point of placement) to give readers an understanding of total cash generation. The Consolidated Statement of Cash Flows reports net cash flow excluding these movements. Further information on these balances as at the year-end can be found in Note 5.

Net Cash Generated From Operating Activities

The Group generated operating cash inflows before working capital movements of £691.7m (2023: £589.6m) primarily driven by the strong trading performance which resulted in EBITDA improving to £680.3m (2023: £581.8m).

Movements in working capital, in particular on advance customer cash receipts and supplier payments, resulted in cash inflows of £362.8m (2023: £362.6m). The higher interest rate environment combined with higher average cash balances resulted in an increase in net finance income received to £84.2m (2023: £15.1m). After having utilised a proportion of the deferred tax asset in respect of losses incurred during the Covid pandemic, Corporation tax payments were £45.2m (2023: £15.2m). Overall, the Group generated £1,093.5m of cash from its operating activities (2023: £952.1m), an increase of 15%.

Net Cash Used In Investing Activities

Total capital expenditure amounted to £408.0m (2023: £196.6m) primarily representing balance payments for six Airbus A321neo aircraft delivered during the year, together with pre-delivery payments for future arrivals. Additionally, we continued to invest in the ongoing maintenance of our existing aircraft fleet, ensuring its long-term reliability and performance. This investment included a programme to upgrade winglets to split scimitars on our Boeing 737-800NG fleet, aiding a reduction in both fuel and carbon emissions.

Furthermore, we invested in our new ROC to take full control of ***Jet2.com***'s inflight logistics operation. The facility which is fully operational, provides inflight ambient products for ten of our eleven UK bases. The Group has now commenced the second phase of this initiative, investing in world leading automation equipment which will offer further benefits from 2025 and beyond.

Purchase of equity investments of £2.0m represented our initial investment in the Fulcrum NorthPoint facility, being developed by Fulcrum BioEnergy Ltd, securing ***Jet2.com***'s access to sustainable aviation fuel which is planned to be produced by this facility from 2028.

Net Cash Used In Financing Activities

Net cash used in financing activities amounted to £124.6m (2023: £370.3m) including repayments of borrowings and lease liabilities of £289.5m (2023: £363.9m), offset by loans advanced of £190.7m (2023: £nil) for new aircraft deliveries in the period.

Dividend payments of £25.8m (2023: £6.4m) reflected the resumption of a final dividend payment of 8.0p per share for the previous year's financial performance, together with the payment of an interim dividend of 4.0p per share (2023: 3.0p).

Other items totalling an inflow of £1.1m (2023: £11.0m) include £3.3m of proceeds from retired aircraft and engine sales (2023: £2.7m) offset by the effect of foreign exchange rate changes on the Group's cash and money market deposit balances which totalled a £2.2m loss (2023: £8.3m gain).

Overall, this resulted in a net cash inflow of £560.0m (2023: £396.2m) and a year-end total cash and money market deposits position† of £3,184.7m (2023: £2,624.7m). Net cash, stated after borrowings and lease liabilities increased by 38% to £1,729.3m (2023: £1,249.7m).

At the reporting date, the Group had received payments in advance of travel from customers amounting to £1,853.3m (2023: £1,497.6m) and had increased its 'Own Cash'† balance to £1,331.4m (2023: £1,127.1m).

† Further information on the calculation of this measure can be found in Note 5.

BUSINESS & FINANCIAL REVIEW
continued

Liquidity

The Group maintains a robust financial position, characterised by a strong balance sheet offering ample liquidity to pursue our growth aspirations at a healthy return on capital, to refresh certain of our less efficient aircraft fleet and to comfortably repay our debt obligations. These resources also provide financial resilience and flexibility to navigate potential challenges should they arise.

Consequently, we were able to purchase a number of the A321neo aircraft delivered during the year through our Own Cash reserves. In addition, we repaid the final instalments of debt acquired during the pandemic of £82.2m which was secured against twelve Boeing 737-800NG midlife aircraft. We also took the opportunity to prepay remaining debt obligations secured against three Boeing 737-800NG aircraft of £41.2m, this debt having been acquired between 2016 and 2019 at a higher funding cost than the Group can currently access in aircraft financing markets.

In October 2023, the Group successfully extended its sustainability-linked Revolving Credit Facility (RCF) by a further year through to 19 October 2027, on the same commercial terms with its four supportive relationship banks: Barclays Bank plc; HSBC UK Bank plc; Lloyds Bank plc; and National Westminster Bank plc.

Summary Statement of Financial Position	2024 £m	2023 £m	Change
Non-current assets [(a)]	**1,858.4**	1,519.8	*22%*
Net liabilities [(b)]	**(101.6)**	(115.0)	*12%*
Cash and money market deposits	**3,184.7**	2,624.7	*21%*
Deferred revenue	**(1,926.6)**	(1,563.6)	*(23%)*
Borrowings	**(755.8)**	(729.2)	*(4%)*
Lease liabilities	**(699.6)**	(645.8)	*(8%)*
Deferred taxation	**(110.1)**	(36.7)	*(200%)*
Derivative financial instruments	**(40.5)**	(41.8)	*3%*
Total shareholders' equity	**1,408.9**	1,012.4	*39%*

a. Stated excluding derivative financial instruments and trade and other receivables.

b. Stated excluding cash and cash equivalents, money market deposits, deferred revenue, borrowings, lease liabilities and derivative financial instruments.

Total shareholders' equity increased by £396.5m (2023: £115.8m) which included profit after taxation of £399.2m (2023: £290.8m), which was partially offset by dividends paid of £25.8m (2023: £6.4m).

In any sector, being recognisably differentiated is an important quality – in a sector that is providing an experiential consumer product this is vital. Consequently, we recognise that a well-capitalised balance sheet allowing sustained levels of investment to stay ahead of the competition is paramount. This investment in aircraft, product, brand and customer service excellence, plus the delivery of a differentiated and attractive end-to-end product which pleases customers from start to finish, engenders loyalty and repeat bookings – meaning a better quality of recurring revenue and profitability – a great platform in our aim **To be the UK's Leading and Best Leisure Travel business**.

Gary Brown
Group Chief Financial Officer

22 July 2024

KEY PERFORMANCE INDICATORS

Leisure Travel Key Performance Indicators	2024	2023	Change
Seat capacity	**19.73m**	17.93m	*10%*
Flown passengers	**17.72m**	16.22m	*9%*
Load factor	**89.8%**	90.5%	*(0.7 ppts)*
Flight-only passengers	**5.61m**	5.69m	*(1%)*
Package holiday customers	**6.08m**	5.29m	*15%*
Package holiday customers % of total flown passengers	**68.3%**	64.9%	*3.4ppts*
Flight-only ticket yield per passenger sector (excl. taxes)	**£114.23**	£100.28	*14%*
Average Package holiday price*	**£830**	£750	*11%*
Non-ticket revenue per passenger sector	**£26.34**	£25.99	*1%*
Fuel requirement hedged – next 12 months	**81.7%**	81.8%	*(0.1 ppts)*
Advance sales made as at 31 March	**£3,720.0m**	£3,028.2m	*23%*

* The prior year price of a package holiday has been restated and is now shown net of government taxes. Further information on this can be found in Note 6.

RISK MANAGEMENT

OVERVIEW

Successful management of existing and emerging risks is critical to the long-term success of our business and the achievement of our strategic objectives, including sustainable profitable growth. The Board of Directors is responsible for establishing and overseeing the Group's risk management and internal control framework and is accountable for defining both the nature and extent of the principal risks and uncertainties that the Group is willing to accept and how those principal risks are managed, mitigated and monitored.

This section outlines the Group's approach to managing these risks, which due to the dynamic nature of the leisure travel industry are not exhaustive and will likely evolve over time.

RISK MANAGEMENT PROCESS

Approach to risk

The Board regularly carries out a robust assessment of our risk management process, which is supported by an annual Risk Management Forum. Emerging and principal risks facing the Group are specifically addressed through this process, which incorporates the effectiveness of controls in place to mitigate those risks and agrees any actions required, considering the Group's risk appetite.

Ongoing risk management and monitoring is maintained via our Risk Oversight Committee, which meets more frequently. The Committee comprises: the Chief Executive Officer; the Group Chief Financial Officer; and the Group Legal Director & Company Secretary; with the Head of Internal Audit & Business Continuity attending by invitation. The Committee's main responsibility is to formulate risk strategy and policy via:

- Considering updates on a rotational basis from the Leisure Travel Operational Directors on specific, targeted actions which are being developed to improve control effectiveness and risk mitigation in the context of the Group's risk appetite.
- Monitoring of Key Risk Indicators (KRIs) to assess the Group's risk exposure and identify and consider new and emerging risks and any changes to the risk environment.
- Monitoring the adequacy and effectiveness of risk mitigation measures and recommending adjustments or improvements as necessary.
- Obtaining assurance that an appropriate risk culture is in place across the business.
- Distilling principal risks and specific considerations for the Board and for the Audit & Risk Committee.

The Group employs an Enterprise Risk Management tool to support its risk management process. This tool aids in the creation and maintenance of individual risk registers at a Risk Category level and facilitates focused discussions in the annual Risk Management Forum. It also ensures effective governance over the recording, monitoring, and reporting of risks within the business. Additionally, the tool offers visual, interactive summaries of risk performance and provides informed scoring of risk and control effectiveness relative to risk appetite.

The key features of the Group's approach to risk and systems of internal control are:

Identify

- Identifying risks and opportunities is a continual process across all business areas.
- The Board is responsible for ensuring that an effective risk management process is operating throughout the organisation.
- The ***Jet2*** annual Risk Management Forum, supported by the Risk Oversight Committee, identifies new and emerging risks and updates, assesses, and manages significant existing risks crucial to the long-term value of the organisation.

Assess

- Risks are assessed considering the likelihood and impact of the risk materialising, in the context of the Group's risk appetite. Appropriate controls are identified and assessed to mitigate those risks.
- In addition to oversight by the annual Risk Management Forum and Risk Oversight Committee, our principal risk areas are regularly assessed through a broad range of Steering Committees and Action Groups.
- The Audit & Risk Committee also review principal risks and the status of mitigating actions.

RISK MANAGEMENT

Manage and Monitor

- Risk Owners (Operational Director level) and Action Owners are appointed and held accountable for relevant risk assessment, reporting, update and status of mitigating actions.
- Target dates for the implementation of actions are set and regularly reviewed.
- Assurance mapping of our principal risks enables control effectiveness to be monitored and linked into our Internal Audit plan, to provide independent assurance over key processes and controls.

Embed

- Our Safety Management System and "Just" reporting culture ensure appropriate rigour regarding the safe operation of our Leisure Travel activities.
- Our structure has clear segregation of duties, control and authority.
- Risk mitigation is further supported through Board approved policies and procedures over critical areas.
- Critical risk areas are supported by mature second-line functions who provide oversight of key processes.

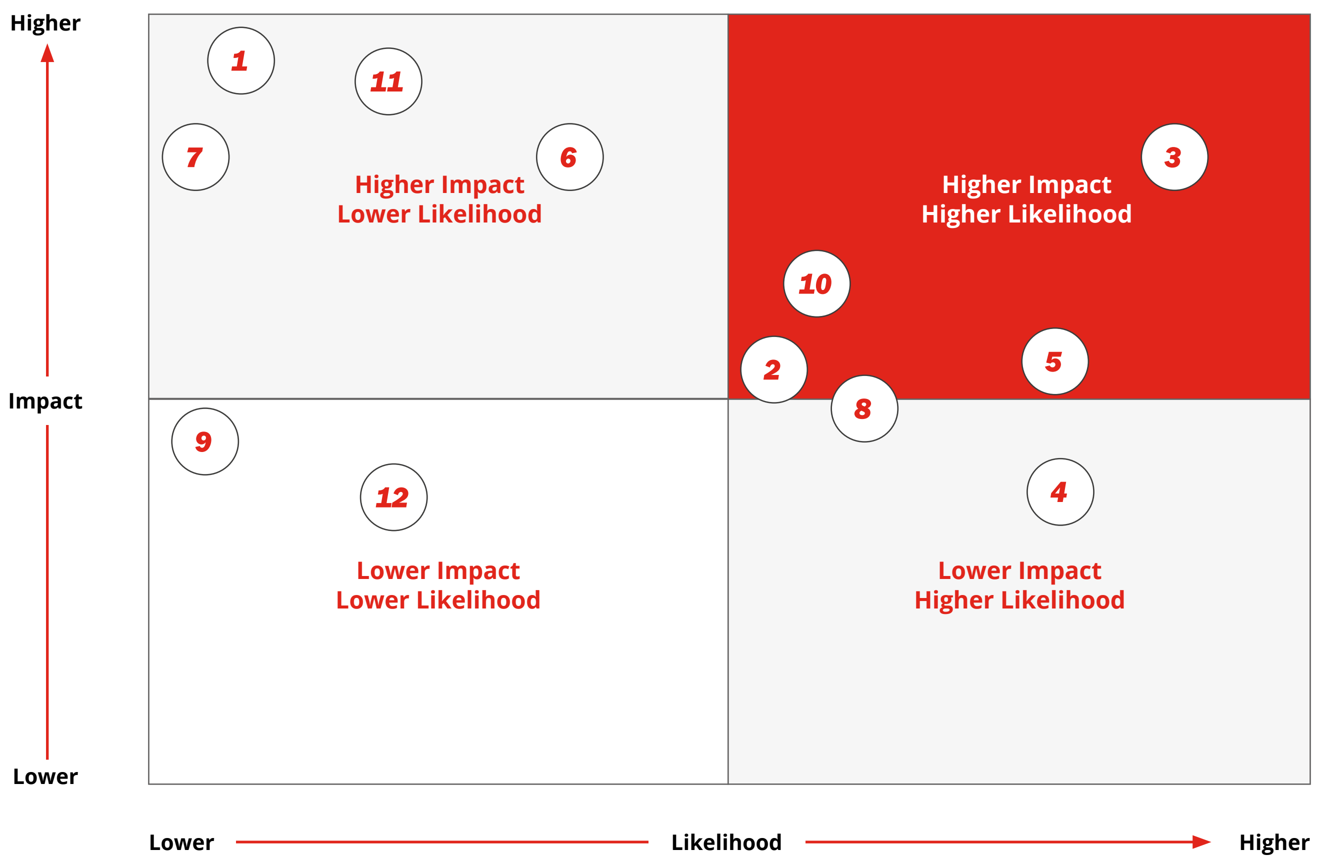
Report

- The status of risk mitigation, progress of outstanding actions and analysis of risk appetite is provided to the Audit & Risk Committee.
- A comprehensive risk review is also undertaken at one Audit & Risk Committee meeting each year which is dedicated to risk reporting and actions.
- Key risks are discussed at the ***Jet2 plc*** Board meeting, including consideration of mitigating factors.

RISK MANAGEMENT
continued

VISUALISATION OF PRINCIPAL RISKS

Our principal risks have been plotted on the heat map below, reflecting their mitigated status:



Risk

1. Health, safety and security
2. Competition
3. Climate and sustainability
4. Economic conditions
5. Input cost volatility, including interest, fuel and carbon costs
6. IT development and strategy (including failure of critical technology)
7. Liquidity and capital risk
8. Government policy and regulatory intervention
9. Legal / regulatory non-compliance
10. Operational disruption
11. Data security
12. Recruitment and retention of talent

The key changes to our risk heat map in comparison to the previous financial year are:

Risk	Number	Movement	Rationale
Operational disruption	10	Increased Risk	Although we remain confident that our established operational processes can respond to significant disruptive events and mitigate their impact, more recently these events have increased in frequency as evidenced in Summer 2023 by the Rhodes wildfires and Skiathos floods.
Economic conditions	4	Decreased Risk	Although cost of living pressures remain on household budgets, we believe that the slowing of inflationary price increases and stabilisation of interest rates relative to our prior year assessment, contribute to a decrease in this risk category.
Recruitment and retention of talent	12	Decreased Risk	Our People are critical to our success, with our *Customer First* approach and our ***'Take Me There'*** values cornerstones of our business. Pleasingly, we have been able to support our Colleagues with a range of focused initiatives, including: • compound Annual Pay Review growth of more than 24% over the past three years; • the reinstatement (post Covid) of our Discretionary Colleague Profit Share Scheme for non-management colleagues and our Discretionary Bonus Scheme for management colleagues; • the issuance of share options and the implementation of ShareSave; and • the launch of our **Lifestyle 2023** initiative for flight crews, the aim being to improve roster stability and provide a more balanced lifestyle for our valued crew members. As a result, we believe that the likelihood of being unable to recruit and retain talented colleagues has decreased year on year.

Risk movement

Stable · Increased Risk · Decreased Risk · New Risk

RISK MANAGEMENT
continued

DETAILED RISK ANALYSIS

1 Health, safety and security

Risk movement

Risk owner – Chief Executive Officer

Risk description

- The health, safety and security of our Customers and Colleagues is a key priority.
- Failure to prevent or deal effectively with a major safety incident on the ground, in the air or in resort, including a security related threat.

Potential consequences

- Injury / loss of life
- Operational disruption
- Significant cost increase
- Loss of customer trust
- Damage to brand reputation
- Reduction in future revenue
- Civil / criminal litigation

Mitigating actions

Our airline operates a robust Safety Management System (SMS) based upon a 'Just Culture', which provides an environment where colleagues are encouraged to report and submit safety related information in a timely manner. This enables the proactive assessment and mitigation of risk associated with our airline operation, escalated via regular internal Safety Action Groups to the Safety Review Board (SRB), which meets quarterly.

Compliant and effective SMS oversight is provided by the use of occurrence report investigations, flight data management, safety risk management, health and safety and aviation security inspections, together with compliance and assurance audits across our operations.

All airline safety and security matters are managed by our Safety, Compliance and Security team, who act as our second line of defence in this area, reporting directly to the Accountable Manager (the Managing Director of ***Jet2.com*** Limited) and the SRB. A granular, safety specific risk register is maintained by this team, which assesses and quantifies all known safety related matters across the airline operation, including relevant mitigation and any required actions.

Any change to operations or processes that may have a safety or security impact is subject to a "Management of Change" process, involving a detailed risk assessment of all potential safety related impacts with relevant controls, and actions (if required) to ensure that safety is never compromised. In the current year this included our new Retail Operations Centre, which has been through a strict security process to ensure that it complies with relevant regulations and has been approved by the UK Civil Aviation Authority (CAA).

The SRB monitors trends and identifies any areas of safety risk that require closer attention, including those that arise from significant business events. A key output of the meeting is the cascade of information and actions back to relevant colleagues.

Aviation Security is subject to significant UK and International regulation. ***Jet2.com*** has an experienced, dedicated Aviation Security team who hold government security clearance. This team ensures compliance with applicable regulations and has an established security specific risk register to monitor and control current and emerging threats with particular attention being paid to insider threat, both within the organisation and within key operational suppliers.

The ***Jet2holidays*** Risk and Safety team utilise a framework that enables a consistent approach to the assessment, monitoring, and control of safety related risk throughout the customer journey. Supplier accommodation, in-resort transfers, and excursions are all evaluated. This has been further enhanced by the use of a data analysis team who deploy sophisticated analytics and trend analysis to manage safety inspections and to highlight and mitigate potential risk. Evaluation and management of risk is completed by an in-house team of highly experienced first language speaking risk and safety managers who have extensive local knowledge of health and safety legislation and are based in the resorts in which we operate.

The emphasis on accountability for all inputs to our package holiday product is placed on the supplier. ***Jet2holidays*** uses risk profiling and assessments to identify those suppliers who need additional support to comply with our standards and / or local legislation mandates. Compliance with ***Jet2holidays'*** risk and safety standards is measured using several methodologies, including onsite inspections, audits, surveys, and reviews of documentation and certification.

The ***Jet2holidays*** Risk and Safety Steering Group, chaired by the Chief Executive Officer, meets frequently to discuss emerging risks and to determine appropriate strategies and the required investment to mitigate or control those risks. Other inter-departmental subgroups can be established rapidly to provide a forum for subject matter experts to deliberate and take early actions on developing risks.

Our risk mitigation includes crisis and incident management, and we have made significant investment in facilities, technology and training to ensure we are prepared and capable of responding. Our aim is to mitigate, prepare, respond and recover, which forms the basis of our emergency response plan. We have a fully functioning Emergency Response Centre (ERC) where we can implement a formal command structure to manage a range of potentially disruptive events, with simulation exercises and training conducted on a regular basis to test our crisis response. The ERC proved invaluable when it was invoked during the year to manage and co-ordinate our response to the Rhodes wildfires and Skiathos floods.

Our business transfers risk to the insurance market using a number of partnership brokers and insurance providers. Our insurance covers all aspects of our business including, but not limited to, Employer's Liability Insurance, Tour Operators Liability Insurance, Terrorism cover, Cyber Insurance and Aviation Insurance.

2 Competition

Risk movement

Risk owner – Chief Executive Officer

Risk description

- The business operates in competition with tour operators, online travel agents and low-cost airlines. In addition, new entrants to the market may increase this risk.

Potential consequences

- Reduction in profitability or market share
- Impact on the availability of quality hotel room stocks
- Significant cost increase to retain market share

Mitigating actions

The business will continue to focus on its core principles, which are: to provide a *Customer First* service; be family friendly; and offer great value for money.

We focus on customer-driven scheduling of flights on popular leisure destination routes to maximise load factor, package holiday prices, flight-only ticket yields and non-ticket revenue, while maintaining an attractive value proposition to customers. Our quick-to-market, flexible operating model allows us to successfully tailor our flight programme in response to changes in consumer demand.

In 2024, the addition of our eleventh UK base at Liverpool, along with new routes to exciting destinations, including Tivat, Bergen, Porto, Gdansk, Marrakech and Agadir illustrate our commitment to providing our Customers with more choice and variety for their well-earned holidays.

We also continue to offer thousands of Free Child Places across our most popular destinations, as well as a range of deals for single parents at family-friendly hotels. We also provide great choice and value for solo traveller holidays.

In response to supplier disruption, ***Jet2.com*** has taken control of its critical in-flight retail operations by opening a multi-million pound Retail Operations Centre in October 2023, the first centre of its kind in the UK aviation industry. This pioneering centre sets new standards for *Customer First* service, efficiency and security and has been developed to create a strong foundation to deliver our award-winning customer service as well as drive growth.

Our *Customer First* ethos has helped propel ***Jet2holidays*** to the position of UK's largest tour operator. We were delighted to have been recognised for our outstanding service in February 2024 when we were once again recognised as the only UK airline to be named a Which? Recommended Provider. In addition, in January 2024 Feefo, one of the UK's largest review websites, awarded ***Jet2holidays*** a Platinum Trusted Service Award for the third year running. We were also the only airline to make the top 50 in the UK Customer Satisfaction Index (UKCSI) for 2024.

We work alongside and invest in relationships with selected hoteliers, who take assurance from our financial security and our consistent and timely payment record, to secure dependable and competitive room offerings in the most attractive properties, always ensuring that we are satisfying our Customers' desire for choice and quality.

The development of our digital strategy is integral to the business as its capability helps to build customer loyalty, drive revenue growth and deliver greater customer satisfaction. It is focused on making our Customers' digital experience best in class, regardless of the device or channel through which they interact with us.

Our integrated ***Jet2.com*** and ***Jet2holidays*** mobile apps provide users with a convenient and efficient experience with the functionality to search, book and manage both package holidays and flights in one place. In addition, our ***MyJet2*** membership programme enables seamless one-click access for customers to proactively manage their bookings in one place; consumer engagement through competitions such as '*Bid for a Break*'; and a personalised experience to optimise booking conversion via exclusive discounts on flights and package holidays.

Our broad range of products, such as ***Jet2Villas®*** and ***Jet2CityBreaks®***, including our experiential 'Discover More' City Breaks, plus the provision of added value products such as **Indulgent Escapes®** together with **Vibe by *Jet2holidays*®**, continue to broaden our market penetration.

RISK MANAGEMENT
continued

3 Climate and sustainability

Risk movement

Risk owner – Chief Executive Officer

Risk description

- We know that holidays are amazing but as a socially and environmentally responsible airline and package holiday provider we also know they need to be more sustainable, so that our customers can keep enjoying their well-deserved trips for the long term.
- Impacts of extreme weather events or rising sea levels on tourism destinations and infrastructure.
- Slow pace of technological advancement to aid decarbonisation, such as the availability of Sustainable Aviation Fuel (SAF) and improvements to aircraft efficiency. This is exacerbated by a lack of meaningful investment by governments.
- Inconsistent and potentially onerous government policy which does not appropriately address industry climate risks and results in disproportionate costs to the Group.

Potential consequences

- Reputational risk of perceived inaction could adversely impact passenger demand
- Significant increase in costs of both existing and potential new aviation and travel taxes, charges and levies

Mitigating actions

The Sustainability Steering Committee meets quarterly and consists of our Chief Executive Officer (CEO), Sustainability and Business Development Director, Head of Sustainability, Group Chief Financial Officer, Director of Planning and Group Legal Director & Company Secretary.

The Committee reviews progress against the Group's Sustainability Strategy targets and reviews and considers new environmental legislation requirements. The CEO briefs the Audit & Risk Committee and the Board on pertinent information where appropriate.

Our progress against our targets, has seen us ranked 4th among the top 100 airlines globally for carbon intensity in the CAPA 2023 sustainability benchmark report. In addition, our recently updated Sustainability Strategy outlines our 35% emissions intensity reduction pathway, which brings our 2035 carbon intensity target in line with the Science Based Targets initiative (SBTi).

During the year, we received a further six A321neo aircraft from Airbus as per our agreed delivery schedule. These aircraft boast impressive fuel efficiency and sustainability credentials, reducing fuel consumption and CO_2 emissions per seat by over 20% as compared to our existing fleet. The Group has committed to a total order of 146 of these aircraft to be delivered over the period to 2035, to be able to grow sustainably and enable it to retire its older, less efficient aircraft.

In 2024, ***Jet2.com*** will use a blend of SAF at London Stansted, Bristol and Malaga airports, having purchased approximately 1,200 tonnes, almost a year ahead of the UK and EU Government's SAF mandate which is due to be introduced from January 2025. This follows our equity investment in the Fulcrum NorthPoint facility, in the North West of England, which once operational, allows ***Jet2.com*** to receive more than 200 million litres of SAF from this plant over a 15-year period.

The Group has a well-established Board approved Hedging Policy to manage carbon price risk, using forward contracts with approved counterparties supplemented with purchases of additional carbon credits bought at spot rate or through auctions.

At the end of 2023, we began the process of obtaining ISO14001 certification, an internationally recognised standard for Environmental Management Systems. To achieve certification, an organisation needs to pass an external audit which is split into two stages, with Stage 1 passed in February 2024 and Stage 2 taking place in July 2024.

Jet2 maintains active membership of organisations such as Airlines for Europe (A4E), Sustainable Aviation and ABTA, who provide regular updates on the latest regulatory changes and offer a forum for knowledge sharing. Our CEO is also a member of the Jet Zero Council (JZC) and its Sustainable Aviation Fuels Delivery Group, which aids the monitoring of policy development in this area. Alongside its partners in these organisations, we continue to extensively lobby the UK government and the EU to work multilaterally with governments across Europe to implement Air Traffic Management reforms. These reforms could remove the current system inefficiencies, enabling the more efficient use of airspace in both the UK and the European Union, which has been estimated to realise an 8% carbon emissions reduction. In comparison to other environmental opportunities, which are dependent on complex technological advancements, this reform represents one of the quickest and most easily achieved reductions to airline carbon emissions.

Further information can be found within the Sustainability section of this Annual Report & Accounts on pages 59 to 68.

4 Economic conditions

Risk movement

Risk owner – Chief Executive Officer

Risk description

- Whilst we believe that UK consumers regard their summer holiday as a very important element of the annual household budget, economic conditions may ultimately have an impact on the level of demand for the Group's leisure travel services.
- The broader macro-economic climate may also impact the viability of hotel partners, some of whom the Group places monetary advances with to secure accommodation.

Potential consequences

- Reduction in customer demand
- Reduction in future revenue
- Inability to recover hotel supplier advances

Mitigating actions

The business has built a strong brand and reputation for providing ***'package holidays you can trust'™*** and the delivery of an attractive and memorable holiday experience engenders loyalty and repeat bookings.

The control of our own seat supply and our frequency of flying, allow us to offer truly variable duration holidays, critical in providing our Customers the ability to flex their holiday arrangements to suit their individual budgets.

We offer our Customers a wide choice of hotels and board basis including all-inclusive options to lock in the total cost of the holiday, plus many free child places; all vital ingredients to cater for differing budget requirements.

We regularly promote the benefits of travelling with an end-to-end ATOL protected package holiday tour operator to increase customer confidence and peace of mind.

Maintaining stable supplier relationships is vital in providing memorable holiday experiences to our Customers. Consequently, we collaborate with our suppliers to deliver the best quality and value for our business and our Customers. This extends to prompt payment for goods and services, as well as adherence to our Supplier Code of Conduct, which outlines the standards, expectations and behaviours we require.

Recoverability of hotel supplier advances is supported by close monitoring of booking performance and the structuring of arrangements to minimise risk of exposure. In addition, financial due diligence is performed and updated by our team of in-destination Financial Risk Managers to enable hotel agreements to be re-assessed and de-risked where appropriate.

5 Input cost volatility, including foreign currency, interest, fuel and carbon costs

Risk movement

Risk owner – Group Chief Financial Officer

Risk description

- The business incurs significant operational costs which are Euro and US dollar denominated and can be exposed to sudden movements in exchange rates.
- The cost of fuel is a considerable element of the business's cost base and the effective management of aviation fuel price volatility remains important.
- The Group uses specialist aircraft finance with some of this borrowing subject to floating rate interest charges, which generates interest cost volatility.
- Changes to carbon emission trading schemes (ETS), including both cost increases and potential scheme expansion across currently exempt destinations such as the Canary Islands (outbound from UK) and Türkiye.

Potential consequences

- Significant increase in costs and potential reduction in profitability
- Potential increased cost of expansion of UK ETS to include currently exempt destinations and of additional emissions trading schemes in new jurisdictions

Mitigating actions

The Group has a well-established Board approved Hedging Policy to manage risks associated with foreign exchange rates, interest rates and fuel prices, utilising derivative financial instruments such as forward currency contracts, options, interest rate swaps, and aviation fuel swaps and options, with approved counterparties. Additionally, forward contracts are utilised to manage non-financial risks such as carbon prices.

An active control process is in place between flight planning, revenue planning, finance and treasury functions, to continuously assess hedging requirements.

Regular tracking of foreign exchange, fuel and carbon markets is undertaken by the Group's Treasury function, and a summary of the latest market outlook from various banks is produced on a quarterly basis for the Board.

Additionally, the Group works closely with hedge counterparties specialising in the carbon emissions markets, gaining valuable insight into potential future scheme changes and market developments, and how the associated risks can best be managed. The Group incorporates any anticipated future changes to schemes into its long-term financial planning forecasts including the phasing out of free allowances in the EU and UK ETS in 2026.

Reporting of all Treasury activity, including compliance with the Hedging Policy, is produced monthly for members of the Board.

Further information on hedging, the Group's key mitigation to input cost and interest cost volatility risk, and details of the Group's Hedging Policy, are contained within Note 2 to the consolidated financial statements.

RISK MANAGEMENT
continued

6 IT development and strategy (including failure of critical technology)

Risk movement

Risk owner – Chief Information Officer

Risk description

- The Group is reliant on a number of key IT systems and processes including, but not limited to, operational, commercial and financial, and their scalability and ongoing development is vital.
- The Group is reliant on a number of key suppliers who in turn are reliant upon their own key IT systems.
- The loss of access to these systems, or the ***Jet2.com*** and ***Jet2holidays*** websites may result in significant disruption to operations and could adversely impact the Group's reputation and financial performance.
- Customers expect engaging, user-friendly websites and mobile apps along with social media interaction which, if not appropriately managed, could negatively impact their experience and the Group's customer focused proposition.

Potential consequences

- Operational disruption
- Reduction in future revenue
- Significant increase in costs
- Adverse media coverage
- Regulatory fines / sanctions

Mitigating actions

Our digital strategy is integral to the Leisure Travel business and considerable investment continues to be committed annually to ensure that the search and booking experience across all devices is as effortless and efficient as possible.

Continued investment in big data, cloud architecture and carefully governed Artificial Intelligence to drive speed, productivity and better-quality intelligence on customer behaviour will ensure the business remains nimble, leading edge and efficient in its customer acquisition strategy.

Furthermore, our Robotic Process Automation team is increasingly realising the efficiency benefits of automation software in certain of our processes across the business.

The Board continues to undertake considerable investment in IT underpinning the confidentiality, integrity and availability of Group systems and data, and improving and enhancing its cyber security defences, reflecting the continually developing threats in this area.

Each month the Group performs both stress and failover tests of key systems between geographically dispersed data centres. In addition, the Group regularly performs incident response exercises covering system loss, data loss, site loss, ransomware events, supplier cyber incidents and hostile attack. To add further resilience it also has a 24/7 IT Operations and Incident Response team.

The Group has a default standard of highly resilient system architecture whilst seeking to avoid risks posed by overly complex infrastructure design. Systems are resilient within and across data centres or cloud locations. Where appropriate, critical systems are duplicated across alternate suppliers.

The Group has a stringent change management process for development releases and other IT changes. This process demands comprehensive evidence of success before deployment and involves thorough testing and sign-off from relevant business areas and IT teams.

The Group is confident it has in place an appropriately balanced approach and the right organisational controls, supply chain and development roadmaps, to rapidly adopt emerging technologies to support planned growth.

7 Liquidity and capital risk

Risk movement

Risk owner – Group Chief Financial Officer

Risk description

- The Group will have insufficient funds to meet its financial obligations as they fall due.

Potential consequences

- Failure to meet financial obligations as they fall due
- Weakening of supplier relationships
- Reputational risk
- Exposure to non-favourable interest rates

Mitigating actions

The Group has a well-established Board approved Liquidity Policy to guide its management of liquidity and capital risk. The policy is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits, whilst securing the continuity and flexibility of funding through the use of committed banking facilities and specialist aircraft finance.

In addition to ensuring that our liquidity position meets the investment needs of our business, it also acts as a key control in helping us to manage disruptive operational events, highlighted by the Rhodes wildfires, Skiathos floods and NATS service outage experienced during the year.

Reporting of all Treasury activity, including compliance with the Liquidity Policy, is produced monthly for members of the Board.

Short-term cash flow risk in relation to margin calls in respect of fuel, carbon, foreign currency and interest rate hedge positions is minimised through diversification of counterparties together with appropriate credit support thresholds.

Regular assessment is made of the Group's banking facility covenant compliance for which there were no breaches during the year.

The Group has a well-established and detailed financial planning process, enabling rapid modelling and reporting against multiple scenarios which assists the Group in forecasting its ongoing liquidity requirements.

The Group intends to fund its future A321neo aircraft deliveries through a combination of internal cash resources and debt. Both existing and prospective aircraft finance partners continue to display a high degree of interest in providing funding for our new aircraft.

8 Government policy and regulatory intervention

Risk movement

Risk owner – Chief Executive Officer

Risk description

- New regulation and / or legislation imposed that may impede operations.
- There is a continuing risk of the imposition of taxes and charges levied by regulatory decision rather than by commercial negotiation, at levels in excess of economic cost.

Potential consequences

- Significant increase in costs of existing aviation and travel taxes, charges and levies
- Adverse effect on passenger demand
- Policies to constrain capacity growth and consumer demand
- Noise curfews

Mitigating actions

The European Union Entry-Exit System (EES) is scheduled for implementation in October 2024. This is a digital barrier system designed to eliminate passport stamps for non-EU travellers but will initially require UK citizens to provide biometric data (fingerprint and facial) on arrival to the EU. However, processing times are likely to be extended in the early phases of launch as passenger data is collected by EU border control teams, impacting customers' travel experience.

The Group engages public affairs advisers and will continue to engage with policy setters and regulators to encourage legislation that is fit for purpose and ensure full awareness of the implications of any proposed future changes.

Efforts to engage policymakers on environmental legislation and Sustainable Aviation Fuel (SAF) adoption have been significant. The UK SAF mandate will be introduced from 2025 and will require a minimum of 2% SAF in the aviation fuel mix, increasing to 10% by 2030. Similarly, the European Union mandates a minimum of 2% SAF in fuel by 2025, increasing to 6% by 2030. However, there remains uncertainty regarding the UK Government's timeline to establish either an interim and / or permanent solution on the revenue certainty mechanism for SAF before 2025.

The Group carefully manages seat capacity, considering airport and airspace capacity limitations, including night flight and noise restrictions. It also actively engages in policy coordination and formulation through Airport Coordination Committees.

The Group continues to invest time to maintain an effective working relationship with the UK CAA and, amongst many other things, ensures it adheres to both aircraft maintenance standards and colleague security vetting requirements. Additionally, the Group regularly shares its financial information to provide the assurance the CAA require in issuing ***Jet2holidays'*** annual ATOL licence.

RISK MANAGEMENT
continued

9 Legal / regulatory non-compliance

Risk movement

Risk owner – Chief Executive Officer

Risk description

- The leisure travel industry is heavily regulated, and the Group is required to comply with a complex regime of legislation and regulation.
- There is a continual need to remain well informed of any legislative and regulatory provisions or changes in the countries in which the Group operates and to adapt as required.

Potential consequences

- Loss of operating licence
- Operational disruption
- Reduction in future revenue
- Adverse media coverage
- Regulatory fines / sanctions
- Loss of consumer trust

Mitigating actions

The Group has an experienced in-house legal team, who advise on diverse legal matters and assist in preparing for upcoming regulatory changes. Additionally, the team delivers regular training sessions on key topics.

Additional external legal support and / or training is sought as appropriate in specialist areas or non-UK jurisdictions. The Group's external lawyers are also instructed to provide updates on legal and regulatory developments which are likely to have an impact on the Group.

The Group works with trade associations of both the airline and travel industry to gather further insight into policy development and to assist in influencing future legislation and regulation to minimise its potential impact.

10 Operational disruption

Risk movement

Risk owner – Chief Executive Officer

Risk description

- The business is at potential risk of disruption from the force of nature, such as extreme weather conditions and volcanic activity, and through other external factors, such as acts of terrorism, strike action or technological failure.
- The Group is dependent on the performance of certain third-party suppliers to maintain an efficient operation and positive customer experience.
- As demonstrated by the Covid-19 pandemic, the business could be impacted by an epidemic or pandemic which includes our inability to operate flights and holidays already booked, as well as managing changing patterns of consumer demand to travel.

Potential consequences

- Adverse customer experience
- Operational disruption
- Increase to operational costs
- Aircraft damage

Mitigating actions

The business regularly updates a carefully planned response to be implemented by a team of experts, should there be significant disruption to our Leisure Travel activities.

Disruptive events, for example those caused by extreme weather or third-party strike action over which the Group has no control, are an increasingly normal occurrence. Our dedicated 24/7 Operational Control Centre manages all aspects of "on the day" disruption, with direct links to all of our airports, ground and flight operations colleagues, in-resort colleagues and contact centre support teams to minimise disruption to our customers across all aspects of our operation.

Our commercial office in Leeds City Centre and our operations centre at Leeds Bradford Airport give us the ability to run our business from more than one site, which supports business continuity planning. The Group's office-based colleagues have a hybrid working policy which maintains flexibility for remote working should operational disruption occur.

Our Amazon Connect cloud-based platform allows the Contact Centre to scale up or down to meet customer demand. It is designed as a multi-skilled agent model, enabling improved operational effectiveness and customer experience across voice and digital channels. Customer self-service options, such as WhatsApp messaging, mean we can increase productivity, whilst improving operational resilience by maintaining the ability to manage customer queries in the event that phone lines are oversubscribed.

The self-service development capabilities in our *"Manage my Booking"* portal reduce the reliance on voice calls, whilst providing an efficient and cost-effective way for customers to fulfil changes and amendments to their bookings.

As previously described, our risk mitigation includes crisis and incident management through our fully operational ERC. Here, we execute our Emergency Response plans, establishing a formal command structure to manage various potentially disruptive events. Automated systems facilitate the activation of our emergency response teams, enabling swift incident response, solution deployment, and minimising disruption to customers and business operations.

In addition, we independently self-handle at seven of our eleven UK bases, meaning we assume direct control of all ground-handling operations (check-in; baggage handling and aircraft despatch) at these locations. Our Colleagues now control and manage passenger check-in at all but one of our UK bases. This allows for a true end to end experience for our Customers and eliminates reliance on third parties for these crucial aspects of our operations.

RISK MANAGEMENT
continued

11 Data security

Risk movement

Risk owner – Chief Information Officer

Risk description

- A data breach involves unauthorised access to Group, customer or colleague data, or loss of access to personal data. Protecting that data and its confidentiality is a key priority for the Group.
- Ransomware is increasingly used by cyber criminals and there is evidence of hostile nation state cyber activity targeting critical sectors and supply chains, including the travel sector specifically.

Potential consequences

- Operational disruption
- Loss of consumer or colleague trust
- Reduction in future revenue
- Significant increase in costs
- Adverse media coverage
- Regulatory fines / sanctions
- Third party liability / class actions

Mitigating actions

The Group has continued to invest in strategic partnerships with Microsoft, Akamai, Rapid7, Verizon, Palo Alto and others to deploy world class defences in areas such as managed detection and response, distributed denial of service defences, full stack email protection, ransomware, threat intelligence, vulnerability management and other defence technologies.

The Group carries out regular, comprehensive, internal and external vulnerability scanning and penetration testing using GCHQ-NCSC accredited third parties. It also continues to strengthen its cyber threat mitigation through a process of repeated patching, testing, hardening, hardware refresh and education. This extends to the ongoing testing of our Cyber and Data Incident Response Plans, closely aligned to our Emergency Response and Business Continuity Plans.

The Group's Cyber Security team closely monitors hostile activity to ensure the Group's defences remain current. It shares situational information with the National Cyber Security Centre (NCSC) and continues to value this sharing partnership. The Group also retains expert third-party consultants to advise on best practice in relation to cyber security posture.

Cyber threats and mitigations, including progress on investments and required actions are reviewed monthly at the Group's Cyber Security steering group, which includes ***Jet2 plc*** Board members.

A Cyber Security Action Group is attended by the Managing Director of ***Jet2.com*** Limited with support from the Chief Information Officer (CIO) acting as the Cyber Accountable Manager. The Group has maintained its certification with the CAA's Cyber Certificate of Compliance aligned to the Cyber Assurance Framework for Aviation (CAP 1753), which is subject to continued oversight from the CAA.

The Group takes a rigorous approach towards PCI compliance (certifying to PCI-DSS v4.0 this year) and adherence to the General Data Protection Regulation (GDPR). It ensures the required investment in relevant cyber protection, including network segmentation, the adoption of strict password parameters and the 'Principle of Least Privilege' when determining access.

The Group has a formal supplier due diligence process for new suppliers and contract renewals, including minimum requirements for cyber maturity such as maintained independent certifications where appropriate.

Cyber policies for both general users and IT Technical staff are in place, supporting an ongoing programme of training (both online and face-to-face), to raise awareness on both cyber and GDPR security threats and the escalation process of any actual or suspected data breaches.

The Group remains confident that it has controls, systems and processes in place appropriate to the current cyber threat landscape but is well aware that this area needs constant attention and investment to keep pace with the ever-changing tactics and techniques of cyber adversaries.

12 Recruitment and retention of talent

Risk movement

Risk owner – Human Resources Director

Risk description

- The current and future success of the business is reliant on the successful recruitment, development and retention of the right colleagues with suitable capabilities.

Potential consequences

- Inability to deliver key strategic initiatives
- Increased costs of recruitment and training
- Key knowledge deficit / dilution

Mitigating actions

To meet operational resourcing requirements, the Group conducts role-specific seasonal recruitment campaigns. As in previous years, these campaigns are closely aligned to our anticipated flying programme, ensuring colleagues are in place and ready to support the operation well in advance of the summer season.

Demand remains high for skilled workers in the aviation sector, and we have been acutely aware of the cost of living pressures that all our Colleagues continue to face. As in prior years, we have therefore made considerable investment in the Group's proposition to both attract and retain new and existing colleagues.

To demonstrate this, the Group rewarded all eligible colleagues a 9% salary increase from April 2023 and, more recently, a 5.5% increase from April 2024, resulting in compound Annual Pay Review growth of more than 24% over the past three years.

As disclosed in the prior year, due to the successful financial performance for the year ended 31 March 2023, the Group re-instated both its **Discretionary Colleague Profit Share Scheme** for non-management colleagues and its **Discretionary Bonus Scheme** for management colleagues. Pleasingly, these will continue for the year ended 31 March 2024.

The Group's award-winning **ShareSave Scheme** has now had two successful issuances in 2022 and 2023, with many colleagues taking up this fantastic opportunity to become shareholders in ***Jet2 plc*** at a preferential share option price subject to the completion of three years' employment. Subscription to the scheme at both entry points has been hugely encouraging.

The Group's development framework enables the identification of those colleagues with leadership potential. Alongside internal directorship positions established last year, critical roles have been evaluated, and tailored action plans are being devised to bolster the Group's succession planning. Furthermore, a new performance management process has recently been launched, directly correlating managers' contributions to their bonus rewards. This change aims to foster a stronger performance culture, ensuring continuous development, support, and retention of our best leaders within the organisation.

The Group continues to update and promote our internal **Wellbeing Hub** which includes a collection of resources aimed at supporting our Colleagues' mental health. Our Employee Assistance Programme, **WeCare**, is also continually updated to give colleagues and their immediate families access to emotional and practical support services. Further detail on the support we have offered our valued Colleagues is detailed within the *Our People* section on pages 77 to 82.

The Group's Emerging Talent and Careers programme has continued to provide invaluable opportunities for new and existing colleagues, incorporating apprenticeship schemes, placements and graduate initiatives. These schemes are effective as a means of investment and therefore retention, but are also hugely beneficial as colleague skills and capabilities are enhanced and productivity improved. In addition, ***Jet2.com*** continues to invest in developing its future flight crew talent through its unique and innovative ***Future Second Officer*** scheme.

Furthermore, the Group continues to utilise its ***Jet2*** Travel Technologies operation in Pune, India, which significantly enhances the Group's capacity to progress our many IT innovations and business-critical development projects.

RISK MANAGEMENT
continued

GOING CONCERN STATEMENT

The Directors have prepared financial forecasts for the Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2027.

For the purpose of assessing the appropriateness of the preparation of the Group's financial statements on a going concern basis, two financial forecast scenarios have been prepared for the 12-month period following approval of these financial statements:

- A base case which assumes a full unhindered flying programme utilising an aircraft fleet of 127 at load factors above 90% against a 13% increase in seat capacity; and
- A downside scenario with load factors reduced to 80% from August 2024 to reflect a material reduction in demand or the occurrence of operationally disruptive events and a lack of available funding for new aircraft during this period.

The forecasts consider the current cash position and an assessment of the principal areas of risk and uncertainty as described in more detail on pages 36 to 49.

In addition to forecasting the cost base of the Group, the base case scenario incorporates the funding of future aircraft deliveries with our well-established aircraft financing partners and both scenarios reflect no mitigating actions taken to defer uncommitted capital expenditure during the forecast period.

The Directors concluded that, given the combination of a closing total cash and money market deposits balance of £3,184.7m at 31 March 2024 together with the forecast monthly cash utilisation, under both scenarios the Group would have sufficient liquidity throughout a period of at least 12 months from the date of approval of the financial statements at the end of July 2024.

In addition, the Group is forecast to meet its RCF covenants at 30 September 2024 and 31 March 2025 under both scenarios with significant headroom.

As a result, the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2024.

The Directors' responsibility for preparing the financial statements is explained on page 110 and the reporting responsibilities of the Auditor are set out in their report on page 118.

VIABILITY STATEMENT

The Directors have prepared financial forecasts for the Group, covering two scenarios as detailed in the Going Concern statement, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2027, and also considered an extended planning horizon to aid the management of its longer-term aircraft fleet objectives. A three-year period has been selected for the viability assessment which aligns with the Group's medium-term fleet and operational planning timelines.

The Group expects to have received eleven deliveries from its Airbus A321neo aircraft order by 31 March 2025. Together with additional leased aircraft and the retirement of its six remaining Boeing 757-200 aircraft, this results in an expected increase in total aircraft to 127 for the year ending 31 March 2025, with over 130 aircraft expected for the year ending 31 March 2026.

Whilst the benefits of the new Airbus aircraft, including flying efficiencies from reduced fuel and carbon emissions and a higher seat capacity, would ordinarily be expected to improve profit margins, the forecasts prudently assume that other rate increases in variable costs, for example both fuel and carbon, may not be able to be fully passed on to consumers. Further, should customer demand prove to be weaker than forecast, due to the mix of aircraft, the Group retains some flexibility to downsize its fleet if required and eliminate the fixed costs associated with those particular aircraft. Both forecasts assume that the Revolving Credit Facility remains undrawn, and that further financing is obtained to fund certain deliveries of the Group's Airbus A321neo aircraft order.

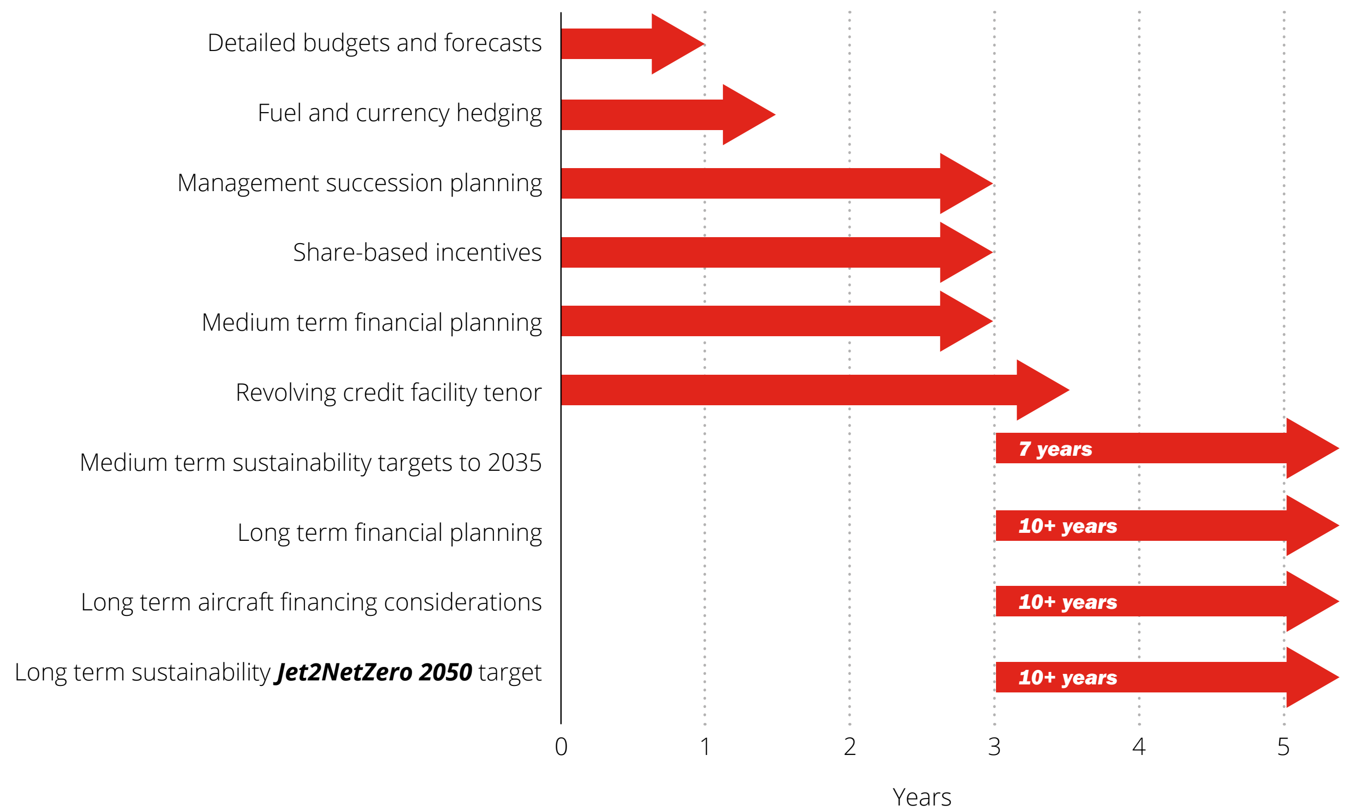
Stress-testing of the Group's forecasts is also undertaken on an ongoing basis to consider the potential impact of a combination of principal risks materialising together. However, future assessments of the Group's prospects are subject to uncertainty that increases with time and cannot be guaranteed or predicted.

The Directors have also taken account of the Group's current cash position, its strong competitive position and consistent historic operating performance, its operating cash flows, the availability of banking facilities, the principal risks and uncertainties it faces, and, as outlined, its ability to mitigate and manage those risks. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2027.

Gary Brown
Group Chief Financial Officer

22 July 2024

Viability assessment period timeline



ENGAGING WITH OUR STAKEHOLDERS

The Group has a wide range of stakeholders, all of whom are vital to our success in achieving our long-term ambition – **To be the UK's Leading and Best Leisure Travel business**. Key decisions must therefore consider and balance the needs of our stakeholder groups in order to best implement our strategy.

SECTION 172 STATEMENT

The Directors of ***Jet2 plc*** – and those of all UK companies – must act in accordance with a set of duties detailed in the Companies Act 2006 which include, in Section 172, a duty to promote the success of the company for the benefit of its members as a whole. In so doing, the Directors must have regard (amongst other matters) to the following factors:

a. the likely consequences of any decision in the long term;
b. the interests of the company's employees;
c. the need to foster the company's business relationships with customers, suppliers and others;
d. the impact of the company's operations on the community and the environment;
e. the desirability of the company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between members of the company.

In this Annual Report & Accounts, we provide examples of how we have thought about the likely consequences of long-term decisions and how we balance the needs and expectations of a range of stakeholders with those of the business.

The Company regards the key stakeholders relevant to its success to be our Colleagues, Customers, suppliers, shareholders, communities and the environment. More detail on how the Board has had regard to the matters set out in Section 172 and how it has engaged with key stakeholders and developed relationships with them during the year is set out on pages 54 to 58.

In making decisions during the year ended 31 March 2024, the Board of Directors believe they have given due consideration to the factors detailed above. In addition, they consider that both individually and collectively they have acted in good faith and in a manner likely to promote the Company's success for the benefit of its members as a whole.

The Board, led by the Chairman, ensures that its decision making processes consider the interests of key stakeholders and that there is sufficient time, information and understanding to properly assess the long-term implications of such decisions.

Appropriate stakeholder engagement is achieved through various means: direct interaction by Board members; receiving reports from management who engage directly with stakeholders; and addressing specific stakeholder interests in papers which are presented to the Board.

Supported by the Company Secretary, the Chairman monitors the adequacy of the training received by all new and existing Directors on their duties, including those under Section 172. The Board recognises that stakeholder groups will not remain static and can be affected by changes in strategy, legislation or business requirements. Consequently, they are regularly reviewed along with engagement mechanisms to ensure they remain appropriate.

The consequences of decisions in the long term

The leisure travel industry is dynamic and fast-moving, and the Board must remain agile in order to respond to opportunities or emerging issues as they present themselves to ensure that the best interests of all stakeholders are served. During the year, the Board welcomed three new independent Non-Executive Directors - Simon Breakwell, Angela Luger and Rachel Kentleton, whose breadth of experience will be invaluable in supporting the business through the next phases of its development to the benefit of all stakeholders.

The Directors fulfil their duties through the governance framework on page 87 which delegates day-to-day decision-making to the management of the Group, reflecting the highly regulated environment in which the Group operates. The Board is mindful that decisions have a long-term impact, and that a number of its contractual commitments will remain with the Group for many years to come.

The Group continues to progress towards its ***Net Zero 2050*** pledge. Our long-term commitment to purchase 146 Airbus A321neo aircraft, investment in SAF at London Stansted, Bristol and Malaga airports a year ahead of the UK and EU SAF mandates, the continued roll out of our Certified Sustainable Hotels collection and meeting our carbon intensity reduction targets to date, have wide-ranging effects on our stakeholders and the communities where we operate.

The Group's Sustainability Steering Committee ensures that decisions with regard to the ***Jet2 Net Zero 2050*** commitment acknowledge and balance the needs of our stakeholders appropriately. Further detail of our commitment can be found on pages 59 to 68.

High standards of business conduct

The Board recognises the importance of corporate governance, and a description of how the Group has complied with the UK Corporate Governance Code 2018 can be found on pages 86 to 94.

The Board recognises that modern slavery and human trafficking are significant issues that pose a challenge for businesses worldwide. Consequently, it has a zero-tolerance approach to both and has committed to continually review its practices to combat them and expects its suppliers and contractors to uphold the same values. The Board will not conduct business knowingly with anyone engaged in slavery or human trafficking practices or knowingly permit them to be carried out in any part of its business.

The Modern Slavery Act requires the Company to publish an annual slavery and human trafficking statement. The latest statement can be found on the ***Jet2 plc*** website at ***www.jet2plc.com/modern-slavery-act/***.

The Group manages its tax affairs responsibly and seeks to build constructive relationships with relevant tax authorities. During the year, the Board reviewed and approved the Group's Tax Policy, with the Group Chief Financial Officer providing regular updates to the Board on tax matters generally. In addition, HM Revenue & Customs conducted their periodic business risk review of the tax regimes under which the Group operates, with the outcome being reconfirmation of the Group's low-risk tax status.

The Group's Supplier Code of Conduct sets out the minimum standards, expectations and behaviours that we require from all our Suppliers, including by their own colleagues and supply chains.

The Board expects all of its Colleagues to observe the high standards contained within the Group's policies in relation to anti-bribery and corruption, data protection, equality, diversity and inclusion, IT security, fraud and whistleblowing, each of which is reinforced through appropriate training.

Acting fairly between members of the Company

The Company has only one class of share in issue and as such all shareholders benefit from the same rights as set out in the Company's Articles of Association. The Board recognises its legal and regulatory duties and does not take decisions or actions, such as selectively disclosing confidential or inside information, that would provide any shareholder with an unfair advantage. Detail of the engagement with shareholders is also included in the *Corporate Governance Statement* which can be found on pages 86 to 94 of this Annual Report & Accounts.

ENGAGING WITH OUR STAKEHOLDERS
continued

Colleagues

Without our much-valued Colleagues, we would not be able to provide our award-winning *Customer First* service. We aim to ensure that all Colleagues are proud to represent our ***'Take Me There'*** values and feel supported at work.

How we engaged during the year

We believe that the wellbeing and motivation of our Colleagues is pivotal to achieving our award-winning *Customer First* service and thus sustainable long-term profitability.

Our *People, Service, Profits* guiding principles are a driving force for our engagement with Colleagues and two-way communication between colleagues from all areas of the business and our leadership team is fully encouraged. We use two dedicated inboxes namely, ***'Jet2Cares'*** and ***'ShareWithSteve'***, which allow colleagues at any level of the organisation to write directly to the CEO of ***Jet2 plc*** regarding any matter or concern they may have, enabling issues raised to be added to the Board agenda for discussion as appropriate.

Our five Information and Consultation Agreement and Protocol (ICAP) working groups meet 4 times a year. Colleague Representatives continue to show positive engagement and attendance, and are encouraged to share feedback from their business areas and propose ideas and suggestions for improvement to their working lives.

We have continued to invest in our new HR administration system, ***MyJet2HR***, which now consolidates performance reviews of our management colleagues within one central system enabling a better quality of performance management and mentoring.

The Group's **Wellbeing Hub** contains a wide range of resources aimed at supporting our Colleagues' mental health and wellbeing, with content available in a variety of formats including written, podcasts and a wellbeing app. Bite-sized *Skills Burst* learning materials give colleagues useful insight on an array of subjects from Microsoft Teams, remote learning assistance, prioritisation of time, managing change and supporting wellbeing.

Trained Mental Health First Aiders are available to support colleagues who are struggling with their mental health and are equipped to guide colleagues to services that can support them further. Further details of how we have extended this support during the year can be found on page 79.

WeCare provides an anonymous and confidential 24/7 service to all colleagues and their families including access to an online GP service, professional counselling, mental health support and all other aspects of health and wellbeing.

Jet2 has a well-established confidential Whistleblowing procedure, which gives colleagues assurance that the Group will treat their concerns seriously and investigate them appropriately.

Sustainability Champions engage with colleagues to champion sustainability initiatives and provide a direct route for colleagues to offer their own ideas to help. In the coming year the business will focus and promote the eight areas of our Sustainability Strategy's social value framework assisted by these colleagues.

Key outcomes during the year

- In September 2023, our Colleagues were given a second opportunity to join our **ShareSave Scheme** and become future shareholders in ***Jet2 plc*** at a discounted share option price.
- Colleagues received a 9% pay award for the year ended 31 March 2024 and a further 5.5% increase for the year ended 31 March 2025, helping offset the inflationary pressures on living standards experienced over the past two years.
- Both the **Discretionary Colleague Profit Share Scheme** for non-management colleagues and the **Discretionary Bonus Scheme** for management colleagues have been awarded for a second successive year following the successful operational and financial performance of the Group during the year ended 31 March 2024.
- We invested approximately £15m in our Pilots and Cabin Crew **Lifestyle 2023** programme to provide a more balanced lifestyle and we will continue to further enhance our roster resilience and agility.
- We were pleased to have recently launched an electric vehicle company car scheme giving colleagues the opportunity to access sustainable transport.
- **Mental Health Awareness Week** offered an opportunity to discuss and promote colleagues' wellbeing with this year's focus on *Anxiety*. Activities included a ***Jet2Stepathon***, a book swap and a forum to share mental health tips.
- We continue to invest in the growth of our apprenticeship programme with over 150 colleagues currently being nurtured through personal development schemes and we were extremely proud that two of our apprentices received external awards for their achievements during the year.
- Pleasingly, our Glassdoor rating of 4.1 out of 5.0 remains the highest in our industry and serves as an important barometer in gauging the happiness and engagement of our workforce.
- Each UK airport operating base now has a ***Jet2.com*** statutory Director responsible for representing and interacting with colleagues at their appointed base, ensuring a direct link between our Customer-facing operations and the most senior levels of our organisation.

Further information can be found in the *Our People* section on pages 77 to 82 and within the *Remuneration Committee Report* on pages 102 to 108.

Customers

Our Customers continue to seek an operator they can trust who also offers them great value for money. Engagement with our Customers to improve their holiday choice, experience and enjoyment gives us the greatest opportunity to retain and attract new customers – the key to continuing profitable growth!

How we engaged during the year

Our *Customer First* strategy remains unchanged and we continue to challenge ourselves in how we can offer our Customers a wonderful holiday experience.

In response to consumer demand for 'bucket list' style holidays, we have expanded our experiential 'Discover More' ***Jet2CityBreaks®*** and our ***Jet2holidays*** product, offering access to natural wonders and unique culture.

Our Retail Operations Centre, the first of its kind in the UK aviation industry, is setting new standards for *Customer First* service, efficiency and security. The facility distributes millions of in-flight retail products including drinks and ambient food that can either be pre-ordered or which feature in our in-flight menu, as well as products that can be bought from the onboard shop, such as fragrances, beauty products, gifts and duty-free.

Operational resilience is vital, thus stand-by aircraft represented 9% of our fleet for Summer 2023 (Summer 2022: 7%) of which the majority were fully crewed to help recover unanticipated events.

We independently 'self-handle' at seven of our eleven UK bases and our Colleagues control and manage passenger check-in at all but one of our UK bases. This ensures a seamless and efficient experience for customers and eliminates reliance on third parties for these crucial aspects of our operations.

Customers have a range of self-service methods including WhatsApp messaging and *Manage my Booking* to support amendments, meaning we can increase productivity, improve operational resilience and improve the customer experience by maintaining the ability to manage customer queries in the event that phone lines are oversubscribed. Further details on our ***MyJet2*** membership programme and its benefits are available on page 20.

Our CEO regularly speaks to media outlets to share ***Jet2***'s views on latest industry issues and developments, allowing our Customers to connect with us outside of their usual holiday experience.

Key outcomes during the year

- Our proactive approach to the disruption caused by the NATS system failure, Rhodes wildfires and Skiathos flooding included the lease of an additional ACMI aircraft together with utilisation of existing standby aircraft, the provision of generous amounts of in-resort customer helpers and responsive 'go teams'. Our Contact Centre responded to approximately 100,000 calls and 44,000 messages for all three events.
- In March 2024 we proudly saw our first flight take off from our eleventh UK base at Liverpool John Lennon Airport. We were also delighted to announce the launch of our 12th UK base at Bournemouth Airport from February 2025, expanding our geographical reach across the South of the country.
- ***Jet2.com*** and ***Jet2holidays*** have been awarded **Travel Brand of the Year** by Which? for the third consecutive year. This recognition acknowledges our dedication to prioritising our Customers' satisfaction.
- A selection of our other awards from some of the most trusted names in the industry are shown at ***www.jet2plc.com/our-awards***

ENGAGING WITH OUR STAKEHOLDERS

continued

Suppliers

A stable supplier base with trusted partners is key in helping us provide our Customers with a fantastic holiday experience, whether that be hoteliers, aircraft manufacturers or our supportive financing partners.

How we engaged during the year

We recognise the vital work our hotel partners contribute to our Customers' holiday experience. Our CEO regularly spends time in resort building and developing relationships with ***Jet2holidays'*** hotel partners, who number over 5,100. Such engagement enables us to discuss how we can better work together, and also allows us to reiterate the importance of quality and effective risk management by hoteliers, to maintain the highest standards of hygiene and safety for customers at all times.

We work with over 3,900 non-hotel suppliers, developing constructive and effective relationships which help maintain the successful delivery of our services.

Our annual supplier conference, held in December 2023, was attended by over 200 suppliers and provided a forum for discussion on how we can work together effectively to forge mutually beneficial long-term relationships. We also expect our suppliers to comply with our Supplier Code of Conduct, which sets out the minimum standards, expectations and behaviours that we require from all our Suppliers, including by their own colleagues and supply chains.

The Group undertakes comprehensive negotiations with aircraft and associated engine manufacturers regarding all fleet expansion and replenishment opportunities. We remain committed to developing and maintaining our relationships with both Airbus and Boeing to ensure we deliver the best quality and value for our wider stakeholder groups.

The Group Chief Financial Officer and Director of Group Finance & Treasury maintain constructive and effective relationships with our many financing partners from across the globe.

Key outcomes during the year

- We have a constructive relationship with Airbus and took delivery of six new Airbus A321neo aircraft during the year in line with our agreed delivery schedule. Importantly these aircraft offer a 20% reduction in fuel usage and carbon emissions per seat as compared to current aircraft models.
- We were delighted to partner with Shell Aviation, Q8 Aviation and Cepsa Aviation to secure supply of SAF for use at London Stansted, Bristol and Malaga airports for Summer 2024. We very much regard our recent investments in SAF as our first steps on the journey towards a 15% SAF blended fuel mix by 2035, and effective partnerships with SAF suppliers in both the UK and Europe will be critical to achieving this aim.
- In October 2023, the Group successfully extended its sustainability-linked RCF by a further year through to 19 October 2027, on the same commercial terms with its four supportive relationship banks: Barclays Bank plc; HSBC UK Bank plc; Lloyds Bank plc; and National Westminster Bank plc.
- In November 2023, as part of a newly launched ***Appoint an Apprentice*** scheme, we announced we were making almost £500,000 of apprenticeship funds available via a levy transfer, to help our independent travel agent partners develop their teams.
- Our Supplier Code of Conduct is available on our website at ***www.jet2plc.com/statements***

Shareholders

Our shareholders are important to the future success of ***Jet2 plc*** having supported the Group through a sustained period of growth and throughout the challenges of the pandemic and subsequent recovery.

How we engaged during the year

The Board ensures that effective communication with shareholders is given high priority via meetings following the announcement of the Group's half-year and preliminary full year results.

Additionally, the Board customarily uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. All our Board of Directors are present to answer questions at this meeting.

Furthermore, our Chairman has held meetings with our joint brokers as required and with individual shareholders as requested.

The Group's website (***www.jet2plc.com***) has a specific section for investors, which is regularly updated with relevant news and information, as well as providing details on the Group's history and trading subsidiaries, with links to their respective websites.

The Group Chief Financial Officer has actively participated in several broker / institutional shareholder conferences during the year, as well as providing results announcements and press releases to ensure all shareholders remain up to date with our financial performance and results.

In addition, the Group Chief Financial Officer hosted a number of investor days at our Head Office and operational facilities in Leeds.

Key outcomes during the year

- Full details of the voting at the 2023 AGM were published on the Group's website immediately following the meeting. All resolutions were approved
- In May 2024, the Group published its updated Sustainability Strategy which included further clear and transparent targets over an extended time period. The Strategy provides shareholders greater visibility of our sustainability progress to date and outlines an emissions reduction pathway which will bring our 2035 carbon intensity in line with the Science Based Targets initiative (SBTi) guidance.
- The Group's website now provides all shareholders with access to our bi-annual investor presentations.
- A strong and flexible capital structure is fundamental to our strategy. The Board has considered a range of financing options to fund the new Airbus A321neo aircraft order, including both internal and external funding alternatives and continually considers its deployment of capital for the benefit of all shareholders.
- In view of the financial performance, our financial strength and continued confidence in the Group's prospects, in line with its capital allocation principles, the Board has resolved to pay a final dividend of 10.7p per share (2023: 8.0p), representing an increase of 34%.

Further detail can be found in the *Corporate Governance Statement* on pages 86 to 94 of this Annual Report & Accounts.

ENGAGING WITH OUR STAKEHOLDERS
continued

Communities and the environment

The Group takes its environmental responsibilities seriously and aspires to grow its operations sustainably over the coming years. Our local communities are therefore important, including those where our Colleagues live, and their support allows for the effective operation and future growth of our Leisure Travel business.

How we engaged during the year

In June 2023, we launched a new Emerging Talent & Careers section on our ***Jet2careers*** website. This allows potential candidates to learn more about the wide range of exciting apprenticeship, graduate and placement opportunities we have across ***Jet2***, in addition to providing tools to assist in job skill development.

Jet2 sits on the Aviation Industry Skills Board and actively champions skills development within the industry and promotes the many diverse career opportunities we have available across the business.

We work in partnership with Leeds Beckett University and have supported the redevelopment of two tourism degree courses to ensure students are developing the skills needed for today's travel industry. In addition, we continue to mentor their ABTA Student Representative and have provided three student placements this year.

Our updated Sustainability Strategy examines our biggest environmental impacts, how we have addressed these in the past and how we will tackle them in future. In addition, the Strategy outlines an emissions reduction pathway which will bring our 2035 carbon intensity in line with the SBTi guidance.

In addition, the Group endeavours to support our local communities in a variety of ways, including the provision of prizes for local fundraising activities and sponsorship of events.

Key outcomes during the year

- During the year, 103 (2023: 73) new apprentices joined us meaning we now have over 150 apprentices employed across a variety of departments. This allows us to continue to grow and nurture our talent from within, as well as providing exciting opportunities to the local communities we serve.
- The Group continues to support its **Charitable Partner Programme** which includes **NSPCC, Planet Patrol, Trees for Cities** and our Colleague chosen charity **Macmillan Cancer Support**. ***Jet2.com*** and ***Jet2holidays*** have raised approximately £450,000 for our partners collectively and have run a number of initiatives to support them including colleague fundraising and volunteering.
- ***Jet2.com*** supported the West Cheshire Foodbank by donating almost £20,000 worth of food and drink from the ROC.
- We actively engage with schools, colleges and universities near our offices and bases, engaging with over 19,000 students last year.
- ***Jet2holidays*** was proud to be the headline sponsor of Leeds Pride 2023 and we are looking forward to continuing this successful partnership for a second successive year in 2024, thereby offering greater support to the LGBTQIA+ community.

Further detail on the environment can be found in the *Sustainability* section on pages 59 to 68 of this Annual Report & Accounts.

SUSTAINABILITY

BACKGROUND

We know that holidays are amazing! We also know they need to be more sustainable, so that our Customers can continue to enjoy their well-deserved trips for the long term.

Holidays create economic and social value both at home and in destinations across the globe. In the UK, 1.5 million jobs[1] are supported by international travel, representing 4.6% of total UK employment. The total value generated by those engaged in UK outbound tourism (Gross Value Added) is estimated by ABTA at $28.8bn, supporting 1.1 million jobs in destination economies[2]. In addition, experiencing new destinations broadens the understanding and acceptance of different cultures, improves wellbeing and can strengthen family bonds.

Whilst the economic, social and cultural benefits of holidays are self-evident, limiting the impact of travel on the climate remains a key challenge for the industry. Although progress has been made to improve aviation efficiency and reduce the carbon intensity of fuel through the development of sustainable aviation fuels (SAF), passenger aircraft continue to contribute to global greenhouse gas through a reliance on conventional jet fuel. Alongside CO_2, flying emits other non-CO_2 gases that under certain conditions can lead to the formation of contrails. However, the understanding and methodology for monitoring the impact of non-CO_2 emissions is underdeveloped and policy options to mitigate these emissions remain under scientific review.

1 ABTA International Travel: Powering the UK Economy 2022

2 ABTA Tourism for Good 2020

SUSTAINABILITY

continued

OUR FOCUS

Jet2 plc is committed to achieving net zero carbon emissions, however further work is needed to ensure a net zero aviation industry is achieved by or before 2050.

In May 2024, we updated our Sustainability Strategy, outlining our plans for the next decade to reduce our carbon intensity, increase our use of lower carbon alternative fuel or SAF and decarbonise our buildings.

Our updated **Sustainability Strategy 2024 - 2035**, sets forth clear targets and objectives, including the introduction of our Social Value Framework, through which we will continue to support our Colleagues and make a positive impact in the communities where we operate. Additionally, in response to our Customers' desire for more sustainable accommodation choices and experiences[3] we have committed to expanding our recently launched Certified Sustainable Hotel collection.

Whilst we have a responsibility to address our climate impact and continue to be transparent in our approach to net zero, it is imperative that governments support the rapid upscaling of technologies required to reach net zero, whilst also ensuring that flights and holidays remain accessible to all. ***Jet2 plc*** has actively contributed to policy consultations through industry association bodies, including the development of the UK *SAF mandate and UK Emissions Trading Scheme: future markets policy* and will also actively engage on the recently announced Revenue Certainty Mechanism (RCM) on SAF. In addition, the Group continues to monitor progress on emerging topics including non-CO_2 emissions, carbon removals and other zero emission technologies.

We have a clear focus on reducing emissions in our business; however to tackle this faster, we need concerted action from governments, citizens, and businesses. As such, ***Jet2.com*** and ***Jet2holidays*** urges both the UK Government and the European Union to:

1. Upscale the UK Government's investment in SAF by delivering on the RCM;
2. Deliver on Levelling Up pledges by exploiting the opportunities in former industrial areas for SAF, carbon capture and green skills;
3. Ringfence annual UK Emissions Trading System (ETS) revenues to:
   a. Incentivise decarbonisation, in particular reducing the SAF premium costs; and
   b. Support the development of greenhouse gas removal technologies such as direct air capture;
4. Work multilaterally with governments across Europe to implement Air Traffic Management reforms, removing the current system inefficiencies which could immediately realise an 8% carbon emissions reduction; and
5. Support airport operators and remove obstacles to upgrading to electrical infrastructure.

We firmly believe that with the right governmental support and industry incentives in place, the aviation sector can accelerate its journey towards net zero whilst creating and safeguarding jobs and building a more sustainable aviation sector for the benefit of all stakeholders.

[3] ABTA. Holiday Habits 2023-2024. 2023. Holiday Habits 2023-24 | ABTA

OUR PROGRESS TO DATE

We launched our initial Sustainability Strategy in 2021 and, since then, we have delivered tangible results against all its targets. Our Strategy has 3 pillars to enable focus on achieving our key objectives:

IN THE AIR

Encompasses all the activities associated with our airline.

ON THE GROUND

Includes activities carried out by our ground handling operations and in our support offices.

IN RESORT

Comprises activities associated with the holiday product, specifically working with our hotel partners.

OUR 2021–2023 SUSTAINABILITY TARGETS

Target	Status	Date achieved	Results
IN THE AIR			
Offset all airline emissions not covered by carbon pricing mechanisms.		1 January 2022	Between 2021 and 2023, ***Jet2.com*** offset every tonne of carbon emitted from flights that were not covered by the UK and EU emissions trading schemes including covering our free allowances, using renewable energy credits purchased on the voluntary carbon market. In 2024, the Company updated its approach to move towards investing in direct mitigations, such as SAF and the installation of split-scimitar winglets onto aircraft, rather than continuing to invest in further renewable energy credits.
Implement an improved onboard aircraft recycling measuring system and establish a credible target for increased recycling.		In progress	The achievement of this target has been delayed due to legal restrictions on the disposal of cabin waste. Nevertheless, ***Jet2.com*** has taken a prominent role in the formation of an industry-government working group on the topic and is supporting the development of industry guidance to enable the recycling of cabin waste. Once guidance is approved, ***Jet2.com*** will begin monitoring recycling to establish a baseline from which a target will be set.
Reduce the use of single use plastics onboard our aircraft by 80%.		31 December 2023	We substituted approximately 22 million single-use plastic items purchased in 2023 to an alternative material, which represented 83% of ***Jet2.com***'s catering cups, cup lids, drink tumblers, disposable cutlery and stirrers.
Reduce our gCO_2 per passenger kilometre to 65.0g (3%) (fuel burn only).		On track to achieve by 31 December 2025	We integrated seven new fuel-efficient Airbus A321neo aircraft into our fleet by 31 March 2024, from our order of 146 Airbus A321neo aircraft which will be delivered over the course of the next decade. During the year, we ordered 34 sets (plus options for 24 more) of split scimitar winglets for installation on our Boeing 737-800NG aircraft, which are expected to reduce fuel burn by up to 1.8%.
Reduce our gCO_2 per passenger kilometre to 60.0 (10%) (fuel burn only).		On track to achieve by 31 December 2030	In addition, we entered into an agreement with International Water-Guard Industries, Inc. (IWG) to install the patented 'Pre-Select' Intelligent Water Quantity System on 52 Boeing 737-800NG aircraft, making us the first airline in Europe to use the product. The Pre-Select system reduces aircraft weight by as much as 180kg on each flight. Our baseline is 67.0 g CO_2 per revenue passenger kilometre for calendar year 2019. Our airline gCO_2 per revenue passenger kilometre (fuel burn only) was 65.7g for the year ended 31 March 2024.

SUSTAINABILITY
continued

Target	Status	Date achieved	Results
Commit to first Sustainable Aviation Fuel uplift (SAF).	●	In progress	In April 2023, ***Jet2 plc*** announced an equity investment in the Fulcrum NorthPoint Facility, being developed by Fulcrum BioEnergy Limited, securing direct SAF supply from their UK plant from 2028. Through our investment, we expect to receive more than 200 million litres of SAF over a 15-year period, which would be one of the longest SAF supply agreements currently. This facility will be a Waste-to-Fuels plant located in Ellesmere Port, Cheshire. In addition, ***Jet2.com*** purchased SAF for our 2024 fuel use at London Stansted, Bristol and Malaga airports, representing 1% of our fuel mix at these airports, a year before the introduction of the UK and EU SAF mandates.
ON THE GROUND			
Offices & Ground Handling - run our offices on renewable electricity and offset the remaining emissions.	●	31 December 2023	Renewable electricity is used in all offices under our financial control. We report consumption, demonstrate Renewable Energy Guarantee of Origin (REGOs) and offset all residual emissions.
Over 50% (by number of units) Ground Service Equipment (GSE) to be electric.	●	31 October 2023	Ongoing replacement of diesel vehicles with lower carbon fuel alternatives has resulted in 53% of ***Jet2.com***'s owned UK GSE fleet converting to an electric fuel supply.
IN RESORT			
Introduce a fair and transparent Hotel Sustainability labelling scheme which includes listing and filtering ability on our website.	●	31 December 2023	In December 2023, ***Jet2holidays*** launched a GSTC certified Hotel Sustainability Charter which enables sustainability certification filtering for ***Jet2holidays*** customers and currently incorporates over 950 hotels from our portfolio. In addition, we have signed up to the Mallorca Tourism Organisation Sustainability Pledge, which promotes sustainable tourism where visitors and residents enjoy, experience and preserve the nature, values and beauty of Mallorca.
Develop a ***Jet2holidays*** Global Sustainable Tourism Council (GSTC) recognised Hotel Sustainability Charter.	●	31 December 2023	

Within a challenging, hard-to-decarbonise sector, we have been recognised as an industry leader in reducing our carbon intensity, achieving a platinum rating for airline sustainability in the Centre of Aviation (CAPA) 2023 sustainability benchmark report, being ranked in the top 10 airlines globally for sustainability performance and 4th out of 100 airlines in carbon emitted per revenue passenger kilometre (gCO_2/RPK).

OUR UPDATED 2024 – 2035 SUSTAINABILITY STRATEGY

Jet2 plc takes its impact on the environment and engagement with its colleagues seriously and has set ambitious but pragmatic targets aligned with the Group's guiding principles and values and supported by its materiality assessment.

Our Materiality Assessment

To identify which topics are most important to the Group and inform our updated Sustainability Strategy, ***Jet2 plc*** created an initial materiality assessment through consultation with internal stakeholders across the business. Sustainability topics were identified and ranked based on their environmental, social, and economic impact and relative importance to the selected stakeholders.

The most material sustainability topics identified were linked to climate change including the increasing costs of EU and UK ETS, the supply of SAF and our climate transition. A further focus for the Group is our social values, incorporating colleague wellbeing, inclusion and access, together with supporting the communities in which we operate. Each of these topics are addressed in our updated Sustainability Strategy.

The key governance topics identified in the assessment, such as Leadership and Strategy are covered within the *Our People* section on pages 77 to 82 of the Annual Report & Accounts. Our considerations of business conduct are detailed within the *Engaging with Stakeholders* section on pages 52 to 58 and of equality and diversity are described within the *Our People* section on page 81.

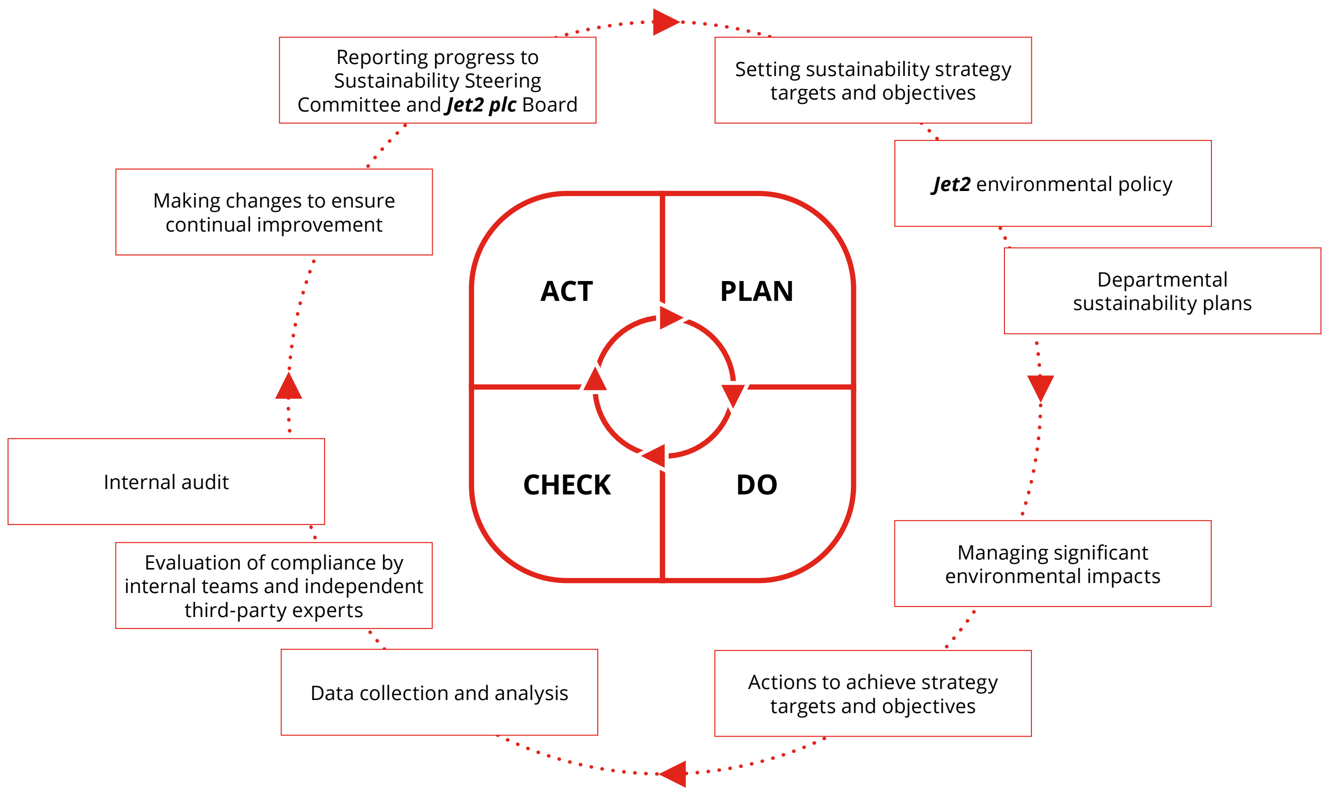
Our Approach to Sustainability

Our Sustainability Management System, which will be ISO 14001:2015 certified, provides the framework for establishing targets and objectives and a mechanism for monitoring performance to ensure continual improvement. Our 2024-2035 Sustainability Strategy commits to managing performance under this certified framework.

Our management system applies multi-levelled governance for sustainability processes and outputs. The ***Jet2 plc*** Board is accountable for the strategic direction and performance against the Group's Sustainability Strategy, including objectives and target approval, with the Sustainability Steering Committee overseeing the strategy delivery and reporting on performance to the Board.

Our Directors also receive regular updates on the Group's sustainability approach outside of the Sustainability Steering Committee meetings. Each Director manages their Departmental Sustainability Plans, with progress monitored through regular operational meetings with the Sustainability Team. All ***Jet2*** colleagues are encouraged to support the Sustainability Strategy, aided by a colleague-led Sustainability Champion Network which helps shape the sustainability agenda.

Our Approach to Sustainability

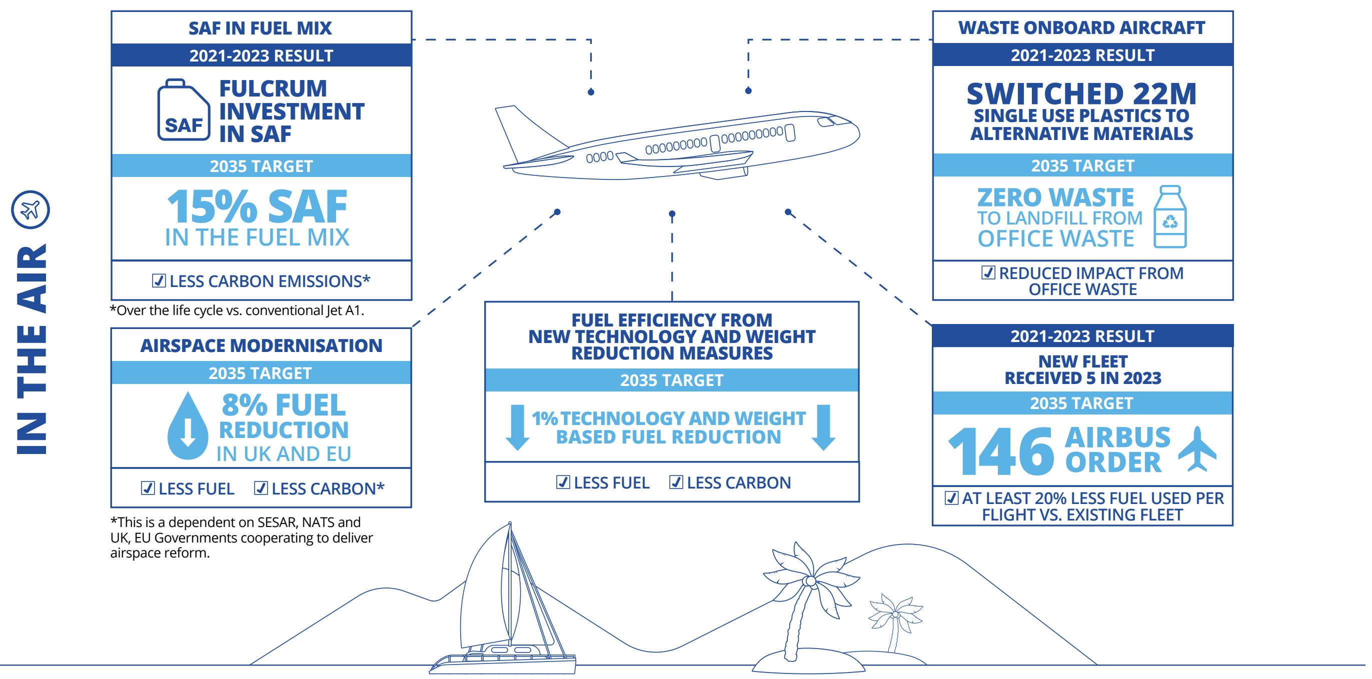


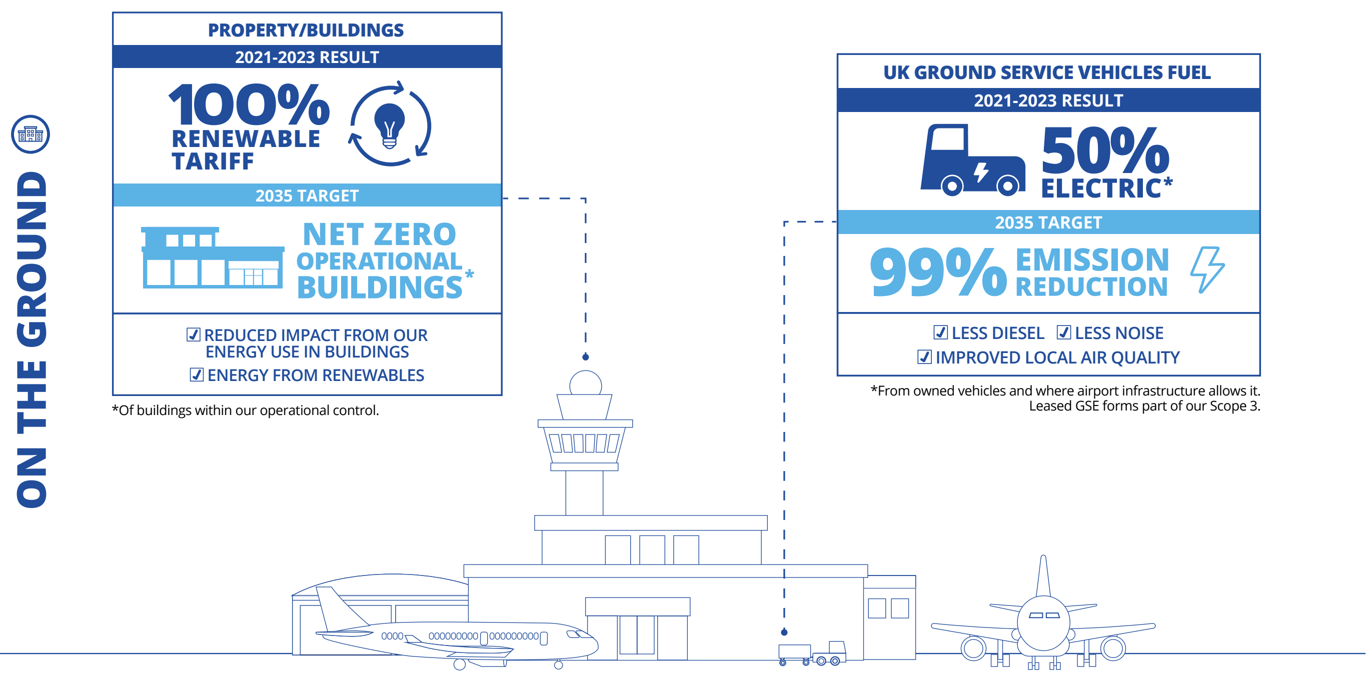
SUSTAINABILITY
continued

Our Journey to Net Zero

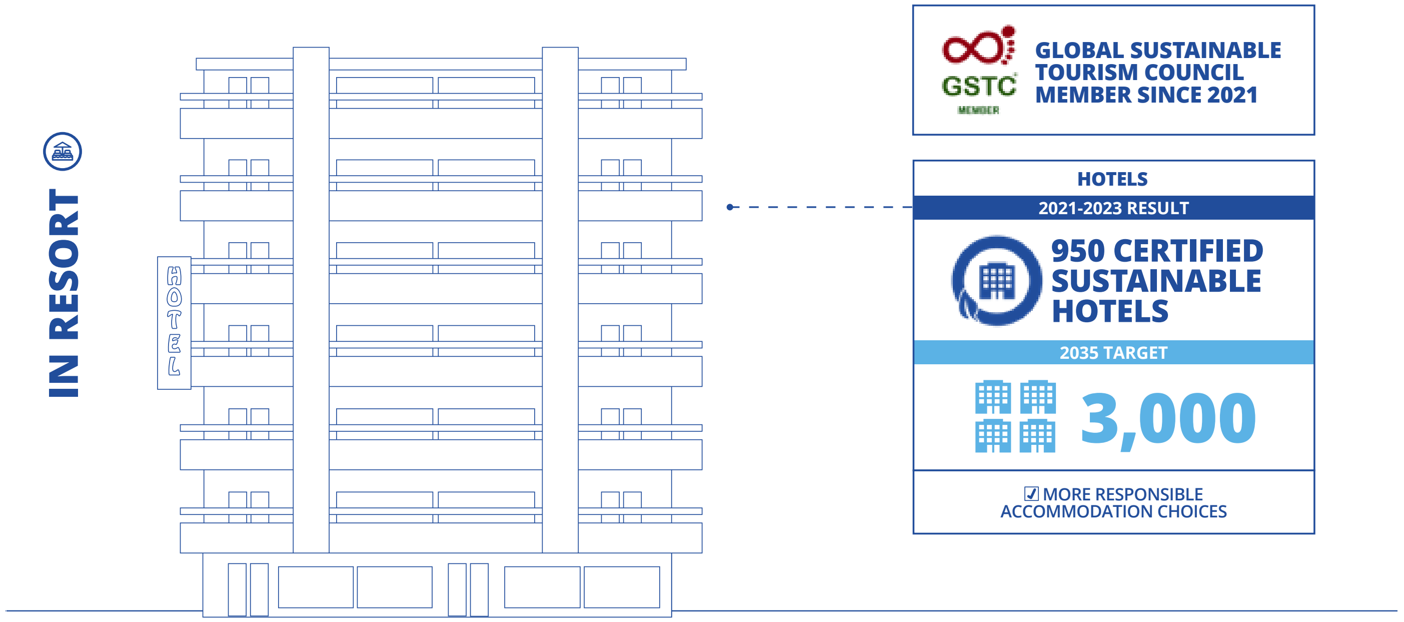
Our primary focus remains on reducing our airline carbon intensity. However, our updated Sustainability Strategy introduces emission targets that expand beyond just aircraft, encompassing our buildings, fleet of Ground Service Vehicles (GSE) and emissions associated with our supply chain (Scope 3). We will continue to lead on airline carbon intensity[1] and maximise our social value through our business partnerships and the success of our workforce.

Our updated Sustainability Strategy continues to build on our 3 existing pillars: **In the Air**; **On the Ground**; and **In Resort** along with an enhanced focus on our supply chain Scope 3 emissions. Our key areas of focus within each pillar are:



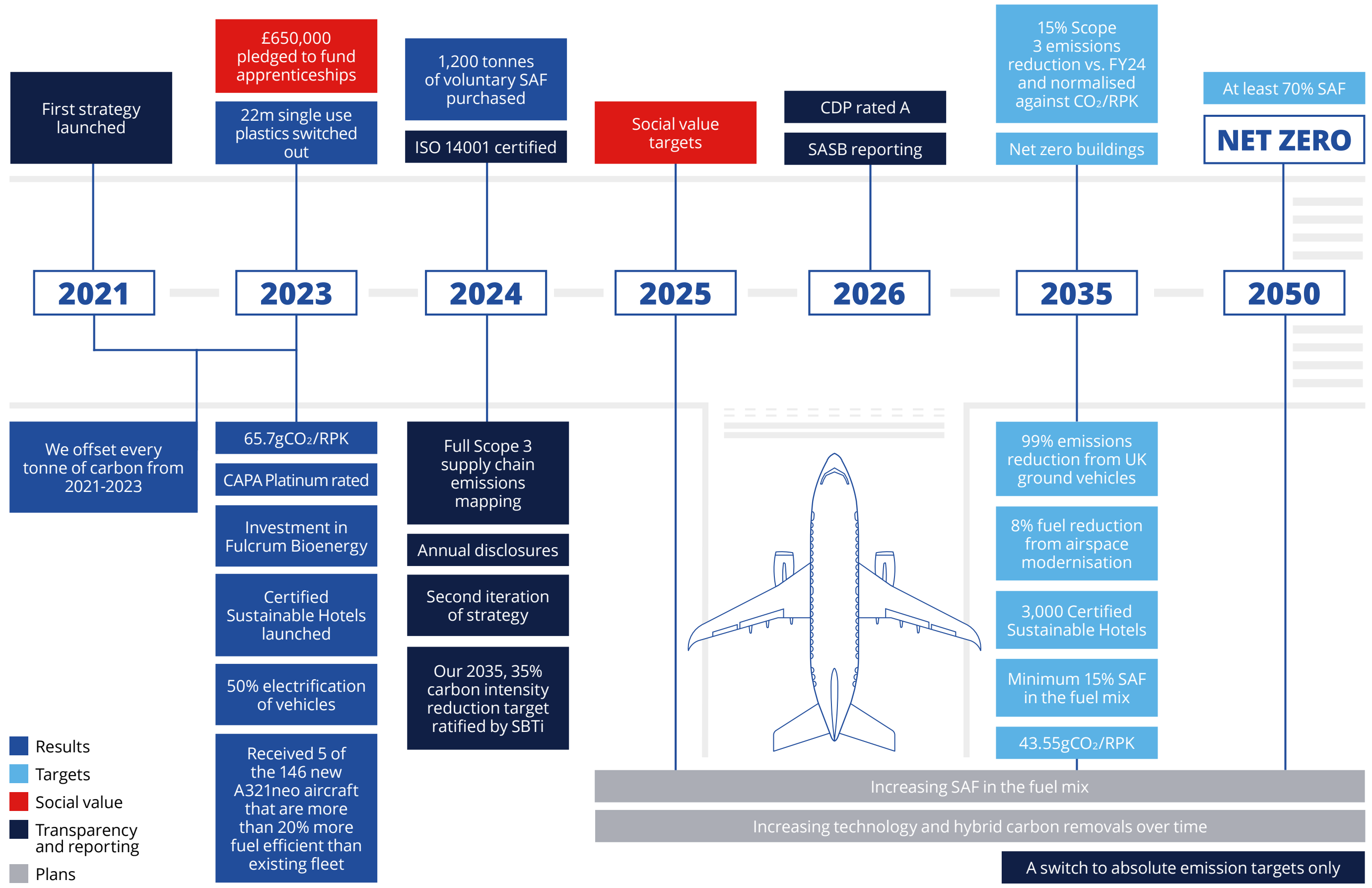


[1] CAPA. CAPA-Envest Global Airline Sustainability Benchmarking & Rating Report. 2023. Aviation Research Publications | CAPA (centreforaviation.com)



Our Climate Transition Plan

We are proud of the progress we have made so far and are committed to net zero carbon emissions by 2050 with the aspiration to bring this date forward. This section outlines our new climate transition plan to achieve our ***Jet2 Net Zero 2050*** pledge.



Our Roadmap reflects our Sustainability journey shown by calendar year.

SUSTAINABILITY
continued

Our decarbonisation flight path covers:

- Scope 1 direct emissions such as jet fuel, building heating oil and gas, and diesel use from fleet vehicles;
- Scope 2 emissions from purchased electricity in buildings and from our electric vehicle infrastructure;
- Scope 3 supply chain emissions across our business operation including in our destinations; and;
- Our approach to tackling residual emissions.

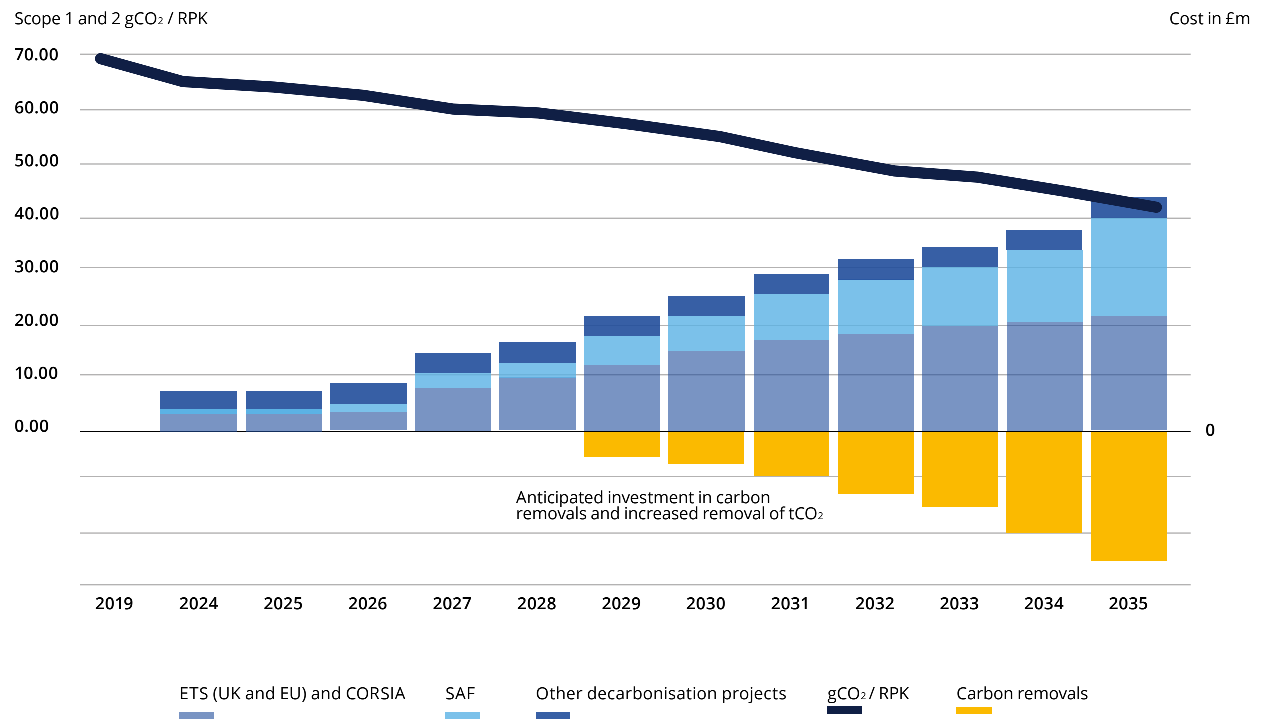
Scope 1 and Scope 2 emissions

Our decarbonisation targets are based on carbon intensity, reported as grams of carbon dioxide per revenue passenger kilometre (gCO_2/RPK). On our journey to net zero we are committed to achieving a **Scope 1 and Scope 2 emission intensity reduction of 35% by 2035 to 43.55g CO_2/RPK** versus a 2019 calendar year baseline of 67.0g CO_2/RPK.

Our Scope 1 and 2 emissions will not significantly decrease until the percentage of SAF in the total fuel mix is greater than our annual forecast passenger growth, reiterating the importance of a viable and abundant SAF market to speed up decarbonisation. As SAF usage increases, we anticipate a reduction in absolute emissions, and consequently will shift to absolute emissions reduction targets from 2035. **By 2050, we forecast our total absolute emissions to be between 500,000 and 1,000,000 tCO_2.**

We have outlined an emissions reduction pathway to align our 2035 Scope 1 and 2 carbon emissions intensity with the Science Based Targets initiative (SBTi) near-term target for the aviation sector. In the coming year, we will seek SBTi validation for this target. Key actions driving this reduction pathway will be led by **In the Air** initiatives, notably, the integration of Airbus A321neo aircraft to the fleet, increased use of SAF and government airspace modernisation. The graph below shows the expected impact of the Group's climate-related investments on decarbonisation.

Climate transition plan 2024-2035



Scope 3 emissions

In addition, **the Group has set a Scope 3 reduction target of 15% by 2035**, normalised against RPK with a reported 2024 financial year baseline of 1.27tCO_2e. Our reported Scope 3 emissions include categories associated with our supply chains across ***Jet2.com***, ***Jet2holidays*** and ***Jet2 plc*** including well to tank, our hotel partners' energy use, business travel, delivery of parts, goods, materials, customer travel and airport transfers to and from hotels in resort. Our aim is to work with our supply chain partners to lower the embodied carbon of products we purchase by making better material choices.

Measuring, baselining, and acting on Scope 3 emissions helps us understand the life cycle impacts, cost of products and our total impact. It also enables us to identify where in our supply chain most carbon is emitted allowing us to prioritise our resources effectively. This may include encouraging reuse of materials/ products (for non-aviation safety related products), more responsible distribution and assessing ways to reduce emissions associated with the full life cycle of a product.

By collaborating with our supply chain partners, we can facilitate emissions reduction and help them achieve their own sustainability goals. As we deepen our understanding of Scope 3 emissions, we will enhance the accuracy and granularity of our data collection and therefore our emissions reporting, which will enable us to explore more ways to reduce emissions within our supply chain.

Non-CO_2 impacts

We are focused on how we will manage our CO_2 impacts using known technologies and solutions. Recognising the potential impacts of non-CO_2 emissions on climate change, we have partnered with the University of Leeds on their work to measure this. We support the research that is needed to better understand and monitor non-CO_2 emissions; however, whilst this research field matures, our current action is focused on reducing our CO_2 emissions.

Sustainable finance

Jet2 plc is committed to incorporating sustainability into its treasury and financing activities. The Group's Revolving Credit Facility (RCF) and certain aircraft financing arrangements are linked to the Group's key climate metric, gCO_2 per revenue passenger km (fuel burn only), through a margin ratchet adjustment. In addition, all foreign currency derivatives hedged with its four relationship banks are linked to the same metric and compensated via a rebate. Furthermore, ***Jet2*** invested £5.3m (2023: £61.4m) in 'green' money market deposits, which its banking partners use to finance eligible green assets and projects, such as renewable energy, clean transportation, and energy efficiency.

Our longer-term strategy and residual emissions

Beyond 2035, a high degree of uncertainty surrounds the availability of new technologies. Consequently, we anticipate refining and expanding our long-term climate transition plan over the next decade. However, to achieve net zero by 2050, our path from 2035 to 2050 is expected to include:

- A switch to absolute emissions targets for Scopes 1 and 2;
- SAF being at least 70% of fuel mix and carbon reduced by at least 80% compared to conventional jet fuel;
- UK and EU Airspace modernisation objectives being fully achieved in line with the timescales indicated in the Single European Sky target and UK's Jet Zero strategy;
- More fuel-efficiency technologies entering the marketplace, such as lighter, more fuel-efficient aircraft and parts; and
- Feasibility for our residual emissions, which we expect will be a maximum of 1 million tonnes in 2050, to be offset through purchase of high quality, technology-based and hybrid carbon removals – likely Bio Energy Carbon Capture (BECC) or Direct Air Carbon Capture (DACC).

SOCIAL VALUE FRAMEWORK

The key to our long-term success is our people which includes a talented workforce from a broad range of backgrounds, plus well-supported communities in the places we operate both in the UK and in our destinations. Through our social value framework, we will support our colleagues and local communities by adding positive value through the opportunities we create. Our social value framework focuses on eight areas both within and outside of ***Jet2*** and in the forthcoming year, we will establish our baseline social value in these eight areas and begin to set targets in order to record our progress. Further detail on our Social Value Framework is given in the *Our People* section of this Report and Accounts on pages 77 to 82.

OUR ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) DISCLOSURES

To ensure transparency in the actions we are taking to drive sustainability within our business and throughout our supply chain, we have committed to annual ESG disclosures in relation to the targets in our climate transition plan, our social value framework and corporate governance.

This encompasses:

- Committing to a SBTi-aligned target and annual reporting against our associated carbon intensity reduction required to achieve this;
- Completion of an annual Carbon Disclosure Project (CDP) questionnaire and publication of its results with the aim of achieving an A rating on our 2026 submission, which is expected to be published in October 2026;
- Certification of our Sustainability Management System to ISO 14001:2015;
- Publishing an annual forward-looking summary document each year which reports our progress against ESG objectives and includes actions for the forthcoming year; and
- A transition to sustainability reporting against IFRS S1 - *General Requirements for Disclosure of Sustainability-related Financial Information*; and IFRS S2 - *Climate-related Disclosures.*

Our *Corporate Governance Statement* can be found on pages 86 to 94.

SUSTAINABILITY
continued

OUR 2024 ACTIONS

Although our **2024 – 2035 Sustainability Strategy** will be implemented over the next decade, each year of its execution is critical to achieving our net zero target. Consequently, we are committed to disclosing our short-term objectives on an annual basis. Over the next year, ***Jet2 plc*** will undertake the following actions:

- Install 34 pairs of split scimitar winglets;
- Implement our newly-procured StorkJet fuel system to support data-based decisions around fuel;
- Review the viability of installing solar panels at certain of our properties to increase our use of renewable energy generated on-site;
- Sign up to the Science-Based Targets initiative (SBTi) and have our 35% carbon intensity reduction in Scope 1 and 2 emissions by 2035 target independently verified;
- Complete our first CDP climate change questionnaire submission, with the aim of achieving a B rating in 2024;
- Certification of our Sustainability Management System to ISO 14001:2015; and
- Improve our Scope 3 emissions data collection including working with BeCause to monitor hotel certification.

CONCLUSIONS

Our 2024–2035 Sustainability Strategy sets new, bold, clear, and pragmatic targets, positioning the Group to achieve net zero carbon emissions by 2050. Aligned with the Paris Agreement's goal of limiting global warming to 1.5°C, the strategy places emphasis on current decarbonisation technologies such as SAF, fleet upgrades, and flight efficiency improvements. Additionally, it commits the Group to exploring investment in emerging technologies such as BECCs and DACCs to tackle residual emissions.

In addition to continuing to comply with TCFD and SECR reporting obligations, ***Jet2 plc*** is also making enhancements to the Group's approach to sustainability governance and disclosure.

We are confident that the Group's business strategy and financial planning will remain resilient to climate related risks and is responsive to any climate-related opportunities.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We remain committed to aligning to TCFD recommendations and ensuring transparency in our reporting. We have used the TCFD framework as the basis to meet our reporting requirements under the *Climate-related Financial Disclosure Regulations 2022*. To this end, we have reported against each of the pillars (Governance; Strategy; Risk Management; and Metrics and Targets) below:

GOVERNANCE

Describe the Board's oversight of climate-related risks and opportunities.

Jet2 plc Board

Sustainability Steering Committee

Sustainability Team

Departmental meetings and plans per team

Sustainability Champions

The Sustainability Steering Committee consists of our CEO, Sustainability and Business Development Director, Head of Sustainability, Group Chief Financial Officer, Director of Planning and Group Legal Director & Company Secretary.

The Committee's Terms of Reference have been updated this year to reflect the responsibilities of each Committee member to review and make decisions concerning climate-related risks and opportunities.

Quarterly Committee meetings facilitate discussion on sustainability and climate-related matters that may impact the performance of ***Jet2 plc***, including its business and financial strategy over the short, medium and long term.

The meetings include reviewing the progress of the company's Sustainability Strategy targets. Sustainability and climate risk, including policy changes and legislative impacts, is a recurring item on the Committee's agendas. The CEO subsequently informs the ***Jet2 plc*** Board of pertinent issues as and when these are material or significant to the Group and decisions are made accordingly to ensure the Group's business and financial strategy effectively responds to climate related risk and opportunities.

Consequently, during the year, the CEO provided two significant sustainability updates to the Board. The first update led to the Board's approval of investing in an equity stake in a UK-based Sustainable Aviation Fuel (SAF) producer in April 2023. The second update involved the CEO leading a comprehensive discussion on the Group's updated sustainability strategy.

The CEO's responsibility for the implementation of the strategy together with the day to day running of the Company means many decisions, including some linked to sustainability, can occur without formal Board approval such as the purchase of 34 split scimitar winglets for the Boeing 737-800NG aircraft, which are expected to reduce fuel burn by up to 1.8% per aircraft per year, and the early adoption of a 1% SAF blend at some of our airports in Summer 2024.

Prior to launching its updated strategy, ***Jet2 plc*** implemented a Sustainability Management System which incorporates governance of climate-related risks and opportunities. The Group is committed to certifying the system to ISO 14001:2015 during 2024.

In April 2024, the Board approved the updated **2024 – 2035 Sustainability Strategy** which makes substantial changes to the Group's sustainability targets, objectives and performance reporting, including a commitment to completing the CDP climate change questionnaire in 2024 and future alignment to IFRS S1 and S2 reporting standards to enhance transparency of climate and sustainability-related risk disclosure. The Board is also committed to discussing Director remuneration in relation to the achievement of **2024 - 2035 Sustainability Strategy** objectives via the ***Jet2 plc*** Remuneration Committee.

Describe management's role in assessing and managing climate-related risks and opportunities.

Jet2 plc employs a multilevel governance approach to ensure that sustainability awareness and responsibility permeates all organisational levels. The sustainability department oversees daily implementation of the Sustainability Strategy and is led by the Head of Sustainability who is also accountable for the Group Environmental Policy, which was revised in December 2023. More information on this policy is available at ***www.jet2plc.com/statements***.

Each operational Director is responsible for their departmental sustainability plans, with regular meetings taking place between them and the Sustainability Team to track progress, which is then reported to the Sustainability Steering Committee. Furthermore, the ***Jet2*** Sustainability Champions Network enables non-management colleagues to actively participate in the strategy's implementation and to provide feedback on initiatives to the Sustainability team during bi-monthly meetings.

All ***Jet2*** colleagues have a responsibility for supporting the delivery of the **2024 – 2035 Sustainability Strategy** and ensuring ***Jet2 plc*** operates responsibly. The Sustainability Management System addresses departmental and individual training needs through in-house training or funded external qualifications. Additionally, the Group funds professional accreditation for roles directly involved in the Strategy's formulation and implementation.

In its commitment to sustainability, the Group integrates sustainability performance into its procurement decisions by requiring major suppliers to provide relevant sustainability data. Guidance on responsible procurement has also been developed to enhance the sustainability of ***Jet2 plc***'s properties.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

The inclusion of Scope 3 emissions in our **2024 – 2035 Sustainability Strategy** carbon intensity targets ensures a sharp focus on the sustainability performance of our suppliers.

The Group is a member of several trade associations including Airlines UK, Airlines for Europe (A4E), the Aviation Council, ABTA, Sustainable Aviation and sits on the Jet Zero Council (JZC), a joint industry-government initiative to oversee the delivery of the UK Government's Jet Zero Strategy. Over the past year the Group has contributed to a number of national and international industry consultations to support the scale up of global SAF production, including the UK SAF mandate, UK SAF RCM, European Commission proposals for an EU-wide Book and Claim System for the purchase of SAF, and contributing to an ongoing discussion on the monitoring and reporting of aviation non-CO_2 impacts.

STRATEGY

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

For these purposes, the Group defines the three different time horizons as follows:

- Short term – being attainable within the next three years, which is aligned to our viability assessment forecasting process;
- Medium term – defined as being within the next three to ten years in line with the delivery period of the **2024 – 2035 Sustainability Strategy**; and
- Long term – deemed to be the period from the end of medium term through to 2050 when we have committed to our net zero pledge.

The risks and opportunities themselves are noted in the subsequent section, where their impacts are assessed.

Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

TCFD guidance categorises climate-related risks and opportunities as either transitional or physical.

Transitional risk and opportunities assessment

Transitional risks are business-related risks as a result of societal and economic shifts towards a low-carbon future. Examples include policy and regulatory changes, such as the UK and EU SAF mandates, emergence of new technologies such as hydrogen applications for the aviation sector and carbon capture, market and reputational risk due to changing market conditions, and consumer trends and legal risks associated with changes in the regulatory landscape. The Group manages transitional risks and incorporates associated opportunities primarily through the delivery of our **2024 – 2035 Sustainability Strategy**.

Short-term

To mitigate reputational risk, the Group has taken several short-term measures, including reducing airline carbon intensity to 65.7 gCO_2/RPK in 2024, supplying renewable electricity to properties where it manages the supply, and offsetting all carbon emissions between 2021 to 2023. Despite legislative challenges in implementing an onboard recycling measurement system, the Group has engaged with the UK Government to develop industry guidance for segregating hazardous cabin waste from recyclable materials. Additionally, 53% of the Group's owned GSE transitioned from diesel to electric by the end of 2023, surpassing its 50% target. The **2024–2035 Sustainability Strategy** outlines further actions to reduce carbon emission intensity and improve sustainability performance transparency. Refer to *Our 2024 Actions* on page 68 for more details.

The Group's carbon cost model helps to monitor transition costs related to legislation such as Emission Trading Schemes (ETS), fuel, SAF, and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). To manage this risk, the Group procured a 1% SAF blend at London Stansted, Bristol and Malaga airports for 2024, one year ahead of the EU and UK SAF mandates. This commitment helps the Group understand the processes of receiving, invoicing, and reporting SAF use. The Group expects its SAF usage to increase materially over time, providing short-term benefits from carbon cost reductions by claiming use of SAF under the UK ETS.

Medium term

Increases to carbon pricing and associated legislative changes pose a significant medium-term risk. Since the aviation sector's inclusion in the EU ETS in 2012, the average cost of carbon emissions allowances per tonne has risen from €5 - €10 to €65 - €100 by 2023. In addition, UK ETS prices were over £90 at the start of 2023, dropping towards £40 by calendar year-end. ETS allowance prices are expected to rise in the medium term to fund proposed international climate mitigation policies. Combined with the introduction of CORSIA phase 1 (2024-2026), these changes will significantly impact the Group's cost base if emission reductions are not implemented.

The Group has a well-established and detailed financial planning process, enabling the rapid modelling of and reporting against multiple scenarios. This process incorporates the cost of our climate transition plan including:

- The financing of new Airbus A321neo aircraft;
- The incremental cost of SAF as part of the fuel mix, including:
  - A SAF fuel premium charge between two and five times higher than conventional jet fuel;
  - Medium and long-term offtake agreements; and
  - Direct investment, for example, in Fulcrum BioEnergy Limited.
- UK and EU ETS allowance purchases;
- UK and EU CORSIA;
- Capital expenditure for the electrification of its ground operations fleet;
- Investment in solar panels on our buildings and infrastructure where practical;
- Electric vehicle charging infrastructure; and
- New systems, for example StorkJet, and technology.

The Sustainability Steering Committee and ***Jet2 plc*** Board review financial modelling of the impacts of proposed changes to carbon pricing in the short and medium term to inform their understanding of the potential financial impacts and how this may influence future strategy. Additionally, the Group has a Board approved Hedging Policy to manage carbon price volatility for current enacted carbon levies.

In anticipation of potential future mandates on SAF usage in destination countries, the Group took proactive measures to address transitional risks. In April 2023, it acquired an equity stake in a SAF producer - Fulcrum BioEnergy Limited - securing access to over 200 million litres of SAF for ***Jet2.com*** over a 15-year period. Subsequently, in 2024, the Group agreed to purchase a 1% SAF blend at London Stansted, Bristol and Malaga Airports, utilising approximately 1,200 tonnes of SAF a year ahead of EU and UK SAF mandates. The Group continues to engage with SAF producers and suppliers on further SAF procurement agreements and aims to reach a minimum of 15% SAF usage across the Group's total fuel requirements by 2035, aligning with UK and EU SAF mandates and global ICAO voluntary ambitions.

The proposed introduction of an air travel eco-labelling scheme by the UK Civil Aviation Authority (CAA) and European Union Aviation Safety Agency (EASA) may influence consumer choice and travel trends, which presents as both a risk and opportunity for the Group's business strategy. The Group continues to monitor these proposals and will respond in accordance with the outcomes.

Notably, in the 2023 CAPA Global Airline Sustainability Rating report, ***Jet2.com*** was recognised as a leader in airline carbon emission intensity; therefore, the Group views the introduction of an eco-labelling scheme as an opportunity to promote the airline's strong sustainability credentials.

Through our membership of industry associations including the JZC, A4E and Sustainable Aviation, the Group actively engages in lobbying governments to ensure both net zero and environmental aviation policy provides for a fair and economical transition for the industry and its customers.

Long-term

Longer-term climate-related transition risks and opportunities are less well understood and are dependent on the government's level of ambition to decarbonise aviation. Power-to-Liquid SAF is a form of aviation fuel which could offer 100% GHG reductions versus conventional jet fuel when used in conjunction with carbon capture technologies and powered by renewable electricity. However, rapid deployment of hydrogen and renewable electricity is essential to facilitate an increase in its production. The Group is aware of the UK and EU SAF commitments to introduce a further mandate on adoption of Power-to-Liquid SAF and is in discussions with aviation fuel suppliers to understand the financial and operational impact.

The Group's new aircraft order is part of a longer-term strategy to reduce its key climate metric, gCO_2 per revenue passenger km as further discussed on page 75, as more fuel efficient and sustainable Airbus A321neo aircraft replace older, less efficient aircraft types.

Other long-term transitional risks include changes to consumer and investor sentiment, which are anticipated to evolve with growing awareness of climate change, and the potential mitigation of non-CO_2 impacts. ***Jet2 plc*** actively contributes to discussion on non-CO_2 through membership of the Jet Zero Council and A4E. This includes participation on the European Commission proposal for the monitoring, reporting and verification of non-CO_2 impacts as part of the EU ETS, which is anticipated to apply from January 2025.

Our **2024 – 2035 Sustainability Strategy** is currently aligned with the existing policy landscape for the aviation industry to achieve net zero by 2050. To effectively respond to climate-related transition risks and opportunities so that the strategy remains resilient, the Sustainability Steering Committee and ***Jet2 plc*** Board will continue to monitor emerging trends and policy changes.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) *continued*

Physical risk and opportunities assessment

Physical risks influenced by climate change encompass weather-related events such as floods, wildfires, and storms, categorised as either ‘acute’ or ‘chronic’. Acute risks are event-driven, including droughts, floods, extreme precipitation and wildfires, with management and mitigation of these risks covered within the Operational Disruption risk in the *Risk Management* section on page 47. Chronic risks involve long-term climatic shifts such as rising temperatures and sea levels, the spread of tropical pests and diseases in temperate zones, and the accelerating loss of biodiversity.

Short term

Short-term physical risks include climate change related weather events impacting the ***Jet2.com*** flying programme and events in ***Jet2holidays*** destinations resulting in holiday rebooking or cancellations. These short-term risks are mitigated by the Group’s flexible operating model where seat supply is fully controlled by ***Jet2.com*** and which incorporates the use of different aircraft sizes and stand-by aircraft and crews. In addition, ***Jet2holidays*** booking and cancellation policies ensure customers are entitled to refunds and rebooking options. The occurrence of significant weather events is sporadic and are therefore not expected to have a material impact on short-term cashflows.

Medium and Long term

In 2022, the Group commissioned external consultants, Delta-Simons, to complete a Physical Risk Climate Assessment (PRCA) through to 2100. As our operations cover a range of geographies throughout Europe, we selected one of our busiest UK airport bases, together with one international airport to provide a snapshot of potential physical climate risks that could affect our operations under different climate scenarios. A range of physical risk indicators were explored based on the most current publicly available information. The outputs of the PRCA are still valid to ***Jet2 plc’s*** operating model therefore further PRCAs have not been completed for this reporting year. We are committed to performing quantitative climate change modelling every 2 years.

Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The following risk summaries are based upon three representative concentration pathways (RCP[1]):

- a ‘low’ climate scenario where global temperature rises are maintained below 2°C throughout the period to 2100 in line with the Paris Agreement (RCP 2.6);
- a ‘medium’ climate scenario in which emissions peak in 2080, resulting in temperature rise of between 3-4°C by 2100 (RCP 6.0); and
- a ‘high’ climate scenario whereby emissions continue to increase throughout the 21st century, resulting in an approximate warming of 4°C by 2100 (RCP 8.5).

The UK-based analysis utilised United Kingdom Climate Projections 2018, which is a set of tools for assessing how the UK’s future climate is likely to change on land and in its surrounding waters. The overseas analysis was completed using global climate data with a reduced number of physical risk climate maps at a coarser resolution, as there is currently limited UK-equivalent data for many of the Group’s destination countries.

The UK airport is expected to have a low to moderate physical risk rating in the 2.6 and 6.0 concentration pathway scenarios in the period to 2100. Under the 8.5 RCP scenario, the presented effects of temperature rise and reduced rainfall indicate that the airport has a moderate to high-risk rating.

The international airport was expected to have an average physical risk rating of 3 in all climate scenarios. Coastal flood risk, air temperature, air pressure, wildfires and rainfall pose the largest risks to this overseas airport.

1 RCPs outline greenhouse gas concentration pathways over the 21st century relative to a pre-industrial baseline. They are used to calculate changes in the earth’s radiative forcing, a measure of incoming and outgoing radiation at the top of the atmosphere. Radiative forcing targets for 2100 have been set at 1.9, 2.6, 4.5, 6.0 and 8.5 watts per square metre (Wm-2) to cover a wide range of plausible future emission scenarios. The RCPs are used to run a range of climate and socio-economic models to predict climate change impacts under different emission scenarios.

Implications of physical risks

As a result of the PRCA’s, the Group have identified the following key physical risks which may have a moderate impact on the Group’s strategy and financial planning in the period through to 2100:

- Air temperature and pressure changes;
- Coastal flood risk;
- Cooling degree days, which is used to quantify energy demand for cooling buildings;
- Rainfall;
- Surface water risk;
- Water stress, where demand for water exceeds supply; and
- Wildfires.

The risk rating for the identified physical risks increases under the RCP 6.0 (medium) and RCP 8.5 (high) emission scenarios, illustrating the importance of enabling rapid emission reductions to mitigate the most severe physical impacts of climate change. Our updated **2024 – 2035 Sustainability Strategy**, published in May 2024, commits the Group to having its carbon intensity target validated by the SBTi as aligned with the Paris Agreement warming limit of 1.5°C, which is broadly in line with RCP 2.6.

Increased acute climate events such as coastal and fluvial flooding, wildfires, and severe winds could directly disrupt ***Jet2.com***’s flight plans, leading to delays, routing changes and cancellations. These events may also have physical impacts at our UK airport bases and overseas destinations, affecting colleague welfare, their ability to travel to work and consequently daily operations.

In addition, rising acute climate events may indirectly affect our business model by altering consumer preferences, potentially reducing demand for leisure travel to climate-sensitive destinations and shifting travel seasonality. These indirect impacts pose both risks and opportunities as adapting to changing trends and longer seasons could lead to growth opportunities, particularly in destinations where temperatures have risen. Consequently, we continue to closely monitor consumer travel habits through our own market research efforts.

Chronic climate events can have similar implications as acute events such as changes in water availability, food security, supply chain disruptions and employee safety and would impact the Group’s financial performance. As acute risks are challenging to predict, continuous monitoring of their potential impact and mitigation options will be conducted by the Sustainability Steering Committee and Board to ensure appropriate action is taken.

RISK MANAGEMENT

Describe the organisation’s processes for identifying and assessing climate-related risks.

Climate and sustainability are recognised as a principal risk on the Group’s Risk Register, which is assigned Director-level responsibility and ownership. Further details can be found in the *Risk Management* section on page 42.

Describe the organisation’s processes for managing climate-related risks.

The Group leverages both external expertise and the knowledge maintained within our business, particularly the Sustainability team, to conclude on its risk prioritisation at Director level meetings and at the Sustainability Steering Committee. The materiality of the identified sustainability risks, along with perceived stakeholder impact, was a key consideration when developing our updated **2024 – 2035 Sustainability Strategy**. Refer to *Our Materiality Assessment* on page 63 for further information.

Materiality levels for climate-related risks were determined based on their likelihood and the net carbon emissions saved through mitigation efforts. The Group assessed its climate-related risks across three pillars: **In the Air; On the Ground;** and **In Resort**. Having considered each, monitoring and offsetting of its carbon emissions and specifically those from its aircraft, emerged as the most material sustainability risk. Consequently, this became the primary focus area for addressing climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.

Climate-related risks are assessed by considering the likelihood and impact of the risk materialising. Appropriate controls are then agreed and implemented to mitigate those risks. The Sustainability Steering Committee identify, assess, and manage climate-related risks and report any findings to the Risk Management Forum and Risk Oversight Committee who are responsible for reviewing the Group’s principal risks and uncertainties. The Audit & Risk Committee also review principal risks and the status of mitigating actions.

METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Group has reported on its carbon intensity and total Scope 1 and Scope 2 emissions since the year ended 31 March 2020 which are aligned to the greenhouse gas emissions (GHG) Protocol Corporate Accounting and Reporting Standard and Streamlined Energy and Carbon Reporting (SECR) guidance published by the UK Government. Our sustainability metrics and targets, including our climate transition plan, are outlined within our **2024 – 2035 Sustainability Strategy**, which centres on a 35% reduction in Scope 1 and 2 carbon intensities to 43.55g CO_2/RPK by 2035 compared to our 2019 calendar year baseline. Each Director has tailored metrics relevant to their business area to support achieving these ambitious sustainability goals.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Streamlined Energy Carbon Reporting

We monitor our energy consumption and GHG in line with SECR requirements and in accordance with TCFD recommendations. We use gCO_2 per revenue passenger kilometre ($gC0_2$/RPK) to measure our carbon intensity, which is the most widely used metric for the aviation sector.

In the year ended 31 March 2024, total Scope 1 and 2 carbon equivalent emissions (tCO_2e) were 2,877,605 tonnes (2023: 2,645,600 tonnes) with 99.8% arising from our aircraft operations. The remaining emission sources were ground handling activities, together with our vehicle fleet, office heating, training, and engineering facilities.

In addition to reporting Scope 3 upstream emissions from aviation fuel, business travel, corporate flights and train journeys in line with our previous report, we have expanded and re-baselined our Scope 3 emission reporting this year which now represents approximately 31% (2023: 17%) of our total emissions. A full breakdown is detailed below. Our Scope 3 data sets are based on logical assumptions, proxies, or industry averages and we will work with our supply chain to improve the quality of this data over time. Notable exclusions where we cannot currently obtain Scope 3 data include embodied carbon of new aircraft, engineering products and tools. In addition, our Scope 3 category 8 upstream leased aircraft emissions are included in our Scope 1 fuel use.

Scope 3 emissions Baseline

GREENHOUSE GAS SCOPE 3 CATEGORY	SCOPE 3 DESCRIPTION	tCO_2	%
1	Well to tank emissions from fuel use	604,030	47.6%
1	In-flight retail purchased goods	60,570	4.8%
1	IT equipment	3,150	0.2%
1	Our ***Jet2*** staff uniform purchases	780	0.1%
1	Operation and maintenance of properties	60	0.0%
3	IT infrastructure (Data Centre energy use)	27,950	2.2%
3	Ground handling equipment - non-handling pushbacks	7,810	0.6%
3	Home working energy use	2,230	0.2%
3	Transmission and distribution losses from national grid	140	0.0%
4	Customer journeys (UK residence to UK airport)	36,910	2.9%
4	Transfers (destination airport to place of stay)	22,920	1.8%
4	Engineering parts delivery	8,790	0.7%
5	Waste	1,900	0.1%
6	Business travel	3,440	0.3%
6	Other business travel (hotel stays and events reported outside the travel system)	230	0.0%
7	Commuting to work	5,860	0.5%
11	Hotel energy use	482,310	38.0%
	Total	**1,269,080**	

Scope 3 emissions from 2024 using actual emissions data, using data based on spend, and industry averages

The table below sets out total energy consumption and resulting GHG emissions by Scope arising from business operations.

Summary GHG Emissions Results

	2024		2023	
Scope	**tCO_2e**	**kWh**	**tCO_2e**	**kWh**
Scope 1	2,876,913	11,607,057,120	2,644,164	10,674,111,542
Scope 2 (market based)	692	7,887,073	1,436	7,424,171
Total Scope 1 & 2	**2,877,605**	**11,614,944,193**	2,645,600	10,681,535,713
Scope 3 (FY24 re-baseline)	1,269,080	–	549,817	–
Total Scope 1, 2 & 3	**4,146,685**	**11,614,944,193**	3,195,417	10,681,535,713
Note:				
Scope 2 (if location based)*	1,633	7,887,073	1,436	7,424,171
Scope 3 (only categories included in 2023)‡	607,470	–	549,817	–

Intensity Ratios

	2024	2023
gCO_2 per revenue passenger km aircraft fuel burn only†	**65.7**	65.9
gCO_{2e} per revenue passenger km including all relevant scope 1 & 2 emissions‡	**66.4**	–
gCO_{2e} per revenue passenger km including all relevant scope 1, 2 & 3 emissions‡	**95.7**	80.5

Our 2024 reported figures are inclusive of additional Scope 3 categories for which a like-for-like comparative is not available. Our reported results for 2024 will form the baseline of our 2035 Scope 3 targets.

* A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity the Group has purposefully chosen. The same results are shown under both bases for the year ended 31 March 2023, as no REGOs were purchased during the year.

† Metric uses EU ETS emissions factors (of 3.15 tonnes of CO_2 per tonne of jet fuel) and includes aircraft fuel burn only (please see methodology)

‡ Emissions included are explained in the methodology section. Our Scope 1 and 2 uses SECR and Department for Energy Security and Net Zero (DESNZ) conversion factors for fuel i.e. 3.178 tonnes CO_2e.

GHG emissions are categorised into three Scopes as defined below:

- Scope 1 - Direct emissions resulting from the primary combustion of fuels in our financially-controlled premises, vehicles, and plant.
- Scope 2 - Indirect emissions resulting from the consumption of purchased electricity that has been generated off-site and supplied by the national grid using market-based methodology
- Scope 3 - Indirect emissions associated with the consequences of the activities of the organisation but controlled by an entity outside of the Group.

The table above discloses gCO_2e per revenue passenger km including all relevant scope 1 & 2 emissions using the DESNZ emissions factor (as opposed to the EU ETS). Our Scope 1 and 2 target for 2035 will be verified by SBTi and therefore this metric will be important to measure our progress in controlling all our Scope 1 and 2 emissions, rather than solely fuel burn.

Calculation methodology

Total GHG emissions have received a limited assurance assessment by a third-party (My Carbon Ltd) which was conducted in accordance with *ISO14064-1:2006 Greenhouse Gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.*

Total Scope 1 emissions from aviation fuel consumption, which represent 99.8% of total Scope 1 and Scope 2 emissions have received a reasonable assurance conducted by a third-party (Verifavia), a leading verification body for aviation emissions.

Our GHG emissions results are produced in line with *UK Government Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (March 2019) in conjunction with UK Government GHG Conversion Factors for Company Reporting.*

Carbon conversion factors have been taken from DESNZ's *'UK Government GHG Conversion Factors for Company Reporting 2023'* as most of the reporting period falls within the 2023 calendar year. This is in line with environmental reporting guidance. GHG emissions have been assessed using the *'financial control'* approach, meaning that the Group reports on emissions resulting from its operations, within its direct or indirect financial control.

The Group revenue passenger km calculation is based on the scheduled flying km (Great Circle Distance route +95) multiplied by ***Jet2.com***'s flown passengers, excluding infants and no-shows. The calculation's denominator, grams of carbon, includes:

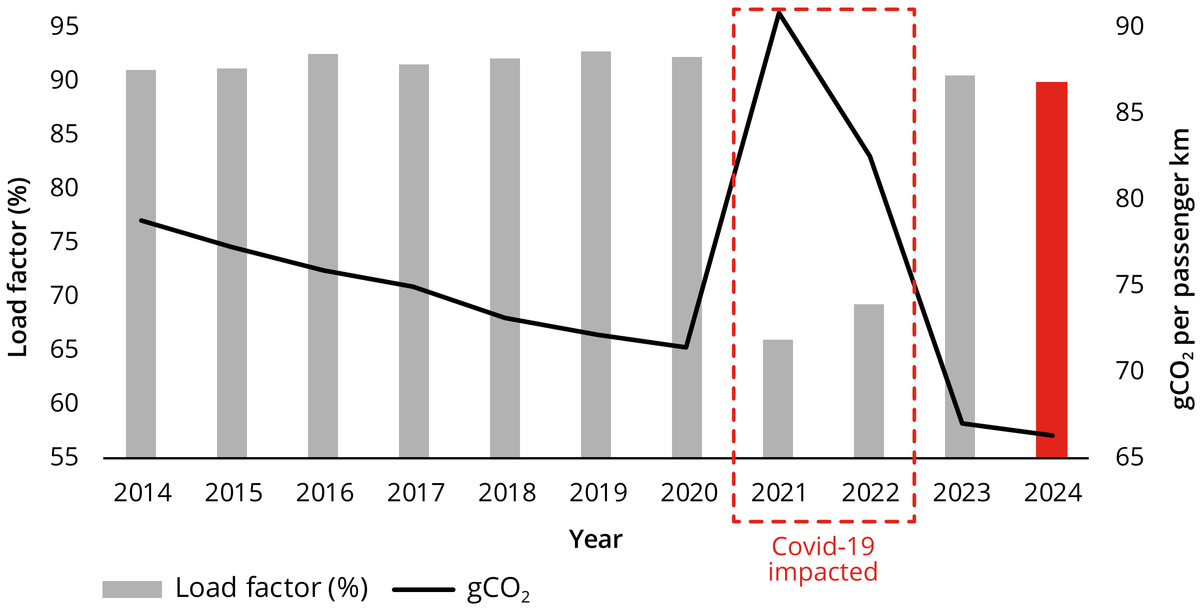
- Fuel burn (to EU ETS emissions factor);
- Fuel burn plus all other Scope 1 and 2 emissions using *DESNZ UK Government Conversion Factors;* and
- Fuel burn plus Scope 1, 2 and 3 emissions *DESNZ UK Government Conversion Factors.*

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Aircraft CO_2 emissions

Our Leisure Travel business benefitted from sustained demand in the year. Having increased overall seat capacity by 10% to 19.73m (2023: 17.93m), ***Jet2.com***'s average load factors remained healthy at 89.8% (2023: 90.5%). The historical performance of our key climate metric can be seen in the graph below:

Passenger load factor compared to gCO_2 per revenue passenger km



Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Our updated strategy focuses on:

- a 35% reduction in Scope 1 and 2 carbon intensity targets to 43.55g CO_2/RPK by 2035 compared to our 2019 calendar year baseline; and
- a 15% reduction in Scope 3 carbon intensity (gCO_2/ RPK), across our seventeen ***Jet2***-defined categories, which fall within 7 broader GHG-defined categories, by 2035 compared to our 2024 baseline.

These new targets are designed to ensure the Group is well placed to comply with evolving regulations and take advantage of climate-related opportunities. Further information on our climate transition targets can be found in the Our *2024-2035 Sustainability Roadmap* section on page 65.

Non-financial and sustainability information statement

The Group is satisfied that the applicable requirements of Section 414CB of Companies Act 2006 are met by the climate-related financial disclosure information within its *TCFD* section, including:

- governance on pages 69 to 70;
- risk management on page 73;
- scenario analysis on pages 72 to 73; and
- metrics and targets on pages 73 to 76.

OUR PEOPLE

The appeal for ***Real Package Holidays from Jet2holidays®*** or simply a leisure flight from ***Jet2.com*** remained strong throughout the year, supported by our unwavering commitment to customer service excellence upheld by our skilled teams.

As custodians of our product, we empower our Colleagues to demonstrate the Company's ***'Take Me There'*** values to provide our Customers with award-winning service on the ground at our airport bases, in the air onboard our flights and in resort on their well-earned holidays. The unforeseen events experienced in Summer 2023 in Rhodes and Skiathos and the NATS technological systems failure were adeptly navigated through committed and decisive actions from colleagues who frequently go the extra mile – real examples of our *Customer First* service ethos.

Our principles of *People, Service, Profits* help define our commitment to our Colleagues through appropriate reward and recognition, together with provision of the necessary learning and development resources required to excel.

Whether in the UK or Overseas, our Colleagues' ability to shine in their roles while embodying our ***'Take Me There'*** values is of the utmost importance. This approach continues to set us apart and enables us to be consistently recognised as an industry leader for outstanding customer service, including being named Which? **Travel Brand of the Year** for the third consecutive year.

Pleasingly, ***Jet2.com*** and ***Jet2holidays***' Glassdoor rating of 4.1 out of 5.0 remains the highest in our industry and serves as an important barometer in gauging the happiness and engagement of our workforce. Notably, the ratings of our CEO, the Company strategy and those for our Senior Leadership Team who drive our vision and motivate our teams, are significantly higher than the average. We remain committed to providing an exceptional work environment for all colleagues and aim to continuously improve, which should mean we are able to continue to attract and retain the best talent to support our growing business.

OUR SOCIAL VALUE FRAMEWORK

In May 2024, we issued our updated Sustainability Strategy, expanding it to incorporate social values for our Colleagues and the local community in which we operate. For colleagues, these values encompass four specific areas – Learning & Development; Wellbeing; Inclusion & Access; and Health & Safety. Our other core social values cover: Jobs and Skills; Communities; Partnerships & Ethics; and Risk & Safety.

It is vital our Colleagues understand the importance of, and recognise the impact of, both their own and the business' social value contributions. Therefore, in the coming year we will continue to focus on and promote these key areas with the objective of continual improvement against our current status.

OUR PEOPLE SOCIAL VALUES

LEARNING & DEVELOPMENT
Includes both compliance and development training, together with appropriate opportunities for colleague progression.

WELLBEING
Appreciation of mental and physical health issues and the provision of a compassionate support service for colleagues.

INCLUSION & ACCESS
Advocating equal opportunities for people of all gender, race or social background.

HEALTH & SAFETY
Keeping colleagues safe in the workplace.

SOCIAL VALUES WHERE WE OPERATE

JOBS & SKILLS
Direct and indirect employment opportunities in our local communities.

COMMUNITIES
Encompasses charitable giving, sponsorships and apprenticeship levy donations.

PARTNERSHIPS & ETHICS
Treatment of suppliers and ethical business behaviour.

RISK AND SAFETY
Compliance with aviation safety standards and equivalent holidays risk & safety regulation.

OUR PEOPLE
continued

LEARNING & DEVELOPMENT

Embedding Our Award-Winning Customer Service Standards

Our focus remains on delivering outstanding customer service supported by our brand values, internally referred to as ***'Take Me There',*** encompassing four key principles: ***Creating Memories, Being Present, Taking Responsibility,*** and ***Working as One Team*** – all are instrumental to our success and are embraced wholeheartedly by each member of our team.

From the beginning of their career at ***Jet2.com*** and ***Jet2holidays***, all colleagues are introduced to these simple yet powerful values during face-to-face inductions which helps spark enthusiasm for our company philosophy. Furthermore, we conduct annual refresher courses to reinvigorate our teams at all levels of the organisation to ensure they continue to consistently provide our award-winning level of service which differentiates us from the rest. As a result, the values are deeply embedded in our culture and are integral to everything we do!

During the year, we trialled a learning and development course with a group of cabin crew colleagues, designed to develop ***'Take Me There'*** Ambassadors who are equipped to promote and support our values amongst their peers. Following completion of the course, these colleagues returned to their bases to act as ***'Take Me There'*** role models and champion our values through the delivery of local training programs to new and existing colleagues. The feedback from the courses has been extremely positive and we now plan to expand our ***'Take Me There'*** Ambassador network over the forthcoming year.

Recruiting And Retaining Our Talent

We recognise the need to provide all applicants with the best possible recruitment and onboarding experience, which is continually reviewed to ensure our attraction strategy and subsequent processes remain industry leading.

The strength of our brands, coupled with our *People, Service, Profits* guiding principles, are core reasons why we continue to be inundated with applicants eager to be a part of our team, with over 145,000 applications administered this year.

During the year we successfully opened our Retail Operations Centre (ROC) located in Middlewich, Cheshire, which has provided local employment opportunities for over 300 people. The ROC is the first of its kind in the UK aviation industry and its successful implementation was made possible by the recruitment of talented colleagues who not only excel in a distribution-style operating environment, but have already demonstrated genuine enthusiasm for our brand values.

In addition, on 28 March 2024, flight operations from our new Liverpool John Lennon airport base commenced successfully, a result of having recruited enthusiastic colleagues from in and around the Merseyside region across many disciplines, including engineers, pilots, cabin crew, ground operations and customer helpers, to enable us to provide our *Customer First* service.

Consequently, we are thrilled to have welcomed over 5,000 new colleagues over the past year, meaning we will employ over 17,000 colleagues for the peak Summer 2024 season – a 13% increase compared to Summer 2023. We are confident we are well set for a successful season with sufficient, fully trained resources to operate our end-to-end product proposition to our normal high standards of customer care.

We continued to reap the rewards of our strategic decision to invest in an in-house dedicated security referencing team, allowing us to control the recruitment process from start to finish and provide a much improved, streamlined and friendly service to our newly recruited colleagues. The team has now been successfully established for over a year, minimising delays in the onboarding process with the timely provision of references and airside passes meaning new colleagues are able to provide award-winning service to our Customers considerably quicker than before.

The pace of training has remained on track to meet our operational needs, with our highly skilled training teams working efficiently and flexibly to ensure all new colleagues across the business are fully prepared and equipped for their exciting careers with us.

Encouraging High Performing Leadership Teams

The continued growth of our business is dependent on appropriately skilled and experienced managerial-grade colleagues who are empowered to ***Take Responsibility*** for key decisions and to lead, support and inspire their teams. We believe sustained high levels of managerial performance are integral to competing in our industry and consequently we have recently launched a new performance management process - *Maximising Business Performance through our People* - to directly link the contribution of each manager to their bonus reward. This change to reward structures has been welcomed positively and we believe it will create a more robust performance framework for the business, ensuring we encourage the development as well as the retention of our best leaders. The expansion of our organisational structure last year to include "Director of" roles has also been recognised as a career path for many aspiring leaders of the future and is something we will continue to embed and consider in our succession planning processes.

Training To Develop Our Talent

We are committed to providing a wide range of learning and development opportunities for our colleagues. Our programmes encompass various methods such as traditional face-to-face classroom sessions, practical training and blended learning approaches. Embracing digital learning where appropriate, we have facilitated over 60,000 online courses and also conducted over 400 in person courses over the past year. Whilst digital learning is convenient and suitable for certain topics, we believe that face-to-face learning is essential to our overall success and to ensure a well-rounded learning experience.

These in-person sessions primarily focus on enriching the understanding of our ***'Take Me There'*** values and self-development tools and leadership, focusing on themes such as; *'Right Conversation, Right Time', 'Effective Coaching'* and *'Developing your Leadership Style'*.

Our teams are diverse, encompassing many different operational disciplines and as a result our training approach needs to reflect this. For UK Ground Operations Management teams, we have supported the delivery of bespoke classroom courses to over 200 duty managers, base station managers, controllers and supervisors covering the fundamental skills required to: maximise their teams' potential; lead and manage effectively; strengthen teams; and build and refine their personal and professional brands. We have also supported the development of our Pilot Base Management Teams, focusing on how to lead authentically and how to have effective one-to-ones with their teams. Alongside this, we have supported our Cabin Crew Base Management Teams by delivering a series of closed group Management development sessions.

In addition, we have trained four internal Mental Health First Aid (MHFA) instructors to deliver MHFA training in-house during the year. The two-day course covers a range of mental health conditions, such as anxiety and depression and has been delivered internally to over 100 colleagues. Feedback shows the course was delivered with care and compassion and has made colleagues feel much more comfortable and confident in having conversations about mental health. As a result, we now have over 200 trained Mental Health First Aiders across the business.

Finally, we also have over 65 fully trained pilot mentors who volunteer to share their professional experiences and thus enhance the careers of their fellow pilots.

By investing in these training initiatives, we aim to empower our Colleagues to excel in their roles and contribute to our collective growth.

Jet2.com manages its own UK CAA approved Pilot and Cabin Crew training programme facilitated by two purpose-built training centres, located in Bradford, near Leeds Bradford Airport, and in Cheadle, near Manchester Airport. These centres have the capacity to accommodate up to ten full flight simulators combined, plus cabin crew door, slide, fire and smoke training simulation devices. Our training programmes currently utilise six Full Flight Simulators and two Fixed Base Simulators, catering for all aircraft models including the Airbus A321neo which recently entered our fleet.

The training centres are dedicated to supporting all operational colleagues, including Flight Crew, Cabin Crew, Engineering, and Ground Operations. In-house training is provided to the highest professional standards and equips our colleagues with the necessary skills to deliver our award-winning customer service in a safe and efficient manner. In addition to our CAA approved in-house type rating and conversion training courses, we have the necessary approvals and capacity to provide internal training for pilot instructor, examiner and specialist trainer credentials - currently there are in excess of 270 qualified colleagues.

Our philosophy is to consistently recruit and invest in colleagues who embody our brand values to ensure that they are proud to represent and champion ***Jet2***. This is essential to the successful delivery of our overall strategy and in sustaining business performance over the long term.

OUR PEOPLE
continued

Investing In Leaders For The Future With Our Apprentices

Our Apprenticeship Scheme has continued its rapid expansion with over 150 apprentices on Level 2 to Level 7 programmes across our business including Finance, IT, Engineering and Marketing, with an additional 180 newly created roles expected to start in the forthcoming year.

We invest in our future talent by providing nationally recognised qualifications, bespoke training and networking opportunities, business exposure and teambuilding opportunities. During National Apprenticeship Week, 40 of our apprentices took part in a local community event with *Hyde Park Source* in Leeds, clearing an area of overgrown parkland to make it re-accessible to the local community and learning about our ***Jet2 Net Zero*** sustainability strategy before pitching new ideas to our panel of senior managers and directors in *Dragons Den*-style presentations.

We are proud to have a 100% first-time pass rate for over 50 apprentices who have completed their end point assessments, and all have since been offered permanent roles within the Group.

This year, we not only encouraged our own internal apprenticeship programme, but also launched an industry leading initiative ***Appoint an Apprentice*** where we made £500,000 of apprenticeship funds available to our trade partners and charities via levy transfer. This funded 72 new apprentices in total, meaning travel agents could bring in new talent while retaining and developing a highly skilled workforce. As part of the scheme, we also provided £150,000 to help fund the salaries of new apprentices for one year across more than 30 independent travel agencies.

Entry level pilot opportunities in our rebranded ***Future Second Officer*** scheme remain extremely popular, with the programme length streamlined to a shorter nine-month period. Our scheme attracts many external and internal applicants and there are currently 12 colleagues on the scheme, with 36 more expected to join in the forthcoming year.

INCLUSION AND ACCESS

Communication And Engagement

We are passionate about promoting and maintaining good communication and facilitating two-way feedback between colleagues from all areas of the business and our Senior Leadership Team. We regularly engage through both formal and informal channels and encourage colleague feedback and comments to our dedicated inboxes, such as ***'Jet2Cares'*** and ***'ShareWithSteve'***, which are both ways to interact directly with our CEO.

Our ***A Great Deal Friendlier*** colleague engagement scheme is designed to recognise individuals and teams who have provided excellent customer service and gone the extra mile for either internal or external customers, demonstrating our ***'Take Me There'*** values in the best way. On the spot awards are presented to colleagues throughout the year and culminate with the best of the best vying for the grand title at our annual ***A Great Deal Friendlier*** awards dinner, a fabulous evening where we recognise the many outstanding contributions made by our Colleagues!

Our Annual Director Roadshows, headlined by the CEO and accompanied by the ***Jet2.com*** Managing Director, HR Director and members of our Senior Leadership Team, took place early in 2024 at each of our eleven UK Bases and continue to be a hugely popular event. The Roadshows are the perfect opportunity for Directors to motivate colleagues ahead of the busy summer season and reinforce the essential and vital role that we all play in the success of our business. The events are designed to be an open and informal environment where colleagues have the opportunity to ask questions, input ideas and are also encouraged to provide anonymous feedback on the day – we believe that two-way engagement is vital in order to ***Create Memories*** internally, as well as for our Customers.

As well as company-wide communications and suggestions boxes, we regularly circulate newsletters and bulletins covering a wide range of topics which are tailored to each area of the business.

We continue to employ our Information and Consultation Agreement and Protocol, consisting of five separate agreements that cover every UK-based colleague. These agreements set out how ***Jet2.com*** and ***Jet2holidays*** inform and consult with colleagues as well as how each group works in practice, including how colleague representatives are elected. Colleague representatives are encouraged to actively engage and seek views from their business areas, to share their perspectives and also to challenge existing norms, as well as put forward ideas and suggestions for improvement which can cover any area of their role or working environment.

We are proud of implementing many ideas and suggestions from these forums – their feedback is extremely useful. In the past year they have played a pivotal role in many areas including: roster development plans; influencing garment types and styles as part of a uniform review; a second iteration of our popular ShareSave Scheme; the introduction of an electric vehicle company car scheme and so much more.

We enjoy working together to understand the collective views and ideas of our Colleagues and know that strong engagement helps us accelerate colleague development, enhances leadership capabilities and contributes greatly to our overall performance.

To further enhance the open channels of communication between our Colleagues and the Board and ensure that their views can contribute towards our future success, Angela Luger was appointed our Designated Non-Executive Director for Workforce Engagement in April 2024.

Supporting A Flexible Work Life

We continue to make significant investment to help maintain ***Jet2.com*** as a preferred career choice in the airline industry, but also to support a balanced lifestyle, particularly in operational areas. In this regard, we were pleased to trial our **Lifestyle 2023** program for Pilots and Cabin Crew during the year. The programme, which amounts to over £15m per annum of ongoing investment, delivered additional Pilot and Cabin Crew resources which provided extra resilience in our rosters. The trials were extremely popular and were followed by extensive engagement through surveys, focus groups and communication groups. As a result, there were many adaptations and enhancements as the trials progressed with the input from our colleagues invaluable.

Our office-based colleagues in both the UK and India are adept at working both remotely and in the office via a hybrid working model, maintaining flexibility and freedom whilst also ensuring valuable face-to-face collaboration. Our Contact Centre and Customer Services teams have a well-established home working model which allows us to take advantage of a much wider geography to attract and recruit colleagues throughout the UK. All our colleagues also benefit from access to additional holidays, flexible start times, a Cycle to Work Scheme, retailer discounts, and enhanced maternity and paternity pay.

Jet2holidays and ***Jet2.com*** voluntarily signed up to the **Menopause Workplace Pledge**, ensuring that every colleague experiencing the menopause or perimenopause is supported and that we inform and educate managers to recognise the signs and symptoms so that they can talk openly, positively and respectfully about menopause to ensure they are able to support their teams appropriately. ***Jet2.com*** was the first airline to support the pledge and the policy and training that is given has been positively received by our colleagues and Managers, not just for their awareness in the workplace but also for their home life.

Equality And Diversity

We employ a diverse workforce in the UK and Overseas and are committed to promoting diversity and ensuring the equality of opportunity for all within the workplace, regardless of age, disability, gender reassignment, marriage or civil partnership status, pregnancy and maternity/paternity, race (including colour, nationality and ethnic or national origin), religion or belief, sex or sexual orientation.

We continue to promote our '**Women in Tech**' focus group which offers colleagues the opportunity to discuss and input ideas on how we can attract more women into our Science, Technology, Engineering and Manufacturing (STEM) areas of the business.

The focus group is attended by both female and male colleagues and is sponsored by our Chief Information Officer and our HR Director, who are fully committed to embracing and encouraging equal opportunities for all genders in a STEM workplace.

After feedback and suggestions from our communication groups, we were pleased to become the proud headline sponsors of 'Leeds Pride' and have also committed to Birmingham and Manchester Pride events where our Colleagues are encouraged to get involved.

We are committed to ensuring that our procedures and selection processes in respect of recruitment, terms and conditions of employment, access to training and promotion and the terms upon which we offer access to facilities and services, are free from discrimination.

WELLBEING

Colleague Wellbeing As A Priority

As our greatest asset, we want our Colleagues to bring the absolute best version of themselves to ***Jet2.com*** and ***Jet2holidays***, which is why we are passionate about their wellbeing!

We naturally and openly embrace a wellbeing culture and offer an Employee Assistance Programme, **WeCare**, to give colleagues and their immediate families access to further emotional and practical support services. These include online GPs, a newly introduced dental service, mental health support, help with smoking cessation, diet and nutrition guidance, burnout prevention and professional counselling, as well as legal and financial advice.

We also continue to hold Wellbeing related events and update and promote our internal **Wellbeing Hub**, which provides many different resources and support links.

We highlight and communicate these important services to our Colleagues regularly, ensuring they receive the support they need when they (and their families) need it - not only putting our Customers first but also putting our fellow Colleagues first too!

OUR PEOPLE
continued

HEALTH AND SAFETY

Putting the health, safety and security of colleagues first

We are fully committed to continuously improving health and safety across all areas of the Group and understand that it is the way we work and behave that protects our Colleagues, Customers and other stakeholders. Our organisational structure defines individual safety responsibilities and duties applicable to each of our operations, to ensure we provide and maintain safe and healthy working conditions, equipment and systems of work for all.

For colleague matters, we have introduced a Health and Safety Review Board, chaired by the HR Director and attended by senior key stakeholders from the business, with the primary focus on colleague wellbeing in the workplace. The review board meets on a quarterly basis to analyse any areas that need further focus or discussion, and to ensure that we are compliant and are caring for our Colleagues' welfare in the right way across all areas of the business. For customers, we demonstrate this commitment through active leadership, promoting best practice and frequent reviews of standards and performance by the ***Jet2.com*** Safety Review Board and ***Jet2holidays*** Risk and Safety Committee. We ensure that adequate resource is provided to enable performance standards to be achieved and upheld and to ensure the effective management of risk within the Group.

To further underpin this area, during the year we completed a safety culture survey which gave colleagues the opportunity to directly feedback on safety and security matters. This helped us to assess colleague perception on safety behaviours within the Group and any associated impact on our *'Just Culture'* of safety reporting.

Refer to page 40 in *Risk Management* for further information on our Health and Safety risk mitigations.

CASE STUDY

HIGH-FLYING APPRENTICESHIPS WHERE YOU EARN WHILE YOU LEARN!

An ongoing commitment to apprenticeships

Back in 2022, we announced the expansion of our apprenticeship programmes, which saw more than 70 new apprentice positions made available over the year. Many fantastic roles in Finance, Cabin Crew, Engineering, IT, Revenue, Marketing and more were created for candidates eager to break into the aviation and leisure travel industries.

Fast forward to today and we now have over 150 apprentices employed at ***Jet2.com*** and ***Jet2holidays*** on our nationwide apprenticeship programme. In addition, more than 75 existing colleagues have also embarked on an apprenticeship qualification to further support their professional development!

Those who have soared through their apprenticeships can look forward to the exciting annual graduation event attended by their families, training providers, colleagues, mentors and company directors, plus permanent positions with ***Jet2.com*** and ***Jet2holidays***.

Jet2 offers trade partners a slice of apprenticeship funds!

In November 2023, as part of a newly launched ***Appoint an Apprentice*** scheme, we announced we were making almost £500,000 of apprenticeship funds available via a levy transfer, to help independent travel agent partners develop their teams.

Our travel agent partners are incredibly important to us, and we wanted to use our unused levy as a force for good within the travel industry. This enabled them to recruit dedicated apprentices into their businesses, meaning they could develop new talent whilst retaining and nurturing a highly skilled workforce.

The levy was divided across 50 different trade partners, funding 72 new apprentices on Level 3 Travel Consultant Apprenticeships. As many of our independent agency partners are classed as small businesses, this was the first time that some had the opportunity to recruit apprentices – a real game-changer!

Within the same scheme, we also provided £150,000 to help fund the salaries of new apprentices across more than 30 independent travel agencies around the UK.

Our CEO, Steve Heapy, said: "We have been truly amazed by the response from independent travel agents to our ***Appoint an Apprentice*** scheme. The volume of applications shows just how much our partners want to grow and develop their workforces, and ***Jet2holidays*** is proud to be supporting them by investing in their growth, to help them bring through the next generation of talent."

The positive apprenticeship news continues...

We were delighted that Connor Ward, Level 3 Data Technician Apprentice, won Advanced Apprentice of the Year 2023 at the Yorkshire & Humber Apprenticeship Awards. Consequently, he went on to be a finalist at the National Apprenticeship Awards, in recognition of the ambassadorial work he has been involved in. This included the impact he has had on the business by proposing money-saving ideas and improvements to efficiency.

In addition, we were very proud when ***Jet2.com*** and ***Jet2holidays*** Finance Apprentice, Charlotte Murgatroyd, won the Apprentice Award for Citizenship at Kaplan's first ever apprenticeship awards in December 2023. This awarding body celebrates and recognises apprentices' achievements across our accountancy and tax, banking and financial services, and data and technology programmes.

Charlotte was nominated for going above and beyond to promote our apprenticeships and to educate students and teachers on the opportunities and routes into industry these apprenticeships can provide.

Furthermore, we were thrilled to be a member of the National Apprentice Week 2024 Supporters Club. At Leeds Apprenticeship Recruitment Fair, which over 11,000 budding apprentices attended, we spoke to thousands of students about their career aspirations. In addition, 40 of our apprentices took part in a local community event with Hyde Park Source in Leeds, clearing an area of overgrown parkland to make it accessible again to the local community. They also learned about our ***Jet2 Journey to Net Zero*** sustainability strategy, before pitching new ideas to our panel of senior managers and directors in *Dragons Den*-style presentations.

Through our apprenticeship programme, ***Jet2*** is committed to investing in the future of our people – our most valuable asset!

OUR GOVERNANCE

“The customer experience from start to finish is first class”

Joy travelled from London Stansted to Tenerife in January 2024

CORPORATE GOVERNANCE STATEMENT

Welcome to the Governance section of the ***Jet2 plc*** Annual Report 2024.

Board Changes

It is an immense privilege to have been appointed as Chairman, having joined the Board in 2020 as an Independent Non-Executive Director. I would like to pay tribute to my predecessor, Philip Meeson, who oversaw remarkable growth as he carefully evolved and nurtured the Company over four decades into what is a truly fantastic people-orientated, customer-focused and financially sound business. As his successor, I know we are all extremely appreciative that he continues to offer the wealth of his experience and wisdom in his new role as Founder & Adviser.

The Board continues to evolve to ensure it provides the appropriate skills and experience to both support and challenge the executive management team. In addition to Philip stepping down from the Board, we also welcomed three new independent Non-Executive Directors during the year: Simon Breakwell, who has become Chair of our Remuneration Committee; Angela Luger, who is our Designated Non-Executive Director for Workforce Engagement; and Rachel Kentleton, who is taking up the position of Chair of the Audit & Risk Committee following the conclusion of the 2024 audit process. Simon, Angela and Rachel all have distinguished careers and bring invaluable experience and expertise to the Board as set out on pages 95 and 96. In addition, in March 2024, Mark Laurence retired from the Board after 14 years of tremendous service. I would like to thank Mark for his invaluable contribution and wish him well for the future.

Governance and Reporting

This report provides insight into the role and activities of our Board which contributes to the delivery of our strategy: **To be the UK's Leading and Best Leisure Travel business**. Robust decision-making and open communication, reflective of our culture, is central to our application of the UK Corporate Governance Code 2018. Our ***'Take Me There'*** values, alongside our guiding principles of *People, Service, Profits,* underpin everything we do at ***Jet2***.

The Board meets five times per year when we have a formal agenda, with additional meetings arranged for specific matters as appropriate. The Remuneration Committee and Audit & Risk Committee each meet at least three times per year. In April 2024, we formed our Nomination Committee which will meet formally twice per year and as required for ad hoc matters. Each of our Committees have adopted Terms of Reference which are published at ***www.jet2plc.com***. More details of the Board's activities and key decisions taken during the year can be found on pages 52 to 58.

Annual General Meeting

We continue to encourage all shareholders to attend our 'in person' Annual General Meeting, which will be held in London on 5 September 2024, a forum which provides a great opportunity to hear from and speak with members of the Board.

I would like to take this opportunity, on behalf of the Board, to thank all of our Colleagues for their continued commitment and dedication throughout the year and our shareholders for their valued support.

Robin Terrell
Chairman

22 July 2024

OUR GOVERNANCE STRUCTURE

Shareholders

Chairman

The Chairman leads the Board and is responsible for overall effectiveness in directing the Group.

Board of Directors

The Board as a whole is responsible for the long-term success of the Group. The Board establishes the Group's purpose, values and strategy and provides effective challenge to ensure that they are being carried out in practice across the business.
It ensures that the Group maintains effective risk management and has robust internal controls.

Board Committees

Audit & Risk Committee

- Oversight of the Group's financial reporting.
- Monitors the adequacy and effectiveness of the risk management framework and the system of internal controls (including whistleblowing procedures).
- Reviews the effectiveness and independence of internal and external audit and the relationship with the external auditor.

See pages 97 to 101 for the *Audit & Risk Committee Report.*

Remuneration Committee

- Establishes the remuneration package for the Executive Directors, Chairman, Non-Executive Directors and senior managers.
- Ensures the remuneration packages are effective in aligning the interests of the Executive Directors and senior management with those of the Company's shareholders and are linked to the successful delivery of the Company's long-term strategy.
- Reviews wider Colleague pay and reward and assesses colleague engagement.

See pages 102 to 108 for the *Remuneration Committee Report.*

Nomination Committee

- Established in April 2024, the Committee will recommend appointments to the Board, review the composition of the Board and oversee succession plans for the Board.

Chief Executive Officer (CEO)

The Board delegates responsibility for the day-to day running of the Company to the CEO who is responsible for all operational matters which includes the implementation of the strategy.

Operating Board of Directors

The CEO has delegated authority for the day-to-day management of the business to the other Executive Director of ***Jet2 plc*** and to the statutory Directors of ***Jet2.com*** and ***Jet2holidays***.

The Directors of the Group's subsidiaries have an average tenure of 14 years.

Key Steering Groups

Risk Oversight Committee
The Risk Oversight Committee reviews the effectiveness of controls in place to mitigate risks and the development of risk monitoring through Key Risk Indicators.

Jet2.com **Safety Review Board (SRB) and** ***Jet2holidays*** **Risk and Safety Committee**
These distinct forums are responsible for the assessment and mitigation of risk associated with our airline and package holiday operations.

Sustainability Steering Committee
Responsible for implementing ***Jet2 plc***'s Sustainability Strategy, which is published on ***Jet2 plc***'s website. The Committee reviews climate-related risks and opportunities for which the CEO is responsible for informing the Board of any pertinent issues.

Cyber Security Steering Group
The Group reviews cyber threats and ensures appropriate action is taken to ensure ***Jet2 plc***'s cyber defence posture remains current.

GDPR Steering Group
Responsible for compliance with data regulations and ensuring all Colleagues understand and remain aware of their responsibilities when they access or process personal data.

Additionally, ***Jet2 plc***'s Treasury department implements the Group's Hedging and Liquidity Policies and provides monthly reporting to members of the Board including documenting compliance with the policies.

CORPORATE GOVERNANCE STATEMENT

continued

The Board recognises that we are accountable to shareholders for good corporate governance. This report, together with the Reports of the Remuneration and Audit & Risk Committees on pages 97 to 108 demonstrate our commitment to high standards of governance and sets out how the Group has complied with the UK Corporate Governance Code 2018, issued by the Financial Reporting Council (the "Code").

Our Governance Structure on page 87 provides a high-level summary of our approach to enable informed decision-making with clear accountability, whilst allowing delegation of specific matters to appropriate committees.

Scan this code to download a copy of the UK Corporate Governance Code 2018:

BOARD LEADERSHIP AND COMPANY PURPOSE

The Role and Composition of the Board

The Board as a whole is responsible for the long-term success of the Group. The Board establishes the Group's purpose, values and strategy and provides effective challenge to ensure that they are being carried out in practice across the business. It ensures that the Group maintains effective risk management and has robust internal controls.

The Board comprises an Independent Non-Executive Chairman, three Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors. Their biographical details are detailed on pages 95 and 96.

The Board is satisfied that both its Executive and Non-Executive Directors have an effective and appropriate balance of skills, experience, knowledge and calibre to bring independent judgement and to provide constructive challenge on issues of strategy, performance, resources and standards of conduct, which are vital to the success of ***Jet2 plc***.

Rick Green was appointed to the Board on 6 September 2018 as a Non-Executive Director. Prior to his appointment, Rick worked as a consultant for ***Jet2.com*** and ***Jet2holidays*** and is therefore not considered independent under the Code. However, the Board considers that Rick has significant commercial experience from both airline and tour operating sectors and as such brings much valued expertise and insight.

Mark Laurence was a member of the Audit & Risk and Remuneration Committees and, prior to his resignation from the Board in March 2024, had served for more than nine years from the date of his first election to the Board. Notwithstanding this length of tenure, the Board had determined that he remained independent in character and judgement and is satisfied that he did not have relationships or circumstances which were likely to affect that judgement.

At least half of the Board excluding the Chairman did not previously comprise independent Non-Executive Directors; however following the appointments of Simon Breakwell, Angela Luger and Rachel Kentleton during the year, the Board including the Chairman, now comprises a majority of independent Non-Executive Directors.

All Non-Executive Directors are required to devote sufficient time to their role as a member of the Board in order to discharge their responsibilities effectively and this is kept under continuous review. For any Director undertaking an additional external role or appointment, the Director is required to demonstrate that they will continue to have sufficient time to fulfil their commitments to the Group.

The Company has a clear division of responsibilities between the Non-Executive Chairman and the CEO. The Non-Executive Chairman is responsible for leading the Board and the long-term success of the Group and the CEO is responsible for the execution of the Group's strategy and managing the Group's business on a day-to-day basis. The controls below Board level are designed to enable decisions to be made by the most appropriate person in an effective and timely manner.

Certain key matters requiring Board approval are set out in a formal Schedule of Matters Reserved, which the Board reviews annually and is available at ***www.jet2plc.com***. The Schedule ensures a balance of Board oversight and operational flexibility, examples of such matters including:

- approving the Group's overall objectives and strategy;
- monitoring internal controls, audit processes and risk management policies;
- approval of financial results, the Annual Report & Accounts and significant capital commitments;
- approval of material decisions, agreements and non-recurring projects;
- approval of capital allocation; and
- approval of key policies and Committee Terms of Reference.

Board Meetings and Attendance*

The Board held five scheduled meetings during the year, with additional Board meetings held to approve the appointment of Philip Meeson's successor and certain aircraft matters. In addition, the Board participated in site visits, training sessions and other business activities.

	Board Meetings	Remuneration Committee meetings	Audit & Risk Committee meetings
Philip Meeson[1]	□□	□	-
Steve Heapy	■■■■■	-	-
Gary Brown	■■■■■	-	-
Robin Terrell	■■■■■	■■■	■■■
Mark Laurence[2]	□□■□□	□□□	□□□
Rick Green	■■■■■	-	-
Simon Breakwell[3]	■■■■■	■■■	■■■
Angela Luger[4]	■■■	■■	■■
Rachel Kentleton[5]	-	-	-

* The CEO and Group Chief Financial Officer are not members of the Audit & Risk Committee or the Remuneration Committee and attend by invitation.

1 Philip Meeson retired from the Board on 5 September 2023.
2 Mark Laurence retired from the Board on 18 March 2024.
3 Simon Breakwell was appointed to the Board on 27 April 2023.
4 Angela Luger was appointed to the Board on 3 July 2023.
5 Rachel Kentleton was appointed to the Board on 18 March 2024.

The Company Secretary attends Board and Committee meetings as Secretary.

■ Present □ Absent

Board Activities

There is a rolling agenda for scheduled Board meetings, which were all held in person in the year. The programme is supported by an annual forward planner and ensures appropriate balance between the Board's consideration of strategy, performance and governance.

The CEO and Group Chief Financial Officer report on key strategic, financial and operational performance and updates are provided on colleagues, sustainability, legal and risk and health and safety at each Board meeting.

Key topics discussed during the year were:

Strategy	Performance	Governance
• Group Strategy • Group Budget and Three-Year Plan • Cyber Security Strategy • Sustainability Strategy • Key Project updates • Capital allocation and dividends • Senior Management structure review and succession planning	• Annual Results • Interim Results • Trading Updates • Market Performance • Treasury Review • Customer updates and insights	• Director appointments • Colleague engagement, culture and values • Shareholder engagement • Health and Safety updates • Risk Reviews • Governance reforms and legal updates • Audit Reviews • Nationality Declaration and Permitted Maximum shareholding • Key Policy approvals

All Directors receive papers in advance of the Board meetings, including reports from the senior management team. Minutes of all Board and Committee meetings are taken by the Company Secretary, with actions, decisions and resolutions from each meeting recorded.

CORPORATE GOVERNANCE STATEMENT

continued

Director Induction

The Chairman, with the support of the Company Secretary, is responsible for the Director induction process and ensuring that the Directors receive appropriate training as necessary.

All new Directors appointed to the Board receive a comprehensive induction, including:

- meetings with:
  - the Chairman;
  - the CEO;
  - the Group Chief Financial Officer;
  - the Chair of the Audit & Risk Committee;
  - the Chair of the Remuneration Committee;
  - the Company Secretary;
  - the Nominated Adviser; and
  - senior members of the management team covering a range of key areas including Internal Audit & Risk Management, Finance, Legal, Trade channel and relationships, Revenue, Marketing, Contact Centre, Human Resources, Flight Operations and Overseas Holiday Operations;
- an opportunity to understand the operational aspects of the business through tours of our Leeds Bradford and Manchester Airport operating bases, visits to our engineering hangar, flight simulator and cabin crew training centre and our Retail Operations Centre; and
- receiving an induction pack to further their understanding of the business, its corporate policies and the framework in which the Board operates.

Shareholder Engagement

The Business & Financial Review on pages 30 to 34 includes a detailed review of ***Jet2 plc***'s business and future developments. The Chairman ensures that effective communication with shareholders is given high priority and that there is regular dialogue with institutional shareholders, including presentations after the announcement of the Group's half-year and preliminary full-year results, which are attended by both the CEO and the Group Chief Financial Officer. In addition, both the Executive and Non-Executive Directors have the opportunity to meet with other shareholders at the Annual General Meeting and on further occasions during the year as required.

The Board customarily uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation, and the Chairs of the Audit & Risk and Remuneration Committees are present to answer questions. There is also a question and answer session following the conclusion of the formal business of the meeting, which provides a valuable opportunity to hear from members of the Board about developments within the Group, and to receive their views on issues which are of most interest to the shareholders present.

Details of resolutions to be proposed at the Annual General Meeting are included in the Notice of Annual General Meeting and related papers, which are sent to shareholders in advance of the meeting in accordance with the Group's Articles of Association. All votes received for general meetings are properly recorded and counted and details of proxy appointments and voting instructions are provided at the meeting. Full details of votes for, against and withheld are published on ***Jet2 plc***'s website following the meeting.

If a resolution receives 20% or more of votes cast against, the Board will consult with shareholders to understand the reason behind the result.

Jet2 plc's website (***www.jet2plc.com***) has a specific section for investors, which is regularly updated with relevant news and information, including the Annual Report & Accounts and the Notice of Annual General Meeting, as well as providing information on the Group's history and trading subsidiaries, with links to their respective websites.

Culture

Our guiding principles are *People, Service, Profits* and we believe that happy, well paid and motivated Colleagues will continue to give great service and thereby enable sustainable long-term profitability. The Board relies on various indicators to assess and monitor ***Jet2 plc***'s culture, including regular interaction with senior management, feedback from ***Jet2 plc***'s colleague liaison groups and ad hoc discussions with colleagues as part of site visits and meetings. In addition, each UK airport operating base has a ***Jet2.com*** statutory Director responsible for representing and interacting with colleagues at their appointed base, ensuring a direct link between our Customer-facing operations and the most senior levels of our organisation.

The delivery of great service is at the core of our ***'Take Me There'*** values. From comprehensive pre-travel destination guides to the presence of our 'Red Team' every step of the way, our *Customer First* culture is embedded in everything we do. To achieve this, all colleagues take part in a one-day induction to the business, which introduces our values: ***Be Present; Create Memories; Take Responsibility***; and ***Work As One Team***. Refresher training and regular prompts which are visible throughout the business ensure that these values, which are intrinsic to the success of the business, remain front of mind when dealing with customers, colleagues and other partners and stakeholders.

Colleague Engagement

The Board recognises that it is important to engage with colleagues to ensure we are fostering an environment that they are happy to work in, supporting their personal wellbeing, and enabling them to understand the rationale for key decisions.

Consequently, in April 2024, the Board appointed Angela Luger as its Designated Non-Executive Director for Workforce Engagement. Angela will attend a selection of ***Jet2 plc***'s employee voice groups to listen to, and understand, colleague viewpoints and encourage meaningful dialogue between them and the Board.

The Group operates five colleague group forums, which consist of 'Just2Say' (representing our Engineering Colleagues), 'The Voice' (representing our Cabin Crew Colleagues), 'Let's ***Jet2***gether' (representing our Ground Operations Colleagues), 'Let's ***Jet2*** It!' (representing our Head Office Colleagues) and 'the PLOG' (representing our Pilot Liaison and Operations Colleagues). These forums enable two-way communication between colleagues and management, allowing colleagues to share their thoughts and to contribute to organisational change. In addition, they also provide a platform for management to inform and consult with the representatives when changes are being made which may affect a large number of colleagues, such as to policies and procedures, facilities, accommodation and uniform.

Additionally, the Group keeps colleagues regularly informed on matters relating to their employment through a variety of weekly and monthly information bulletins and newsletters covering a broad range of topics. Furthermore, at an operational level, there are a series of roadshows at each of ***Jet2 plc***'s UK airport bases, which include an opportunity for colleagues to raise questions direct with the CEO and other Directors.

A mailbox entitled '***ShareWithSteve***' allows colleagues at any level of the organisation to write directly to the Company's CEO regarding any matter or concern they may have, providing a direct method of communication with a key member of the Board and enabling issues raised to be added to the Board agenda for discussion where appropriate.

The Board believes that our methods of colleague engagement are effective and enables it to ensure that the Group's principles of *People, Service, Profits* and its '***Take Me There***' values are truly embedded within our culture.

COMPOSITION, SUCCESSION AND EVALUATION

New Appointments

Prior to April 2024, the Board had concluded that a separate Nomination Committee was not required due to the size and composition of the Board. In April 2024, in compliance with the Code, the Board formed a Nomination Committee comprising myself, as Chairman, and three Independent Non-Executive Directors, which will meet twice per year and as required for specific matters.

The Nomination Committee will assist the Board in discharging its responsibilities regarding the composition of the Board and any Committees of the Board and will regularly review the structure, size, skills, experience, independence, knowledge and diversity of Board members, making appropriate recommendations to the Board on appointments of additional and replacement Directors and Committee members as appropriate.

Until 5 September 2023, I held the role of the appointed Senior Independent Director of the Board. Following my succession to the role of Chairman, the Board has not appointed a replacement Senior Independent Director. The Board has however welcomed three experienced Non-Executive Directors; Simon Breakwell, Angela Luger, and Rachel Kentleton, and will continue to keep the appointment of a Senior Independent Director of the Board under review.

Re-election to the Board

Whilst not in compliance with the Code's recommendation that Directors stand for re-election every year, Directors are submitted for re-election at regular intervals, subject to satisfactory performance. This procedure is specified in Article 85 of the Group's Articles of Association, whereby at every Annual General Meeting one third of the Directors retire by rotation and are eligible for re-election. Newly appointed Directors are subject to election at the first Annual General Meeting after their appointment.

Evaluation

The Chairman is responsible for evaluation of the Board's performance and that of its Committees and individual Directors. This evaluation is made on an ongoing basis using feedback from the Group as a whole, supplemented by regular discussions with the Directors in question.

CORPORATE GOVERNANCE STATEMENT
continued

AUDIT, RISK AND INTERNAL CONTROL

Financial and Business reporting

A statement of the Directors' responsibilities in respect of the Annual Report & Accounts and financial statements is set out on page 110 of this Annual Report & Accounts. A statement on going concern is given on page 50.

Audit & Risk Committee and Auditors

The Board has an established Audit & Risk Committee which during the year comprised of four Independent Non-Executive Directors.

The Audit & Risk Committee is chaired by myself, the Chairman. Whilst not in compliance with the Code, this is a transitional arrangement and Rachel Kentleton will take up the position of Chair of the Audit & Risk Committee following approval of the Company's financial results for the year ended 31 March 2024 at which point I will step down from the Committee. The Audit & Risk Committee meets no less than three times each year, reporting back to the Board on key issues discussed at each meeting.

The Board is satisfied that both the current and prospective Chairs of the Audit & Risk Committee have recent and relevant financial experience. Our biographical details are on pages 95 and 96 of this Annual Report & Accounts.

The Executive Directors, the Group Legal Director & Company Secretary, the Director of Group Finance & Treasury, as well as the external and internal auditors are invited to attend Committee meetings. The Committee's primary function is to assist the Board in:

1. Fulfilling its responsibilities to protect the interests of shareholders by ensuring the integrity and clarity of the financial statements and of any formal announcements relating to the Group's financial performance;
2. Carefully considering key judgements and estimates applied in the preparation of the consolidated financial statements;
3. Overseeing the scope of internal audit work for the year and reviewing the effectiveness of the Internal Audit function;
4. Reviewing and monitoring the adequacy and effectiveness of internal control and risk management policies. This includes reviewing risk mitigation status and outstanding actions at each meeting and also undertaking a more comprehensive risk review annually, dedicated to risk reporting and actions;
5. Evaluating the fraud risk assessment and compliance activity undertaken within the business and reviewing on behalf of the Board whistleblowing reports and their resolution;
6. Considering the appointment of the external auditor, their scope of work and their remuneration, including reviewing their independence and objectivity;
7. Reviewing the findings of the financial audit with the external auditors, including the quality and effectiveness of the audit process together with a discussion of any major accounting or judgemental issues which arose during the audit; and
8. Providing advice on whether the Annual Report & 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.

The Audit & Risk Committee Chair also engages with both the external and internal auditors, without the Executive Directors or members of the Finance team present.

Following a rigorous audit tender process, KPMG LLP (KPMG) were re-appointed as ***Jet2 plc***'s external auditor. Whilst KPMG have been ***Jet2 plc***'s external auditor since the year ended 31 March 2005, the Audit & Risk Committee and the Board continue to believe this is in the best interests of shareholders. Further information about the audit tender and selection process is set out in the Audit & Risk Committee Report.

The fee paid to KPMG for the statutory audit of the Group and Company financial statements and the audit of Group subsidiaries pursuant to legislation was £0.9m. A breakdown of fees paid to KPMG during the financial year is set out in Note 8. Resolutions to reappoint KPMG as auditor and to authorise the Directors to agree their remuneration will be put to shareholders at the Annual General Meeting.

A detailed *Audit & Risk Committee Report* is set out on pages 97 to 101.

The *Independent Auditor's Report* can be found on pages 111 to 118.

Risk Management and Internal Control

The Board of Directors is responsible for the Group's system of internal control and for reviewing its effectiveness. Any such system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board of Directors has carried out a robust assessment of the emerging and principal risks facing the Group, including those that could threaten its business model, future performance, liquidity or solvency, which can be found on pages 36 to 51 of the Annual Report & Accounts.

The Directors have chosen a three-year time period for the Group's viability assessment, which aligns with the Group's medium-term fleet and operational planning timelines. The *Viability Statement* can be found on page 51 of the Strategic Report.

The risk management process and the system of internal control necessary to manage risks are assessed and monitored by the Audit & Risk Committee.

The Board maintains processes for identifying, evaluating and managing the risks faced by ***Jet2 plc*** which take account of the recommendations set out in the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

To ensure compliance with laws and regulations, and to promote effective and efficient operations, the Board has established an organisational structure with clear operating procedures, lines of responsibility and delegated authority.

Comprehensive guidance on financial and non-financial matters for all managers and Colleagues is given in ***Jet2 plc***'s Management Manual, within which there are clear procedures for:

- approval of invoices before authorisation for their payment;
- capital investment, with detailed appraisal, authorisation and post-investment review; and
- financial reporting, within a comprehensive financial planning, budgeting, reporting and accounting framework.

Jet2 has an independent Internal Audit department, which provides assurance by performing full and regular monitoring of the Group's policies and procedures, promoting robustness of controls, ensuring appropriate alignment of key risks and risk appetite and suggesting relevant key performance indicators for future monitoring. Other areas of risk assessment and monitoring which may normally be carried out by an Internal Audit department are, in the main, covered by the Board either as a whole or within the various meetings highlighted.

Group Risk Management is the responsibility of the Operational Directors, who meet regularly with Internal Audit to review the Group Risk Register and to discuss existing and emerging risks. The Group has an established Risk Oversight Committee led by the CEO and Group Chief Financial Officer, attended by the Group Legal Director & Company Secretary and facilitated by the Head of Internal Audit & Business Continuity, which reviews the effectiveness of controls in place to mitigate risks and the development of risk monitoring through Key Risk Indicators. Findings are reported to the Audit & Risk Committee throughout the year.

REMUNERATION

The Level and Components of Remuneration

The Board has an established Remuneration Committee which during the year comprised of:

- Myself, Robin Terrell, (Chair of the Committee until 5 September 2023);
- Simon Breakwell (appointed on 27 April 2023 and Chair of the Committee from 5 September 2023);
- Philip Meeson (until his retirement on 5 September 2023);
- Angela Luger (appointed on 3 July 2023);
- Mark Laurence (until his retirement on 18 March 2024); and
- Rachel Kentleton (appointed on 18 March 2024).

As required by the Code, Simon Breakwell has had at least 12 months experience serving as a Non-Executive Director on Remuneration Committees. Although not in line with the Code, Philip Meeson, when Executive Chairman and a member of the Committee, was able to bring insight with regards to the engagement and reward of the top talent within the business from being the founder of the Group. Philip Meeson did not receive a bonus or share award and abstained from any discussion about his own remuneration at these meetings and therefore the Board does not consider that his membership until September 2023 compromised the effectiveness of the Committee's work.

CORPORATE GOVERNANCE STATEMENT
continued

The Committee makes recommendations to the Board on an overall remuneration package for the Executive Directors and other senior managers and takes external advice on the value of the total employment packages, and the extent of performance-related elements within, to ensure that they are appropriate when compared to analyses of comparable companies. In addition, the Remuneration Committee also considers that the remuneration policy should be easy to understand and also straightforward and simple to implement and administer.

Remuneration levels for Non-Executive Directors reflect the time commitment and responsibilities of the role and do not include share options or other performance-related components.

Procedure

The Remuneration Committee makes recommendations to the Board on ***Jet2 plc***'s executive remuneration framework and costs. It determines the contractual terms, remuneration, equity awards, benefits, performance-related bonuses, and pension and compensation payments for the Executive Directors.

Further details are set out in the *Remuneration Committee Report* on pages 102 to 108.

Remuneration outcomes

Remuneration outcomes are aligned with strategic priorities and the long-term success of the Group. The Board, with guidance from the Remuneration Committee and external Remuneration advisers, FIT Remuneration Consultants LLP, exercises independent judgement and discretion to arrive at fair and balanced remuneration outcomes, taking account of both Company and individual performance. When setting senior executive pay, the Board considers both external pay relativity and wider workforce remuneration and conditions.

Whistleblowing

Jet2 is committed to operating with honesty and integrity. It has a well-established Whistleblowing procedure, supported by anonymous online reporting, to ensure colleagues are fully aware that they can report concerns or suspicions about any wrongdoing or misconduct and be assured that the Group will treat their concerns seriously, investigate them appropriately and protect their confidentiality wherever possible, without fear of repercussion.

Advice, Information and Support

All Directors have access to the advice and services of the Company Secretary, Ian Day, who ensures compliance with Board procedures and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, all Directors have access to independent professional advice at the Company's expense and are covered by Directors' and Officers' liability insurance for any legal actions against them.

Conflicts and Concerns

The Board maintains a conflicts register to manage conflicts of interest and ensure independent judgment is not compromised by influential third parties. In addition, processes are in place to identify related party transactions before commitments are made. If the Directors have unresolved concerns about Board operations or Group management, these concerns are recorded in the Board minutes.

BOARD APPROVAL OF THE CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is approved by the Board and signed on its behalf by:

Robin Terrell
Chairman

22 July 2024

BOARD OF DIRECTORS

Robin Terrell

Non-Executive Chairman

N AR R I

Date of Appointment: 14 April 2020 (appointed as Chairman on 5 September 2023)

Experience: Robin has extensive leadership experience in major online and retail businesses, having served as Chief Customer Officer at Tesco plc, as Executive Director, Multi-Channel and International at House of Fraser, as Managing Director of John Lewis Direct and as VP and Managing Director of Amazon.co.uk.

Robin was formerly Non-Executive Director and Chair of the Audit and Risk Management Committee of William Hill plc between 2019 and 2021, Non-Executive Director of Karen Millen between February 2016 and 2019 and Non-Executive Director and Chair of the Audit Committee of Wilko between 2016 and 2019. In addition, Robin is a Chartered Accountant having qualified with Coopers & Lybrand.

External appointments: Non-Executive Director and Chair of the Audit Committee at New Look and Non-Executive Chair of Wetsuit Outlet.

Favourite *Jet2* destination: Tenerife

Steve Heapy

Chief Executive Officer

Date of Appointment: 17 June 2013

Experience: Steve has substantial experience in the travel industry, having held senior management roles with My Travel plc, Libra Holidays and Thomas Cook. Steve joined ***Jet2*** in 2009 as Managing Director of ***Jet2holidays*** and Chief Commercial Officer of ***Jet2.com*** and was promoted to Chief Executive Officer of ***Jet2 plc*** in September 2020. Steve is a Fellow of the Institute for Travel and Tourism, a Chartered Company Secretary and a Member of the Institute for Turnaround.

External appointments: Director of ABTA Limited.

Favourite *Jet2* destination: Turkey and Cyprus

Gary Brown

Group Chief Financial Officer

Date of Appointment: 17 June 2013

Experience: Gary is a Fellow of the Institute of Chartered Accountants of England & Wales with a strong background in finance and management. Gary has significant experience within the retail and consumer goods sectors, having held a number of senior finance positions at J Sainsbury plc, Matalan plc, and Instore plc, where he was Group Finance Director. Prior to joining ***Jet2***, Gary was the Global Chief Financial Officer of Umbro plc and subsequently, following the sale of the Umbro business to Nike Inc., Umbro International Limited.

External appointments: None.

Favourite *Jet2* destination: Tenerife

Simon Breakwell

Non-Executive Director

N AR R I

Date of Appointment: 27 April 2023

Experience: Simon is an accomplished business leader and has spent a significant part of his executive career in the travel industry, first at British Airways and then Expedia, where he was a member of the original founding team, scaled the operation internationally and managed the Hotels.com and Expedia brands. Simon launched Uber in Europe and went on to establish the brand across the region. He is a former board member of HomeAway, the online holiday rental marketplace, and was also Chair of Big Data for Travel. Simon was also previously CEO and Deputy Chairman of the AA, where he executed a major business and digital transformation programme.

External appointments: Chairman of Tiqets, Enviolo (Inflexion) and Senior Adviser at Silverrail.

Favourite *Jet2* destination: Greece

Committee Membership

- AR **Audit & Risk Committee**
- N **Nomination Committee**
- D **Designated NED for Colleague Engagement**
- R **Remuneration Committee**
- I **Independent Director**
- **Chair of Committee**

BOARD OF DIRECTORS
continued

Angela Luger
Non-Executive Director

N AR R I D

Date of Appointment: 3 July 2023

Experience: Angela is an experienced marketing, e-commerce and omnichannel retail director, having spent the early part of her career at Cadbury's, Coca Cola and Mars, followed by ten years with Asda as Trading Director and subsequently Global Managing Director of George at Asda. Angela was formerly Managing Director of Debenhams between 2008 and 2009, CEO of The Original Factory Shop between 2009 and 2013 and CEO of N Brown Group plc between 2013 and 2018. Angela has vast board experience and was a Non-Executive Director and Chair of the Remuneration Committee of Manchester Airports Group, Non-Executive Director of New Look and Senior Independent Non-Executive Director of ScS Group plc.

External appointments: Senior Non-Executive Director and Chair of the Nomination Committee of Portmeirion Group plc, Non-Executive Director of JD Sports Fashion plc and Trustee at The Pennies Foundation.

Favourite *Jet2* destination: Halkidiki

Rachel Kentleton
Non-Executive Director

N AR R I

Date of Appointment: 18 March 2024

Experience: Rachel is an experienced qualified Chartered Accountant having held senior positions in Finance, Investor Relations and Strategy, including Group Director of Strategy and Implementation at easyJet plc, Group Finance Director at PayPoint plc and most recently, Chief Financial Officer at St Modwen Properties Limited. Rachel has held senior roles at Unilever plc, NatWest Group, Diageo plc and SABmiller plc. Rachel was also a Non-Executive Director and Chair of the Audit Committee at Persimmon plc between 2015 and 2021.

External appointments: Non-Executive Director and Chair of the Audit Committee at Trustpilot Group plc and Non-Executive Director and Chair of the Audit Committee at Travelodge.

Favourite *Jet2* destination: Venice

Rick Green
Non-Executive Director

Date of Appointment: 6 September 2018

Experience: Rick has strong strategic and commercial experience in the travel industry gained from working in both the Airline and Tour Operating sectors. During the early part of his career, Rick held a number of senior management roles within First Choice Holidays and Thomas Cook, and then as Managing Director / CEO of Direct Holidays plc, My Travel Group and Globespan plc. Rick has provided consultancy services and advice to the Directors of ***Jet2.com*** and ***Jet2holidays*** on commercial strategy projects since 2010.

External appointments: Director of Brooklyn Travel Holdings Limited and a number of its subsidiary undertakings.

Favourite *Jet2* destination: Greek Islands

Skills and Experience

	Strategy & Leadership	Finance	Travel	Risk Management	Digital / Marketing	People & Culture	Sustainability
Robin Terrell	✈	✈		✈	✈	✈	✈
Steve Heapy	✈		✈	✈	✈	✈	✈
Gary Brown	✈	✈	✈	✈		✈	✈
Simon Breakwell	✈		✈		✈	✈	
Angela Luger	✈				✈	✈	
Rachel Kentleton	✈	✈	✈	✈			✈
Rick Green	✈		✈		✈	✈	

AUDIT & RISK COMMITTEE REPORT

I am pleased to present the Audit & Risk Committee's Report for the year ended 31 March 2024.

Committee composition

In addition to myself, the Audit & Risk Committee comprises:

- Simon Breakwell, ***Jet2 plc*** Independent Non-Executive Director;
- Angela Luger, ***Jet2 plc*** Independent Non-Executive Director; and
- Rachel Kentleton, ***Jet2 plc*** Independent Non-Executive Director.

Having served on the Audit & Risk Committee for 14 years, Mark Laurence retired on 18 March 2024. We would like to thank Mark for his valuable work with the Committee during this time. At the same time, we were pleased to welcome Rachel Kentleton to the Audit & Risk Committee. Following completion of the external audit of the Company's financial results for the year ending 31 March 2024, Rachel will take up the position as Chair of the Audit & Risk Committee, at which point, I will step down from the Committee in line with the provisions of the corporate governance code.

Further details of the Committee members and their respective experience can be found on pages 95 to 96 of the Annual Report & Accounts.

Other regular attendees

Although not members of the Audit & Risk Committee, the CEO, the Group Chief Financial Officer, the Group Legal Director & Company Secretary, the Director of Group Finance and Treasury, the Head of Internal Audit and Business Continuity and representatives of KPMG LLP (KPMG), our external auditor, are also regularly invited to attend meetings.

Frequency of meetings

The Committee met formally three times in the year. In addition, I also met informally with both KPMG and the Head of Internal Audit and Business Continuity without executive management present at regular intervals throughout the year. Details of attendance at Committee meetings during the year can be found on page 89.

Committee key responsibilities

The Committee's primary function is to assist the Board in the following areas:

1. Fulfilling its responsibilities to protect the interests of shareholders by ensuring the integrity and clarity of the financial statements and of any formal announcements relating to the Group's financial performance;
2. Carefully considering key judgements and estimates applied in the preparation of the consolidated financial statements;
3. Overseeing the scope of internal audit work for the year and reviewing the effectiveness of the Internal Audit function;
4. Reviewing and monitoring the adequacy and effectiveness of internal control and risk management policies. This includes reviewing risk mitigation status and outstanding actions at each meeting and also undertaking a more comprehensive risk review annually, dedicated to risk reporting and actions;
5. Evaluating the fraud risk assessment and compliance activity undertaken within the business and reviewing on behalf of the Board whistleblowing reports and their resolution.
6. Considering the appointment of the external auditor, their scope of work and their remuneration, including reviewing their independence and objectivity;
7. Reviewing the findings of the financial audit with the external auditors, including the quality and effectiveness of the audit process together with a discussion of any major accounting or judgemental issues which arose during the audit; and
8. Providing advice on whether the Annual Report & 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.

Committee key areas of focus during the year ended 31 March 2024

- Reviewing and approving the Annual Report & Accounts for the year ended 31 March 2023 and half-year results to 30 September 2023. This included challenging the key financial reporting judgements and estimates and concluding that accounting treatments were appropriate and that the narrative reporting of the Financial Statements was fair, balanced and understandable.
- Reviewing and concluding over the Group's status as both a going concern over a one-year period and as viable over a three-year review period.
- Reviewing recent Financial Reporting Council thematic reviews, covering topics such as fair value measurement and climate-related metrics and targets to understand how these may impact the Group's reporting.
- Considering reports and updates from the external auditor and discussing the impact of new and forthcoming accounting standards and / or judgemental issues they wish to bring to the Committee's attention, such as the new climate-related standards IFRS S1 and S2 and developments in Corporate Governance requirements. In view of these enhanced disclosure requirements, the Committee requested that the internal audit department report on the Group's Sustainability and TCFD disclosures for the year ended 31 March 2023.

AUDIT & RISK COMMITTEE REPORT
continued

- Reviewing and considering reports from the work conducted by the Internal Audit function and ensuring any remedial actions are being undertaken by the business in a timely manner.
- Receiving updates on whistleblowing events, agreeing the internal audit plan for the year and ensuring that the function is operating effectively and is appropriately resourced to fulfil this plan. An independent advisory firm, BDO LLP, has been appointed to perform an External Quality Assessment (EQA) of the Internal Audit function, to be completed by August 2024.
- Considering and reviewing the principal risks affecting the Group, together with the review of feedback from separate formal risk review meetings.
- Reviewing the annual update of the Sustainability Steering Committee and considering progress against the Group's published sustainability targets.
- Considering, reviewing and, where appropriate, challenging the overall IT environment and its controls.
- Reviewing the effectiveness of the external audit process for the year ended 31 March 2023 and monitoring and concluding on the independence of the external auditor prior to approving the terms of engagement and remuneration of the external auditor for the year ended 31 March 2024.
- Conducting an external audit tender to ensure the audit process remains independent and delivers good quality assurance over the Group's reporting.

External audit

The auditor appointment is subject to ongoing monitoring and the Committee revisited their review of KPMG's effectiveness as part of the 2023 year-end process. The Committee considered several factors when determining their effectiveness including: the overall quality and scope of the audit; the expertise of the audit partner and the audit team; the extent to which the audit plan was met and the quality of its delivery and execution; communication and engagement with the Audit & Risk Committee, both formal and informal, and how issues were reported, followed up and resolved; and the independence of KPMG and whether an appropriate level of challenge and professional scepticism existed in their work.

The Committee also sought the views of key members of the finance team and senior management on the audit process and their feedback confirmed that KPMG had continued to perform well during 2023 and had provided an appropriate level of challenge to management.

The Committee is also satisfied with the performance of the external auditor and the policies and procedures in place to maintain their objectivity and independence including: the auditor's procedures for maintaining and monitoring independence, including those to ensure that the partners and staff have no personal or business relationships with the Group, other than those in the normal course of business permitted by UK ethical guidance; and the auditor's policies for rotation of the audit partner every five years, together with regular rotation of key audit personnel.

Based on the review and feedback received, the Committee concluded that KPMG possesses the skills and experience required to fulfil its duties effectively and efficiently for the audit of the year ended 31 March 2024.

The fee paid to KPMG for the statutory audit of the Group and Company financial statements and the audit of Group subsidiaries pursuant to legislation was £0.9m. Other than ATOL regulatory reporting, KPMG do not provide any non-audit services to the Group. Resolutions to reappoint KPMG as auditor and to authorise the Directors to agree their remuneration will be put to shareholders at the AGM.

The Group also receives advice as needed from Deloitte LLP and PwC LLP on taxation issues and Herbert Smith Freehills LLP on legal issues relating to corporate matters.

Audit Tender

KPMG were first appointed by ***Jet2 plc*** on 24 March 2005 to audit the financial statements for the period ended 31 March 2005 and subsequent financial periods. Given this length of service and in order to ensure good governance, as indicated in the 2023 Annual Report & Accounts, during the year the Committee initiated and supervised a tender process for the external audit for the year ended 31 March 2025. The conclusion of this process by October 2023 was intended to ensure sufficient time for an orderly transition in advance of appointment of a new auditor effective from 1 April 2024 had this been the outcome.

The Group initially approached and held informal discussions with six potential tender participants, comprising all "Big Four" and two mid-tier firms. Following a detailed short-listing process, which included consideration of both independence and the ability and appetite to effectively manage the audit of a Group of ***Jet2 plc***'s scale and complexity, three audit firms were selected to tender for the engagement. This included two "Big Four" firms and one mid-tier firm, who had all demonstrated relevant sector expertise. I oversaw the process, as Audit & Risk Committee Chair, and met with the proposed lead audit partners from the firms involved prior to the formal tender process being initiated in June 2023.

Timeline

• Tender process discussed at Audit & Risk Committee; • Assessment criteria, submission format and scorecard developed; and • Timeline agreed.	June 2023
• Invites to tender sent out; and • Access granted to initial information provisions in a data room.	July 2023
• Initial meetings with Chair of the Audit & Risk Committee and Group Chief Financial Officer together with other senior Finance management personnel, Internal Audit and IT; • Initial queries submitted and resolved; and • Tender documents received.	September 2023
• Tender documents reviewed and a summary distributed for review by Audit & Risk Committee; • Presentations completed to Chair of the Audit & Risk Committee, Group Chief Financial Officer and other senior Finance management personnel; • Residual queries submitted and resolved; and • Auditors selected and agreed by Audit & Risk Committee and Board.	October 2023

Selection

Throughout the tender process, a rigorous scoring procedure was undertaken based on selection criteria established at the outset of the process.

In making their formal recommendation, the Committee considered each firm's approach to:

- Ensuring a robust and challenging audit process that is both effective and efficient;
- Providing an independent, high-quality audit;
- Sharing governance and regulatory best practice, plus other ideas and insight;
- Use of data and analytics testing opportunities;
- Building an experienced audit team which understands ***Jet2 plc***'s culture and can build a strong working relationship with management; and
- Ability to provide a smooth transition process between audit firms should a change of auditor be in the Group's best interests.

In addition, the Committee also assessed each firm's:

- Technical and specialist expertise;
- Listed company audit experience;
- Recent FRC Audit Quality Review results;
- Sector knowledge; and
- Fee proposal.

The respective merits of the tendering firms were subsequently debated by the Committee and other members of the selection panel. It was considered that KPMG demonstrated that they were best placed to fulfil the selection criteria, in particular demonstrating greater application of data analytics in their work and significant sector expertise throughout the audit team. Consequently, the Committee recommended to the Board the reappointment of KPMG as the Group's external auditors, with David Derbyshire as lead partner.

Significant accounting issues considered by the Committee

The Committee reviewed accounting papers prepared by management and considered, with input from the external auditor, which issues were deemed to be of most significance for the 2024 Annual Report & Accounts and therefore required the sharpest focus by its members. The key matters the Committee considered were as follows:

Estimate of useful economic lives of aircraft

The Committee performed its annual assessment over the accounting treatment and estimates in relation to aircraft depreciation and noted that this had been applied consistently and appropriately to both the existing fleet and new aircraft delivered in the year.

The Committee recognises that the fulfilment of the carbon emissions targets within the Group's Sustainability Strategy is dependent on the retirement of older, less efficient aircraft for replacement by its order of 146 new Airbus A321neo aircraft over the period 2023 to 2035.

Beyond 2030, the Group is reliant on investment from both the aviation industry and governments to develop lower emission aircraft powered by cleaner energy sources such as hydrogen or electricity. Airbus have stated an ambition to develop the world's first zero-emission commercial aircraft by the mid-2030s, but this remains in early concept phase. In addition, CFM are currently developing next generation engines to similar timescales, and it is envisaged that a proposed open fan propulsion engine will offer more than 20% reduction in fuel consumption and CO_2 emissions. Current aircraft models are capable of flying with a 50% blend of SAF; both Airbus and Boeing have set targets to ensure their aircraft are 100% SAF compatible by 2030.

AUDIT & RISK COMMITTEE REPORT
continued

The Committee understands that should the requisite investment in hydrogen propulsion technology not result in a new aircraft capable of operating at commercial scale, then the Group should be well placed to pursue alternative environmental opportunities, including 100% SAF compatibility as a result of its investment in LEAP-1A engines for its new A321neo fleet.

The Group's final deliveries of new Boeing 737-800NG aircraft arrived in January 2019 and were some of the last off the production line. Based on a useful economic life of 22 years, these aircraft are forecast to remain in service until at the latest 2041. As such, this date is not markedly different to the current expectations of when new zero-emission aircraft models may be widely available.

The Committee therefore concluded that its existing accounting policy and estimates remain appropriate.

Revenue recognition

The Committee considered the revenue recognition policies and reconciliation procedures performed by the business. The Committee noted in their review the robust nature of ongoing monthly reconciliation procedures in terms of automated matching of cash receipts with the associated sales system bookings, in order to gain sufficient comfort over the accuracy of revenue recognition.

The Committee has also evaluated KPMG's audit conclusions and is satisfied that revenue has been appropriately recognised in the accounts. As in previous years, KPMG's testing centred around extraction of customer booking data for the year and re-performance of the calculation of revenue and deferred revenue based on third-party-sourced flight departure dates, using data and analytics audit techniques. The resulting matching rates shown in KPMG's revenue testing continue to be notably high, reflecting the strong control environment around these transactions.

Deferred taxation asset recoverability

The Committee noted that a judgement is made in relation to the recoverability of the deferred tax asset, in light of the significant balance remaining in respect of UK tax trading losses accumulated during the pandemic-impacted years ended 31 March 2021 and 31 March 2022. In the current year, the Committee has revisited the key assumptions applied in terms of future recovery of the remaining losses and has also noted the successful utilisation of a portion of these losses in the current year in line with previous assumptions. The Committee concluded that the judgement in respect of deferred tax asset recognition taken by the Group was reasonable and adequately disclosed within the accounts.

Conclusion

The Committee assessed the quality and sufficiency of the 2024 Annual Report & Accounts through discussion with management and the external auditor and shared its findings with the Board. In conclusion, the Audit & Risk Committee reported to the Board that it considered the Annual Report & Accounts for the year ended 31 March 2024 to be fair, balanced and understandable and provides the information necessary for shareholders to assess our strategy, business model and financial position and performance.

Going concern

The Committee reviewed the going concern basis on which the Annual Report & Accounts is prepared, the Directors having produced financial forecasts for the Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2027.

For the purpose of assessing the appropriateness of the preparation of the Group's financial statements on a going concern basis, two financial forecast scenarios have been produced for the 12-month period following approval of these financial statements:

- A base case which assumes a full unhindered flying programme utilising an aircraft fleet of 127 at load factors above 90% against a 13% increase in seat capacity; and
- A downside scenario with load factors reduced to 80% from August 2024 to reflect a material reduction in demand or the occurrence of operationally disruptive events and a lack of available funding for new aircraft during this period.

During their review, the Committee considered the Group's principal risks and uncertainties and the impact on forecast information if these risks were to materialise during this period. Other key considerations were:

- current forward booking performance against the forecast;
- the availability of banking facilities and their associated covenant measurements;
- the funding of future aircraft deliveries;
- the current headroom in the downside scenario described above;
- the adequacy and relevance of sensitivities applied; and
- the healthy closing total cash and money market deposits balance of £3,184.7m at 31 March 2024, including £1,331.4m of 'Own Cash'.

Based on the combination of these factors, the Committee concluded that under both scenarios there is a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Consequently, it is appropriate for the Group to continue to adopt the going concern basis in preparing the financial statements for the financial year ended 31 March 2024.

The *Going Concern Statement* can be found on page 50.

Viability statement

The Committee reviewed the scenarios prepared for the Going Concern and Viability review, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2027.

The Committee considered the assumption of a three-year viability period and agreed with the Board's assessment that this aligns with the Group's medium-term fleet and operational planning timelines.

The Committee noted that the forecasts sensibly assume that the Group may continue to incur inflationary pressures on cost, notably for accommodation, jet fuel and carbon, which may not be able to be fully passed on to customers. Any impact will, however, be partially offset through the continued receipt of more fuel efficient A321neo aircraft into the fleet. It was also noted that should customer demand prove to be weaker than forecast, due to the mix of aircraft the Group retains some flexibility to downsize its fleet if required and eliminate the fixed costs associated with those particular aircraft.

Following a review of these forecasts alongside the principal risks and uncertainties that the Group faces and its ability to mitigate and manage those risks, the Committee have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2027.

The *Viability Statement* can be found on page 51.

Internal audit, internal controls & risk management

The Audit & Risk Committee is responsible for monitoring the performance and effectiveness of the Company's Internal Audit activities. Consequently, the Audit & Risk Committee reviewed and approved the annual internal audit plan, ensuring that it was appropriately based on our Risk Assessment Framework, providing assurance where required. In addition, the Committee received regular progress updates on the delivery of the plan at each of its meetings during the year.

The Group's Internal Audit team remains a key function within the business and provides independent and objective assurance over the design and operating effectiveness of internal controls, through a risk-based approach. The team has unrestricted access to all Group documentation, premises, functions and colleagues to enable it to perform its work. The Head of Internal Audit and Business Continuity reports to the Committee and, administratively, to the Group Chief Financial Officer. The Committee engages directly with the Internal Audit team, who also had three separate meetings with KPMG during the year.

In order to assist the Audit & Risk Committee in its review of the effectiveness of Internal Audit, the Committee appointed BDO LLP to perform an EQA of the Internal Audit function. The review will be completed by August 2024 and feedback that is considered to enhance the effectiveness of Internal Audit will be adopted as appropriate. The Committee will provide an update on the EQA report in the 2025 Annual Report & Accounts.

Internal Audit continues to work with both senior management and the Board to maintain the Group's risk register and ensure that there is appropriate alignment and understanding of key risks (and the controls in place to mitigate them), and risk appetite. The Group utilises a risk management tool, which drives efficiency in the production and maintenance of individual risk registers and more broadly enhances governance over the recording, monitoring and reporting of risks and controls within the business. In addition, the model provides consolidated visual summaries of risk performance complemented by more informed risk and control effectiveness scoring, relative to risk appetite.

On behalf of the Board, the Audit & Risk Committee is responsible for monitoring the adequacy and effectiveness of internal controls. To this end, the aforementioned model is a vital component used in conjunction with existing risk management processes to aid the Committee in this review.

Internal Audit also have a key role in the oversight of our Business Continuity capabilities, ensuring that key functions are able to continue to operate effectively when faced with unexpected disruptive events.

Future developments

Both the Committee and I would like to thank the Group's Finance Department on behalf of all shareholders for their ongoing professionalism and dedication which is so crucial in such a high-volume, fast-moving business and makes the task of this Committee that much easier.

It has been a pleasure to chair this Committee, and I am confident that under Rachel's leadership, the Committee will continue to uphold the highest standards of governance and accountability.

Robin Terrell
Non-Executive Chairman,
Chair of the Audit & Risk Committee

22 July 2024

REMUNERATION COMMITTEE REPORT

I am pleased to present the Remuneration Committee's Report for the year ended 31 March 2024.

Committee composition & meetings

During the year ended 31 March 2024, the Group's Remuneration Committee (the "Committee") comprised:

- Robin Terrell, our Chairman (Chair of the Committee until 5 September 2023);
- Myself, Simon Breakwell (appointed on 27 April 2023; Chair of the Committee from 5 September 2023);
- Philip Meeson (until his retirement on 5 September 2023);
- Angela Luger (appointed on 3 July 2023);
- Mark Laurence (until his retirement on 18 March 2024); and
- Rachel Kentleton (appointed on 18 March 2024).

The Committee met formally three times in the year.

Committee key responsibilities

The Committee makes recommendations to the Board on an overall remuneration package for the Executive Directors and other senior managers. It takes external advice from FIT Remuneration Consultants LLP on the value of the total employment packages, and the extent of the performance-related elements within, to ensure that they are appropriate when compared to analyses of comparable companies. The Committee also reviews the design of all share incentive plans, including the level of any potential awards and any associated performance targets.

The Remuneration Committee is dedicated to ensuring that the remuneration packages are effective in aligning the interests of the Executive Directors and senior management with those of the Company's shareholders and that they provide appropriate incentivisation to continue to deliver long-term sustainable profitability. The Remuneration Committee considers that the remuneration policy is straightforward, easy to understand and simple to implement and administer.

Committee key areas of focus during the year

Directors' and Colleagues' Remuneration

To ensure that the Group's salary proposals remain appealing to retain our talented colleagues and also to attract new colleagues to support our growth, all colleagues were awarded a 5.5% annual salary increase from 1 April 2024. At the same time Executive Directors were awarded a 4.0% annual salary increase, whilst Non-Executive Directors pay remained flat.

Our Colleagues work tirelessly to provide our award-winning *Customer First* service and in recognition of their tremendous efforts during the year ended 31 March 2024, the Group's Discretionary Colleague Profit Share Scheme for non-management colleagues will be paid during July. In addition, based on the successful operating and financial performance of the Company, the Discretionary Bonus Scheme for management colleagues will also be paid. Both bonus schemes will continue during the year ending 31 March 2025 subject to the achievement of certain performance conditions.

Senior Executive Incentive Plan for the year ended 31 March 2024

The Group operated the Senior Executive Incentive Plan (SEIP) for the ***Jet2 plc*** CEO, Group Chief Financial Officer and certain subsidiary company Directors for the year ended 31 March 2024, applying the same mix of metrics as have been used for a number of years (Profit metric – 60% weighting; customer metric – 20% weighting; personal metric – 20% weighting).

Strong performance was achieved against all of the criteria set and accordingly all participants received the maximum awards available to them under the SEIP (150% of base salary for Executive Directors and 60% of base salary for other Directors). As required by the SEIP, a material proportion of the SEIP outcome (equivalent to 30% of the total award value) was deferred for three years as an award of shares.

Share Reward Plan

The Committee aims to ensure that the Company protects the interests of its shareholders appropriately by being able to offer competitive rewards to those individuals who are instrumental to our continuing success. At the same time any long-term incentive provision needs to align to the principle that our remuneration policy should be straightforward, easy to understand and simple to implement and administer.

During the course of the year, a number of shareholders raised questions with our Board regarding the need for meaningful continuing retention-based pay arrangements for our highly performing Executive Directors. As a result, the Remuneration Committee considered alternative approaches to address the issues raised (including some shareholders' suggestions of larger performance-driven Long-Term Incentive Plans and "Value Creation Plans"); however, these ideas were discounted as not meeting ***Jet2***'s belief that remuneration arrangements should be simple and straightforward, a principle that has served our shareholders well to date.

Consequently, the Remuneration Committee determined that the most appropriate way to address these issues was to increase the quantum of awards made to the Executive Directors under the existing Share Reward Plan. Awards made under this Plan are long-term "restricted stock-type" in form, which promotes the retention of our most senior executives and provides simple and transparent incentivisation by direct alignment to our share price performance.

The intention is to make continuing annual awards under the Share Reward Plan to our ***Jet2 plc*** Executive Directors, which include awards over shares worth 150% of base salary for those granted in July 2024 (100% of base salary for those granted in July 2023). The Committee believes that the new level of annual award provides appropriate, but not excessive reward opportunities and is at a level which will provide effective retention and incentivisation which will be in shareholders' long-term best interests and without the need for a new and more complex form of arrangement.

The July 2024 awards are again subject to a vesting period of three years from the date of grant consistent with earlier Share Reward Plan awards. The Committee will consider performance in the following areas across the three-year period before confirming the vesting of the awards:

- overall Company performance;
- performance against the principles of *People, Service, Profits*; and
- Sustainability performance.

As with prior Share Reward Plan awards, personal performance will also be considered before vesting is confirmed.

The details of the share awards granted for our ***Jet2 plc*** Executive Directors under both the SEIP and under the Share Reward Plan in July 2024 are shown in the Share Awards granted since 31 March 2024 section of this Remuneration Committee Report.

ShareSave

The Committee believes that ShareSave schemes engender a greater sense of ownership and pride in being an employee of the Group, in turn aiding retention and inspiring colleagues to fulfil our *Customer First* strategy.

Therefore, to ensure that our Colleagues are fully engaged in the future growth of the Company and following the success of our inaugural ShareSave scheme in 2022, the Group launched a second scheme in September 2023. These schemes gave our UK, Spanish and Portuguese colleagues the opportunity to save up to £500 per month (or €500 for colleagues in Spain and Portugal) for a period of 36 months, with an option to purchase shares in ***Jet2 plc*** at the end of this saving period.

Colleagues will have the choice to either purchase the shares at a price of £8.92 (Sept 2022 scheme: £7.66), which is a 20% discount to the market value share price at inception of the scheme, or to simply receive back the cash amount saved. The Committee was pleased that over 33% (2022: 61%) of eligible colleagues chose to join the ShareSave scheme this year.

Executive Director remuneration policy

The details of individual components of the remuneration package are discussed below.

Remuneration element and purpose	Operation	Measures to assess performance / clawback application
Salary		
To provide the core compensation for the Executive Director's role, at a level to attract and retain executives of the required calibre.	The basic salary for each Executive Director is determined by individual performance and reference to external market data and each is reviewed annually by the Committee. The basic salary is the only element of remuneration that is pensionable.	Not applicable
Pension		
To provide an appropriate level of retirement provision.	Executive Directors are eligible to participate in a defined contribution pension plan. In addition, contributions may be made to a personal pension arrangement, including through salary sacrifice, and / or cash payments may be made in lieu of pension contributions. In the financial year ended 31 March 2024, the maximum pension benefit provided was equivalent to 14% of base salary.	Not applicable
Benefits		
To provide customary benefits.	The principal benefits include one or more of the following non-cash benefits: the provision of a company car, fuel allowance, and the provision of private healthcare. The Committee has discretion to determine whether other benefits should be provided. The cost to the Group of providing these benefits may vary year-on-year, and the Group monitors this cost.	Not applicable

REMUNERATION COMMITTEE REPORT

continued

Remuneration element and purpose	Operation	Measures to assess performance / clawback application
SEIP **(Cash bonus with deferral element)** The Senior Executive Incentive Plan (**SEIP**) is a performance-related cash bonus plan, with the ability for the Committee to mandate that a proportion of the bonus be deferred into a deferred share award (the "**Deferred Award**") dependent on the level of bonus achieved. The SEIP is intended to incentivise executives, reward strong performance and align remuneration to the Group's objectives and goals, including a deferral element to provide longer-term alignment to shareholders.	**SEIP cash award** In order to encourage profit performance and to reward achievement of key customer and individual metrics, bonus awards under the SEIP are determined based on performance conditions set annually. The maximum award value under the SEIP is 150% of base salary. To the extent that the award value achieved exceeds a specified deferral threshold (currently equal to 40% of the maximum award value), half of the award value in excess of the deferral threshold is granted as a Deferred Award. At maximum performance, the Deferred Award will therefore represent 30% of the total award value. Any earned cash bonus element is paid following the announcement of results for the financial year to which it relates. The payment of the cash bonus element under the SEIP is subject to the Executive Director being in employment, and not under notice, on the payment date, subject to the potential for good leaver treatment.	The specific targets, and the weightings of each metric, will be set annually by the Committee. The profit-based metric will, however, normally represent at least the majority of the total bonus opportunity. Cash bonus payments are subject to clawback at the discretion of the Committee in the event of a misstatement of results within one year of payment, or the discovery of misconduct that occurred at any time prior to payment.
	SEIP Deferred Award Deferred awards are granted over a number of shares to reflect the value of the deferred bonus element based on the higher of: the average share price over the 12-month period to the fifth dealing day following (and including) the date of announcement of results for the relevant financial year; and a scheme minimum share price. Deferred awards take the form of a right to receive shares at a price payable equal to the nominal value per share. Deferred awards are subject to a vesting period of three years from the date of grant. On vesting, a dividend equivalent payment will be made on vested shares. The Committee also has discretion to determine that deferred awards may be paid in cash. Vesting is not subject to further performance conditions, given that deferred awards represent the deferral of previously earned annual bonus. However, the vesting of a deferred award under the SEIP is subject to the Executive Director being in employment and not under notice on the vesting date, subject to the potential for good leaver treatment. Good leaver reasons include the Executive Director's death, injury, disability, redundancy, retirement or in connection with a business or company disposal. In these cases, the Deferred Award shall vest (either on the normal vesting date or immediately as determined by the Committee) subject, unless the Committee determines otherwise, to prorating for time. In addition, the Committee retains discretion to permit the payment of cash awards and / or vesting of deferred awards in other circumstances.	Deferred awards are subject to clawback at the discretion of the Committee in the event of a misstatement of results within one year of grant, or the discovery of misconduct that occurred at any time prior to vesting.

Remuneration element and purpose	Operation	Measures to assess performance / clawback application
Share Reward Plan (SRP) SRP is a deferred share award intended to aid in retention of executives and bring direct alignment of their experience to those of shareholders as we seek to drive future growth.	SRP Awards are granted over a number of shares to reflect the value of the Share Reward based on the average share price over the preceding financial year calculated consistently with the SEIP Deferred Awards. SRP Awards take the form of a right to receive shares, at a price payable equal to the nominal value per share. SRP awards are subject to a vesting period of three years from the date of grant. Vesting is subject to the Executive Director being in employment and not under notice on the vesting date, subject to the potential for good leaver treatment, as described in the SEIP Deferred Award section. All vestings will be subject to satisfactory personal performance and are reviewed by the Remuneration Committee before approval. The Committee will consider overall performance in the following areas across the three-year period before confirming the vesting of awards: overall Company performance, performance against the principles of *People, Service, Profits* and Sustainability performance. For awards made from 2023 onwards, on vesting, a dividend equivalent payment will be made on vested shares.	SRP awards are subject to clawback at the discretion of the Committee in the event of a misstatement of results within one year of grant, or the discovery of misconduct that occurred at any time prior to vesting.

Non-Executive Director remuneration

Non-Executive Director fees are determined by the Chairman and the Group Chief Financial Officer, having taken advice where necessary on appropriate fee levels. During the year, fee amendments reflect: Robin Terrell's appointment as Chairman and my appointment as Chair of the Remuneration Committee.

The Non-Executive Directors are not involved in any discussions or decisions about their own remuneration and do not participate in any bonus or share-based incentive plans.

Service contracts and terms governing loss of office

Gary Brown and Steve Heapy's service contracts, dated 29 April 2013 and 17 June 2013 respectively, contain a twelve-month rolling notice period for notice given by the Company and a nine-month rolling notice period for notice given by the individual.

Each of the Non-Executive Directors has a formal letter of engagement containing a three-month rolling notice period for notice given by either party.

There are no predetermined special provisions for Executive or Non-Executive Directors with regard to compensation in the event of loss of office. The Committee considers the circumstances of individual cases of early termination and determines compensation payments accordingly.

Steve Heapy and Rick Green will retire from the Board at the Annual General Meeting on 5 September 2024 and, being eligible, will offer themselves for re-election. Having been appointed on 18 March 2024, Rachel Kentleton will also offer herself for election at the Annual General Meeting in line with the Company's Articles of Association.

REMUNERATION COMMITTEE REPORT
continued

Directors' emoluments during the year

Year ended 31 March 2024	Basic salary and fees £000	Benefits[4] £000	Pension £000	SEIP Cash awards[5] £000	SEIP deferred awards[6] £000	SRP deferred awards[6] £000	Total 2024 £000
Executive Directors:							
Philip Meeson[1]	**246**	**15**	**–**	**–**	**–**	**–**	**261**
Steve Heapy	**849**	**20**	**102**	**891**	**190**	**962**	**3,014**
Gary Brown	**656**	**2**	**91**	**680**	**145**	**739**	**2,313**
Non-Executive Directors:							
Robin Terrell	**235**	**–**	**–**	**–**	**–**	**–**	**235**
Mark Laurence[2]	**88**	**–**	**–**	**–**	**–**	**–**	**88**
Simon Breakwell	**73**	**–**	**–**	**–**	**–**	**–**	**73**
Angela Luger	**52**	**–**	**–**	**–**	**–**	**–**	**52**
Rachel Kentleton	**3**	**–**	**–**	**–**	**–**	**–**	**3**
Rick Green[3]	**173**	**–**	**–**	**–**	**–**	**–**	**173**
Total	**2,375**	**37**	**193**	**1,571**	**335**	**1,701**	**6,212**

Year ended 31 March 2023	Basic salary and fees £000	Benefits[4] £000	Pension £000	SEIP Cash awards[5] £000	SEIP deferred awards £000	SRP deferred awards[6] £000	Total 2023 £000
Executive Directors:							
Philip Meeson	526	14	–	–	–	–	540
Steve Heapy	774	22	93	810	–	689	2,388
Gary Brown	596	2	82	618	–	531	1,829
Non-Executive Directors:							
Robin Terrell	94	–	–	–	–	–	94
Mark Laurence	71	–	–	–	–	–	71
Rick Green[3]	126	–	–	–	–	–	126
Total	2,187	38	175	1,428	–	1,220	5,048

Notes:

1 Philip Meeson retired from the Board on 5 September 2023.

2 Mark Laurence retired from the Board on 18 March 2024.

3 Rick Green received fees of £112,000 (2023: £71,000) in respect of consultancy services for the Group which are included in basic salary and fees.

4 The remuneration package of each Executive Director includes one or more of the following non-cash benefits: the provision of a company car; fuel allowance; and private healthcare.

5 There have been cash awards of £1,571,000 under the SEIP scheme in relation to the financial performance for the period ended 31 March 2024 (2023: £1,428,000).

6 Under the SRP scheme, deferred awards were granted in July 2023, July 2022 and July 2021. Under the SEIP scheme, deferred awards were granted in July 2023 and a further deferred award will be granted in July 2024 in respect of performance over the year ended 31 March 2024. For the remuneration disclosure above, the annual charge recorded is based on the IFRS 2 accounting fair value of the deferred awards at grant, spread over the period from the service commencement date or grant date to the vesting date for SEIP and SRP respectively. Further details of these awards are provided in the *Directors' interests in options and deferred awards* table.

Directors' interests in options and deferred awards

The interests of the Directors who served during the year in options and deferred awards over shares were as follows:

Director	Share scheme / Award Plan	Exercise / award price	At 31 March 2023 No.	Granted during the year[1] No.	Exercised during the year No.	Lapsed in the year No.	**At 31 March 2024 No.**
Steve Heapy	SEIP Deferred Award	1.25p	–	32,589	–	–	**32,589**
Gary Brown	SEIP Deferred Award	1.25p	–	24,881	–	–	**24,881**
Steve Heapy	SRP Award	1.25p	223,591	72,419	–	–	**296,010**[2]
Gary Brown	SRP Award	1.25p	171,875	55,292	–	–	**227,167**[3]
Steve Heapy	ShareSave	£7.66	2,349	–	–	–	**2,349**[4]
Gary Brown	ShareSave	£7.66	2,349	–	–	–	**2,349**[4]

1 SEIP and SRP deferred awards were granted on 13 July 2023 and 17 July 2023 respectively and vest on 12 July 2026 and 16 July 2026 respectively. The number of shares awarded was calculated using the average closing mid-market share price for the 12-month period to the fifth dealing day following (and including) the date of announcement of results for the year ended 31 March 2023 of £10.65.

2 136,000 deferred awards vest on 21 July 2024, 87,591 deferred awards vest on 20 July 2025 and 72,419 deferred awards vest on 16 July 2026.

3 105,000 deferred awards vest on 21 July 2024, 66,875 deferred awards vest on 20 July 2025 and 55,292 deferred awards vest on 16 July 2026.

4 Options vest on 1 October 2025 and represent the total number of shares granted if monthly contributions are maintained for the full three-year vesting period.

The closing mid-market price of the Company's shares on 31 March 2024 was £14.42 per 1.25 pence ordinary share. The highest and lowest closing mid-market prices during the year were £14.42 and £9.92, respectively.

Share awards granted since 31 March 2024

Since the reporting date, the following share awards were granted under the SEIP and SRP schemes:

Director	Award	Award price	Shares granted since year end No.	Normal vesting date
Steve Heapy	SEIP deferred award	1.25p	30,558	22 July 2027
Gary Brown	SEIP deferred award	1.25p	23,331	22 July 2027
Steve Heapy	SRP deferred award	1.25p	101,861	22 July 2027
Gary Brown	SRP deferred award	1.25p	77,770	22 July 2027

The SEIP deferred award is made in relation to the outcomes for the SEIP for year ended 31 March 2024. The SEIP and SRP deferred awards were both granted on 22 July 2024, where the number of shares awarded was calculated using the average closing mid-market share price for the 12-month period ended 17 July 2024 of £12.50.

REMUNERATION COMMITTEE REPORT
continued

Director shareholdings

The Directors who held office at 31 March 2024 had the following interests in the ordinary shares of the Company at that date:

Director	**31 March 2024**	31 March 2023
Steve Heapy	**283,096**	283,096
Gary Brown	**102,599**	102,599
Robin Terrell	**5,204**	5,204
Rick Green	**3,000**	3,000
Simon Breakwell	**–**	–
Angela Luger	**–**	–
Rachel Kentleton	**–**	–

No Directors have a non-beneficial interest in the shares of the Company. None of the Directors have any direct or indirect interest in any contract or arrangement subsisting at the date of these financial statements that is significant in relation to the business of the Group or the individual and that is not otherwise disclosed.

Advisers

When required, Herbert Smith Freehills LLP provides legal and regulatory advice to the Company on executive incentive arrangements and the operation of share plans.

During the year FIT Remuneration Consultants LLP also provided the Committee with external remuneration advice. FIT is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure that objective and independent advice is given to remuneration committees. The Remuneration Committee is satisfied that the advice received was objective and independent.

The Remuneration Committee Report is approved by the Board and signed on its behalf by:

Simon Breakwell
Chair of the Remuneration Committee

22 July 2024

DIRECTORS' REPORT

This Directors' Report includes the information required to be included under the Companies Act or, where provided elsewhere, an appropriate cross-reference is given as follows:

- Strategic Report: pages 16 to 82;
- Risk Management: pages 36 to 51;
- Sustainability: pages 59 to 68;
- Corporate Governance Statement approved by the Board: pages 86 to 95;
- Directors of the Company: pages 95 and 96;
- Directors' remuneration: page 106.

In addition to the Directors listed on pages 95 and 96, Philip Meeson and Mark Laurence both served on the Board until stepping down as detailed on page 89.

Results and dividends

The results for the year are set out in the Consolidated Income Statement and show a profit after taxation of £399.2m (2023: £290.8m). An interim dividend of 4.0p was paid during the year (2023: 3.0p).

Basic earnings per share was 185.9p (2023: 135.4p) and in view of the financial performance, our financial strength and continued confidence in the Group's prospects, in line with its capital allocation principles, the Board has resolved to pay a final dividend of 10.7p per share (2023: 8.0p), representing an increase of 34%.

Post-balance sheet events

On 19 April 2024, ***Jet2 plc*** opted to prepay £87.9m in respect of balances owed on finance secured against six Boeing 737-800NG aircraft using the Group's Own Cash reserves. These loans were originally entered into between 2016 and 2019 at higher margins than those which the Group can currently access in aircraft financing markets.

In June 2024, the Group exercised the remaining 36 purchase rights of its aircraft order with Airbus, an order which was originally announced in late 2021, meaning that the Group now has 146 firm ordered A321neo aircraft of which seven had been delivered as at 31 March 2024.

Other than these, there have been no further material events after the balance sheet date of 31 March 2024 through to the date of this Annual Report & Accounts.

Share capital and authority to purchase shares

The Company's share capital as at 31 March 2024 was 214,681,281 ordinary shares of 1.25 pence each (Ordinary Shares). No new Ordinary Shares (2023: 61,802) were issued during the year ended 31 March 2024. Details of the share capital are set out in Note 26 to the consolidated financial statements.

At the Annual General Meeting in September 2023 shareholders gave authority to the Directors to purchase up to 21,468,128 shares in the Company, representing approximately 10 per cent of its issued share capital, during the period expiring at the 2024 Annual General Meeting at a price to be determined within certain limits. No Ordinary Shares in the Company were purchased under this authority during the year ended 31 March 2024.

Employee Benefit Trust

The ***Jet2 plc*** Employee Benefit Trust (EBT) was established on 24 March 2024 to hold shares for the purposes of satisfying future share awards granted to Directors and Colleagues that may vest under the Company's share schemes, with the EBT Trustees authorised to procure Company shares to fulfil these awards. The EBT has waived its right to receive dividends on shares that it holds beneficially in respect of future share awards.

Transactions of the EBT will be fully consolidated within the Group Financial Statements. The Trust's purchases of ***Jet2 plc*** ordinary shares will be debited directly to equity and disclosed separately in the Statement of Financial Position as an "Own shares" reserve.

As at 31 March 2024 the EBT held nil Ordinary Shares in the Company.

Material holdings

As at 30 June 2024 the Directors are aware that the following individuals and entities were interested, directly or indirectly, in 3% or more of the issued share capital of the Company:

Philip Meeson	17.16%
Silver Point Capital	5.84%
JPMorgan Asset Management	4.92%
Artisan Partners	4.18%
Fidelity Management & Research	3.92%
Gobi Investment Partners	3.64%
Artemis Investment Management	3.45%

Annual General Meeting

The Annual General Meeting (AGM) will be held at 9:30am on 5 September 2024 at Buchanan Communications, 107 Cheapside, London, EC2V 6DN. The Notice of AGM is available at ***www.jet2plc.com/agm*** and contains full details of the resolutions to be proposed and the Directors consider that these are in the best interests of the Group and shareholders as a whole.

Disclosure of information to Auditor

Each of the persons who are Directors at the date of approval of this Annual Report & Accounts confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has 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 Company's Auditor is aware of that information.

DIRECTORS' REPORT

continued

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report & Accounts and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and Parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 *Reduced Disclosure Framework*.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable, and, in respect of the Parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

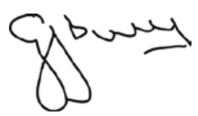
The Directors have decided to prepare a Corporate Governance Statement voluntarily as if the Company were required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report and the Strategic Report on pages 16 to 82 are approved by the Board and signed on its behalf by:



Gary Brown
Group Chief Financial Officer

22 July 2024

INDEPENDENT AUDITOR'S REPORT

to the members of Jet2 plc

1. Our opinion is unmodified

We have audited the financial statements of ***Jet2 plc*** (the Company) for the year ended 31 March 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Parent Company Balance Sheet, Parent Company Statement of Changes in Equity and the related notes, including the accounting policies in Note 2 of both the Group and Parent Company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality:		£25m (2023: £16.5m)
Group Financial statements as a whole		4.7% (2023: 4.4%) of Group profit before tax
Coverage		100% (2023: 100%) of Group profit before tax
Key audit matters		**vs 2023**
Recurring risks	Revenue recognition (Group)	◀▶
	Aircraft depreciation (Parent Company)	▲
Event driven	**New:** Aircraft depreciation (Group)	▲

INDEPENDENT AUDITOR'S REPORT

to the members of Jet2 plc continued

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters in decreasing order of audit significance were as follows:

	The risk	Our response
Revenue recognition **Group** Package holidays: £5,046.4m (2023: £3,969.7m) and Flight-only ticket revenue: £634.9m (2023: 556.7m) *Refer to page 100 (Audit & Risk Committee Report), page 128 (accounting policy) and pages 137 and 138 (financial disclosures).*	***Processing error*** Revenue from package holidays is apportioned over the duration of the holiday. Revenue from ticket sales for flight-only tickets is recognised on the date of departure. Due to the high-volume of sales and the differing timing of when cash is received (flights upon booking, holidays upon booking and on or before 10 weeks prior to departure), there is a risk that the booking systems and the reporting system do not appropriately process the information to recognise the respective revenue accurately in the correct accounting period.	Our procedures included: • **Control design and operation:** We evaluated the design and implementation, and tested the operating effectiveness, of automated controls related to the booking systems from which we extract sales data. This is to gain evidence that the data was complete and accurate; • **Independent re-performance:** We checked the accuracy of the Group's revenue recorded in the year by extracting raw customer booking data from the booking systems and performing an independent calculation of revenue and deferred revenue using the flight departure dates and holiday duration which determine the timing of recognition; • **Test of detail:** Using data and analytics techniques, we undertook testing to match all Package holiday and Flight-only ticket revenue recognised in the year to the Group 's flight departure data on a transactional basis. We compared the Group's flight departure data to third-party flight tracking information to ensure revenue had not been recognised where the performance obligation had not been met; and • **Test of detail:** To test the data used in our independent re-performance of revenue procedure, using data and analytics techniques, we undertook testing to match all Package holiday and Flight-only ticket revenue and deferred revenue to the associated receipt of cash on a transactional level.

	The risk	Our response
Aircraft depreciation **Group** (2024: £122.4m; 2023: £107.5m) **Parent** (2024: £37.9m; 2023: £39.3m) *Refer to pages 99 and 100 (Audit & Risk Committee Report); page 130 (Group accounting policy); page 143 and 144 (Group financial disclosures); page 165 (Parent Company accounting policy); and page 167 (Parent Company financial disclosures).*	***Subjective estimate*** To estimate its depreciation, an aircraft is first separated into its major components. For the new A321neo airbus aircraft delivered to the Group in the year, estimation is required to allocate the purchase price to its components. For all aircraft, the estimation of depreciation for each component incorporates assumptions around the useful economic life and residual value of each component. Certain of the airframes have useful economic lives extending until 2048 and their continued use over that period is dependent on the Group's required fleet size, any future environmental considerations and the emergence of new technology. This may also impact the residual values of the aircraft at the end of their useful economic lives. This is a new key audit matter for the Group and an existing key audit matter for the Parent Company. The risk has increased for both the Group and Parent Company due to the need to determine for the first time judgements and estimates for depreciation of the Group's new A321neo aircraft.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Benchmarking assumptions:** We challenged the appropriateness of useful economic lives and residual values by comparing against manufacturer's specification, technical guidance, published estimates of other airlines and the Group's own experience of recorded profit or loss on past aircraft disposals; • **Benchmarking assumptions:** We evaluated assumptions with regard to future market conditions impacting the fleet against independent industry information, in order to assess the impact on aircraft useful lives and residual values. This included current estimates of the likely timetable for change in engine technologies, including to meet carbon reduction commitments and obligations; • **Assessing consistency:** We assessed the consistency of the planned increase in fleet size (including the new A321neo aircraft delivered and on order from Airbus) with the Group's longer-term forecasts and the useful economic lives adopted for existing owned aircraft; and • **Assessing transparency:** We assessed the Group's and Parent Company's disclosures detailing the assumptions and sources of estimation uncertainty concerning useful economic lives and residual values are adequately disclosed.

INDEPENDENT AUDITOR'S REPORT

to the members of Jet2 plc continued

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £25.0m (2023: £16.5m), determined with reference to a benchmark of Group profit before tax of which it represents 4.7% (2023: 4.4%).

Materiality for the Parent Company financial statements as a whole was set at £23.0m (2023: £12.0m) determined with reference to a benchmark of Parent Company total assets, limited to be less than group materiality as a whole. It represents 0.8% (2023: 0.4%) of the stated benchmark.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £18.75m (2023: £12.3m) for the Group and £18.0m (2023: £9.0m) for the Parent Company.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

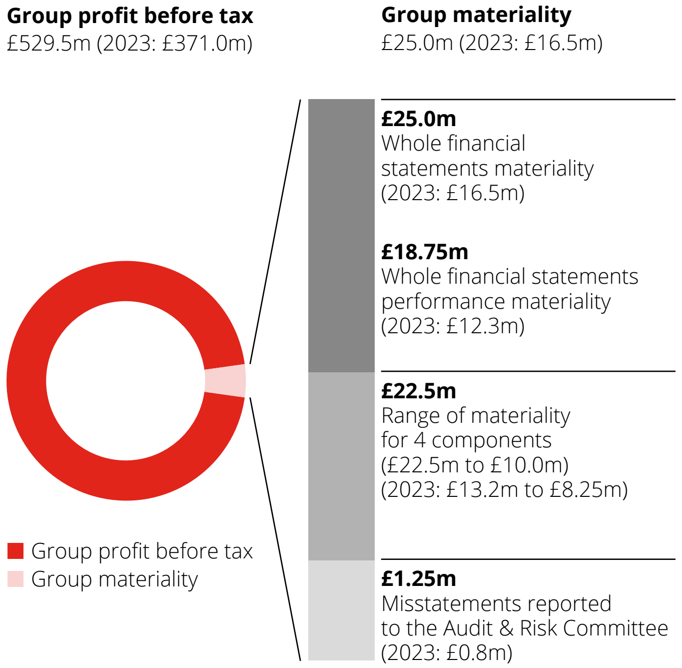
We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £1.25m (2023: £0.8m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 13 (2023: 13) reporting components, we subjected 4 (2023: 4), including the Parent Company, to full scope audits for Group purposes. The components within the scope of our work accounted for 100% (2023: 100%) of Group revenues, 100% (2023: 100%) of Group profit before tax and 99% (2023: 100%) of Group total assets.

For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The work on all of the components, including the audit of the Parent Company, was performed by the Group audit team.

We were able to rely upon the Group's internal control over financial reporting in our audit of revenue which enabled us to reduce the scope of our substantive audit work; in other areas the scope of the audit work performed was fully substantive.



4. The impact of climate change on our audit

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group has set out its Sustainability targets with an ultimate goal of the Group being climate Net Zero by 2050. The majority of the Group's carbon emissions result from combustion of aviation fuels.

The Group considered the impact of climate change and the Group's targets in the preparation of the financial statements, including an evaluation of critical accounting estimates and judgements. The Group concluded that this did not have a material effect on the consolidated financial statements, as described on pages 127 and 128.

As a part of our audit we made enquiries of management to understand the extent of the potential impact of climate change risks on the Group's financial statements, including their assessment of critical accounting estimates and judgements, and the effect on our audit. We held discussions with our own climate change professionals to challenge our risk assessment.

Climate targets have the potential to affect forward looking assessments such as the replacement date of assets. On this audit there are limited other forward-looking assessments due to the nature of the Company's assets. The Group's plans do not involve replacing assets before the end of their useful economic life. As a result, our risk assessment was that climate change does not currently have a significant impact on key judgements or estimates in the financial statements and did not have a significant effect on our audit and key audit matters.

We have read the Group's disclosure of climate related information in the Strategic Report within the Annual Report & Accounts as set out on pages 59 to 76 and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risk to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period was the impact of inflation and the associated increased costs of living which may result in a reduction in customer demand.

We also considered less predictable but realistic second order impacts, such as the erosion of customer confidence, which could result in a reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in Note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work are that:

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period; and
- We have nothing material to add or draw attention to in relation to the Directors' statement in Note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board and Audit & Risk Committee minutes;
- Considering remuneration incentive schemes and performance targets for senior management, including the Senior Executive Incentive Plan and the Share Reward Plan; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of material judgement or estimation in revenue recognition and, due to the high-volume low-value nature of sales, the scale of any fraud would have to be so significant to result in a material misstatement that the risk is considered remote. We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those revenue and cash journal entries posted to unexpected account combinations, journals with descriptions which may indicate fraud, and journals posted after the books close date.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

INDEPENDENT AUDITOR'S REPORT

to the members of Jet2 plc continued

6. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: package travel, aviation, health and safety, data protection, environmental, employment law, anti-bribery and anti-corruption and money laundering legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the Viability Statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Corporate Governance statement (page 93) that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures; the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement on page 110 that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit & Risk Committee, including the significant issues that the Audit & Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

INDEPENDENT AUDITOR'S REPORT

to the members of Jet2 plc continued

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 110, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at ***www.frc.org.uk/auditorsresponsibilities***.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Derbyshire

David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

22 July 2024

CASE STUDY

RETAIL OPERATIONS CENTRE – THE ROC

Jet2.com pioneers a new approach to in-flight retail with the launch of its Retail Operations Centre – the ROC!

During Summer 2022, ***Jet2.com***'s in-flight retail service struggled to return to its full potential due to inadequate onboard product availability caused by supplier disruption. Consequently, we took the bold decision to take control of our critical in-flight retail operations, by developing a new centre that could create a strong foundation to deliver our award-winning customer service and drive growth. We were delighted to be able to cut the ribbon on the opening of the ROC on 18 October 2023, a project which, from initial idea to go-live, took just 12 months. This was a real example of the many teams involved **Taking Responsibility** and **Working As One Team** to underpin our *Customer First* proposition.

What is the ROC?

The first of its kind in the UK aviation industry, this multi-million-pound facility sets new standards for customer-first service, efficiency and security. This is crucial, given our award-winning service is such a key factor in our customers booking with us time and time again.

The 150,000 square foot facility is located in Cheshire, and allows us to stock, manage and distribute millions of in-flight retail products for our Customers to enjoy on their well-deserved leisure flights.

The products include drinks and ambient foods that can be pre-ordered or bought from the in-flight menu, as well as ***Jet2shop*** tax and duty-free products, such as fragrances, beauty and spirits.

Each day, items are receipted, stored, selected and loaded onto thousands of bar carts, with each being securely screened in just six minutes by one of the ROC's four cutting-edge X-ray scanners. Bar carts are then distributed to our UK airports by a fleet of ***Jet2.com*** and ***Jet2holidays***-branded trailers, operated by Wincanton Logistics, while Gate Gourmet (our new Last Mile Provider) load the carts onto our aircraft airside. During a typical year, it is expected that more than 25 million items will flow through the ROC to be transported and loaded onto the Company's growing fleet of aircraft.

Given the nature of the operation, the ROC has been through a strict security process to ensure it complies with relevant regulations and has UK Civil Aviation Authority (CAA) approval. As a result of its opening, 300 new jobs have been created with our Colleagues working to accommodate our daily flying schedules.

Working as One Team – our Take Me There values at their finest

Following the site's official opening, the first dry run of bar carts was delivered to London Stansted the next day.

After trialling and refining our processes, the inaugural flight, stocked with products from the ROC, departed on 1 November. In subsequent months, our airports steadily transitioned to being supplied from the ROC, with a total of nine bases serviced from January 2024, plus our new Liverpool John Lennon Airport base onboarding at the end of March 2024.

A step change has been delivered, but more exciting plans are in place to truly maximise the ROC's capabilities and offer our VIP customers the very best onboard service. Over the next 12 months, our goal is to transition to automation, which will create many opportunities, including dynamic bar packing and pre-ordering of products. In turn, this will also lower aircraft fuel consumption, as we now have the right product loaded for the right flight! Furthermore, as we now control our own supply chain and can drive closer relationships with our in-flight retail suppliers, we have the opportunity to collaborate with them to explore sustainable product development and packaging. All these benefits support our ***Jet2* Journey to Net Zero** Sustainability Strategy.

This innovation represents a material investment in our operation and in leading technology and infrastructure, paving the way to enhancing our award-winning customer service for the future. After all, **Nothing Beats a *Jet2holiday*!**

OUR FINANCIALS

"Our whole experience was great and we will be highly recommending to friends and family"

Chloe travelled from Bristol to Arrecife
with her family in August 2023

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Results for the year ended 31 March 2024 £m	Results for the year ended 31 March 2023 £m
Revenue	6	**6,255.3**	5,033.5
Operating expenses	7	**(5,827.1)**	(4,639.5)
Operating profit	8	**428.2**	394.0
Finance income		**159.5**	58.7
Finance expense		**(70.9)**	(64.5)
Net FX revaluation gains / (losses)		**9.4**	(19.8)
Net financing income / (expense)	9	**98.0**	(25.6)
Profit on disposal of property, plant and equipment		**3.3**	2.6
Profit before taxation		**529.5**	371.0
Taxation	11	**(130.3)**	(80.2)
Profit for the year		**399.2**	290.8
(all attributable to equity shareholders of the Parent)			
Earnings per share			
– basic	13	**185.9p**	135.4p
– diluted	13	**170.4p**	126.6p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Profit for the year		**399.2**	290.8
Other comprehensive income / (expense)			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges:			
Fair value losses	25	**(53.9)**	(49.4)
Net amount transferred to Consolidated Income Statement	25	**65.3**	(164.1)
Cost of hedging reserve movement	25	**(5.3)**	(17.0)
Related taxation (charge) / credit	11	**(1.5)**	47.6
Revaluation of foreign operations		**(1.9)**	3.9
		2.7	(179.0)
Total comprehensive income for the year		**401.9**	111.8
(all attributable to equity shareholders of the Parent)			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Note	2024 £m	2023 £m
Non-current assets			
Intangible assets	14	**26.8**	26.8
Property, plant and equipment	15	**1,193.2**	927.7
Right-of-use assets	16	**636.4**	565.3
Trade and other receivables	18	**21.2**	–
Derivative financial instruments	25	**17.3**	14.3
Other equity investment		**2.0**	–
		1,896.9	1,534.1
Current assets			
Inventories	17	**124.8**	40.2
Trade and other receivables	18	**332.8**	281.3
Derivative financial instruments	25	**30.8**	45.8
Money market deposits	19	**1,745.1**	1,669.5
Cash and cash equivalents	19	**1,439.6**	955.2
		3,673.1	2,992.0
Total assets		**5,570.0**	4,526.1
Current liabilities			
Trade and other payables	20	**477.4**	339.1
Deferred revenue	21	**1,903.9**	1,547.2
Borrowings	22	**44.6**	125.9
Lease liabilities	23	**131.0**	101.8
Provisions	24	**63.2**	57.4
Derivative financial instruments	25	**83.0**	85.1
		2,703.1	2,256.5
Non-current liabilities			
Deferred revenue	21	**22.7**	16.4
Borrowings	22	**711.2**	603.3
Lease liabilities	23	**568.6**	544.0
Provisions	24	**39.8**	40.0
Derivative financial instruments	25	**5.6**	16.8
Deferred taxation	11	**110.1**	36.7
		1,458.0	1,257.2
Total liabilities		**4,161.1**	3,513.7
Net assets		**1,408.9**	1,012.4
Shareholders' equity			
Share capital	26	**2.7**	2.7
Share premium	26	**19.8**	19.8
Cash flow hedging reserve	26	**(6.7)**	(15.3)
Cost of hedging reserve	26	**(21.9)**	(17.9)
Other reserves	26	**53.3**	55.2
Retained earnings	26	**1,361.7**	967.9
Total shareholders' equity		**1,408.9**	1,012.4

The financial statements on pages 122 to 161 were approved by the Board of Directors at a meeting held on 22 July 2024 and were signed on its behalf by:

Gary Brown
Group Chief Financial Officer
Jet2 plc, Registered no. 01295221

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £m	2023 £m
Profit before taxation		**529.5**	371.0
Net financing (income) / expense (including Net FX revaluation (gains) / losses)	9	**(98.0)**	25.6
Depreciation	15, 16	**248.8**	185.2
Profit on disposal of property, plant and equipment		**(3.3)**	(2.6)
Equity settled share-based payments	26	**14.7**	10.4
Operating cash flows before movements in working capital		**691.7**	589.6
Increase in inventories		**(84.6)**	(31.7)
Increase in trade and other receivables		**(55.7)**	(117.5)
Increase in trade and other payables		**134.5**	118.7
Increase in deferred revenue		**363.0**	374.5
Increase in provisions		**5.6**	18.6
Cash generated from operations		**1,054.5**	952.2
Interest received		**139.7**	58.7
Interest paid		**(55.5)**	(43.6)
Income taxes paid		**(45.2)**	(15.2)
Net cash generated from operating activities		**1,093.5**	952.1
Cash used in investing activities			
Purchase of property, plant and equipment	15	**(403.9)**	(193.9)
Purchase of right-of-use assets	16	**(4.1)**	(2.7)
Purchase of equity investment		**(2.0)**	–
Proceeds from sale of property, plant and equipment		**3.3**	2.7
Net increase in money market deposits	27	**(75.6)**	(481.9)
Net cash used in investing activities		**(482.3)**	(675.8)
Cash used in financing activities			
Repayment of borrowings	27	**(173.0)**	(287.7)
New loans advanced	27	**190.7**	–
Payment of lease liabilities	27	**(116.5)**	(76.2)
Dividends paid in the year		**(25.8)**	(6.4)
Net cash used in financing activities		**(124.6)**	(370.3)
Net increase / (decrease) in cash in the year		**486.6**	(94.0)
Cash and cash equivalents at beginning of year		**955.2**	1,047.5
Effect of foreign exchange rate changes	27	**(2.2)**	1.7
Cash and cash equivalents at end of year		**1,439.6**	955.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Cost of hedging reserve £m	Other reserves[1] £m	Retained earnings £m	Total shareholders' equity £m
Balance at 31 March 2022	**2.7**	**19.8**	**155.2**	**(5.5)**	**51.3**	**673.1**	**896.6**
Total comprehensive income	–	–	(170.5)	(12.4)	3.9	290.8	**111.8**
Share-based payments	–	–	–	–	–	10.4	**10.4**
Dividends paid in the year	–	–	–	–	–	(6.4)	**(6.4)**
Balance at 31 March 2023	**2.7**	**19.8**	**(15.3)**	**(17.9)**	**55.2**	**967.9**	**1,012.4**
Total comprehensive income	–	–	8.6	(4.0)	(1.9)	399.2	**401.9**
Share-based payments	–	–	–	–	–	14.7	**14.7**
Deferred tax on share-based payments	–	–	–	–	–	5.7	**5.7**
Dividends paid in the year	–	–	–	–	–	(25.8)	**(25.8)**
Balance at 31 March 2024	**2.7**	**19.8**	**(6.7)**	**(21.9)**	**53.3**	**1,361.7**	**1,408.9**

1 In June 2021, senior unsecured convertible bonds were issued generating gross proceeds of £387.4m. The equity component of these bonds was valued at £51.4m and recognised in other reserves. The remaining balance held in other reserves relates to foreign exchange translation differences arising on revaluation of non-sterling functional currency subsidiaries of the Group, which totalled £1.9m at 31 March 2024 (2023: £3.8m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. Authorisation of financial statements and statement of compliance

Jet2 plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. The address of its registered office is Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.

The Group's financial statements for the year ended 31 March 2024 were authorised by the Board of Directors on 22 July 2024 and the Consolidated Statement of Financial Position was signed on the Board's behalf by Gary Brown, Group Chief Financial Officer. The Group's financial statements consolidate the financial statements of ***Jet2 plc*** and its subsidiaries.

2. Accounting policies

Basis of preparation

The Group's financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards and applicable law.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101 *Reduced Disclosure Framework*; these statements are presented on pages 162 to 171.

The financial statements of the Group and the Parent Company are presented in pounds sterling and all values are rounded to the nearest £100,000, except where indicated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

The financial statements have been prepared under the historical cost convention except for all derivative financial instruments and other equity investments, which have been measured at fair value.

Going concern

The Directors have prepared financial forecasts for the Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2027.

For the purpose of assessing the appropriateness of the preparation of the Group's financial statements on a going concern basis, two financial forecast scenarios have been prepared for the 12-month period following approval of these financial statements:

- A base case which assumes a full unhindered flying programme utilising an aircraft fleet of 127 at load factors above 90% against a 13% increase in seat capacity; and
- A downside scenario with load factors reduced to 80% from August 2024 to reflect a material reduction in demand or the occurrence of operationally disruptive events and a lack of available funding for new aircraft during this period.

The forecasts consider the current cash position and an assessment of the principal areas of risk and uncertainty as described in more detail in the *Risk Management* section on pages 36 to 51.

In addition to forecasting the cost base of the Group, both scenarios incorporate the funding of future aircraft deliveries with our well-established aircraft financing partners and no mitigating actions taken to defer uncommitted capital expenditure during the forecast period.

The Directors concluded that, given the combination of a closing total cash and money market deposits balance of £3,184.7m at 31 March 2024 together with the forecast monthly cash utilisation, under both scenarios the Group would have sufficient liquidity throughout a period of at least 12 months from the date of approval of the financial statements at the end of July 2024. In addition, the Group is forecast to meet its RCF covenants at 30 September 2024 and 31 March 2025 under both scenarios with significant headroom.

As a result, the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2024.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the *Sustainability* section of the Strategic Report on pages 59 to 68.

The Directors have specifically reviewed the Group's aircraft useful economic life and residual value accounting estimates in light of the Group's emissions targets set out in its Sustainability Strategy and the impact this may have on its future fleet requirements. This review considered the current progress and estimated date of availability of new technology being developed across the airline industry, including 100% SAF-compatible aircraft and aircraft powered by alternative energy sources such as hydrogen. In addition, there is currently no enacted or draft Government climate legislation to limit the use of less efficient aircraft, therefore the Group concluded that the existing estimates remained appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies *continued*

The Directors have considered the future profitability of the Group when assessing the recoverability of deferred tax assets, in particular those recognised from trading losses carried forward. The forecasts incorporate higher carbon costs as a result of potential future amendments to the carbon emissions schemes together with an increased utilisation of SAF in line with government mandates and the Group's Sustainability Strategy which includes an objective to operate a 15% SAF fuel mix by 2035. The Directors concluded that it remains appropriate to record assets in respect of the Group's trading losses carried forward.

The forecasts reflect the purchase of new Airbus A321neo aircraft in the short and medium-term cash flows, thus ensuring they are captured within the going concern and viability assessments. There are no further material impacts to other accounting estimates or judgements in the current year as a result of climate change.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation.

Revenue

Revenue (which excludes Value Added Tax and Air Passenger Duty) arises from package holidays, passenger aircraft operations, sale of non-ticket ancillary products and charter aircraft operations.

Revenue from package holidays is apportioned over the duration of the holiday. Revenue from ticket sales for scheduled passenger flights is recognised at the date of departure. A proportion of flight delay compensation payments are offset against revenue up to the full value of the ticket price, as the benefits associated with the performance obligation are not transferred to the customer if the flight is delayed. Any remaining compensation which exceeds the full value of the ticket price is charged to operating expenses. Where compensation claims are not yet settled at the year-end, these are held within provisions.

Non-ticket revenues such as hold baggage charges, advanced seat assignment and extra legroom charges and in-flight retail sales are also recognised once the associated flight has departed, or holiday started. Commission earned from car hire bookings is recognised on departure, reflecting the point when services are performed. Commission earned from travel insurance is recognised at the time of booking, as the Group acts solely as an agent of the insurance company.

Other Leisure Travel revenue includes charter aircraft income which is recognised in the period in which the service is provided. In addition, cancellation income, in respect of non-refundable amounts paid on bookings cancelled by the customer prior to the date of departure, is recognised at the time of cancellation.

Cash amounts received from customers for whom revenue has not yet been recognised are recorded in the Statement of Financial Position as deferred revenue within current liabilities, or within non-current liabilities if the Group's services are expected to be performed more than 12 months from the reporting date.

Employee benefits

Share-based payments

The Company grants equity settled share-based payments to certain colleagues. The fair value of these option plans is measured by reference to the closing mid-market share price at the date of grant of the option or the share price at the reporting date where the grant date has not yet occurred. Once the options have been granted, the Group subsequently reassesses the fair value of the option plan.

The cumulative expense is calculated based on the proportion of the performance obligation period that has elapsed and the Group's best estimate of the achievement of non-market vesting conditions, and hence the number of equity instruments that will ultimately vest as at each reporting date. The resulting cost is recognised in operating expenses in the Consolidated Income Statement over the period from the beginning of the performance obligation period to the vesting date.

To the extent that the Group receives a tax deduction relating to services paid for by means of share awards or options, deferred tax is provided on the basis of the difference between the market price of the underlying equity as at the date of grant and the exercise price of the option. As a result, the deferred tax impact of share options will not directly correlate with the expense reported in the Consolidated Income Statement.

2. Accounting policies *continued*

Defined contribution plans

All Group pensions are provided from the proceeds of money purchase schemes. The cost of the scheme is recognised in the Consolidated Income Statement on an accruals basis in line with the scheme rules.

Net financing income / (expense)

Finance expense

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Lease liabilities are described below, and all other finance expenses are recognised in the Consolidated Income Statement in the period in which they are incurred.

Finance income

Interest income is recognised in the Consolidated Income Statement in the period in which it is earned.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date, and differences arising are recognised in the Consolidated Income Statement in the period in which they arise. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are held at the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising are recognised in Other Comprehensive Income (OCI) and accumulated in other reserves.

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in the Consolidated Income Statement or the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in equity. Current taxation is the expected tax payable on the taxable income for the year and any adjustment to taxation payable in respect of previous years.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit attributable to the equity shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the equity shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the year, adjusted for the effects of potentially dilutive share options and deferred awards, together with the potential conversion of the convertible bonds to ordinary shares at maturity in June 2026.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

As airport slots are held in perpetuity, they have an indefinite useful life provided minimum utilisation requirements are observed and are therefore not amortised. Their useful life is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. These intangible assets are also assessed for impairment at each year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Accounting policies *continued*

Licence agreements to use cloud software provided as a service are treated as service contracts and expensed in the Group Consolidated Income Statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement would be capitalised as software within intangible assets. Implementation costs are expensed unless implementation is a distinct service and gives rise to a separate intangible asset.

Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and any provision for impairment. Pre-delivery payments in respect of future new aircraft arrivals are recorded in property, plant and equipment at cost. Depreciation is not charged on these additions until the Group takes delivery of the corresponding aircraft.

Depreciation is calculated to write down the cost of property, plant and equipment to each asset's estimated residual value using the straight-line method over its estimated useful economic life, or the estimated useful economic life of individual major components, as follows:

Freehold property	30 years
Short leasehold property	Over the life of the lease
Aircraft, engines and other components*	2 – 30 years
Plant, vehicles and equipment	3 – 10 years

* excluding pre-delivery payments (see above).

The Group depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of their useful life, break clause date or the end of their lease term. Certain of the Group's lease contracts contain lease extension options, which are taken into account in the measurement of the right-of-use asset only when the Group is reasonably certain that it would exercise the option. The Group also assesses the right-of-use asset for impairment when such indicators exist.

An element of the cost of acquired aircraft is attributed to its major components and then amortised over the period until the next maintenance event. The initial carrying value of each component is determined by reference to its cost or expected cost of future maintenance events. Subsequent costs incurred which lend enhancement to future periods, such as long-term scheduled maintenance and the major overhaul of aircraft and engines, are capitalised and amortised over the expected period of benefit. The element of the cost of acquired aircraft not attributed to major components is depreciated to its expected residual value over its remaining useful life, which is assumed to end 22–30 years from original build date depending on the aircraft type. Where aircraft are subject to specific life extension expenditure, the cost of such work is depreciated over the remaining extended life. All other maintenance costs are expensed to the Consolidated Income Statement as incurred.

Residual values are reviewed annually at the balance sheet date and compared to prevailing market rates of equivalently aged assets; if required, depreciation rates are adjusted accordingly on a prospective basis. Carrying values are reviewed for impairment if events or changes in circumstances indicate that they may not be recoverable.

The useful economic lives of all assets have been considered in light of the evolution of environmental legislation and the Group's Sustainability Strategy to both limit and mitigate its impact on the environment; the Group believes these have no impact on either the useful economic lives or carrying values of its assets at this stage.

Other equity investment

The equity investment in Northpoint Holdco Limited, which is developing the Fulcrum NorthPoint SAF facility, is measured at fair value due to the nature of the investment being for strategic purposes. Any valuation movements are recognised in OCI and accumulated in other reserves.

Financial instruments

Financial instruments are recognised initially at fair value, which is normally the transaction price.

The Group classifies its financial assets as measured at amortised cost or fair value through profit and loss. The classification of each financial asset is determined by whether the business model of the Group is to hold the asset to collect contractual cash flows or to benefit from changes in the fair value of the asset.

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss.

2. Accounting policies *continued*

Trade and other receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost based on the applicable effective interest rate.

Hotel supplier advances which are payments to hoteliers for services to be incurred in future periods are initially measured at cost and are subject to an annual impairment review in accordance with IAS 36 – *Impairment of Assets*.

Aircraft option payments, where the Group has the ability to exercise a right to secure additional aircraft within its contract with Airbus, are recorded at cost in trade and other receivables. The cost is reclassified to property, plant and equipment on exercise of these options.

Trade and other payables

Trade payables are recognised at fair value and subsequently measured at amortised cost based on the applicable interest rate.

Free carbon allowances are received under the UK and EU Emissions Trading Schemes (ETS). The Group records the shortfall between the free allowance and its mandatory carbon obligations under both UK and EU ETS within trade and other payables.

These mandatory ETS liabilities are measured using the annual weighted average of purchased ETS allowances and carbon forward contracts where these are already in place. If there are insufficient carbon forward contracts at the point of emission, these liabilities are accrued using a market price of the relevant ETS allowance at this date.

In addition, the Group voluntarily offset all carbon emissions not already covered in its ETS obligations, including covering its free allowances in the period until 31 December 2023. The cost of voluntary carbon emission offsetting is recorded in the Consolidated Income Statement when the flight occurs with a corresponding liability in trade and other payables.

These voluntary carbon offsetting liabilities are accrued using the purchase price on a first-in first-out basis where there are already sufficient purchase commitments for relevant offsetting schemes or by using a weighted average market price for such schemes where purchase commitments are not yet in place.

Interest bearing loans and borrowings

All loans and borrowings are initially recorded at fair value less any directly-attributable transaction costs. The loans and borrowings are, where applicable, subsequently measured at amortised cost.

Convertible bonds

Convertible bonds are compound financial instruments, and as a result their liability and equity components are presented separately in accordance with IAS 32 – *Financial Instruments: Presentation*.

On issuance of the convertible bonds, the initial fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption, with amortisation recorded through net financing expense in the Consolidated Income Statement.

The remainder of the proceeds raised on issuance of the convertible bonds is allocated to the conversion option that is recognised in equity; this equity component is not remeasured in subsequent years, until redemption of the liability or conversion into shares.

Transaction costs related to the convertible bond issuance are recorded proportionally against the corresponding liability and equity components.

Derivative financial instruments and hedging

The Group uses foreign currency forward contracts, interest rate and aviation fuel swaps to hedge its exposure to foreign exchange rate, interest rate and aviation fuel price volatility. Such derivative financial instruments are stated at fair value.

For those derivatives designated as hedges and for which hedge accounting is sought, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how hedge effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in cash flows of hedged items at inception and on an ongoing basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies *continued*

The qualitative technique to test the hedge effectiveness of a hedging relationship is the critical terms matching method. Hedge effectiveness testing is performed at inception, at each reporting date, and upon a significant change in the circumstances affecting the hedge effectiveness requirements. Such significant change can occur as follows:

- changes in occurrence or timing of the payment of the hedged item;
- reduction in the total amount or price of the hedged item; and
- a significant change in the credit risk of either party to the hedging relationship.

Where a derivative financial instrument is designated as a hedge of a highly probable forecast transaction and results in the recognition of expenses within the income statement (including the purchase of jet fuel), the effective portion of the gain or loss on the hedging instrument from the inception of the hedging relationship is recognised directly in the cash flow hedging reserve within equity and in OCI. Any ineffective portion is recognised within the Consolidated Income Statement.

For the effective portion of hedging instruments, amounts reported in OCI are subsequently reclassified to the Consolidated Income Statement in the period in which the hedged transaction affects profit and loss.

Where the forecast hedged item results in the recognition of a non-financial asset (such as the purchase of aircraft for which foreign currency derivatives are designated as the hedging instrument), the accumulated gains and losses recorded within both the cash flow hedge reserve and the cost of hedging reserve are included in the initial cost of the asset and then subsequently depreciated.

When designating the forward contract as a hedging instrument, the change in the value of foreign currency forward contracts arising as a result of foreign currency basis spread and forward points is held separately. This does not form part of the designated hedging instrument and is instead held in a separate cost of hedging reserve. The cost of hedging reserve is subsequently recognised in profit and loss in the period in which the hedged transaction affects profit and loss.

Those aviation fuel swaps, where value is pre-determined by the average fuel price during the final month of the year, have been disclosed within trade and other receivables or payables dependent on their mark-to-market position. These swaps no longer fluctuate in value and therefore do not meet the criteria for a derivative financial instrument.

The Group also uses forward UK and EU Allowance contracts to hedge its exposure to Carbon Emissions Allowance price volatility. As the allowances are a non-financial item purchased for the Group's own-use, they are not recorded as a derivative financial instrument in line with IFRS 9 – *Financial Instruments*.

Credit risk

Expected credit losses are recognised as a loss allowance, effectively an impairment of the value of the asset. The carrying values presented in the financial statements are net of loss allowances.

The Group has three types of financial asset that are subject to the credit loss model: trade receivables, cash and cash equivalents and money market deposits. Derivative assets are not subject to the credit loss model, although credit risk is considered when assessing whether those assets are impaired.

The Group makes an assessment to determine whether financial assets are impaired. Credit-impaired receivables would include receivables six months or more past the due date, or receivables where the counterparty's solvency indicates that the Group has no reasonable expectation of recovery. In the latter case, the receivables are written off; in the former case, the expected cash flows are discounted and the difference between the discounted expected cash flows and the face value of the receivable is recognised as a loss allowance, in the form of a provision against doubtful debts.

The Group calculates expected credit losses for its trade receivables using the simplified approach permitted by IFRS 9, applicable where the transaction contains no significant financing element. Under the simplified approach, expected lifetime credit losses are recognised in the period.

The Group's policy is to place funds with deposit takers with a long-term credit-rating no lower than A-/A3 and a short-term credit rating no lower than A-2, F2, P2. In the event of the credit ratings for the deposit taker being inconsistent between agencies, a detailed review is performed to attribute an appropriate rating for the deposit taker. In addition, the Group considers the historical repayment performance of deposit takers for which there have been no defaults to date. As a result, expected credit losses on cash and money market deposits are considered low. Where a deposit taker is considered to be at risk of default, the expected future cash flows are discounted and the difference from the expected cash inflows recognised as a loss allowance.

2. Accounting policies *continued*

Inventories

Consumables, including goods held for in-flight retail, are accounted for on a first-in first-out basis and stated at the lower of cost and net realisable value. Net realisable value is the estimated resale value.

Carbon emission allowances purchased in advance for the Group's mandatory and voluntary offset obligations are recorded in inventories at their historic cost and are not subsequently revalued as they are held for own use. When the Group settles its carbon obligations, the balances held in inventories and trade and other payables are derecognised. At 31 March 2024, the value of carbon emission allowances held in inventories exceeded the amounts accrued in trade and other payables.

Money market deposits

Money market deposits comprise deposits with a maturity of more than three months at the point of placement and are accounted for within the amortised cost category of financial assets.

Cash and cash equivalents

Cash and cash equivalents include short-term deposits maturing within three months of placement and restricted cash, if any, paid over to various counterparties as collateral against relevant exposures. For the purposes of the Consolidated Statement of Cash Flows, bank overdrafts which are repayable on demand and form an integral part of the Group's cash management activities, are included as a component of cash and cash equivalents.

The Group's restricted cash, if any, comprises margin calls and travel insurance deposits.

Leased assets

The Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses if the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the Consolidated Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of: the initial measurement of the lease liability; any initial direct costs incurred by the Group; an estimate of any costs to restore the asset to the condition required by its lessor at the end of its lease; and any lease payments made in advance of the lease commencement date (net of any incentives received).

When determining the lease term, the Group includes periods covered by an option to extend the lease where it is reasonably certain it will be exercised and periods covered by an option to terminate the lease where it is reasonably certain this option will not be exercised.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or, alternatively, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. In-substance fixed payments are inclusive of any contractual maintenance obligations which are not dependent on use of the asset.

Maintenance payments that vary based on usage of the underlying asset are not included within the measurement of the initial lease liability; these are instead recognised in the Consolidated Income Statement in line with their usage. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest accrued.

The liability is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies *continued*

Lease payments are presented in the Consolidated Statement of Cash Flows as follows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within Operating cash flows before movements in working capital. The Group's variable lease payments relate to payments to aircraft lessors in respect of flying activity on contracted aircraft components, which include Engines, LLPs and APUs. See Notes 7 and 8 for amounts incurred in the year. The Group will continue to be exposed to these variable lease payments across the life of the lease dependent on flying activity;
- payments for the interest element of lease liabilities are included in 'Interest paid' within Net cash generated from operating activities; and
- payments for the principal element of lease liabilities are included in 'Payment of lease liabilities' within Net cash used in financing activities.

The Group finances some of its aircraft through a Japanese Operating Lease with Call Option (JOLCO), a sale and leaseback transaction which includes a repurchase option. For each sale and leaseback transaction, the Group considers whether the sale satisfies the requirements of IFRS 15 – *Revenue from Contracts with Customers* to be accounted for as a sale of the asset. The Group has determined that a sale has not occurred for any aircraft delivered since 1 April 2019 with JOLCO financing, and therefore the Group recognises the transferred aircraft asset as property, plant and equipment and a financial liability under IFRS 9 – *Financial Instruments* which is equal to the transfer proceeds.

The Group took a practical expedient available on implementation of IFRS 16 – *Leases* to not reassess the IAS 17 – *Leases* balance sheet classification of assets and financial liabilities for aircraft delivered prior to 1 April 2019 with JOLCO financing. These aircraft assets are classed as a right-of-use asset and a lease liability is recorded which is equal to the transfer proceeds. The aircraft assets are subsequently transferred to property, plant and equipment on repayment of the final lease liability.

As permitted, the Group has elected not to apply the requirements of IFRS 16 for either short-term leases or leases of low-value assets. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Low-value leases are immaterial to the Group in both the current and prior year.

Leased aircraft maintenance provisions

Provision is made for the estimated future costs of maintenance events over and above those which can be recovered from the lessor. This reflects the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements.

3. Accounting estimates and judgements

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is changed and in future periods if applicable. For each sensitivity considered below, the Group has demonstrated a reasonably possible outcome to aid the users of the financial statements in understanding the impact of the estimate or judgement.

Critical judgements in applying accounting policies

There are no judgements that have a significant effect on the amounts recognised in the financial statements nor a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The accounting judgement believed to require the most subjectivity or complexity is as follows:

3. Accounting estimates and judgements *continued*

Recoverability of deferred tax asset

The Group's net deferred tax liability of £110.1m (2023: £36.7m) includes an £84.2m (2023: £135.1m) asset arising on full recognition of the UK tax trading losses accumulated during the Covid-impacted years ended 31 March 2021 and 31 March 2022. The Group has concluded that this deferred tax asset will be fully recoverable against the unwind of taxable temporary timing differences and future taxable profits.

With the exception of the two years impacted by the pandemic, the Group has a strong history of profitability. In assessing the recoverability of its deferred tax asset, the Group has used the same long-term financial forecasts as those used in the going concern and viability assessments. The tax losses can be carried forward indefinitely and have no expiry date. From its assessment, the Group has concluded that the deferred tax asset will be fully recoverable against future taxable profits and therefore the full recognition of this deferred tax asset is appropriate.

Key sources of estimation uncertainty

There are no major sources of estimation uncertainty at the end of the reporting period that the Directors consider to be significant nor that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The accounting estimates believed to require the most subjectivity or complexity are as follows:

Residual values and depreciation of property, plant and equipment and right-of-use assets

Estimations have been made in respect of the useful economic lives and residual values of aircraft included in property, plant and equipment and right-of-use assets, which determine the amount of depreciation charged in the Consolidated Income Statement. These estimated residual values are reviewed annually at the balance sheet date and compared to prevailing market residual values of equivalent aged assets. If the estimated residual values for each of the Group's aircraft were increased by $1.0m, this would have resulted in a reduction in the depreciation charge for the year ended 31 March 2024 of £10.4m (2023: £10.2m).

The Group reviews the useful economic lives of its aircraft annually, as the fulfilment of the carbon emissions targets within the Sustainability Strategy is dependent on the retirement of older less efficient aircraft to be replaced by new Airbus A321neo aircraft over the period 2023 to 2035.

Beyond 2030, the Group is reliant on investment from both the aviation industry and governments to develop lower emission aircraft powered by cleaner energy sources such as hydrogen or electricity. Airbus has stated an ambition to develop the world's first zero-emission commercial aircraft by the mid-2030s, but this remains in early concept phase. Current aircraft models are capable of flying with a 50% blend of SAF and both Airbus and Boeing have set targets to ensure their aircraft models are 100% SAF compatible by 2030. Should the requisite investment in hydrogen propulsion technology not result in a new aircraft capable of operating at commercial scale, then the Group should be well placed to pursue alternative environmental opportunities including 100% SAF compatibility as a result of its investment in LEAP-1A engines for its new A321neo fleet.

The Group's final deliveries of new Boeing 737-800NG aircraft arrived in January 2019 and were some of the last off the production line. Based on a useful economic life of 22 years, these aircraft are forecast to remain in service until 2041. As such, this end date is not markedly different to the current expectations of when new zero-emission aircraft models may be widely available for the Group to acquire.

Consequently, the Group concluded that its existing accounting estimates remain appropriate and aligned to its strategy.

If the estimated useful economic lives of the Group's aircraft were all reduced by one year, this would have resulted in an increase in the depreciation charge for the year ended 31 March 2024 of £12.3m (2023: £10.2m). Further details on the net book value of the Group's property, plant and equipment and right-of-use assets at 31 March 2024 can be found in Notes 15 and 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. New and amended accounting standards and interpretations

The following amendments to IFRS became mandatorily effective in the UK in the current year and did not have a material impact.

International Financial Reporting Standards	Applying to accounting periods beginning after
New standards	
IFRS 17 – *Insurance Contracts*	January 2023
Amendments to existing standards	
Amendments to IAS 1 – *Presentation of Financial Statements* – Disclosure of accounting policies	January 2023
Amendments to IAS 12 – *Income Taxes* – Deferred tax related to assets and liabilities arising from a single transaction	January 2023
Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of accounting estimates	January 2023
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform Phase 2	January 2021
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	January 2023

IFRS 17 – *Insurance Contracts*

The impact of the new standard is not limited to entities which operate in the insurance industry; therefore, the Group has performed a review of the contracts that may be considered to fall within its scope. It concluded that there is no material impact from the adoption of IFRS 17 – *Insurance Contracts.*

Interest Rate Benchmark Reform

The only interest rate benchmarks which the Group was exposed to and that were subject to reform are GBP LIBOR and US LIBOR. These exposures related to the Revolving Credit Facility, aircraft financing and any associated floating-to-fixed interest rate swaps.

The Group renegotiated the terms of its GBP LIBOR financing agreements ahead of the December 2021 deadline to Sterling Overnight Index Average Rate (SONIA). During the year, the Group also transitioned all of its USD arrangements from US LIBOR to the Secured Overnight Financing Rate (SOFR). The impact of these changes was not material.

The following are the new and amended accounting standards that have an effective date after the date of these financial statements and are not expected to have a material impact on the Group's reported financial performance or position.

International Financial Reporting Standards	Applying to accounting periods beginning after
Amendments to existing standards	
Amendments to IAS 1 – *Presentation of Financial Statements* – Classification of liabilities as current or non-current; and non-current liabilities with covenants	January 2024
Amendments to IFRS 16 – *Leases* – Lease liability in a sale and leaseback arrangement	January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 2024

5. Alternative performance measures

The Group's alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

Profit before FX revaluation and taxation

Profit before FX revaluation and taxation is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group excluding the impact of foreign exchange volatility.

EBITDA

Earnings before interest, tax, depreciation and amortisation (EBITDA) is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group.

These can be reconciled to the IFRS measure of profit before taxation as below:

	2024 £m	2023 £m
Profit before taxation	**529.5**	371.0
Net FX revaluation (gains) / losses	**(9.4)**	19.8
Profit before FX revaluation and taxation	**520.1**	390.8
Net financing (income) / expense (excluding Net FX revaluation gains / losses)	**(88.6)**	5.8
Depreciation of property, plant and equipment	**135.8**	118.9
Depreciation of right-of-use assets	**113.0**	66.3
EBITDA	**680.3**	581.8

'Own Cash'

'Own Cash' comprises cash and cash equivalents and money market deposits and excludes advance customer deposits. It is included as an alternative measure in order to aid users in understanding the liquidity of the Group.

	Note	**2024 £m**	2023 £m
Cash and cash equivalents	19	**1,439.6**	955.2
Money market deposits	19	**1,745.1**	1,669.5
Cash and money market deposits		**3,184.7**	2,624.7
Deferred revenue	21	**(1,926.6)**	(1,563.6)
Trade and other receivables	21	**73.3**	66.0
'Own Cash'		**1,331.4**	1,127.1

6. Segmental reporting

IFRS 8 – *Operating Segments* requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM).

The CODM is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

The information presented to the CODM for the purpose of resource allocation and assessment of the Group's performance relates to its Leisure Travel segment as shown in the Consolidated Income Statement.

The Leisure Travel business specialises in offering package holidays by its ATOL-licensed provider, ***Jet2holidays***, to leisure destinations in the Mediterranean, the Canary Islands and to European Leisure Cities, and scheduled holiday flights by its airline, ***Jet2.com***. Resource allocation decisions are based on the entire route network and the deployment of its entire aircraft fleet. All ***Jet2holidays*** customers fly on ***Jet2.com*** flights, and therefore these segments are inextricably linked and represent the only segment within the Group.

Revenue is principally generated from within the UK, the Group's country of domicile. No customer represents more than 10% of the Group's revenue. Segment revenue reported below represents revenue generated from external customers.

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6. Segmental reporting continued

Revenues for the Group can be further disaggregated by their nature as follows:

	2024 £m	2023 £m Restated[1]
Package holidays	**5,046.4**	3,969.7
Flight-only ticket revenue	**634.9**	556.7
Non-ticket revenue	**466.8**	421.5
Other Leisure Travel	**107.2**	85.6
Total revenue	**6,255.3**	5,033.5

1 The comparative disaggregation of revenue has been restated to disclose Package holidays revenue net of £59.2m government taxes (consistent with the measurement of that revenue, as defined in Note 2) and to disclose Flight-only ticket revenue after deducting compensation payments (up to the full value of the related ticket price) of £13.6m. Previously these amounts were deducted from Other Leisure Travel revenue. Comparative Package holidays revenue has reduced from £4,028.9m to £3,969.7m, Flight-only ticket revenue has reduced from £570.3m to £556.7m and Other Leisure Travel revenue has increased from £12.8m to £85.6m. There is no change to the total revenue reported.

7. Operating expenses

	2024 £m	2023 £m
Direct operating costs:		
Accommodation	**2,465.0**	1,973.6
Fuel	**697.4**	521.4
Landing, navigation and third-party handling	**474.9**	403.4
Agent commission	**166.9**	142.0
Maintenance	**152.0**	105.2
Carbon	**106.3**	76.7
In-flight cost of sales	**92.6**	76.7
Aircraft rentals (less than 12 months)	**47.4**	61.1
Other direct operating costs	**218.7**	190.1
Staff costs including agency staff	**744.1**	590.4
Marketing costs	**264.2**	210.2
Depreciation of property, plant and equipment	**135.8**	118.9
Depreciation of right-of-use assets	**113.0**	66.3
Other operating expenses	**148.8**	103.5
Total operating expenses	**5,827.1**	4,639.5

8. Operating profit

	2024 £m	2023 £m
Operating profit is stated after charging:		
Variable lease payments on aircraft rentals and components	**70.5**	75.1

Auditor's remuneration	2024 £m	2023 £m
Audit of the Company and the Group consolidated financial statements	**0.2**	0.2
Audit of Group undertakings pursuant to legislation	**0.7**	0.6
Total auditor remuneration	**0.9**	0.8

Fees payable for audit-related assurance services in respect of ATOL reporting during the year were £25,000 (2023: £18,000).

9. Net financing income / (expense)

	2024 £m	2023 £m
Finance income	**159.5**	58.7
Interest expense on aircraft loans	**(22.0)**	(16.4)
Interest expense on convertible bond	**(17.9)**	(17.3)
Interest expense on lease liabilities	**(28.3)**	(23.7)
Other interest expense	**(2.7)**	(7.1)
Finance expense	**(70.9)**	(64.5)
Net foreign exchange revaluation gains / (losses)	**9.4**	(19.8)
Total net financing income / (expense)	**98.0**	(25.6)

10. Employees

The average monthly number of persons, including Executive Directors, employed by the Group during the year was:

	2024 Number	2023 Number
Operations	**12,317**	10,397
Administration	**1,736**	1,319
	14,053	11,716

	2024 £m	2023 £m
Wages and salaries	**622.4**	493.7
Share options – value of employee services	**14.7**	10.4
Social security costs	**70.3**	58.2
Other pension costs (Note 29)	**31.6**	24.0
	739.0	586.3

Remuneration of the Directors of the Group and its subsidiaries, who are key management personnel of the Group, is set out in the following table in aggregate. There are no personnel, other than the Directors, who as key management have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of ***Jet2 plc***. No member of key management had any material interest during the year in a contract of significance (other than a service contract) with the Company or any of its subsidiaries other than those disclosed in Note 31.

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10. Employees *continued*

	2024 £m	2023 £m
Short-term employee benefits	**8.5**	7.6
Post-employment benefits	**0.6**	0.5
Share options – value of employee services	**3.9**	2.7
Total employee benefit costs of key management personnel	**13.0**	10.8
Employer national insurance costs for key management personnel	**1.1**	0.8
Total employer costs of key management personnel	**14.1**	11.6

For each of the Directors of ***Jet2 plc***, the audited disclosures required under AIM Rule 19 and Schedule 5 for the emoluments and compensation, including any cash and non-cash benefits received and the value of any contributions paid to a pension scheme, are summarised within the *Directors' emoluments during the year* section on page 106 and in Note 14 to the Parent Company financial statements.

Details of the share options and deferred awards for each Director, including information on all outstanding options and awards, are shown within *Directors' interests in options and deferred awards* section and the associated footnotes on page 107.

	2024	2023
Highest paid Director (including IFRS 2 share-based payment charges of £1.2m (2023: £0.7m))	**£3.0m**	£2.4m
Number of Directors for whom retirement benefits accrue	**2**	2
Number of Directors who exercised share options / deferred awards[1]	**–**	2

1 No deferred awards were exercised during the year. In 2023, deferred awards totalling 35,478 shares were exercised on 18 July 2022, on which date the closing mid-market price of a share was £9.16, resulting in total pre-tax gains of £0.3m.

11. Taxation

	2024 £m	2023 £m
Current taxation:		
UK corporation tax based upon the profits for the year:		
– current year	**52.0**	11.6
– prior year	**(0.5)**	–
Current tax charge for the year	**51.5**	11.6
Deferred taxation:		
Origination and reversal of timing differences		
– current year	**80.7**	68.2
– prior year	**(1.9)**	0.4
Deferred tax charge for the year	**78.8**	68.6
Total taxation charge in Consolidated Income Statement in the year	**130.3**	80.2
Items that may be reclassified subsequently to profit or loss:		
Taxation relating to components of OCI	**1.5**	(47.6)
Total taxation recognised in Consolidated Income Statement and OCI in the year	**131.8**	32.6

11. Taxation *continued*

The taxation assessed for the current year is lower (2023: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2024 £m	2023 £m
Profit before taxation	**529.5**	371.0
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2023: 19%)	**132.4**	70.5
Effects of:		
Net expense / (income) not deductible	**0.3**	(2.2)
Difference between current and deferred tax rates	**–**	11.5
Adjustments to tax charge in previous years	**(2.4)**	0.4
Total (see above)	**130.3**	80.2

Deferred tax liabilities	Accelerated capital allowances £m	Financial instruments £m	Other £m	Total £m
At 31 March 2022	141.3	36.0	(164.7)	**12.6**
Charge to Income Statement	41.6	–	27.0	**68.6**
Credit to OCI	–	(47.6)	–	**(47.6)**
Translation differences	2.8	–	0.3	**3.1**
At 31 March 2023	185.7	(11.6)	(137.4)	**36.7**
Charge to Income Statement	31.5	–	47.3	**78.8**
Charge to OCI	–	1.5	–	**1.5**
Credit to equity	–	–	(5.7)	**(5.7)**
Translation differences	(1.2)	–	–	**(1.2)**
At 31 March 2024	216.0	(10.1)	(95.8)	**110.1**

Deferred taxation in relation to financial instruments includes the impact of the Group's forward foreign currency contracts, aviation fuel swaps and interest rate swaps. Other deferred taxation includes an £84.2m (2023: £135.1m) asset recognised in respect of losses carried forward to be utilised against future profits.

The Group has provided for all deferred tax expected to reverse at 25% (2023: 25%).

The Pillar Two rules are now included within *Finance (No. 2) Act 2023* and will come into effect for accounting periods beginning on or after 31 December 2023. The legislation will mandate a minimum effective tax rate of 15% across each of the Group's trading jurisdictions. The Group has performed an assessment of its potential exposure to Pillar Two income taxes under IAS 12 and does not expect any exposure to top-up taxes.

There are no other identified factors which may impact the Group's future total tax charge.

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12. Dividends

	2024 £m	2023 £m
2022/23 final dividend of 8.0p paid on 25 October 2023 (2021/22: £nil)	**17.2**	–
2023/24 interim dividend of 4.0p paid on 2 February 2024 (2022/23: 3.0p)	**8.6**	6.4
	25.8	6.4

13. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the equity owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, adjusted for the effects of potentially dilutive share options and deferred awards, along with the potential conversion of the convertible bonds to ordinary shares at maturity in June 2026.

	2024			2023		
	Earnings £m	**Weighted average number of shares millions**	**EPS pence**	Earnings £m	Weighted average number of shares millions	EPS pence
Basic EPS						
Profit attributable to ordinary shareholders	**399.2**	**214.7**	**185.9**	290.8	214.7	135.4
Effect of dilutive instruments						
Share options and deferred awards	**–**	**5.7**	**(4.8)**	–	4.6	(2.8)
Convertible bond	**13.4**	**21.7**	**(10.7)**	14.0	21.5	(6.0)
Diluted EPS	**412.6**	**242.1**	**170.4**	304.8	240.8	126.6

14. Intangible assets

Airport slots	£m
Cost & net book value	
At 31 March 2023 and 2024	**26.8**

No impairment was identified at the balance sheet date (2023: £nil).

15. Property, plant and equipment

	Land and buildings £m	Aircraft, engines and other components £m	Plant, vehicles and equipment £m	Total £m
Cost				
At 1 April 2022	**29.5**	**1,379.7**	**122.6**	**1,531.8**
Additions	7.3	175.5	11.1	**193.9**
Disposals	–	(38.0)	(7.3)	**(45.3)**
Foreign exchange rate movements	–	10.7	–	**10.7**
At 31 March 2023	**36.8**	**1,527.9**	**126.4**	**1,691.1**
Additions	18.5	352.6	32.8	**403.9**
Disposals	–	(71.8)	(0.3)	**(72.1)**
Foreign exchange rate movements	–	(3.8)	–	**(3.8)**
At 31 March 2024	**55.3**	**1,804.9**	**158.9**	**2,019.1**
Depreciation				
At 1 April 2022	**(14.5)**	**(578.3)**	**(93.8)**	**(686.6)**
Charge for the year	(1.9)	(107.5)	(9.5)	**(118.9)**
Disposals	–	37.9	7.3	**45.2**
Foreign exchange rate movements	–	(3.1)	–	**(3.1)**
At 31 March 2023	**(16.4)**	**(651.0)**	**(96.0)**	**(763.4)**
Charge for the year	(2.3)	(122.4)	(11.1)	**(135.8)**
Disposals	–	71.8	0.3	**72.1**
Foreign exchange rate movements	–	1.2	–	**1.2**
At 31 March 2024	**(18.7)**	**(700.4)**	**(106.8)**	**(825.9)**
Net book value				
At 31 March 2024	**36.6**	**1,104.5**	**52.1**	**1,193.2**
At 31 March 2023	20.4	876.9	30.4	927.7

Aircraft, engines and other components additions include £47.4m (2023: £68.8m) relating to pre-delivery payments. Depreciation is not charged on these assets until the Group takes delivery of the corresponding aircraft.

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16. Right-of-use assets

	Aircraft, engines and other components £m	Other £m	Total £m
Cost			
At 1 April 2022	**704.1**	**60.4**	**764.5**
Additions	115.1	7.5	**122.6**
Disposals	(2.5)	(6.6)	**(9.1)**
Foreign exchange rate movements	20.5	–	**20.5**
At 31 March 2023	**837.2**	**61.3**	**898.5**
Additions	166.3	23.0	**189.3**
Disposals	(33.0)	(4.2)	**(37.2)**
Foreign exchange rate movements	(7.4)	–	**(7.4)**
At 31 March 2024	**963.1**	**80.1**	**1,043.2**
Depreciation			
At 1 April 2022	**(247.0)**	**(25.6)**	**(272.6)**
Charge for the year	(59.9)	(6.4)	**(66.3)**
Disposals	2.4	6.5	**8.9**
Foreign exchange rate movements	(3.2)	–	**(3.2)**
At 31 March 2023	**(307.7)**	**(25.5)**	**(333.2)**
Charge for the year	(105.1)	(7.9)	**(113.0)**
Disposals	33.0	4.2	**37.2**
Foreign exchange rate movements	2.2	–	**2.2**
At 31 March 2024	**(377.6)**	**(29.2)**	**(406.8)**
Net book value			
At 31 March 2024	**585.5**	**50.9**	**636.4**
At 31 March 2023	529.5	35.8	565.3

Net book value of other right-of-use assets of £50.9m (2023: £35.8m) includes land and buildings of £50.6m (2023: £35.6m), and plant, vehicles and equipment of £0.3m (2023: £0.2m).

Aircraft under finance lease which are classed as right-of-use assets had additions resulting in a cash outflow of £4.1m (2023: £2.7m) during the year. These additions related to maintenance expenditure which was capital in nature and added long-term value to the aircraft.

17. Inventories

	2024 £m	2023 £m
Carbon emission allowances	**116.0**	38.6
Consumables	**8.8**	1.6
	124.8	40.2

Carbon emissions allowances purchased in advance are recorded in inventories at their historic cost and are not subsequently revalued as they are held for own use.

18. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**81.0**	82.3
Hotel supplier advances	**124.3**	64.3
Prepayments	**73.3**	92.9
Corporation tax receivable	**-**	4.6
Other receivables	**75.4**	37.2
	354.0	281.3
Current	**332.8**	281.3
Non-current	**21.2**	-
	354.0	281.3

Non-current balances comprise hotel supplier advances.

Ageing analysis of Trade receivables

	31 March 2024 £m			31 March 2023 £m		
	Gross receivables	**Provision for doubtful debts**	**Net trade receivables**	Gross receivables	Provision for doubtful debts	Net trade receivables
Not past due	**76.6**	**–**	**76.6**	77.6	–	77.6
Up to one month past due	**0.4**	**–**	**0.4**	1.8	–	1.8
Over one month past due	**4.5**	**(0.5)**	**4.0**	3.3	(0.4)	2.9
	81.5	**(0.5)**	**81.0**	82.7	(0.4)	82.3

Expected credit losses in relation to the Other receivables balance of £31.1m (2023: £37.2m) are immaterial to the Group.

19. Cash and cash equivalents and money market deposits

	2024 £m	2023 £m
Free cash and cash equivalents	**1,438.5**	953.2
Money market deposits	**1,745.1**	1,669.5
Total free cash and cash equivalents and money market deposits	**3,183.6**	2,622.7
Other restricted cash	**1.1**	2.0
Total cash and cash equivalents and money market deposits	**3,184.7**	2,624.7

The Group's 'Own Cash' balance of £1,331.4m (2023: £1,127.1m) excludes advance customer deposits, as detailed in Note 5. However, there are no restrictions to the use of customer deposits and therefore these are not a form of restricted cash.

20. Trade and other payables

	2024 £m	2023 £m
Current:		
Trade payables	**116.3**	96.6
Other taxation and social security	**23.1**	19.3
Corporation tax payable	**1.6**	0.2
Other creditors and accruals	**336.4**	223.0
	477.4	339.1

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21. Deferred revenue

	Receivables	Deferred revenue	Advance customer deposits	Advance customer deposits
	2024	2024	2024	2023
	£m	£m	£m	£m
Balance at 1 April	66.0	(1,563.6)	(1,497.6)	(1,144.7)
Revenue recognised that was included in deferred revenue at the beginning of the year	–	1,530.3	1,530.3	1,142.2
Increase in receivables	7.3	-	7.3	21.6
Net cash received, excluding amounts recognised as revenue in the year	–	(1,893.3)	(1,893.3)	(1,516.7)
Balance at 31 March	73.3	(1,926.6)	(1,853.3)	(1,497.6)
Current	73.3	(1,903.9)	(1,830.6)	(1,481.2)
Non-current	–	(22.7)	(22.7)	(16.4)
Total	73.3	(1,926.6)	(1,853.3)	(1,497.6)

Receivables relates to invoicing of amounts due from travel agents in respect of package holiday deposits and balance payments and is included within Trade receivables in Note 18.

The Group's aggregate sales value allocated to the performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2024 was £3,720.0m (2023: £3,028.2m) of which £3,555.2m (2023: £2,903.5m) is expected to be recognised as revenue within one year. The remaining balance will be recognised as revenue between one and two years.

22. Borrowings

Borrowings are repayable as follows:

	Convertible bond		Aircraft loans		Total	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Within one year	–	–	44.6	125.9	44.6	125.9
Between one and two years	–	–	47.6	44.4	47.6	44.4
Between two and five years	359.8	348.2	150.2	142.0	510.0	490.2
Over five years	–	–	153.6	68.7	153.6	68.7
Total	359.8	348.2	396.0	381.0	755.8	729.2
Current	–	–	44.6	125.9	44.6	125.9
Non-current	359.8	348.2	351.4	255.1	711.2	603.3
Total	359.8	348.2	396.0	381.0	755.8	729.2

23. Lease liabilities

Lease liabilities are repayable as follows:

	2024	2023
	£m	£m
Within one year	131.0	101.8
Between one and two years	143.1	98.3
Between two and five years	396.5	365.1
Over five years	29.0	80.6
Total	699.6	645.8
Current	131.0	101.8
Non-current	568.6	544.0
Total	699.6	645.8

24. Provisions

	Maintenance		Customer compensation claims		Total	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Opening at 1 April	66.5	50.6	30.9	13.5	97.4	64.1
Provision in the year	31.7	29.5	18.8	44.3	50.5	73.8
Utilised	(15.8)	(10.4)	(15.3)	(25.8)	(31.1)	(36.2)
Released unused	(3.8)	(3.2)	(10.0)	(1.1)	(13.8)	(4.3)
Closing at 31 March	78.6	66.5	24.4	30.9	103.0	97.4
Current	38.8	26.5	24.4	30.9	63.2	57.4
Non-current	39.8	40.0	–	–	39.8	40.0
Total	78.6	66.5	24.4	30.9	103.0	97.4

Maintenance provisions relate entirely to the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term, and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements. A charge is made in the Consolidated Income Statement, based on hours or cycles flown or on a calendar basis.

Estimates are required in relation to the likely utilisation of the leased aircraft and the expected cost of maintenance events at the time they are expected to occur. The interaction of the Group's estimations of aircraft utilisation together with the cost of maintenance events could lead to a significant fluctuation in the provision. If the Group's estimated cost of a maintenance event alone were to increase by 5% for each event respectively, this would have resulted in an increase in the provision at 31 March 2024 of £1.4m (2023: £1.5m).

Current aircraft maintenance provisions relate to maintenance obligations expected to be fulfilled in the coming financial year. Non-current provisions relate to future aircraft maintenance obligations of the Group on leased aircraft falling due over one year from the balance sheet date. Non-current provisions have not all been discounted on the basis that the impact of discounting would not be material.

Customer compensation claim provisions relate to the Group's obligation in respect of possible passenger claims for historical flight delays under Regulation EU261 UK; together with possible customer compensation claims that cannot be reclaimed from hotels. The main assumptions underlying the possible passenger claims for flight delays and possible customer compensation claims are the number of valid claims received and which may be received, the amount at which those claims may be settled and, additionally for customer compensation claims, the proportion which may be reclaimed from hotels. The majority of cash outflows connected with these provisions are expected to occur within three years of the balance sheet date.

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25. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

Credit risk

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the Group has policies and procedures in place to ensure such risk is limited and sets credit limits for each counterparty accordingly. The Group regularly monitors such limits, incorporating this information into credit risk controls, and does not currently hold any collateral.

Since the Group does not place funds with any deposit taker with a long-term credit rating lower than A-/A3, and a short-term credit rating lower than A-2, F2, P2, expected credit losses for cash and cash equivalents and money market deposits are considered low and hence no impairments were identified.

As any expected credit losses are reflected in the value of financial assets, the maximum exposure to credit risk is limited to the net carrying value of each asset as summarised in section (a).

Liquidity risk

The Group's strategy for managing liquidity risk is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits, whilst securing the continuity and flexibility of funding through the use of committed banking facilities and specialist aircraft finance.

Short-term cash flow risk, in relation to margin calls in respect of fuel and foreign currency hedge positions, is minimised through diversification of counterparties together with appropriate credit thresholds. In addition, a regular assessment is made of the Group's banking facility covenant compliance, for which there were no covenant breaches during the year. The Group continues to monitor its liquidity levels in conjunction with its Board approved Liquidity Policy.

Foreign currency risk

The Group incurs significant operational costs which are euro and US dollar denominated and can be exposed to sudden movements in exchange rates.

Transactional currency exposures arise as a result of expenditure on hotel accommodation, aviation fuel, aircraft maintenance, air traffic control, lease liability payments and airport charges.

The Group's policy is to forward cover up to 90% of foreign currency requirements by the start of the season. The remainder of the Group's requirement is hedged within the season. The Group enters into forward foreign currency exchange contracts up to 18 months in advance of the hedged transaction.

All foreign currency derivatives hedged with its four relationship banks during the year ended 31 March 2024 are linked to one of the Group's key climate metric, gCO_2 per revenue passenger km aircraft fuel burn only, and compensated via a rebate.

Aviation fuel price risk

The cost of fuel is a considerable element of the cost base of the business and the effective management of aviation fuel price volatility remains important.

The Group's policy is to forward cover up to 90% of fuel requirements with aviation fuel swaps by the start of the season. The remainder of the Group's requirement is hedged within the season. The Group enters into aviation fuel swaps up to 18 months in advance of the hedged transaction.

25. Financial instruments *continued*

Carbon price risk

The Group is exposed to carbon price risk through its obligation to purchase carbon emissions allowances to offset emissions in each calendar year. The Group hedges carbon emissions allowances in line with its approved policy. As these allowances are a non-financial item purchased for the Group's own-use, they are not recorded as a derivative financial instrument in line with IFRS 9 – *Financial Instruments.*

The Group purchases carbon emissions allowances for both its UK and EU carbon requirements under fixed price forward contracts with different maturity dates.

Additionally, for the period to 31 December 2023, the Group voluntarily offset all carbon emissions not covered by the UK and EU Emissions Trading Schemes.

Interest rate risk

As part of its strategy for achieving continuity and flexibility of funding, the Group uses specialist aircraft finance. Some of this borrowing is subject to floating rate interest charges, which generates interest cost volatility. The Group's policy is to mitigate, to an acceptable level, this possible cost volatility.

The Group uses interest rate swaps to cover a proportion of floating rate borrowings and as at 31 March 2024 had hedged a substantial proportion of its forecast cash flows in relation to floating rate borrowings for 2024/25 and subsequent years. All hedging has been carried out in line with the Group's Hedging Policy.

Under IFRS 9, the forward currency, fuel and interest derivatives are eligible for cash flow hedge accounting. Movements in fair value are summarised in section (b).

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25. Financial instruments continued

(a) Carrying amount and fair values of financial instruments

The following table discloses the carrying amounts and fair value of the Group's financial assets and liabilities at the year end.

	31 March 2024		
	Measured at amortised cost £m	Measured at fair value £m	Total carrying amount £m
Financial assets			
Other investment	–	2.0	2.0
Cash and cash equivalents	1,439.6	–	1,439.6
Money market deposits	1,745.1	–	1,745.1
Trade receivables	81.0	–	81.0
Other receivables	75.4	–	75.4
Derivative financial instruments	–	48.1	48.1
Total financial assets	**3,341.1**	**50.1**	**3,391.2**
Financial liabilities			
Trade payables	116.3	–	116.3
Other creditors and accruals	336.4	–	336.4
Convertible bond	359.8	–	359.8
Aircraft loans	396.0	–	396.0
Lease liabilities	699.6	–	699.6
Derivative financial instruments	–	88.6	88.6
Total financial liabilities	**1,908.1**	**88.6**	**1,996.7**

	31 March 2023		
	Measured at amortised cost £m	Measured at fair value £m	Total carrying amount £m
Financial assets			
Cash and cash equivalents	955.2	–	955.2
Money market deposits	1,669.5	–	1,669.5
Trade receivables	82.3	–	82.3
Derivative financial instruments	–	60.1	60.1
Total financial assets	2,707.0	60.1	2,767.1
Financial liabilities			
Trade payables	96.6	–	96.6
Other creditors and accruals[1]	223.0	–	223.0
Convertible bond	348.2	–	348.2
Aircraft loans	381.0	–	381.0
Lease liabilities	645.8	–	645.8
Derivative financial instruments	–	101.9	101.9
Total financial liabilities	1,694.6	101.9	1,796.5

1 The carrying amounts and fair value of the Group's financial assets and liabilities at 31 March 2023 have been restated to include Other creditors and accruals within financial liabilities.

25. Financial instruments continued

- derivative financial instruments categorised as fair value through profit and loss at 31 March 2024 are, by concession, deferred through OCI as the movements relate to the effective portion of the cash flow hedge;
- due to the short maturity of money market deposits and cash and cash equivalents, amortised cost is considered to be a close approximation to fair value;
- for trade receivables and trade payables, carrying value at amortised cost approximates to fair value;
- all loans and borrowings are initially recorded at fair value less any directly-attributable transaction costs. Loans, borrowings and lease liabilities are, where applicable, subsequently measured at amortised cost. As at 31 March 2024, the fair values of the convertible bond and aircraft loans are £331.3m (2023: £307.9m) and £373.0m (2023: £371.6m) respectively. The fair value of the convertible bond has been calculated using level 1 inputs based on quoted prices in active markets for identical liabilities. The fair value of aircraft loans has been calculated using a level 3 methodology via unobservable inputs; and
- the fair value of derivative financial instruments has been measured by reference to their fair value, as provided by external counterparties.

IFRS 13 – *Fair Value Measurement* requires the classification of fair value measurements using a hierarchy that reflects the nature of the inputs used in making the assessments. The fair values of the Group's derivative financial instruments are derived using available market information, other than quoted prices in active markets for identical assets and liabilities. The inputs into the fair value calculations include quotations by brokers and price index data and are classified as level 2 within the fair value hierarchy.

The valuation methodologies used are as follows:

- the fair values of forward foreign exchange contracts are calculated by discounting the contracted forward values and translating at the appropriate balance sheet rates;
- the fair values of aviation fuel swaps are calculated by discounting expected future cash flows and translating at the appropriate balance sheet rates; and
- the fair values of interest rate swaps are calculated by discounting expected future principal and interest cash flows.

The Group uses derivative financial instruments to manage its exposure to currency exchange rates, aviation fuel prices and interest rates, consistent with its risk management policies and objectives.

These derivatives are analysed as follows:

	31 March 2024				
	Asset fair value £m	Liability fair value £m	Other receivable £m	Cost of hedging reserve £m	Cash flow hedging reserve £m
US dollar forward contracts	2.2	(19.9)	–	(0.4)	18.1
Euro forward contracts	0.1	(65.3)	–	29.7	35.5
Aviation fuel swaps	29.9	(3.4)	1.8	–	(28.3)
Interest rate swaps	15.9	–	–	–	(15.9)
Total	**48.1**	**(88.6)**	**1.8**	**29.3**	**9.4**

	31 March 2023				
	Asset fair value £m	Liability fair value £m	Other payable £m	Cost of hedging reserve £m	Cash flow hedging reserve £m
US dollar forward contracts	13.3	(30.9)	–	(3.0)	20.6
Euro forward contracts	23.2	(8.5)	–	27.0	(41.7)
Aviation fuel swaps	10.2	(62.5)	(3.0)	–	55.3
Interest rate swaps	13.4	–	–	–	(13.4)
Total	60.1	(101.9)	(3.0)	24.0	20.8

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25. Financial instruments *continued*

The impact of cash flow hedging instruments, by category of risk hedged, on the Statement of Financial Position is as follows:

Hedging instruments and location in Statement of Financial Position	31 March 2024 Notional amount £m	31 March 2024 Carrying amount £m	31 March 2023 Notional amount £m	31 March 2023 Carrying amount £m
Currency forward contracts				
Non-current assets	**137.9**	**0.5**	152.9	0.8
Current assets	**347.1**	**1.8**	1,494.8	35.7
Current liabilities	**3,336.3**	**(80.4)**	1,449.0	(32.1)
Non-current liabilities	**474.6**	**(4.8)**	638.3	(7.3)
	4,295.9	**(82.9)**	3,735.0	(2.9)
Aviation fuel swaps				
Non-current assets	**105.5**	**3.8**	9.8	0.1
Current assets	**386.1**	**26.1**	92.2	10.1
Current liabilities	**117.8**	**(2.6)**	396.8	(53.0)
Non-current liabilities	**37.6**	**(0.8)**	121.9	(9.5)
	647.0	**26.5**	620.7	(52.3)
Interest rate swaps				
Non-current assets	**215.1**	**13.0**	356.2	13.4
Current assets	**87.8**	**2.9**	–	–
Current liabilities	**-**	**–**	–	–
Non-current liabilities	**-**	**–**	–	–
	302.9	**15.9**	356.2	13.4

For presentation purposes, the notional values of the interest rate swaps have been aged as either current or non-current with reference to the break date per the financial instrument.

(b) Movements in fair value of financial instruments:

Net movements in fair value of financial instruments	Fair value of hedging instrument Assets £m	Fair value of hedging instrument Liabilities £m
At 31 March 2022	**206.8**	**(43.1)**
Other comprehensive income	39.6	(98.5)
(Charged) / credited to Income Statement	(186.3)	39.7
At 31 March 2023	**60.1**	**(101.9)**
Other comprehensive income	33.8	(72.0)
(Charged) / credited to Income Statement	(45.8)	85.3
At 31 March 2024	**48.1**	**(88.6)**

25. Financial instruments *continued*

The impact of hedge instruments on cash flow hedging reserve	Foreign currency risk £m	Aviation fuel price risk £m	Interest rate risk £m	Total cashflow hedging reserve £m
Balance at 31 March 2022	**7.2**	**(161.3)**	**(1.1)**	(155.2)
(Gains) / losses taken into reserves	(8.1)	69.2	(11.7)	**49.4**
Transfer to profit and loss for the year	(21.6)	186.4	(0.7)	**164.1**
Deferred tax movement	6.6	(52.6)	3.0	**(43.0)**
Balance at 31 March 2023	**(15.9)**	**41.7**	**(10.5)**	**15.3**
Losses / (gains) taken into reserves	94.0	(37.5)	(2.6)	**53.9**
Transfer to profit and loss for the year	(19.3)	(46.0)	–	**(65.3)**
Deferred tax movement	(18.7)	20.8	0.7	**2.8**
Balance at 31 March 2024	**40.1**	**(21.0)**	**(12.4)**	**6.7**

Gains and losses on revaluation of derivatives designated as cash flow hedges, shown in the table above, have an equal and opposite impact on OCI. There were no reclassification adjustments other than the transfer of gains and losses from the cash flow hedging reserve into the profit and loss account.

The impact of hedge instruments on cost of hedging reserve	Foreign currency risk £m	Aviation fuel price risk £m	Interest rate risk £m	Total cost of hedging reserve £m
Balance at 31 March 2022	**3.9**	**1.6**	**–**	**5.5**
Losses / (gains) taken into reserves	14.7	(2.1)	–	**12.6**
Transfer to profit and loss for the year	4.4	–	–	**4.4**
Deferred tax movement	(5.1)	0.5	–	**(4.6)**
Balance at 31 March 2023	**17.9**	**–**	**–**	**17.9**
Gains taken into reserves	(17.4)	–	–	**(17.4)**
Transfer to profit and loss for the year	22.7	–	–	**22.7**
Deferred tax movement	(1.3)	–	–	**(1.3)**
Balance at 31 March 2024	**21.9**	**–**	**–**	**21.9**

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25. Financial instruments *continued*

(c) Maturity profile of financial assets and liabilities

The maturity profile of the Group's financial assets and liabilities at the end of the year was as follows:

Period of maturity	Less than one year £m	Between one and two years £m	More than two years £m	31 March 2024 Total £m
Financial assets				
Liquid assets and receivables	3,341.1	–	–	**3,341.1**
Other equity investments	–	–	2.0	**2.0**
Derivative financial instruments	30.8	6.2	11.1	**48.1**
Total financial assets	**3,371.9**	**6.2**	**13.1**	**3,391.2**
Financial liabilities				
Trade payables	116.3	–	–	**116.3**
Other creditors and accruals	336.4	–	–	**336.4**
Convertible bond	–	–	359.8	**359.8**
Aircraft loans	44.6	47.6	303.8	**396.0**
Lease liabilities	131.0	143.1	425.5	**699.6**
Derivative financial instruments	83.0	5.6	–	**88.6**
Total financial liabilities	**711.3**	**196.3**	**1,089.1**	**1,996.7**

Period of maturity	Less than one year £m	Between one and two years £m	More than two years £m	31 March 2023 Total £m
Financial assets				
Liquid assets and receivables	2,707.0	–	–	2,707.0
Derivative financial instruments	45.8	0.9	13.4	60.1
Total financial assets	2,752.8	0.9	13.4	2,767.1
Financial liabilities				
Trade payables	96.6	–	–	96.6
Other creditors and accruals[1]	223.0	–	–	223.0
Convertible bond	–	–	348.2	348.2
Aircraft loans	125.9	44.4	210.7	381.0
Lease liabilities	101.8	98.3	445.7	645.8
Derivative financial instruments	85.1	16.8	–	101.9
Total financial liabilities	632.4	159.5	1,004.6	1,796.5

The expected contractual maturity of derivative financial instruments that are marked to market based on the undiscounted cash flows is set out below. Where the amount payable or receivable is not fixed, the amount has been determined by reference to market data, including forward commodity prices and foreign exchange rates, illustrated by forward yield curves at the reporting date. Other financial liabilities include borrowings and lease liabilities, which are presented gross and therefore comprise both principal repayments and finance expenses not yet accrued.

[1] The maturity profile of the Group's financial assets and liabilities at 31 March 2023 have been restated to include Other creditors and accruals within financial liabilities.

25. Financial instruments *continued*

Period of maturity (undiscounted cash flows)	Less than one year £m	Between one and two years £m	More than two years £m	31 March 2024 Total £m
At 31 March 2024				
Currency forward contracts payment	347.1	137.9	–	**485.0**
Currency forward contracts receipt	(348.9)	(138.4)	–	**(487.3)**
Aviation fuel swaps payment	386.1	105.5	-	**491.6**
Aviation fuel swaps receipt	(412.2)	(109.3)	-	**(521.5)**
Interest rate swaps payment	87.8	49.0	166.1	**302.9**
Interest rate swaps receipt	(90.7)	(50.8)	(177.3)	**(318.8)**
Net derivative settlement – financial assets	**(30.8)**	**(6.1)**	**(11.2)**	**(48.1)**
Currency forward contracts payment	3,336.3	474.6	–	**3,810.9**
Currency forward contracts receipt	(3,255.9)	(469.8)	–	**(3,725.7)**
Aviation fuel swaps payment	117.8	37.6	-	**155.4**
Aviation fuel swaps receipt	(115.2)	(36.8)	-	**(152.0)**
Net derivative settlement – financial liabilities	**83.0**	**5.6**	**–**	**88.6**
Trade payables	116.3	–	–	**116.3**
Other creditors and accruals	336.4	–	–	**336.4**
Convertible bond	–	–	387.4	**387.4**
Aircraft loans	58.6	58.9	368.7	**486.2**
Lease liabilities	161.3	165.8	458.3	**785.4**
Total other financial liabilities	**672.6**	**224.7**	**1,214.4**	**2,111.7**
Total	**724.8**	**224.2**	**1,203.2**	**2,152.2**

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25. Financial instruments continued

Period of maturity (undiscounted cash flows)	Less than one year £m	Between one and two years £m	More than two years £m	31 March 2023 Total £m
At 31 March 2023				
Currency forward contracts payment	1,494.8	152.9	–	1,647.7
Currency forward contracts receipt	(1,530.5)	(153.7)	–	(1,684.2)
Aviation fuel swaps payment	92.2	9.8	–	102.0
Aviation fuel swaps receipt	(102.3)	(9.9)	–	(112.2)
Interest rate swaps payment	–	–	356.2	356.2
Interest rate swaps receipt	–	–	(369.6)	(369.6)
Net derivative settlement – financial assets	(45.8)	(0.9)	(13.4)	(60.1)
Currency forward contracts payment	1,449.0	638.3	–	2,087.3
Currency forward contracts receipt	(1,416.9)	(631.0)	–	(2,047.9)
Aviation fuel swaps payment	396.8	121.9	–	518.7
Aviation fuel swaps receipt	(343.8)	(112.4)	–	(456.2)
Net derivative settlement – financial liabilities	85.1	16.8	–	101.9
Trade payables	96.6	–	–	96.6
Other creditors and accruals[1]	223.0	–	–	223.0
Convertible bond	–	–	387.4	387.4
Aircraft loans	142.3	55.3	236.2	433.8
Lease liabilities	122.2	113.8	491.4	727.4
Total other financial liabilities	584.1	169.1	1,115.0	1,868.2
Total	623.4	185.0	1,101.6	1,910.0

1 The maturity profile of the Group's financial assets and liabilities at 31 March 2023 have been restated to include Other creditors and accruals within financial liabilities.

(d) Borrowing facilities

The Group has various borrowing facilities and financing arrangements available to it. The total committed borrowing facilities available at 31 March were as follows:

	Amounts utilised		Total facilities available	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Revolving Credit Facility [1]	**–**	–	**274.5**	280.9
Convertible bond [2]	**359.8**	348.2	**359.8**	348.2
Aircraft loans [3]	**396.0**	381.0	**396.0**	381.0
Lease liabilities	**699.6**	645.8	**699.6**	645.8
	1,455.4	1,375.0	**1,729.9**	1,655.9

1 The Group's renegotiated Revolving Credit Facility (RCF) was signed on 19 October 2022 and subsequently extended for a further year to 19 October 2027. The agreement provides a £300.0m (2023: £300.0m) RCF plus a £75.0m (2023: £75.0m) uncommitted accordion RCF. As at 31 March 2024, £25.5m (2023: £19.1m) has been utilised in relation to letters of credit and £nil (2023: £nil) has been drawn down as cash borrowings.
The Group's RCF and certain aircraft financing are linked to one of the Group's key climate metric, gCO_2 per revenue passenger km aircraft fuel burn only, through a margin ratchet adjustment.

2 The total convertible bond of £387.4m covers a five-year term, which began on 10 June 2021, with a 1.625% per annum coupon payable semi-annually in arrears in equal instalments. The bonds are convertible into new and / or existing ordinary shares of ***Jet2 plc***. The initial conversion price was set at £18.06 representing a premium of 40% above the reference share price on 3 June 2021 of £12.90. The conversion price has since been reduced from £18.06 to £17.82 reflecting the adjustment factor for dividends paid in accordance with the terms and conditions of the convertible bond. If not previously converted, redeemed or purchased and cancelled, the bonds will be redeemed at par on 10 June 2026.

3 Aircraft loans relate to those aircraft that are funded individually by secured loans on or around the point of delivery.

25. Financial instruments continued

(e) Interest rate risk

Financial assets – cash and cash equivalents and money market deposits:

	31 March 2024			31 March 2023		
	Interest bearing financial assets £m	**Financial assets on which no interest is receivable £m**	**Total £m**	Interest bearing financial assets £m	Financial assets on which no interest is receivable £m	Total £m
Sterling	**3,051.5**	**1.7**	**3,053.2**	2,476.9	2.8	2,479.7
US dollar	**116.1**	**–**	**116.1**	131.0	–	131.0
Euro	**10.8**	**1.0**	**11.8**	9.7	0.8	10.5
Other	**3.6**	**–**	**3.6**	3.5	–	3.5
	3,182.0	**2.7**	**3,184.7**	2,621.1	3.6	2,624.7

The interest bearing financial assets comprise cash on deposit and money market deposits at various market rates according to currency and term.

Financial liabilities – borrowings and lease liabilities:

	31 March 2024			31 March 2023		
	Floating rate financial liabilities £m	**Fixed rate financial liabilities £m**	**Total £m**	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m
Sterling	**91.8**	**721.8**	**813.6**	–	713.1	713.1
US dollar	**37.1**	**603.6**	**640.7**	92.9	567.2	660.1
Euro	**–**	**1.1**	**1.1**	–	1.8	1.8
	128.9	**1,326.5**	**1,455.4**	92.9	1,282.1	1,375.0

Fixed rate financial liabilities include financial liabilities which have been hedged through long term interest rate swaps.

(f) Currency exposure

Financial instruments that are not denominated in the functional currency of the operating unit involved expose the Group to currency risk. The carrying value of the Group's financial instruments at 31 March, including derivative financial instruments, on which exchange differences would be recognised in the Consolidated Income Statement in the following year, were as follows:

	US dollar £m	**Euro £m**	**Other £m**	**Total £m**
31 March 2023	(303.3)	(135.7)	3.7	(435.3)
31 March 2024	**(392.3)**	**(138.0)**	**3.6**	**(526.7)**

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25. Financial instruments continued

(g) Sensitivity analysis

The following table shows the impact of currency translation exposures arising from monetary assets and liabilities of the Group that are not denominated in sterling, along with the impact of a reasonably possible change in fuel prices and interest rates, with all other variables held constant.

	31 March 2024		31 March 2023	
	Income Statement (charge) / credit	**Other Comprehensive Income credit / (charge)**	Income Statement (charge) / credit	Other Comprehensive Income credit / (charge)
10% increase in aviation fuel prices	**–**	**67.3**	–	61.1
10% weakening in GBP vs USD	**(43.6)**	**137.5**	(33.7)	129.9
10% weakening in GBP vs EUR	**(15.3)**	**329.8**	(15.1)	284.0
1ppt increase in interest rate	**–**	**8.9**	–	12.0
10% decrease in aviation fuel prices	**–**	**(67.3)**	–	(61.1)
10% strengthening in GBP vs USD	**35.7**	**(112.5)**	27.6	(106.2)
10% strengthening in GBP vs EUR	**12.5**	**(270.4)**	12.3	(232.3)
1ppt decrease in interest rate	**–**	**(8.9)**	–	(12.0)

(h) Capital management

The Group considers capital to be net debt plus total equity. Net debt is calculated as total bank debt, borrowings and lease liabilities, less cash and cash equivalents and money market deposits as shown in Note 27. Total equity is as shown in the Consolidated Statement of Financial Position. The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, to secure funds at competitive rates for its future aircraft acquisition commitments and to maintain an efficient cost of capital structure. To maintain or adjust the capital structure, the Group may pay dividends, issue new shares, buy back its shares or take other steps to reduce or increase share capital and debt facilities.

26. Called up share capital and reserves

(a) Share capital

	Number of shares	**2024 £m**	2023 £m
Allotted, called up and fully paid:			
As at 1 April and 31 March	**214,681,281**	**2.7**	2.7

Issued share capital of 1.25 pence ordinary shares (Ordinary Shares) did not change during the year (2023: 61,802 increase).

(b) Employee share schemes

Jet2 plc has three Share Reward Plans (SRP) in operation, which were issued in July 2021, July 2022 and July 2023, one Senior Executive Incentive Plan (SEIP) issued in July 2023, and two savings-related ShareSave schemes, issued in September 2022 and September 2023. These plans have been accounted for in accordance with the fair value recognition provisions of IFRS 2 – *Share-based Payment,* which means that IFRS 2 has been applied to all grants of employee share-based payments that had not fully vested at 31 March 2024. The total expense recognised for the period arising from share-based payments was £14.7m (2023: £10.4m).

26. Called up share capital and reserves continued

Summary of share options / deferred awards outstanding

The terms and conditions of grants are as follows, with all settled by physical delivery of shares:

Scheme	**Grant date**	**Option / award price**	**31 March 2024 shares**	31 March 2023 shares	**Vesting date**	**Expiry date**
SEIP 2023	13 Jul 2023	1.25p	**96,034**	–	12 Jul 2026	12 Jul 2036
SRP 2021	21 Jul 2021	1.25p	**1,161,000**	1,205,000	21 Jul 2024	21 Jul 2031
SRP 2022	20 Jul 2022	1.25p	**2,014,466**	2,094,466	20 Jul 2025	20 Jul 2032
SRP 2023	17 Jul 2023	1.25p	**127,711**	–	17 Jul 2026	17 Jul 2033
ShareSave 2022	1 Sep 2022	£7.66	**4,974,829**	5,337,166	1 Oct 2025	1 Apr 2026
ShareSave 2023	7 Sep 2023	£8.92	**1,881,053**	–	1 Oct 2026	1 Apr 2027
Total			**10,255,093**	8,636,632		

These share options / deferred awards are granted under a service condition and as such are not subject to any terms and conditions that do not apply to equivalent market-traded shares. As permitted by IFRS 2, the estimate of the fair value of the services received is therefore measured by reference to the closing mid-market share price at the date of grant of the option.

The number and weighted average exercise prices of share options are as follows:

	2024		2023	
	Number of options / deferred awards	**Weighted average exercise price Pence**	Number of options / deferred awards	Weighted average exercise price Pence
Outstanding at 1 April	**8,636,632**	**473.80**	1,289,802	1.25
Granted	**2,230,229**	**802.64**	7,539,074	551.51
Exercised	**–**	**–**	(61,802)	1.25
Lapsed	**(611,768)**	**636.83**	(130,442)	516.78
Outstanding at 31 March	**10,255,093**	**535.62**	8,636,632	473.80
Weighted average share price at date of exercise		**n/a**		916.20

Options / awards outstanding at 31 March 2024 are in respect of all options / awards issued since 21 July 2021. The options / awards outstanding at the year end have an exercise price in the range of 1.25p to £8.92 and a weighted average contractual life of 4.2 years (2023: 5.3 years).

On 13 July 2023, the Group granted 96,034 options to the Operating Directors under its Senior Executive Performance Plan, which had a fair value at the date of grant of £10.65, and on 17 July 2023, the Group granted 127,711 options to the Executive Directors under its Share Reward Plan, which had a fair value at the date of grant of £10.65. Additionally, on 7 September 2023, the Group granted 2,006,484 options to colleagues under its ShareSave scheme, which had a fair value at the date of grant of £1.56. These fair values are measured by reference to the closing mid-market share price at the date of grant of the option, as compared to the award price of each scheme as detailed in the Summary of share options / deferred awards outstanding table.

(c) Reserves

The share premium reserve represents amounts received in excess of the nominal value of shares in respect of share options / deferred awards and retail share issues.

The cash flow hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet matured.

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26. Called up share capital and reserves continued

The cost of hedging reserve represents changes in the value of foreign currency forward contracts arising as a result of foreign currency basis spread, which is held separately when designating the forward contract as a hedging instrument. This does not form part of the designated hedging instrument and is instead held in a separate cost of hedging reserve. The cost of hedging reserve is subsequently recognised in profit and loss in the period in which the hedged transaction affects profit and loss for forward contracts.

Other reserves include both the equity component of the convertible bond issued in June 2021, which represents the value (net of transaction costs) of the conversion rights at initial recognition, and foreign exchange translation differences arising on revaluation of non-sterling functional currency subsidiaries of the Group.

Retained earnings principally reflect cumulative profit and loss less dividends paid in the year.

27. Notes to Consolidated Statement of Cash Flows

Changes in cash and financing liabilities	**Cash and cash equivalents £m**	**Money market deposits £m**	**Borrowings £m**	**Lease liabilities £m**	**Total Net cash / (debt) £m**
At 1 April 2023	**955.2**	**1,669.5**	**(729.2)**	**(645.8)**	**1,249.7**
Repayment of borrowings	–	–	173.0	–	**173.0**
New loans advanced	–	–	(190.7)	–	**(190.7)**
Payment of lease liabilities	–	–	–	116.5	**116.5**
Total changes from financing cash flows	**–**	**–**	**(17.7)**	**116.5**	**98.8**
Other cash flows	562.2	–	–	–	**562.2**
Deposit placements	(2,157.1)	2,157.1	–	–	**–**
Deposit receipts	2,081.5	(2,081.5)	–	–	**–**
Exchange differences	(2.2)	–	3.4	9.7	**10.9**
Unwind of interest[1]	–	–	(12.3)	–	**(12.3)**
Lease movements[2]	–	–	–	(180.0)	**(180.0)**
At 31 March 2024	**1,439.6**	**1,745.1**	**(755.8)**	**(699.6)**	**1,729.3**

1 Unwind of interest relates to the discount rates applied on receipt of the convertible bond and amortisation of transaction costs associated with Borrowings and Lease liabilities.

2 Lease movements include new leases and lease term amendments.

Changes in cash and financing liabilities	Cash and cash equivalents £m	Money market deposits £m	Borrowings £m	Lease liabilities £m	Total Net cash / (debt) £m
At 1 April 2022	1,047.5	1,181.0	(991.7)	(578.5)	**658.3**
Repayment of borrowings	–	–	287.7	–	**287.7**
Payment of lease liabilities	–	–	–	76.2	**76.2**
Total changes from financing cash flows	**–**	**–**	**287.7**	**76.2**	**363.9**
Other cash flows	387.9	–	–	–	**387.9**
Deposit placements	(2,377.3)	2,377.3	–	–	**–**
Deposit receipts	1,895.4	(1,895.4)	–	–	**–**
Exchange differences	1.7	6.6	(12.2)	(27.1)	**(31.0)**
Unwind of interest	–	–	(13.0)	(0.3)	**(13.3)**
Lease movements	–	–	–	(116.1)	**(116.1)**
At 31 March 2023	**955.2**	**1,669.5**	**(729.2)**	**(645.8)**	**1,249.7**

28. Contingent liabilities

The Group has issued various guarantees in the ordinary course of business, none of which are expected to lead to a financial gain or loss. None of these guarantees are considered to have a material fair value under IFRS 17 – *Insurance Contracts* and consequently no liability has been recorded.

29. Pension scheme

The Group operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the Group into the scheme and amounted to £31.6m (2023: £24.0m).

30. Contractual commitments

The Group has an agreement with Airbus to purchase a further 103 new firm ordered A321neo aircraft as at 31 March 2024, with agreed flexibility to extend the total order up to 146 aircraft. The remaining firm ordered aircraft are due for delivery between 2024 and 2031, and at base price representing a total value of approximately $11.6bn, with a total transaction value for up to 146 aircraft of approximately $18.1bn, though the Company negotiated significant discounts from the base price.

As outlined in Note 32, the Group exercised the remaining 36 purchase rights in June 2024.

The Group has contractual commitments to purchase carbon emissions allowances for its EU ETS obligations with a value of £131.5m (2023: £84.6m).

31. Related party transactions

Compensation of key management personnel

The compensation of key management personnel, comprising the Executive and Non-Executive Directors of ***Jet2 plc*** and its subsidiaries, is summarised in Note 10.

The CEO and Group Chief Financial Officer received their full basic salary and fees and Rick Green, a Non-Executive Director of ***Jet2 plc***, received £112,000 (2023: £71,000) in respect of consultancy services for the Group in addition to his fees during the year ended 31 March 2024. Mark Laurence, a Non-Executive Director of ***Jet2 plc***, purchased 1,200,000 of the Company's guaranteed senior unsecured unrated convertible bonds during the year ended 31 March 2023, which could be converted to ordinary shares in the Company at their maturity in June 2026. Further details of Directors' remuneration can be found within the *Remuneration Committee Report* on page 106 onwards.

Rick Green is also a Director of Brooklyn Travel Holdings Limited, Congress Team International (UK) Limited and Stewart Travel Limited, being subsidiaries of Brooklyn Travel Holdings Limited. Additionally, Steve Heapy is a Director of ABTA Limited. These counterparties had transactions with the Group during the financial year ended 31 March 2024 as disclosed below:

		Revenue / (expense) in the year		**Amounts outstanding at year end**	
	Relationship	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Congress Team International (UK) Limited	Common directorship	**8.1**	6.3	**–**	–
Stewart Travel Limited[1]	Common directorship	**(2.7)**	(2.4)	**1.1**	0.8
ABTA Limited[2]	Common directorship	**(0.2)**	(0.2)	**–**	–

1 Expenses in respect of Stewart Travel Limited relate to commissions paid for holidays sold by the agent on the Group's behalf.

2 Expenses with ABTA Limited relate to the Group's membership of the regulatory body for package holidays.

32. Post Balance Sheet Events

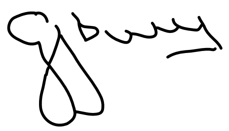
On 19 April 2024, ***Jet2 plc*** opted to repay £87.9m in respect of balances owed on finance secured against six Boeing 737-800NG aircraft ahead of their maturity date using the Group's Own Cash reserves.

In June 2024, the Group exercised the remaining 36 purchase rights of its aircraft order with Airbus, an order which was originally announced in late 2021, meaning that the Group now has 146 firm ordered A321neo aircraft of which seven had been delivered as at 31 March 2024.

PARENT COMPANY BALANCE SHEET
AT 31 MARCH 2024

	Note	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	6	**837.0**	720.4
Right-of-use assets	7	**98.9**	103.9
Investments	8	**302.3**	300.3
Derivative financial instruments		**17.3**	14.3
Derivative financial instruments with subsidiary undertakings		**1.6**	15.9
		1,257.1	1,154.8
Current assets			
Trade and other receivables	9	**110.6**	247.0
Derivative financial instruments		**30.8**	46.9
Derivative financial instruments with subsidiary undertakings		**55.2**	53.2
Money market deposits		**768.5**	768.6
Cash and cash equivalents		**672.9**	503.0
		1,638.0	1,618.7
Current liabilities			
Trade and other payables	10	**(1,221.5)**	(1,088.9)
Borrowings	11	**(32.0)**	(111.6)
Lease liabilities	12	**(12.5)**	(12.2)
Derivative financial instruments		**(83.0)**	(86.3)
Derivative financial instruments owed to subsidiary undertakings		**(3.0)**	(13.9)
Net current assets		**286.0**	305.8
Total assets less current liabilities		**1,543.1**	1,460.6
Non-current liabilities			
Borrowings	11	**(585.8)**	(514.2)
Lease liabilities	12	**(102.6)**	(114.6)
Derivative financial instruments		**(5.6)**	(16.8)
Derivative financial instruments owed to subsidiary undertakings		**(7.3)**	(6.2)
Deferred taxation	13	**(96.7)**	(84.2)
Net assets		**745.1**	724.6
Shareholders' equity			
Share capital		**2.7**	2.7
Share premium		**19.8**	19.8
Cash flow hedging reserve		**4.5**	5.3
Other reserves		**51.4**	51.4
Profit and loss account		**666.7**	645.4
Total shareholders' equity		**745.1**	724.6

The Company reported a profit after taxation for the financial year ended 31 March 2024 of £32.1m (2023: £34.2m loss). The financial statements on pages 162 to 171 were approved by the Board of Directors at a meeting held on 22 July 2024 and were signed on its behalf by:



Gary Brown
Group Chief Financial Officer
Jet2 plc, Registered no. 01295221

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital £m	Share premium £m	Cash flow hedging reserve £m	Other reserves £m	Profit and loss account £m	Total shareholders' equity £m
Balance at 31 March 2022	**2.7**	**19.8**	**1.2**	**51.4**	**675.6**	**750.7**
Total comprehensive expense	–	–	4.1	–	(34.2)	**(30.1)**
Share-based payments	–	–	–	–	10.4	**10.4**
Dividends paid in the year	–	–	–	–	(6.4)	**(6.4)**
Balance at 31 March 2023	**2.7**	**19.8**	**5.3**	**51.4**	**645.4**	**724.6**
Total comprehensive income	–	–	(0.8)	–	32.1	**31.3**
Share-based payments	–	–	–	–	14.7	**14.7**
Deferred tax on share-based payments	–	–	–	–	0.3	**0.3**
Dividends paid in the year	–	–	–	–	(25.8)	**(25.8)**
Balance at 31 March 2024	**2.7**	**19.8**	**4.5**	**51.4**	**666.7**	**745.1**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 *Application of Financial Reporting Requirements* issued by the Financial Reporting Council and has adopted FRS 101 *Reduced Disclosure Framework* accordingly.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and property, plant and equipment;
- transactions with other Group companies;
- capital management;
- the effects of new but not yet effective IFRS;
- compensation of key management personnel; and
- certain disclosures required by paragraphs 52, 89, 90, 91 and 93 of IFRS 16 – *Leases*.

As the Consolidated Financial Statements include the equivalent disclosures, the Company has also taken the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 2 – *Share-based Payment* in respect of Group settled share-based payments; and
- Certain disclosures required by IFRS 13 – *Fair Value Measurement* and the disclosures required by IFRS 7 – *Financial Instruments: Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 for future financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The Company applies consistent accounting policies for measurement and recognition purposes under FRS 101 to those applied by the Group. To the extent that an accounting policy is relevant to both the Group and the Company financial statements, details of these policies have been disclosed in the *Notes to the Consolidated Financial Statements* found from page 127 onwards.

2. Significant accounting policies

Going concern

The Company provides aircraft leasing, treasury, legal and IT management services to the Group and accordingly its financial performance is inextricably linked with the performance of its subsidiaries.

The Group disclosed its detailed Going concern statement on page 50.

As a result, the Directors have a reasonable expectation that the Group, and therefore the Parent Company, has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2024.

Revenue

Revenue arises from the leasing of aircraft to ***Jet2.com*** Limited, the Company's subsidiary undertaking, and is recognised on a straight-line basis over the lease term.

Share-based payments

Jet2 plc grants equity settled share-based payments to certain colleagues, most of whom are employed directly by subsidiary Group undertakings. The share options and deferred awards granted to any colleagues across the Group are in respect of ordinary shares in the Parent Company. The accounting policy covering the fair value calculation of these options and deferred awards can be found in the Group accounting policies on page 128. The resulting cost in relation to colleagues employed by the Parent Company is recognised in operating expenses in the Parent Company Income Statement over the period from the beginning of the performance obligation period to the vesting date. The Parent Company is reimbursed for the share-based payment expense relating to share options and deferred awards granted to colleagues employed by other Group undertakings.

Investments

Investments are recorded at cost, less provision for impairment in value where appropriate.

2. Significant accounting policies *continued*

Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and any provision for impairment. Pre-delivery payments in respect of future new aircraft arrivals are recorded in property, plant and equipment at cost. Depreciation is not charged on these additions until the Company takes delivery of the corresponding aircraft.

Depreciation is calculated to write down the cost of property, plant and equipment to each asset's estimated residual value using the straight-line method over its estimated useful economic life, or the estimated useful economic life of individual major components, as follows:

Freehold property	30 years
Short leasehold property	Over the life of the lease
Aircraft, engines and other components*	2 – 30 years
Plant, vehicles and equipment	3 – 10 years

* excluding pre-delivery payments (see above).

The Company depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of their useful life or the end of their lease term. Certain of the Company's lease contracts contain lease extension options, which are taken into account in the measurement of the right-of-use asset only when the Company is reasonably certain that it would exercise the option. The Company also assesses the right-of-use asset for impairment when such indicators exist.

The element of the cost of acquired aircraft not attributed to major components is depreciated to its expected residual value over its remaining useful life, which is assumed to end 22–30 years from original build date depending on the aircraft type. Where aircraft are subject to specific life extension expenditure, the cost of such work is depreciated over the remaining extended life.

Aircraft are leased to ***Jet2.com*** Limited, a wholly owned subsidiary undertaking. Engines and other components are not depreciated by the Company, as these components are expected to be returned in at least the original condition in which they were initially leased to ***Jet2.com***.

Residual values are reviewed annually at the balance sheet date and compared to prevailing market rates of equivalently aged assets; if required, depreciation rates are adjusted accordingly on a prospective basis. Carrying values are reviewed for impairment if events or changes in circumstances indicate that they may not be recoverable.

The useful economic lives of all assets have been considered in light of the evolution of environmental legislation and the Group's Sustainability Strategy to both limit and mitigate its impact on the environment; the Company believes these have no impact on either the useful economic lives or carrying values of its assets at this stage.

Aircraft maintenance costs

Jet2.com leases aircraft from the Company and has a legal obligation to undertake specific periodic maintenance on the aircraft it operates. These obligations require ***Jet2.com*** to continue to maintain each aircraft and its engines in accordance with the aircraft manufacturer's published maintenance programmes during the term of the lease.

The Company receives a monthly maintenance rental from ***Jet2.com*** based on a usage calculation, with the rental set at a level which is estimated to cover the cost of future maintenance events when they occur.

For the costs of a maintenance event incurred by ***Jet2.com***, ***Jet2 plc*** will reimburse ***Jet2.com*** up to the value of maintenance rental payments previously paid over. Maintenance rental payments received are included within Amounts owed to Group undertakings within the Balance Sheet.

Lessor accounting

When the Company acts as a sub-lessor, it determines at sub-lease inception whether each lease is a finance lease or an operating lease.

To classify each sub-lease, the Company makes an overall assessment of whether the sub-lease transfers substantially all of the risks and rewards incidental to ownership of the right-of-use asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the sub-lease is for the major part of the economic life of the right-of-use asset.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

3. Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is changed and in future periods if applicable. For each sensitivity considered below, the Company has demonstrated a reasonably possible outcome to aid the users of the financial statements in understanding the impact of the estimate or judgement.

Critical judgements in applying accounting policies

There are no judgements that have a significant effect on the amounts recognised in the financial statements nor a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

There are no major sources of estimation uncertainty at the end of the reporting period that the Directors consider to be significant nor that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The accounting estimates believed to require the most subjectivity or complexity are residual values and depreciation of property, plant and equipment and right-of-use assets. Further details of this can be found in Note 3 of the *Notes to the Consolidated Financial Statements*.

If the estimated residual value for each of the Company's aircraft were increased by $1.0m, this would have resulted in a reduction in the depreciation charge for the year ended 31 March 2024 of £9.4m (2023: £9.4m).

If the estimated useful economic lives of the Company's aircraft were all reduced by one year, this would have resulted in an increase in the depreciation charge for the year ended 31 March 2024 of £11.1m (2023: £8.5m). Further details on the net book value of the Company's property, plant and equipment and right-of-use assets at 31 March 2024 can be found in Notes 6 and 7.

4. New and amended accounting standards and interpretations

Details of amendments to UK-adopted International Accounting Standards which were endorsed in the UK and became effective in the current year are disclosed in Note 4 of the *Notes to the Consolidated Financial Statements*. Further details in respect of the implementation of IFRS 17 - *Insurance contracts* are disclosed in Note 15.

The impact of these changes was not material to the Company.

5. Profit / (loss) for the year

The Company has taken advantage of the provisions of section 408 of the Companies Act 2006 and has elected not to publish its own profit and loss account for the year. Of the Group's profit on ordinary activities after taxation for the year, a profit of £32.1m (2023: £34.2m loss) is dealt with in the financial statements of the Company.

6. Property, plant and equipment

	Land and buildings £m	Aircraft, engines and other components £m	Plant, vehicles and equipment £m	Total £m
Cost				
At 31 March 2023	8.7	1,012.6	12.8	**1,034.1**
Additions	9.0	159.5	–	**168.5**
Disposals	–	(27.2)	–	**(27.2)**
At 31 March 2024	**17.7**	**1,144.9**	**12.8**	**1,175.4**
Depreciation				
At 31 March 2023	(2.1)	(298.8)	(12.8)	**(313.7)**
Charge for the year	(0.3)	(37.9)	–	**(38.2)**
Disposals	–	13.5	–	**13.5**
At 31 March 2024	**(2.4)**	**(323.2)**	**(12.8)**	**(338.4)**
Net book value				
At 31 March 2024	**15.3**	**821.7**	**–**	**837.0**
At 31 March 2023	6.6	713.8	–	720.4

7. Right-of-use assets

	Aircraft, engines and other components £m	Other £m	Total £m
Cost			
At 31 March 2023	101.1	34.9	**136.0**
Additions	–	0.7	**0.7**
At 31 March 2024	**101.1**	**35.6**	**136.7**
Depreciation			
At 31 March 2023	(18.0)	(14.1)	**(32.1)**
Charge for the year	(3.4)	(2.3)	**(5.7)**
At 31 March 2024	**(21.4)**	**(16.4)**	**(37.8)**
Net book value			
At 31 March 2024	**79.7**	**19.2**	**98.9**
At 31 March 2023	83.1	20.8	103.9

Net book value of other right-of-use assets of £19.2m (2023: £20.8m) includes land and buildings £18.9m (2023: £20.6m) and plant, vehicles and equipment of £0.3m (2023: £0.2m).

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Investments

	£m
Investments at cost and net value:	
At 31 March 2023	**300.3**
Investment in Northpoint Holdco Limited	2.0
At 31 March 2024	**302.3**

The investments held by the Company are:

	Principal activity	Country of incorporation or registration	Percentage of Ordinary shares held
Principal subsidiary undertakings:			
Dart Leasing & Finance Limited*	Aircraft leasing and financing services	United Kingdom	100
Dart Leasing and Finance (MSN 63154/63156) Limited	Aircraft leasing and financing services	United Kingdom	100
Jet2.com Limited*	Leisure travel airline services	United Kingdom	100
Jet2holidays Limited	Leisure travel package holiday services	United Kingdom	100
Jet2 Support Services (Spain) Limited*	Leisure travel support services	United Kingdom	100
Jet2 Support Services (Cyprus) Limited	Leisure travel support services	Cyprus	100
Jet2 Support Services (Malta) Limited	Leisure travel support services	Malta	100
Other subsidiary undertakings:			
Vardy Limited*	Aviation services	Republic of Ireland	100
Dormant subsidiary undertakings:			
Jet2 UK Limited*	Dormant company	United Kingdom	100
Jet2 Transport Services Limited	Dormant company	United Kingdom	100
Other investments:			
Northpoint Holdco Limited*	Holding company	United Kingdom	9

* Indicates investments held directly by ***Jet2 plc*** as at 31 March 2024.

The issued share capital of each subsidiary undertaking consists entirely of ordinary shares, with the exception of Northpoint Holdco Limited where ***Jet2 plc*** has an interest in 9 ordinary B shares and 2 deferred shares.

All of the above subsidiaries have been consolidated in the ***Jet2 plc*** Consolidated Financial Statements.

With the exception of the following entities, all of the above subsidiaries share the same registered address as ***Jet2 plc***, which is provided on page 173:

Jet2 Support Services (Cyprus) Limited	Jet2 Support Services (Malta) Limited	Vardy Limited
11 Michael Paridi	Level 1 LM Complex	1 Grant's Row
1095 Nicosia	Brewery Street	Lower Mount Street
Cyprus	Birkirkara	Dublin 2
	CBD 3040	D02 HX96
	Malta	Ireland

9. Trade and other receivables

	2024 £m	2023 £m
Other receivables and prepayments	**42.8**	34.0
Corporation tax recoverable	**–**	4.6
Amounts owed by Group undertakings	**67.8**	208.4
	110.6	247.0

Expected credit losses in relation to Amounts owed by Group undertakings balance of £67.8m (2023: £208.4m) are immaterial to the Company. Amounts owed by Group undertakings are repayable on demand.

10. Trade and other payables: amounts falling due within one year

	2024 £m	2023 £m
Trade payables	**1.4**	1.7
Corporation tax payable	**1.5**	–
Amounts owed to Group undertakings	**1,198.5**	1,073.9
Other payables and accruals	**20.1**	13.3
	1,221.5	1,088.9

Included in amounts owed to Group undertakings are £322.5m (2023: £296.2m) of amounts received from ***Jet2.com*** in respect of potential future aircraft maintenance events.

11. Borrowings

Borrowings are repayable as follows:

	Convertible bond		Aircraft loans		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Within one year	**–**	–	**32.0**	111.6	**32.0**	111.6
Between one and two years	**–**	–	**34.2**	29.4	**34.2**	29.4
Between two and five years	**359.8**	348.2	**106.0**	92.9	**465.8**	441.1
Over five years	**–**	–	**85.8**	43.7	**85.8**	43.7
	359.8	348.2	**258.0**	277.6	**617.8**	625.8
Current	**-**	-	**32.0**	111.6	**32.0**	111.6
Non-current	**359.8**	348.2	**226.0**	166.0	**585.8**	514.2
Total	**359.8**	348.2	**258.0**	277.6	**617.8**	625.8

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Lease liabilities

Lease liabilities are repayable as follows:

	2024 £m	2023 £m
Within one year	**12.5**	12.2
Between one and two years	**13.0**	12.5
Between two and five years	**79.7**	60.2
Over five years	**9.9**	41.9
	115.1	126.8
Current	**12.5**	12.2
Non-current	**102.6**	114.6
Total	**115.1**	126.8

13. Deferred taxation

	2024 £m	2023 £m
Deferred taxation arising from:		
Opening balance	**84.2**	60.3
Charge to income statement	**13.1**	22.6
(Credit) / charge to OCI	**(0.3)**	1.3
Credit to equity	**(0.3)**	-
Deferred tax liability at end of year	**96.7**	84.2
Deferred taxation breakdown:		
Accelerated capital allowances	**97.5**	84.0
Other short-term timing differences	**(2.2)**	(1.5)
Derivative financial instruments	**1.4**	1.7
	96.7	84.2

There are no unrecognised deferred taxation balances at 31 March 2024 (2023: £nil).

14. Directors and employees

	2024 £m	2023 £m
Wages and salaries	**5.0**	3.9
Social security costs	**0.8**	0.6
Other pension costs	**0.3**	0.2
Share-based payments	**2.2**	1.2
	8.3	5.9

On average, the Company had nine employees, including Directors, during the year ended 31 March 2024 (2023: seven). The above costs include Directors' emoluments of £4.3m (2023: £3.7m) and pension contributions of £0.2m (2023 £0.2m). Further details of Directors' emoluments are set out in the *Remuneration Committee Report* on page 106.

	2024	2023
Details of Directors' remuneration:		
Highest paid Director (including IFRS 2 share-based payment charges of £1.2m (2023: £0.7m))	**£3.0m**	£2.4m
Number of Directors for whom retirement benefits accrue	**2**	2
Number of Directors who exercised share options / deferred awards	**–**	2

15. Financial guarantees

The Company has issued various guarantees in the ordinary course of business, including guarantees in respect of undertakings by its subsidiaries. None of these have a material fair value under IFRS 17 – *Insurance Contracts* and consequently no liability has been recorded in the Parent Company balance sheet.

16. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 8(k) of FRS 101, not to disclose transactions and balances with other Group companies.

17. Other information

Disclosure notes relating to Auditor's remuneration and called up share capital and reserves are included within the Consolidated Financial Statements of the Group in Notes 8 and 26 respectively of the *Notes to the Consolidated Financial Statements*.

18. Contractual commitments

Jet2 plc has an agreement with Airbus to purchase a further 103 new firm ordered A321neo aircraft as at 31 March 2024, with agreed flexibility to extend the total order up to 146 aircraft. The remaining firm ordered aircraft are due for delivery between 2024 and 2031, and at base price represented a total value of approximately $11.6bn, with a total transaction value for up to 146 aircraft of approximately $18.1bn, though the Group negotiated significant discounts from the base price.

As outlined in Note 19, the Group exercised the remaining 36 purchase rights in June 2024.

19. Post Balance Sheet Events

On 19 April 2024, ***Jet2 plc*** opted to repay £87.9m in respect of balances owed on finance secured against six Boeing 737-800NG aircraft ahead of their maturity date using the Group's Own Cash reserves.

In June 2024, the Group exercised the remaining 36 purchase rights of its aircraft order with Airbus, an order which was originally announced in late 2021, meaning that the Group now has 146 firm ordered A321neo aircraft of which seven had been delivered as at 31 March 2024.

GLOSSARY OF TERMS

ATOL	Air Travel Organiser's Licence.
Average Package Holiday Price	Total Package Holiday Price (net of taxes) paid by the customer excluding discretionary non-ticket revenue, divided by the number of Package Holiday Customers departing in that period.
Flight-only Net Ticket Yield	Flight-only ticket revenue, net of taxes, divided by the number of flight-only passengers.
Flown passengers	Number of passengers flown on a Sector, including no-shows.
Jet2 Net Zero 2050	***Jet2***'s target to completely negate the amount of greenhouse gases produced by 2050 by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere.
Load Factor	The percentage relationship of Flown passengers to Seat capacity.
Non-ticket Revenue	All discretionary non-ticket revenue, including hold baggage charges, advanced seat assignment and extra legroom fees, in-flight retail sales and commissions earned on car hire and insurance bookings.
Seat capacity	Total number of sector seats available according to the Leisure Travel scheduled flying programme.
Sector	A single leg flight journey.

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FINANCIAL CALENDAR

Annual General Meeting	5 September 2024
Results for the six months to 30 September 2024	21 November 2024
Results for the twelve months to 31 March 2025	July 2025

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