

Wizz Air Holdings Plc

Company Number: 103356
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ADDITIONAL DISCLOSURE RELATING TO FY19 LTIP AWARD

This notice is intended to provide additional background information in relation to the Remuneration Committee's (Committee) target-setting process for the FY19 round of LTIP awards – granted on 31 May 2018 – and, in particular, the targets relating to the Company's average annual growth in earnings per share ("EPS") over the three year performance period. Over the performance period from FY19-FY21, 25% of the award will vest for threshold average annual growth of 11%, with maximum vesting for average annual growth of 26%.

During 2018, as in each year, in setting the EPS performance target the Remuneration Committee carefully weighed consensus forecasts and internal modelling of expected performance. In determining the target range for the FY 2019 awards, the Committee also considered a number of other material factors. The period since the Company's IPO in 2015 has been one of exceptional growth, with Wizz Air's market capitalization (on a fully-diluted basis) growing by over 200% - from GBP 1.45bn to GBP 4.46bn – and net profit growing by 83% from EUR 150.7m to EUR 275.1m. The EPS target for the FY19 LTIP Award reflects the significantly higher base from which management will be required to drive growth to generate similar shareholder returns as a result of this growth. Put simply, given the growth in the Company over the past three years, the EPS target range for the FY19 LTIP remains as challenging as the targets employed for awards in previous years.

The Committee is fully aware of the sensitivities around any reduction in performance targets; however, it firmly believes that, by maintaining the EPS targets at previous levels, the LTIP may have run the risk of including excessive risk. Instead, the EPS target has been set at a level which is achievable but includes significant stretch. The Committee is satisfied that the EPS target employed under the LTIP grant for FY19 – up to 26% growth per annum for maximum vesting – is extremely stretching. If maximum performance is achieved, management will have significantly exceeded market expectations, with publicly available consensus growth forecasts for EPS of between 18%-21%.

Considering the threshold performance of 11% (at which point only 25% of the relevant options will vest), of other FTSE 350 companies (excluding investment trusts), only a single company has a higher threshold target under its long term incentive plan, with all the others being similar or lower. The Committee believes this reaffirms its considered approach to target-setting, which was founded in setting exceptionally aggressive targets and subsequently recalibrating those targets to a more realistic – yet still market leading – level as the Company grows and develops.

We would remind shareholders that only 50% of the FY19 LTIP award is subject to EPS growth, with the remaining 50% based on Wizz Air's comparative total shareholder return performance against other selected European airlines. No change has been made to this performance condition, which requires upper quartile growth for maximum vesting.

Finally and for the sake of clarity, we note that no adjustment has been made to outstanding LTIP awards. Annually, awards are made on a standalone basis based on robust target-setting procedures and the performance targets for 'in-flight' awards have not been adjusted.
