

**easyJet Airline Company Limited**  
**Annual Report and Financial Statements**  
**For the year ended 30 September 2025**  
**Registered Number 03034606**

# easyJet Airline Company Limited

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# easyJet Airline Company Limited

## Strategic Report

### Review of the business

easyJet Airline Company Limited (the "Company") is incorporated in the United Kingdom and operates as the main airline subsidiary of easyJet plc. The Company is an airline transport provider operating principally in Europe, providing airline services directly to passengers, as well as providing flights to easyJet holidays who combine these together with accommodation and other services to offer package holidays to customers.

The full strategic report of easyJet plc and all of its subsidiaries (the "Group") may be found on pages 1 to 74 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

The Company uses its cost advantage, operational efficiencies and leading positions in primary airports to deliver low fares for our customers - making great value travel accessible for everyone. The Company focuses on cost efficiency, including the benefits of long-term strategic partnerships with key airports and ground-handling operators, and providing services which our customers value. The Company holds leading positions at slot-constrained airports with high customer demand and carried 93.4 million passengers in the 2025 financial year (2024: 89.7 million) on 1,202 routes<sup>1</sup> (2024: 1,072 routes) across 37 countries (2024: 35 countries).

For the financial year ended 30 September 2025, the Company's passenger and ancillary revenue increased by 6% to £8,661 million (2024: £8,167 million). Airline total revenue per seat for the year increased by 2% to £83.33 (2024: £81.35). Other revenue of £1,278 million (2024: £1,275 million) comprises intercompany aircraft lease income and management recharges. As in the prior year, within revenue there was a £17 million credit (2024: £44 million) arising from the release of aged contract liabilities within other payables, split £12 million (2024: £31 million) against passenger revenue and £5 million (2024: £13 million) against ancillary revenue.

The Company's operating costs, excluding fuel, for the full year increased by 7% to £7,346 million (2024: £6,878 million), driven by the volume of flying, an increase in sector length and general market-wide cost pressures. Costs were also impacted by the disruption seen throughout the year and the passenger compensation and welfare costs incurred, although this was lower than the previous year, partially as the result of targeted resilience investments undertaken by the company. Driven by the Group approach, investment has been focused towards operational readiness, including crew availability, standby aircraft and critical aircraft spares. The use of data and automation has also been enhanced, to support faster operational decision making, while the customer self-service portal has provided support to passengers during periods of disruption.

Depreciation and other costs benefited from a net £54 million credit (2024: £nil) following the early exit of eight aircraft leases and the subsequent purchase of the aircraft. Operating costs, excluding fuel, include a net £7 million of restructuring charges (2024: £9 million) largely with respect to the network restructuring exercise in Italy and France (announced in FY24).

Total fuel costs increased by 1% to £2,253 million for the year (2024: £2,223 million), reflecting the increased flying volumes offset by the lower jet fuel price, which was down on average across the year by 18%. This was particularly prevalent in H1 where fuel prices were on average 23% lower when compared to the previous year.

The Company's total operating profit, ended broadly flat to the prior year at £340 million. Operating profit growth has been challenged by the pace of route maturity on new route investments, including an investment of £20 million in the year to launch new base openings in Milan and Rome, which are in the early stages of maturity, and the wider geopolitical, macroeconomic and competitive environment in specific markets.

The Company's profit before tax of £147 million for the year ended 30 September 2025 was down on the equivalent profit before tax of £182 million for the year ended 30 September 2024, with net financing charges increasing due to reduced interest income from lower market interest rates on cash balances and an increase in foreign exchange losses. The Company had a net tax credit for the full year of £145 million (2024: charge of £142 million), which includes a credit adjustment in respect of prior years of £196 million. Excluding the adjustment with respect prior years, the tax charge would represent an effective tax rate of (35)%. Refer to note 5 of the financial statements for a reconciliation of the total tax charge.

1. The number of routes flown is now presented based on the consolidated IATA winter and summer seasons. The FY24 comparative has been restated accordingly for comparability. Further detail can be found on page 39 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

# easyJet Airline Company Limited

## Strategic report (continued)

The Company's net cash as at 30 September 2025 was £2,357 million (30 September 2024: net cash £2,267 million) and comprised cash, cash equivalents and other investments of £3,463 million (30 September 2024: £3,401 million), lease liabilities of £1,003 million (30 September 2024: £1,134 million), and borrowings of £103 million (2024: nil).

## Key performance indicators

The Company's primary financial metric is profit/(loss) before tax, which is monitored to ensure that the Company has a platform for long-term growth while generating value for all stakeholders. As the Company is the main subsidiary contributing to the Group results, other key performance indicators for the Company are those monitored at Group level. The Group uses a range of both financial and non-financial key performance indicators, as described on pages 27 to 28 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

The Group Chief Financial Officer, who is also a Director of the Company, provides regular updates on progress against the Group's key performance indicators to the Airline Management Board (AMB), whose members include the Company's Directors, and the Group Board.

## Principal risks and uncertainties

The Group is affected by a number of principal risks and uncertainties as described on pages 65 to 70 of the Group's Annual Report and Accounts for the year ended 30 September 2025. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately.

## Results and dividends

The Company's profit after tax for the year was £292 million (2024: £40 million) which has been transferred to reserves. Net assets of £98 million reflects an increase of £441 million from net liabilities of £(343) million at 30 September 2024. During the year the Company did not pay or declare a dividend (2024: nil).

## Section 172 Statement

Under Section 172(1) of the Companies Act 2006 ('Section 172') the Directors are required to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account, amongst other matters:

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

Details of how the Directors of the Company have had regard to their duties under Section 172 can be found below.

Many of the decisions taken by the Directors during the year relate to supporting the strategic initiatives of the Group including engagement around our sustainability activities in the year with our people, customers, policymakers, suppliers and industry peers.

## Stakeholder Engagement

Given that the Company is the principal operating subsidiary of easyJet plc and part of the easyJet Group, to ensure an efficient and more effective approach, much of the Company's stakeholder engagement takes place at a Group level. A summary is provided below, and further information on who the Group's key stakeholders are, how the Company engages with them, and the related outcomes, are set out on pages 94 to 97 of the Group's Annual Report and Accounts for the year ended 30 September 2025, which are incorporated by reference into this statement.

The Directors continually strive to maintain a high standard of business conduct, culture, values, ethics and reputation, and take their responsibilities seriously to ensure their obligations to stakeholders and shareholders are met. The Company's primary stakeholders are employees, customers, suppliers, shareholders and investors, communities, and regulators and governments.

# easyJet Airline Company Limited

## Strategic report (continued)

### *Employees*

Our people are at the heart of everything we do. The Group and Company is committed to building an inclusive culture where everyone can thrive, feel a true sense of belonging, and live the Orange Spirit.

With over 80% of employees on flying duties, the Group understands the challenge of staying connected and is committed to building the right environment and systems that make it easier for leaders to listen, and for bold ideas and feedback to be shared and acted on. The key mechanism for employee listening is the Your Voice Matters employee engagement survey. The Group's overall engagement score on this survey was 7.4 out of 10 this financial year, with a noticeable increase in engagement amongst pilots compared to prior surveys.

Alongside surveys, the Airline Management Board (AMB) listens directly to employee groups, including regular meetings with the Management & Administration Consultation Group, and the Groups' Non-Executive Directors meet with employees to ensure a direct feed of information to the plc Board. The Group also supports People Action Groups – employee volunteers who work with leaders to boost engagement. We know our listening channels must reflect the needs of different communities, and we are reviewing our approach and plan to launch a new employee listening survey in FY26.

Additionally, employees have the opportunity to raise concerns through the Group's whistleblowing arrangement, 'Speak Up, Speak Out' (SUSO). Areas of concern are monitored, addressed and mitigated as required, with the Group Audit Committee regularly reviewing reports on the operation and efficacy of the SUSO policy. Updates are provided to the plc Board, which considers incidents and their outcomes, on an anonymous basis, in line with the 2018 UK Corporate Governance Code (Corporate Governance Code).

More information can be found on pages 22 to 26 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

### *Customers*

Customers sit at the heart of Group strategy. Winning customer loyalty and understanding customer needs is essential to the Group's long-term value creation. As competition and expectations rise, customer insight helps us to focus investment on the products, channels and service standards that matter most.

The Directors reviewed the Group's customer strategy and the initiatives planned to improve ease and reliability and end-to-end customer experience during the year. During the financial year management retained focus on improving operational efficiency and customer ease by increasing punctuality, with on-time performance improving significantly. This was achieved through proactive resilience measures, including increased crewing levels (especially in the busy summer period), renewed focus on aircraft turnaround times and the use of simulation to proactively adjust our schedule.

The Group also rolled out the 'Warmest welcome on the ground' initiative, with additional training for ground crew alongside bespoke digital solutions designed to enhance the customer experience at airports. This follows our previous focus to achieve the 'Warmest welcome in the sky', where to further empower customer facing teams, all cabin crew have been equipped with iPads, providing real-time operational data and customer insights to support a more responsive and personalised service onboard.

More information on the Group's customer strategy and operational performance can be found on page 14 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

### *Suppliers*

The Company's suppliers have an important role in delivering our ambition, and we partner with key suppliers to deliver many of our operational and commercial activities. Our partners are carefully selected, with significant emphasis placed on managing these relationships to encourage incremental innovation and performance, and we work hard to ensure our suppliers have aligned views on corporate responsibility and compliance.

The Directors continue to perform supplier readiness checks to ensure safe and responsible delivery of our operations. The Company works closely with our suppliers to understand supply chain risks, and the strategy and health of our suppliers' businesses. The Directors maintain engagement with the Company's key suppliers who deliver many of our operational and commercial activities. Further details are set out on page 95 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

### *Shareholders and Investors*

The Company's shareholder is easyJet plc and the Company ensures there is ongoing communication and engagement with the plc Board. The Company's Directors, Johan Lundgren (to 31 December 2024), Jan De Raeymaeker (from 20 January 2025) and Kenton Jarvis, are also members of the easyJet plc Board, and the remaining Directors attend the easyJet plc Board meetings by invitation.

# easyJet Airline Company Limited

## Strategic report (continued)

### *Communities*

The Group values the relationships with the communities where employees and customers live, and where operations are based. easyJet aims to make a positive impact within these communities to maximise the social and economic benefits of travel and tourism. easyJet holidays is committed to driving sustainable tourism through its operations, with a focus on its certified sustainable hotel range, and airline sustainability initiatives are contributing to a cleaner and quieter airport ground environment. Alongside this the Group continues to support charitable causes that are important to customers and employees.

### *Regulators and Governments*

Regulators and governments take decisions which directly impact our operations. The Group engage with them to understand their strategic drivers and concerns, the impact of regulatory changes on the Group and our customers, and to ensure that policymakers have an understanding of our business and the social and economic benefits it delivers.

The Directors continue to engage with policymakers across Europe on a number of issues, including a review of EU Emissions Trading, the EU fitness check on the review of the Airport Charges and Ground Handling Directives, Slot Regulations and annual consultations for Air Navigation Service Providers in Europe and NERL in UK.. In the UK the Company engaged with the UK Government on topics such as dynamic pricing in the aviation industry, UK Airspace Design Service (UKADS) and the Sustainable Aviation Fuel Bill – including involvement in parliamentary discussions. Further information as to how we engage with regulatory and government bodies can be found on page 97 of the Group's 2025 Annual Report and Accounts.

### *Sustainability*

The Company aims to be a responsible and sustainable business, recognising the need to transition to a low-carbon economy and continuing to work towards ensuring aviation plays its part in the transition. It is therefore important that easyJet maintains a positive leadership role in mapping out the milestones towards our ultimate ambition of zero carbon emission flying. This is set out through our net zero roadmap which was launched in September 2022.

In the current year, we have made progress against the net zero target, delivering a 2.2% reduction in emissions intensity (measured as CO<sub>2</sub> emissions per passenger kilometre) from last year. Nine more of the highly efficient Airbus NEO aircraft joined the fleet, taking the fleet composition to 26% NEO. As part of the net zero roadmap, a new lower weight paint system was trialled on 38 aircraft – a world first, projected to reduce CO<sub>2</sub> emissions by 4,095 tonnes annually once applied across the fleet by 2030. easyJet successfully completed a ground operations efficiency trial at Milan Malpensa Airport, switching to electric pre-conditioning units and reducing auxiliary power unit runtime, and advanced FANS- C navigation software was installed on 54 aircraft to optimise air traffic collaboration, reduce delays and improve on time performance. More details on carbon performance can be found on page 45 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

## Corporate Governance Arrangements

In accordance with the provisions of The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles (the 'Principles') for Large Private Companies in relation to the year ended 30 September 2025. Our compliance with the key areas of the Principles is summarised below, together with cross references, where applicable.

### Purpose and Leadership

#### *Our Purpose and Strategy*

The Board of easyJet plc has a clear strategy and purpose to make low-cost travel easy and is passionate about connecting people by making travel easy, enjoyable and affordable for customers, for business and leisure, whilst arriving at our destination of being Europe's most loved airline.

As a low-cost, European, point-to-point airline, the Company creates value through operational efficiency and network and service differentiation. Our leading position in primary airports enables us to deliver low fares for our customers and to provide simple, convenient travel at a competitive price with outstanding customer service. Further information is set out on pages 9 to 15 the Group's Annual Report and Accounts for the year ended 30 September 2025.

The Board of the Company is collectively responsible to promote the Group's purpose and ensure that the Company's values, strategy and culture align with that purpose.

#### *Our Values and Culture*

The Company's culture is open, positive, and collaborative, and is embodied as the 'Orange Spirit'. easyJet monitors culture regularly through employee engagement surveys, including engagement with trade unions, and monitors compliance with policies and procedures to ensure they remain effective. The Group Board also recognises the importance of identifying its key stakeholders and

# easyJet Airline Company Limited

## Strategic report (continued)

understanding their perspectives. More information can be found on pages 94 to 97 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

Our culture is also underpinned by the values and behaviours we call 'Our Promise Behaviour Framework'. Further information can be found on page 23 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

## Board composition

The Company has an effective and diverse Board with an appropriate balance of skills, backgrounds, experience and knowledge to constructively challenge and achieve effective decision making.

Johan Lundgren stepped down from his position as a Director of the Company and Chief Executive Officer of the Group on 31 December 2024. On 20 January 2025 Jan De Raeymaeker was appointed as a Director of the Company and as the Chief Financial Officer of the Group.

For further details on the Directors who held office during the year please refer to page 6. For further details of the Directors who are on the Group's Board, please refer to pages 87 to 92 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

## Director responsibilities

The Board consistently seeks to deliver long-term value to its stakeholders. To support effective decision-making, corporate governance practices and policies are put in place to ensure systems and controls are operating effectively and that the quality and integrity of information provided can be relied upon to make informed decisions. For further information about our policies and processes, please see pages 73 and 74 of the Group's Annual Report and Accounts for the year ended 30 September 2025.


## Opportunity and risk

Driving the long-term sustainable success of the Company, whilst generating value to stakeholders, follows from the Group's business model for airline services and effective risk management. Further information about easyJet's business model is set out on page 10 of the Group's Annual Report and Accounts for the year ended 30 September 2025. The principal risks and uncertainties faced by the Group can be found on pages 63 to 70 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

## Remuneration

Remuneration is overseen by the Remuneration Committee of the parent company, easyJet plc, which is responsible for agreeing the remuneration of the management team which includes the Directors of the Company. For further information on the Remuneration Committee, see pages 113 to 132 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

On behalf of the board

Signed by:  
  
4A4ECA36F4294E7...  
Jan De Raeymaeker  
Director

11 February 2026

Hangar 89  
London Luton Airport  
Luton  
Bedfordshire  
LU2 9PF  
Registered Number 03034606

# easyJet Airline Company Limited

## Reports of the Directors for the year ended 30 September 2025

### Directors' report

The Directors present the Strategic report on pages 1 to 5, the Directors' report on pages 6 to 8, the Statement of Directors' responsibilities on page 9 and the audited financial statements for the year ended 30 September 2025. Further details of the Company can be found in note 1 to the financial statements.

### Results and dividends

The Company's profit after tax for the year was £292 million (2024: £40 million) which has been transferred to reserves. During the year the Company did not pay or propose a dividend (2024: nil).

### Future developments

Details of future developments in the business of the Company can be found on pages 9 to 26 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

### Directors

The Directors who held office during the year and up to the date of signing these financial statements are as follows:

Kenton Jarvis

Johan Lundgren (retired 31 December 2024)

Ann-Sophie Everest

David Morgan

Jan De Raeymaeker (appointed 20 January 2025)

### Employees

The Company is an equal opportunities employer, ensuring that employees and applicants receive equal treatment, regardless of their gender, gender identity or expression, race or ethnicity, disability, age, sexual orientation, religion or faith, and nationality. The Board understand the importance of diversity, recognising that a mix of skills and experience is essential for the Company's future success.

The Company treats applicants with disabilities equally, while supporting employees who become disabled. This includes offering flexibility and making reasonable adjustments to the workplace to ensure they can achieve their full potential. For easyJet's two largest communities, pilots and cabin crew, we are bound by regulatory requirements for ability, which all applicants and current employees must comply with for operational safety reasons.

It is understood that good communication within the business is vital, especially where employees are spread across Europe. The Company ensures that key issues and matters are discussed with employees so that it can react quickly and ensure that everyone remains engaged. The Company works with employee representatives and recognises a number of trade unions.

The Company encourages the involvement of employees in its performance through the use of employee share schemes, settled in the shares of the Company's parent undertaking, easyJet plc.

Further details are contained on pages 133 to 134 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

### Political donations and expenditure

The Company works constructively with all levels of government across its network, regardless of political affiliation. The Company believes in the rights of individuals to engage in the democratic process. However, it is the Company's policy not to make political donations, and there were no political donations made or political expenditure incurred during the 2025 financial year (2024: £nil).

### Principal subsidiaries and overseas branches

The Company operates two Spanish branches (one performing self-handling and the other dealing with employment matters) and a German branch, a Portuguese branch, an Italian branch, a Dutch branch and a French branch (all dealing with employment matters). In October 2025, a new Moroccan branch (also dealing with employment matters) was announced, set to open in Spring 2026. This three-aircraft base will be situated in Marrakech, marking the Company's first permanent base outside Europe.

# easyJet Airline Company Limited

## Reports of the Directors for the year ended 30 September 2025

### Directors' report (continued)

#### Directors' indemnities

Details of Directors' indemnities can be found on page 133 of the Group's Annual Report and Accounts for the year ended 30 September 2025.

#### Financial risk management

The easyJet plc Board is responsible for setting financial risk and capital management policy and objectives across the whole easyJet Group, which are implemented by the Treasury function on a day-to-day basis. The policy outlines the approach to financial risk management and also states the instruments and time periods which the Treasury function is authorised to use in managing financial risks. The policy is regularly reviewed to ensure best practice.

The Company is exposed to the same financial risks as the easyJet Group and follows the Group's financial risk and capital management objectives and policies, which are disclosed on pages 178 to 183 of the Group's Annual Report and Accounts for year ended 30 September 2025.

#### Going concern

The financial statements have been prepared on a going concern basis. The Company's Directors, through their presence on the Group Board, have reviewed the financial forecasts of the Company, and considered the Company's business activities, together with factors likely to affect its future development and performance, as well as the Group's principal risks and uncertainties through to March 2027. The Company's Directors have considered the Group's ability and commitment to provide ongoing support for the Company due to the amounts owed to group undertakings, the net current liability position of the Company, and the overall reliance on group-wide funding facilities.

As at 30 September 2025, the Group had a net cash position of £602 million including cash, cash equivalents and other investments of £3.5 billion, and access to an undrawn Revolving Credit Facility (RCF) of £1.3 billion. The Group therefore has access to £4.8 billion of liquidity and 58% of the total aircraft fleet are in ownership, three of which are encumbered.

The Group board has reviewed the financial forecasts and funding requirements of the Group with consideration given to the potential impact of severe but plausible risks. This includes the modelling of a base case going concern scenario representing management's best estimation of how the business plans to perform over the going concern period. The future impact of climate change on the business has been incorporated into these strategic plans, for example the cost of future fleet renewals, the future estimated price of regulatory carbon schemes (including UK and EU Emissions Trading Schemes (ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)), the phasing out of no-cost ETS allowances, the expected price and quantity of Sustainable Aviation Fuel (SAF) requirements, and the cost of carbon removal credits and other sustainability initiatives.

The business is exposed to fluctuations in fuel prices and foreign exchange rates. As at 31 December 2025, the Group was c.83% hedged for fuel in H1 of FY26 at c.\$715 per metric tonne, c.58% hedged for H2 FY26 at c.\$689 and c.37% hedged for H1 FY27 at c.\$673.

The impact of severe but plausible downside risks have been modelled in which the Group Directors have considered demand suppression leading to a reduction in ticket yield of 5% and a reduction in easyJet holidays contribution of 5%. The model also includes the reoccurrence of additional disruption costs (comparable with the significant levels experienced in FY22), an additional \$50 per metric tonne on the fuel price, 1.5% additional operating cost inflation and an adverse movement on the US dollar rate. These impacts have been modelled across the whole going concern period. In addition, this downside model also includes a grounding of 25% of the fleet for the duration of the peak trading month of August to cover the range of severe but plausible risks that could result in significant operational disruption. The impact of mitigating, controllable actions which the management team would be able to take in this instance have then been factored-in, being actions which do not require negotiation or other agreements to be obtained from third parties. Examples include reducing capex spend and exercising our contractual right to delay a certain number of aircraft deliveries. This downside scenario resulted in a significant reduction in liquidity but still maintained sufficient headroom on liquidity requirements.

After reviewing the Group's liquidity position, committed funding facilities, the base case and the severe but plausible downside financial forecasts incorporating the uncertainties described above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future. In turn, this will enable the Group to provide ongoing support to the Company as required. For these reasons, the Company Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

# easyJet Airline Company Limited

## Reports of the Directors for the year ended 30 September 2025

### Directors' report (continued)

#### Statement of disclosure of information to auditors


In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

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

#### Independent Auditors

Following a comprehensive external audit tender completed in 2024, this will be PwC LLP's final audit of the Company's financial statements. Deloitte LLP will become the Company's external auditors from 1 October 2026. A transition is underway with detailed handover protocols, to ensure continuity and knowledge transfer ahead of the financial year end 30 September 2026.

On behalf of the Board

Signed by:  
  
4A4ECA36F4294E7...

Jan De Raeymaeker  
Director

11 February 2026

Hangar 89  
London Luton Airport  
Luton  
Bedfordshire  
LU2 9PF

Registered Number 03034606

# easyJet Airline Company Limited

## Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).


Under company law, 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed by:  
  
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Jan De Raeymaeker  
Director

11 February 2026

# easyJet Airline Company Limited

## Independent auditors' report to the members of easyJet Airline Company Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, easyJet Airline Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Statement of financial position as at 30 September 2025;
- the Income statement for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 3, we have provided no non-audit services to the company in the period under audit.

#### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Review of Group management's base case and severe but plausible downside scenario, ensuring the directors have considered appropriate factors. This included consideration of the cash flows against current industry forecasts, the liquidity position of the Group, available financing facilities, the timing of contractual debt repayments and committed capital expenditure and the relevant requirements that exist as part of the contractual arrangements with current card acquirers.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# easyJet Airline Company Limited

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory compliance to ensure Air Operator's Certificates (held in the UK, Switzerland, Austria and the Netherlands) and travel provider licences held by intercompany parties remain valid and fully operational, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the requirements of emissions trading schemes and customer

## easyJet Airline Company Limited

claims regulation, UK and overseas tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries in the underlying books and records and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the easyJet legal team, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We focused on the valuation of the maintenance provision, the assessment of impairment of intangible assets and the recoverability of deferred tax assets. We also specifically assessed the provisions held in respect of actual and potential litigation matters and liabilities held for customer compensation.
- Consideration of recent correspondence with easyJet's legal advisors to ensure that it aligned with the conclusions drawn on obligations recognised and contingent liabilities disclosed in respect of uncertain legal matters.
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
11 February 2026

# easyJet Airline Company Limited

## Income statement

For the year ended 30 September 2025

	Notes	2025 £ million	2024 £ million
Passenger revenue		6,072	5,715
Ancillary revenue		2,589	2,452
Other revenue		1,278	1,275
<b>Total revenue</b>	<b>7</b>	<b>9,939</b>	<b>9,442</b>
Fuel		(2,253)	(2,223)
Airports and ground handling		(2,161)	(1,989)
Crew		(1,071)	(964)
Navigation		(533)	(463)
Maintenance		(135)	(116)
Selling and marketing		(209)	(195)
Other costs		(2,541)	(2,462)
Other income		34	60
<b>EBITDA</b>		<b>1,070</b>	<b>1,090</b>
Depreciation	3	(678)	(714)
Amortisation of intangible assets	8	(52)	(35)
<b>Operating profit</b>		<b>340</b>	<b>341</b>
Interest receivable and other financing income		126	140
Interest payable and other financing charges		(303)	(302)
Foreign exchange (loss)/gain		(16)	3
<b>Net finance charges</b>	<b>2</b>	<b>(193)</b>	<b>(159)</b>
<b>Profit before tax</b>	<b>3</b>	<b>147</b>	<b>182</b>
Tax credit/(charge)	5	145	(142)
<b>Profit for the year</b>		<b>292</b>	<b>40</b>

# easyJet Airline Company Limited

## Statement of comprehensive income

For the year ended 30 September 2025

	Notes	2025 £ million	2024 £ million
<b>Profit for the year</b>		<b>292</b>	<b>40</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to the income statement:</i>			
Cash flow hedges			
Fair value gains/(losses) in the year		6	(320)
Losses/(gains) transferred to income statement		91	(7)
Hedge ineffectiveness/discontinuation losses transferred to the income statement		-	2
Related deferred tax (charge)/credit	5	(25)	81
Cost of hedging		8	(7)
Related deferred tax (charge)/credit	5	(2)	2
<i>Items that will not be reclassified to the income statement:</i>			
Cash flow hedges			
Fair value gains in the year		28	-
Related deferred tax charge	5	(7)	-
Fair value gain on equity investment		13	20
<b>Other comprehensive income/(loss)</b>		<b>112</b>	<b>(229)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>404</b>	<b>(189)</b>

Fair valuation gains on cash flow hedges in the year are driven by weakening sterling, resulting in a favourable move in the value of the hedges.

(Gains)/losses on cash flow hedges reclassified from other comprehensive income to the income statement by income statement caption are as follows:

	2025 £ million	2024 £ million
Revenue	(27)	(25)
Fuel	138	(13)
Maintenance	5	4
Intercompany bond transfer (within foreign exchange (loss)/gain)	(25)	21
Other financing income	-	6
	<b>91</b>	<b>(7)</b>

# easyJet Airline Company Limited

## Statement of financial position

As at 30 September 2025

	Notes	2025 £ million	2024 £ million
<b>Non-current assets</b>			
Goodwill	8	367	367
Other intangible assets	8	354	381
Property, plant and equipment <sup>1</sup>	9	4,781	4,274
Right of use assets	16	965	1,141
Equity Investments	20	64	51
Derivative financial instruments	20	63	2
Derivative financial instruments with group undertakings	20	-	1
Other non-current assets	10	178	169
		<b>6,772</b>	<b>6,386</b>
<b>Current assets</b>			
Trade and other receivables	11	736	666
Current intangible assets	8	518	572
Derivative financial instruments	20	49	30
Derivative financial instruments with group undertakings	20	-	39
Current tax assets	5	6	8
Other investments	12	2,024	2,118
Cash and cash equivalents	12	1,439	1,283
		<b>4,772</b>	<b>4,716</b>
<b>Current liabilities</b>			
Trade and other payables	13	(6,951)	(7,228)
Unearned revenue	14	(1,923)	(1,708)
Borrowings	15	(6)	-
Lease liabilities	16	(251)	(227)
Derivative financial instruments	20	(100)	(270)
Derivative financial instruments with group undertakings	20	(11)	-
Provisions for liabilities and charges	17	(177)	(151)
		<b>(9,419)</b>	<b>(9,584)</b>
<b>Net current liabilities</b>		<b>(4,647)</b>	<b>(4,868)</b>
<b>Non-current liabilities</b>			
Unearned revenue	14	(4)	(7)
Borrowings	15	(97)	-
Lease liabilities	16	(752)	(907)
Amounts owed to group undertakings	13	(20)	(17)
Derivative financial instruments	20	(58)	(51)
Derivative financial instruments with group undertakings	20	(3)	-
Other liabilities		(18)	(6)
Provisions for liabilities and charges	17	(826)	(806)
Deferred tax liabilities	5	(249)	(67)
		<b>(2,027)</b>	<b>(1,861)</b>
<b>Net assets/(liabilities)</b>		<b>98</b>	<b>(343)</b>
<b>Shareholders' equity</b>			
Share capital	18	765	765
Hedging reserve		(34)	(130)
Cost of hedging reserve		(1)	(7)
Translation reserve		1	1
Accumulated losses		(633)	(972)
<b>Total equity</b>		<b>98</b>	<b>(343)</b>

<sup>1</sup> Property, plant and equipment in the prior year has been re-presented to separately present right of use assets in the statement of financial position, see note 1a for further details.

## easyJet Airline Company Limited

The financial statements on pages 13 to 51 were approved by the Board of Directors and authorised for issue on 11 February 2026 and signed on behalf of the Board.

Signed by:  
  
4A4ECA36F4294E7...  
**Jan De Raeymaeker**  
Director

# easyJet Airline Company Limited

## Statement of changes in equity

For the year ended 30 September 2025

	Share capital £ million	Hedging reserve £ million	Cost of hedging reserve £ million	Translation reserve £ million	Accumulated losses £ million	Total equity £ million
At 1 October 2024	765	(130)	(7)	1	(972)	(343)
Profit for the year	-	-	-	-	292	292
Other comprehensive income	-	93	6	-	13	112
<b>Total comprehensive income</b>	-	<b>93</b>	<b>6</b>	-	<b>305</b>	<b>404</b>
Fair value loss transferred to property, plant and equipment	-	3	-	-	-	3
Employee share schemes - value of employee services (Note 19)	-	-	-	-	34	34
<b>At 30 September 2025</b>	<b>765</b>	<b>(34)</b>	<b>(1)</b>	<b>1</b>	<b>(633)</b>	<b>98</b>

	Share capital £ million	Hedging reserve £ million	Cost of hedging reserve £ million	Translation reserve £ million	Accumulated losses £ million	Total equity £ million
At 1 October 2023	765	114	(2)	1	(1,059)	(181)
Profit for the year	-	-	-	-	40	40
Other comprehensive (loss)/income	-	(244)	(5)	-	20	(229)
<b>Total comprehensive (loss)/income</b>	-	<b>(244)</b>	<b>(5)</b>	-	<b>60</b>	<b>(189)</b>
Employee share schemes - value of employee services (Note 19)	-	-	-	-	27	27
<b>At 30 September 2024</b>	<b>765</b>	<b>(130)</b>	<b>(7)</b>	<b>1</b>	<b>(972)</b>	<b>(343)</b>

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments relating to highly probable transactions that are forecast to occur after the year end.

# easyJet Airline Company Limited

## Notes to the financial statements

### 1. Accounting policies, judgements and estimates

#### Statement of compliance

easyJet Airline Company Limited (the 'Company') is a low-cost airline carrier operating principally in Europe. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, England. The Company is a wholly owned subsidiary of easyJet plc ('easyJet' or the 'Group' as applicable), a public limited company whose shares are listed on the London Stock Exchange under the ticker symbol EZJ.

These financial statements of easyJet Airline Company Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the applicable legal requirements of the Companies Act 2006.

#### Basis of preparation

The financial statements are prepared based on the historical cost convention except for certain financial assets and liabilities, including derivative financial instruments, financial guarantees, equity investments and certain contingent liabilities and commitments, which are measured at fair value.

The Group's business activities, together with factors likely to affect its future development and performance, are described in the Strategic Report on pages 1 to 74 of the Group's Annual Report and Accounts for the year ended 30 September 2025. Note 26 to the Group's Annual Report and Accounts for the year ended 30 September 2025 sets out the Group's and therefore the Company's objectives, policies and procedures for managing its capital and gives details of the risks related to financial instruments held by the Company.

The financial statements have been prepared on a going concern basis. The Company's Directors, through their presence on the Group Board, have reviewed the financial forecasts of the Company, and considered the Company's business activities, together with factors likely to affect its future development and performance, as well as the Group's principal risks and uncertainties through to March 2027. The Company's Directors have considered the Group's ability and commitment to provide ongoing support for the Company due to the amounts owed to group undertakings, the net current liability position of the Company, and the overall reliance on group-wide funding facilities.

As at 30 September 2025, the Group had a net cash position of £602 million including cash, cash equivalents and other investments of £3.5 billion, and access to an undrawn Revolving Credit Facility (RCF) of £1.3 billion. easyJet therefore has access to £4.8 billion of liquidity and 58% of the total aircraft fleet are in ownership, three of which are encumbered.

The Group Directors have reviewed the financial forecasts and funding requirements with consideration given to the potential impact of severe but plausible risks. The Group has modelled a base case representing management's best estimation of how the business plans to perform over the period. The future impact of climate change on the business has been incorporated into strategic plans, for example the cost of future fleet renewals, the future estimated price of regulatory carbon schemes (including UK and EU Emissions Trading Schemes (ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)), the phasing out of no-cost ETS allowances, the expected price and quantity of Sustainable Aviation Fuel (SAF) requirements, and the cost of carbon removal credits and other sustainability initiatives.

The business is exposed to fluctuations in fuel prices and foreign exchange rates. As at 31 December 2025, the Group was c.83% hedged for fuel in H1 of FY26 at c.\$715 per metric tonne, c.58% hedged for H2 FY26 at c.\$689 and c.37% hedged for H1 FY27 at c.\$673.

In modelling the impact of severe but plausible downside risks, the Group Directors have considered demand suppression leading to a reduction in ticket yield of 5% and a reduction in easyJet holidays contribution of 5%. The model also includes the reoccurrence of additional disruption costs (comparable with the significant levels experienced in FY22), an additional \$50 per metric tonne on the fuel price, 1.5% additional operating cost inflation and an adverse movement on the US dollar rate. These impacts have been modelled across the whole going concern period. In addition, this downside model also includes a grounding of 25% of the fleet for the duration of the peak trading month of August to cover the range of severe but plausible risks that could result in significant operational disruption. The impact of mitigating, controllable actions which the management team would be able to take in this instance have then been factored-in, being actions which do not require negotiation or other agreements to be obtained from third parties. Examples include reducing capex spend and exercising our contractual right to delay a certain number of aircraft deliveries. This downside scenario resulted in a significant reduction in liquidity but still maintained sufficient headroom on liquidity requirements.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

After reviewing the Group's liquidity position, committed funding facilities, the base case and the severe but plausible downside financial forecasts incorporating the uncertainties described above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future. In turn, this will enable the Group to provide ongoing support to the Company as required. For these reasons, the Company Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

The use of critical accounting estimates and management judgement is required in applying relevant accounting policies to the Company's financial statements. Areas involving a higher degree of judgement, or where assumptions and estimates are significant to the financial statements and carry estimation risk, are highlighted in note 1b.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - the requirements of paragraphs 10(f), 40A, 40B, 40C, 40D, of IAS 1, 'Presentation of financial statements';
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment';
  - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period); and
  - paragraphs 53(a), (h) and (j) of IFRS 16.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

### 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 of the Group's Annual Report and Accounts for year ended 30 September 2025 and the Group's stated target of net zero carbon emissions by 2050 and the Group's commitment to reducing carbon emissions by 35% by 2035. These targets and risks have been considered in relation to the financial reporting judgements and estimates in the current year and these have not materially impacted the conclusions reached including;

- the estimates of future cash flows used in the impairment assessments of the carrying value of non-current assets;

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

- the estimates of future profitability used in our assessment of the recoverability of deferred tax assets in the UK; and
- the useful economic lives (UELs) and related residual values for our less fuel-efficient aircraft.

Known climate-related impacts are incorporated into the Group and Company's short term and medium term cashflows including fleet planning, the purchase of next-generation aircraft, fuel-saving initiatives and the costs associated with carbon, i.e., updated mandates for the phase out of free ETS allowances, the expected price and quantity required of SAF usage and the cost of carbon removal credits and other sustainability initiatives.

Climate change is not expected to have any significant impact on demand or a further impact on the Group and Company's short term cash flows considered in the going concern evaluation. Additional identified climate-based risks, and the impact of these in the absence of actions taken by the Group to manage the transition are considered in the sensitivity testing for impairment. In particular the impact of a reduction in demand due to investor/market sentiment and increased costs due to changes in technology, regulatory and legal requirements have been considered.

#### 1a. Material accounting policies

The material accounting policies applied in the preparation of the financial statements are summarised below. Unless otherwise stated they have been applied consistently to both years presented. The explanations of these policies focus on areas where judgement is applied or which are particularly significant in the financial statements.

##### Foreign currencies

The financial statements of the Company are presented in sterling, rounded to the nearest £ million, which is the Company's functional currency. The Company's functional currency has been determined by reference to the primary economic environment in which it operates.

Transactions arising in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the rate of exchange ruling at the end of a reporting period and (except where the asset or liability is designated as a cash flow hedge) the gains or losses on translation are included in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated into sterling at foreign exchange rates ruling at the dates the transactions were affected.

##### Change in presentation of Right of Use assets

The presentation of the Company's statement of financial position has been amended in order to provide more relevant information to the users of the financial statements, separately presenting the Company's owned property, plant and equipment from leased right of use assets, reflecting the different nature of these asset classes. Prior year comparatives have been reclassified to align to the current year presentational approach. Information in respect of right of use assets, including the carrying amount, additions and depreciation, previously included in note 9, is now set out in note 16.

##### Impairment of non-financial assets

The Company has identified a single cash-generating unit (CGU) relevant to the Company, being the airline route network. All goodwill, landing rights, current intangible assets, associated working capital balances, aircraft and spares belong to the CGU which is tested annually for impairment or when there is an indication of impairment. A single value in use (VIU) calculation is performed in order to assess the recoverability of the assets.

A further description of the calculation of the VIU and current year outcome and sensitivities for the CGU is given in note 8.

##### Goodwill and other intangible assets

Goodwill arising on acquisition has been recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets acquired and the liabilities assumed. Goodwill is stated at cost less any accumulated impairment losses. It has an indefinite expected useful life and is tested for impairment as part of the CGU on an annual basis or when there is an indication of impairment. The Company does not amortise goodwill in accordance with the requirements of IFRS as applied under FRS 101. The non-amortisation of goodwill conflicts with paragraph 22 of

Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' (SI 2008/410), which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

It is not possible to quantify the effect of the departure from the Companies Act, because a finite life for the goodwill has not been identified. However, the effect of amortising over a useful life of 20 years would be a charge of £18 million (2024: £18 million) in the income statement, and a reduction of the same amount in the carrying value of goodwill in the statement of financial position.

Landing rights are stated at cost less any accumulated impairment losses. They are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided minimum utilisation requirements are observed. Landing rights form part of the CGU and are therefore tested for impairment at least annually or when there is an indication of impairment. Landing rights with a carrying value that have no further VIU and have been surrendered for nil value are de-recognised and a loss on disposal is recognised in the income statement at the point of surrender.

When assessing for impairment or reassessing UELs, the Company considers potential significant future changes including in relation to market, technological, economic and legal developments. The potential future impacts of climate change have been incorporated by including the estimated financial impact within cash flow projections of the future estimated price of ETS allowances, the expected price and quantity required of SAF usage, and the cost of carbon removal credits and other sustainability initiatives. Additional risks associated with climate change are modelled in sensitivity analysis including variations in SAF usage and ETS costs, additional legal and technology costs, reduced demand and increased cost of maintenance and replacement aircraft.

Computer software is stated at cost and is amortised from the point at which the asset is ready for use on a straight-line basis over the asset's UEL. UELs are reviewed annually.

	Expected useful life
Computer software	2-7 years

Annual licence agreements to use Cloud software are expensed and treated as a service agreement. Perpetual licences to use Cloud software are capitalised if the Company has both a contractual right to the software and the ability to run the software independently of the host vendor, but are otherwise expensed. Customisation and configuration costs related to the implementation of Cloud-based applications are expensed unless the activity creates an asset that is separate and identifiable from the software.

### Carbon allowances and offsetting

The Company participates in the EU ETS, CH (Swiss) ETS and UK ETS schemes. Participants are required to purchase and surrender ETS carbon allowances to cover their annual carbon emissions from flying. The surrender process takes place ahead of the compliance deadlines each year. A proportion of allowances are issued for free (with 2025 being the final year of free allowances being issued) and are recognised at fair value, being the market value on the date they are received, with a corresponding liability recognised simultaneously. Purchased allowances are recognised at the purchase price. Both free and purchased carbon allowances are held as intangible assets and are not subsequently revalued as they are held for own use.

As part of the annual surrender process free allowances will be surrendered first with purchased allowances then surrendered on a first in, first out (FIFO) basis. The income statement expense (included in fuel costs), recognised throughout the year as the liability is incurred through flying, is based on a weighted average cost of the free and purchased allowances estimated to be surrendered (on the FIFO basis described above) as part of the annual surrender process. A corresponding liability of the same value is also recognised.

As such, for any financial year, three months of the related expense will be known having already been surrendered, with nine months of the expense subject to a degree of estimation. Both the related asset and liability are extinguished only at the point when the allowances are surrendered. These intangible assets form part of the CGU, and are reviewed for impairment annually, or when there is an indication of impairment within the CGU.

Additionally, easyJet has an obligation under French law to offset CO<sub>2</sub> emissions incurred for French domestic flights. Carbon certificates have been purchased for the obligation and are held on the consolidated statement of financial position at purchase price.

### Property, plant and equipment

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of assets on a straight-line basis over their expected useful lives. UELs and residual values are reviewed annually.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

	Expected useful life
Aircraft <sup>1</sup>	20-23 years <sup>2,3</sup>
Aircraft spares	18 years
Aircraft – prepaid maintenance	7-10 years
Aircraft – subsequent maintenance	5-10 years
Leasehold improvements	5-10 years or the length of the lease if shorter
Freehold land	Not depreciated
Fixtures, fittings and equipment <sup>4</sup>	3 years or length of the lease of the property where equipment is used if shorter
Computer hardware <sup>4</sup>	3-5 years

<sup>1</sup> Aircraft held as right of use assets are depreciated over the lease term; see leases section. Contractual capital maintenance associated with leased aircraft is charged as depreciation to the income statement as the usage that defines the maintenance event occurs.

<sup>2</sup> The Company operates a fleet of Airbus CEO and NEO aircraft. The newer NEO aircraft have a UEL of 23 years. Aligning to the longer-term plan for CEO aircraft, and the ambition to replace these over time with the more fuel efficient NEO aircraft as part of easyJet's net zero commitment, CEO aircraft have a shorter UEL of 20 years.

<sup>3</sup> Aircraft are depreciated once in the location and condition necessary to be capable of operating in the manner intended by management.

<sup>4</sup> Included in owned other assets within note 9.

Residual values are reviewed annually, at the end of the reporting period, against prevailing market rates for assets of an equivalent age, and the depreciation applied is adjusted accordingly on a prospective basis. The carrying value of PPE assets is part of the CGU and is therefore reviewed for impairment at least annually or when there is any indication of impairment within the CGU. For aircraft, the Company is dependent on Airbus as its sole supplier. This gives rise to an increased valuation risk, which crystallises when aircraft exit the fleet, where the Company is reliant on the future demand for second-hand aircraft and specifically Airbus aircraft. Future developments, such as the impact of climate change on the market, technological, economic or legal environment, are considered when assessing residual values and UELs.

An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance, reflecting the 'full-life' maintenance status of key components of the aircraft at the point of transition of ownership. This cost is depreciated over a period of between seven to ten years from the date of manufacture, in accordance with the maintenance schedule for the aircraft. Subsequent costs incurred which lend enhancement to future periods, such as long-term scheduled maintenance and major overhaul of aircraft and engines, are capitalised at the time of the event and depreciated over the length of the period benefiting from these events. All other maintenance costs for owned aircraft are charged to the income statement as incurred.

Pre-delivery payments made in respect of aircraft are recorded in PPE at cost. These amounts are not depreciated. A proportion of the Company's financing costs have been attributed to pre-delivery payments, made in respect of aircraft and other qualifying assets under construction. These financing costs are capitalised and added to the cost of the relevant asset. Pre-delivery payments are depreciated from the point at which the aircraft to which they relate is received and ready for commercial use.

Gains and losses on disposals (other than aircraft-related sale and leaseback transactions) are determined by comparing the net proceeds with the carrying amount of the asset and are recognised in the income statement.

Freehold land is recorded at cost and not depreciated as it is considered to have an indefinite useful life.

#### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease.

#### The Company as lessee

When a contractual arrangement contains a lease, the Company recognises a lease liability and a corresponding right of use asset at the commencement of the lease.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

At the commencement date the lease liability is measured at the present value of the future lease payments, discounted using the Company's incremental borrowing rate where the interest rate in the lease is not readily determined. Lease payments include fixed payments and variable payments which are dependent on an index or rate. Where an index or rate is used this is initially measured using the index or rate at commencement. Subsequently, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease term is determined from the commencement date of the lease and the duration of the non-cancellable term. If the Company has an extension option, which it considers it is reasonably certain to exercise, then the lease term will be considered to extend beyond that non-cancellable period to the end of the extension period available. Where the Company has previously assessed that there is no intention to exercise an extension option but subsequently opts to exercise the option, then the lease liability is remeasured for the revised lease term and change in future lease payments. If the Company has a termination option, which it considers it is reasonably certain to exercise, then the lease term will be accounted for until the point when the termination option will take effect.

At the commencement date the right of use asset is measured at an amount equal to the lease liability plus any lease payments made before the commencement date and any initial direct costs, less any lease incentive payments. An estimate of costs to be incurred in restoring an asset before return to the lessor, in accordance with the terms of the lease, is also included in the right of use asset at initial recognition. Subsequently, for leased aircraft, the right of use asset attracts maintenance work in accordance with the contractual obligations of the lease, and a provision for the maintenance work is built up as the aircraft is flown, with the offset being against the right of use asset. The maintenance asset created is immediately fully depreciated as the liability is incurred as the aircraft is flown. Adjustment is also made to the right of use asset to reflect any remeasurement of the corresponding lease liability. The right of use assets form part of the CGU and are therefore subject to review for impairment annually or when there is an indication of impairment within the CGU.

Short-term leases less than 12 months in length and low-value leases are not recognised as lease liabilities and right of use assets but are recognised as an expense on a straight-line basis over the lease term.

#### Sale and leaseback

The Company periodically enters into sale and leaseback transactions whereby it sells either new or mid-life aircraft or engines to a third-party and immediately leases them back. Each transaction is assessed as to whether a sale of the asset has occurred under IFRS 15, 'Revenue from Contracts with Customers', and taking into consideration whether the contract contains a substantive purchase option for the Company to repurchase the asset.

If a sale of the asset is determined to have occurred, the asset is derecognised and a right of use asset and lease liability are recognised. Where the transaction is judged to reflect the assets fair value, any gain or loss arising on disposal is recognised in the income statement, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease. If sale proceeds received were determined to not be at the asset's fair value, any below market terms would be recognised as a prepayment of lease payments, and above market terms recognised as additional financing provided by the lessor. Gains on sale and leaseback transactions are recognised in other income, with losses on sale and leaseback transactions recognised in other costs.

If a sale is determined to have not occurred, then the contract is not accounted for as a lease. The asset is retained on the statement of financial position within property, plant and equipment and a financial liability is recognised within other borrowings for the sale proceeds received. The financial liability is recognised at amortised cost as detailed in the financial instruments policy.

#### Purchase of leased assets

Where the Company acquires an asset that was previously leased to the Company, and the original lease contract did not contain a purchase option, the asset is recognised within property, plant and equipment at fair value. The difference between the fair value and the purchase consideration paid is recognised in the income statement together with the derecognition of the right of use asset, lease liability and associated maintenance and restoration provisions.

#### **Other non-current assets**

Other non-current assets include both general lease deposits, as stipulated in lease agreements, as well as mid-life aircraft delivery assets for maintenance obligations incurred on mid-life aircraft before the Company acquired the aircraft. The payments and receivables are recorded within current and non-current assets as applicable, pending reimbursement or receipt in accordance with contract specific terms. Management assess the recoverability of these assets on an annual basis through consideration of the credit

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

position of the debtors and other relevant inputs. Under the general approach to assess impairment of financial assets, the Company recognises a loss allowance equal to the 12-month expected credit losses.

#### Financial guarantees

Financial guarantees are initially measured at fair value and subsequently at the higher of the initial fair value or the amount of the loss allowance determined by an expected credit loss calculation.

A loss allowance is calculated where the Company is jointly and severally liable for financial guarantee contracts. This is calculated based on the probability-weighted estimate of cash shortfalls to reimburse the holder for a credit loss that it incurs and based on the agreements which may exist between any co-guarantors.

#### Tax

Tax expense in the income statement consists of current and deferred tax. Tax is recognised in the income statement except when it relates to items credited or charged directly to other comprehensive income or shareholders' equity, in which case it is recognised in other comprehensive income or shareholders' equity. The charge for current tax is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible, using tax rates that are applicable to the taxable income.

Deferred tax is provided in full on temporary differences relating to the carrying amount of assets and liabilities, where it is probable that the recovery or settlement will result in an obligation to pay more, or a right to pay less, tax in the future, with the following exceptions:

- where the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit; and
- deferred tax arising on investments in subsidiaries is not recognised where easyJet is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which recovery of assets and settlement of liabilities are expected to take place, based on tax rates or laws enacted or substantively enacted at the date of the statement of financial position.

Deferred tax assets represent amounts considered recoverable in future periods in respect of deductible temporary differences, losses and tax credits carried forward. Deferred tax assets are recognised to the extent that these are estimated to be fully recoverable against the unwind of taxable temporary differences and future taxable income.

Deferred tax liabilities represent the amount of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and it is the intention to settle these on a net basis.

#### Provisions

Provisions are recognised when a present legal or constructive obligation arises as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Amounts provided for represent the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account all related risks and uncertainties.

#### *Restructuring*

Provisions for restructuring arise principally in relation to network optimisation and head office reviews. Provisions for restructuring programmes are made when the Company has a demonstrable commitment to a restructuring programme, for example through an announcement made to the impacted employees.

Restructuring provisions are measured based on the expected outcome of consultations with impacted employees. Where specific individuals at risk have not been identified, estimations are based on information available such as average payroll data, employee age and length of service.

#### *Maintenance*

The Company incurs liabilities for maintenance and restoration costs in respect of leased aircraft during the term of the lease. These arise from legal and constructive contractual obligations relating to the condition of the aircraft when it is returned to the lessor or when

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

heavy maintenance events are expected to occur during the period of the lease. Contractual maintenance obligations arising from the ongoing use of the aircraft are provided for over the term of the lease based on the estimated future costs of the maintenance events, or forecast penalty charges, discounted to present value. The provision is built as the aircraft are flown, and recognised against the right of use asset, where it is immediately fully depreciated as the flying hours that determine the provision have taken place. The restoration cost obligation is described in the lease section.

#### *Other*

Other provisions include amounts in respect of onerous contracts, the provision for refunds of air passenger duty and similar charges, and potential liabilities for employee related matters and litigation which arise in the normal course of business. Onerous contracts are recognised at the first indication that a loss is anticipated, and the provision based on the expected economic outflow arising from the contracts.

#### **Employee benefits**

The Company contributes to defined contribution pension schemes for the benefit of employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The Company's contributions are charged to the income statement in the year in which they are incurred. The Company has no further payment obligations once the contributions have been paid for defined contributions schemes.

Due to the service agreement between the Company and a fellow Group company in Switzerland, the ultimate cost of settling any pension liability for the Swiss pension plan as described in note 20 of the Group's Annual Report and Accounts for year ended 30 September 2025 lies with the Company. As such an amount equal to the net deficit of the Swiss pension plan is recognised as an intercompany pension obligation on the statement of financial position within amounts owed to group undertakings, with the movement recognised in the income statement.

The expected cost of compensated annual leave and other employee benefits is recognised at the time that the related employees' services are provided.

#### **Share capital and dividend distribution**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Final dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

#### **Share-based payments**

The Company has a number of equity-settled share incentive schemes. The fair value of share options granted under the Save As You Earn scheme is measured at the date of grant using the Binomial Lattice option pricing model. The fair value of all other awards is the closing share price from the last working day prior to the date of grant.

The fair value of the estimated number of options and awards that are expected to vest is expensed to the income statement on a straight-line basis over the period that employees' services are rendered, with a corresponding increase in shareholders' equity. Where non-market performance criteria (such as sustainability targets) attached to the share options and awards are not met, any cumulative expense previously recognised is reversed.

The schemes are managed by the Group with the scheme charges passed to the Company as a capital contribution from easyJet plc. The social security obligations payable in connection with the grant of the share options are an integral part of the grant itself and the charge is treated as a cash-settled transaction. A deferred tax balance is recognised based on the intrinsic value of the outstanding options.

#### **Financial Instruments**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions. Financial assets are also derecognised (written-off) when the Company has no reasonable expectation of recovering the financial asset.

With the exception of trade receivables that do not contain a significant financing component, financial instruments are initially measured at fair value plus or minus (in the case of a financial asset or financial liability not at fair value through the income statement)

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

directly attributable transaction costs. Trade receivables that do not contain a significant financing component are initially measured at the transaction price.

Where market values are not available, the fair value of financial instruments is calculated by discounting expected cash flows at prevailing interest rates and by applying period end exchange rates.

The equity investment in The Airline Group Limited is measured at fair value. Movements in fair value are assessed at each reporting period and recorded in other comprehensive income. The fair value is measured using a dividend income model in accordance with IFRS 13 requirements.

#### Non-derivative financial assets

Non-derivative financial assets are classified and measured according to the Company's business model for managing a specified group of financial assets, and the nature of the contractual cash flows arising from that group of financial assets.

#### Financial assets measured at amortised cost

Subsequent to initial recognition, this classification of financial asset is measured at amortised cost using the effective interest rate method.

Financial assets are measured at amortised cost when both of the following criteria are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Financial assets measured at amortised cost include refundable lease deposits and other refundable lease contributions, restricted cash, trade and other receivables, other investments, and cash and cash equivalents (excluding money market funds).

Cash and cash equivalents comprise cash held in bank accounts with no access restrictions and bank term deposits and tri-party repos repayable on demand or maturing within three months of inception. Money market funds (also part of Cash and cash equivalents) are measured at fair value through income statement (below).

Other investments comprise bank term deposits and tri-party repos maturing greater than three months from inception. Managed investments (also part of Other investments) are measured at fair value through income statement (below).

#### Financial assets measured at fair value through other comprehensive income

On initial recognition, equity investments, excluding interests in associates, are irrevocably designated as measured at fair value through other comprehensive income. Subsequently they are measured at fair value with changes recognised in other comprehensive income with no recycling of these gains and losses.

#### Financial assets measured at fair value through the income statement

Financial assets are measured at fair value through the income statement when they do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income.

Subsequent to initial recognition, this classification of financial assets is measured at fair value through the income statement.

Financial assets measured at fair value through the income statement comprised of money market funds and managed investments as at 30 September 2025.

#### Impairment of financial assets

At each reporting date the Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.

In establishing the appropriate amount of loss allowance to be recognised, the Company applies either the general approach or the simplified approach, depending on the nature of the underlying group of financial assets.

#### *General approach – impairment assessment*

The general approach is applied to the impairment assessment of refundable lease deposits and other refundable lease contributions, restricted cash, other investments and cash and cash equivalents.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

Under the general approach the Company recognises a loss allowance for a financial asset at an amount equal to the 12-month expected credit losses calculated using expected future default probabilities, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses.

#### *Simplified approach – impairment assessment*

The simplified approach is applied to the impairment assessment of trade and other receivables.

Under the simplified approach the Company recognises a loss allowance for a financial asset at an amount equal to the lifetime expected credit losses using a historical loss probability method.

#### **Non-derivative financial liabilities**

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost, and include trade and other payables and borrowings. Interest expense on borrowings is recognised using the effective interest method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting period date.

#### **Financial liabilities measured at amortised cost**

Subsequent to initial recognition at cost, this classification of financial liability is measured at amortised cost.

Financial liabilities measured at amortised cost include trade and other payables, lease liabilities and borrowings.

#### **Derivative financial instruments with group undertakings**

The Company uses cross-currency interest rate swaps with Group undertakings to hedge currency and interest rate risk on borrowings.

#### **Derivative financial instruments and hedging activities**

Derivative financial instruments are measured at fair value through the income statement with the exception of derivative financial instruments that are designated as a hedging instrument in a cash flow hedge relationship.

The Company uses foreign currency forward exchange contracts to hedge foreign currency risks on transactions denominated in US dollars, euros and Swiss francs. These transactions primarily affect revenue, fuel, lease costs, pre-delivery payments, and the initial carrying value of owned aircraft. The Company also uses cross-currency interest rate swaps to hedge currency and interest rate risk on certain borrowings, and jet fuel forward swap and option contracts to hedge fuel price risks. The Company has a small number of euro-denominated lease contracts which result in a committed schedule of euro lease rental payments; these are matched against forecasted euro revenue cash flows to provide a cash flow hedge against the sterling/euro exchange rate. Hedge accounting is applied to those financial instruments that are designated as cash flow hedges or fair value hedges.

#### **Cash flow hedges**

Gains and losses arising from changes in the fair value of foreign exchange forwards, jet fuel forward swaps, jet fuel options and cross-currency interest rate swap contracts designated as cash flow hedges are recognised in other comprehensive income and deferred in the hedging reserve to the extent that the hedges are determined to be effective.

All foreign exchange contracts in a cash flow hedge relationship are designated on a forward basis with the full fair value as the hedge instrument. Jet fuel option contracts in a cash flow hedge relationship are designated using the intrinsic value of the derivative as the hedge instrument only. The time value element of the full fair value for these derivatives is recognised through other comprehensive income as a cost of hedging and recycled to the income statement at the same time as the hedge item also impacts the income statement.

Fair value changes in a foreign currency derivative instrument attributable to the currency basis are not designated as part of the hedged instrument. Such fair value changes are recognised through other comprehensive income as a cost of hedging, and are recycled to the income statement on maturity or in the event of hedge discontinuation, according to the nature of the underlying hedged item.

When the hedged forecast transaction relates to an item of property, plant and equipment, the relevant accumulated gains and losses are transferred from the hedging reserve and included in the initial carrying amount of that purchased asset. Otherwise they are

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

recognised in the income statement in the same period in which the hedged transaction affects the income statement and against the same line item.

In the event that a hedged forecast transaction is no longer expected to occur, any related gains and losses are immediately transferred from the hedging reserve and recognised in the income statement. Derivative instruments that have been derecognised from hedge relationships are classified as fair value through the income statement thereafter with subsequent fair valuation movements being recognised in the income statement.

Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry, disposal or termination of a derivative), or no longer qualifies for hedge accounting. Where the hedged item continues to be expected to occur, the related gains and losses remain deferred in the hedging reserve until the transaction takes place.

#### Hedge relationship

The Company determines that the criteria for each hedge accounting relationship are met where:

- all relationships demonstrate a strong economic correlation;
- the effects of credit do not dominate the change in value of the associated hedged risk; and
- all Company hedge relationships have a hedge ratio of one to one, aligning to the Company's risk management strategy.

#### Revenue recognition

The Company categorises total revenue earned on the face of the income statement between passenger, ancillary and other revenue.

##### Passenger revenue

Passenger revenue arises from the sale of flight seats and is recognised when the performance obligation has been completed, which is when the flight takes place. Revenue recognised is the price paid by the customer for the flight excluding air passenger tax; this includes amounts paid by 'no-show' customers, as such customers are not generally entitled to change flights or seek refunds once a flight has departed.

Compensation payments made to customers (in respect of flight delays and cancellations) are offset against revenues recognised up to the amount of the flight, with the excess compensation being recorded within other costs. The liability for compensation payments not yet paid is measured based on known eligible events, the number of passengers impacted, and the best estimate of claim rates which is informed by historical claim rates. Flights are paid for at the point of booking. Unearned revenue from flights not yet flown is held in the statement of financial position until it is realised in the income statement when the flight takes place.

If the Company cancels a flight, unless a customer immediately rebooks on an alternative flight, at the point of the cancellation the amount paid for the flight is derecognised from unearned revenue and a contract liability is recognised within trade and other payables to refund the customer or provide a voucher or flight transfer if requested. Vouchers issued by the Company in lieu of refunds are held on the statement of financial position in other payables as a contract liability (see note 14) until they are redeemed against a new booking, at which point they are recognised as unearned revenue. Once vouchers expire or are deemed to have a remote probability of being redeemed for a future booking they will be recognised as revenue. For vouchers issued to customers in countries where regulations stipulate unused vouchers should be refunded to the customer before the expiry of the statutory period, the required refunds are made.

Where customers do not request either a voucher, refund or flight transfer the liability continues to be recognised in other payables, and breakage is applied when the likelihood of the customer exercising their remaining rights to be repaid these amounts is considered remote.

##### Ancillary revenue

###### *Sale of checked baggage, allocated seating, change fees and other*

Revenue is measured as the price paid by the customer for the service booked and is recognised at a point in time, which is when the flight takes place. Unearned revenue includes the amount paid for these services and is treated in line with unearned revenue for the sale of flight seats.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

#### *Partner revenue and in-flight sales*

Revenue is measured at the value of the commission earned as the Company is deemed to be the agent and does not control the related services or goods. The key consideration to reach this conclusion is that the partner is deemed to be responsible for inventory risk and fulfilment of the goods and services. The revenue is recognised at a point in time, which is when the service takes place. The exception is commission earned from travel insurance, where revenue is recognised at the time of booking as the Company acts solely as the appointed representative of the insurance company.

#### *Cancellation fees*

Revenue is measured at the amount paid for the cancellation and is recognised at a point in time, when the cancellation requested by the customer is processed.

#### *easyJet plus*

Revenue is measured at the amount paid for the annual membership and is recognised evenly over the membership period.

#### Other revenue

Other revenue represents intercompany aircraft lease revenue, management fees and maintenance recharges received from other Group companies based on transfer pricing agreements. Intercompany revenue is recognised when the performance obligation has been completed which is when the leased assets or management and maintenance services have been provided.

#### **Amounts due to/from other easyJet Group companies**

Amounts due to/from other Group entities are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method.

At each reporting date the Company recognises a loss allowance for expected credit losses on amounts due from other Group entities using the simplified approach. Under the simplified approach the Company recognises a loss allowance at an amount equal to the lifetime expected credit losses.

#### **Operational costs and income**

Costs and income are presented in the income statement based on the nature of the cost/income as this is most relevant to enable users of the financial statements to understand the Company's financial performance. Costs are expensed as incurred either at the point the goods or service is transferred, or over time to reflect when the benefits are received. Separate financial statement line items are shown for material income and expenses; the other costs and other income lines include items not reported in the separate material line items. Other income includes insurance receipts, supplier compensation payments, rental income, income from sale of excess aircraft spare parts, and gains on sale of intangible assets. Other costs are expensed as incurred and include disruption costs, IT costs, cost of third-party providers, employee costs for sales, marketing and administration teams, wet lease costs, intra-group seat capacity costs and insurance. Gains/losses on sale and leaseback transactions are recognised in other income/other costs as applicable.

#### **Alternative performance measures (APMs)**

Included in the income statement is the sub-total EBITDA which is a measure of earnings before interest, taxes, depreciation and amortisation. This APM provides additional understanding to users of the financial statements in their assessment of underlying performance.

#### **Finance charge/income**

Interest payable/receivable and other financing charges/income includes interest expense/income on cash and borrowings which is recognised using the effective interest method, interest on lease liabilities which is recognised using the interest rate implicit in the lease, and fair value movements of derivative financial instruments that are not designated hedging instruments in a cash flow hedge arrangement.

Net exchange gains/losses on statement of financial position monetary assets and liabilities are presented as a separate financial statement line item.

#### **Segmental disclosures**

The Company has one operating segment, being its route network, based on management information provided to the Airline Management Board, which is the Chief Operating Decision Maker ('CODM'). Resource allocation decisions are made for the benefit of

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

the route network as a whole, rather than for individual routes within the network. Performance of the network is assessed based on the income statement before tax for the year.

Revenue is allocated to geographic segments on the following bases:

- revenue earned from passengers is allocated according to the location of the first departure airport on each booking;
- commission revenue earned from partners is allocated according to the domicile of each partner; and
- intercompany revenue is allocated based on the country the intercompany partner is registered to.

Revenue by country of origin has been provided where revenues from external customers attributed to an individual foreign country are material.

### New and revised standards and interpretations

A number of amended standards became applicable during the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The amendments that became applicable for annual reporting periods commencing on or after 1 January 2024, and did not have a material impact were:

- Classification of liabilities as current or non-current and non-current liabilities with covenants – Amendments to IAS 1
- Lease liability in a sale and leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

In addition, IFRS 18 – presentation and disclosure in financial statements was issued in April 2024 and becomes effective for periods beginning on or after 1 January 2027. This replaces IAS 1 – presentation of financial statements. The Company is currently assessing the detailed implications of applying the new standard on the Company's financial statements. There are no other standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 1b. Accounting judgements and estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make judgements as to the application of accounting standards to the recognition and presentation of material transactions, assets and liabilities within the Company, and the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Estimations are based on management's best evaluation of a range of assumptions, however, events or actions may mean that actual results ultimately differ from those estimates, and these differences may be material. The estimates and the underlying assumptions are reviewed regularly.

#### 1b.(i) Critical accounting judgements

The following are the critical judgements, apart from those involving estimation (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised and presented in the financial statements.

#### Recoverability of deferred tax assets (note 5)

The deferred tax asset balances include £437 million (2024: £434 million) arising on full recognition of the UK trading tax losses accumulated at the statement of financial position date. The Company has concluded that these deferred tax assets will be fully recoverable against the unwind of taxable temporary differences and future taxable income based on the long-term strategic plans of the Company. Where applicable the financial projections used in assessing future taxable income are consistent with those used elsewhere across the business, for example in the assessment of going concern. These assessments include the expected impact of climate change on easyJet, and the future financial impact within cash flow projections, such as the cost of future fleet renewals, the future estimated price of ETS allowances, the phasing out of the free ETS allowances, the expected price and quantity required of SAF, and the cost of carbon removal credits and other sustainability initiatives.

The tax losses for which a deferred tax asset has been recognised are expected to be utilised within the next six years, assessed by considering probable forecast future taxable income. The probable forecast future taxable income includes the impact of the expected unwind of taxable temporary differences as well as the effect of Full Expensing Relief for qualifying capital expenditure. Probable forecast future taxable income includes an incremental and increasing risk weighting to represent higher levels of uncertainty in future periods.

The tax losses can be carried forward indefinitely and have no expiry date.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

#### 1b.(ii) Critical accounting estimates

The following critical accounting estimates include judgements or complexity and are the major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

#### Aircraft maintenance provisions – £936 million (2024: £894 million) (note 17)

The Company incurs liabilities for maintenance costs arising during the lease term of leased aircraft. These costs arise from legal and constructive contractual obligations relating to the condition of the aircraft when it is returned to the lessor. To discharge these obligations, it is usual for the Company to carry out at least one heavy maintenance check on each of the engines and the airframe of the aircraft during the lease term. A material provision representing the estimated cost of this obligation is built up over the course of the lease. The estimates and assumptions used in the calculation of the provision are reviewed at least annually, and when information becomes available that is capable of causing a material change to an estimate, such as the renegotiation of end of lease return conditions, increased or decreased aircraft utilisation, or changes in the cost of heavy maintenance services and the expected uplift in future prices.

A significant portion of the future maintenance costs and cost increases are under contract and provide certainty to the provision. Where cost increases are not under contract, an estimation of the likely future increases are made in the calculation of the provision. Given the significant value of the provision, the provision is sensitive to changes in the future increase of uncontracted costs including the impact of inflationary factors. Additionally, with many maintenance costs incurred in US dollars, the provision remains sensitive to changes in the GBP/USD exchange rate. The rates used to discount the provision to arrive at a present value are based on observable market rates as an estimate of the relevant risk-free rate.

The provision can also be materially influenced by the maintenance status of aircraft when they enter the easyJet fleet. To give flexibility to the fleet plan the Company may lease 'mid-life' aircraft. When mid-life aircraft enter the fleet, a 'catch-up' maintenance provision is created to reflect the maintenance obligation for the flying cycles undertaken before the aircraft entered the Company's fleet. The trigger for the recognition of this addition to the provision is the signing of the lease contract. It is of note that where contractually agreed a mid-life delivery asset is also created when the mid-life leased aircraft enter the fleet, creating a separate related asset on the statement of financial position. A sensitivity analysis is included in note 17.

#### Goodwill and landing rights - £522 million (2024: £522 million) (note 8)

The recoverable amount of goodwill and landing rights has been determined based on VIU calculations for the CGU as they are wholly attributable to it. The VIU is determined by discounting future cash flows to their present value. When applying this method, the Company relies on a number of key estimates including the ability to meet its strategic plans, future fuel prices and exchange rates, long-term economic growth rates for the principal countries in which it operates, and its pre-tax weighted average cost of capital. The easyJet Group's strategic plans include assessments of the future impact of climate change on easyJet to the extent these can be estimated. This includes for example, the cost of future fleet renewals, the future estimated price of ETS allowances, the phasing out of the free ETS allowances, the expected price and quantity required of SAF and the cost of carbon removal credits and other sustainability initiatives. The possible impact of longer-term climate change risks that are not part of the strategic plans have been considered as part of the sensitivity analysis.

Fuel prices and exchange rates continue to be volatile in nature and the ability to pass these changes on to the customer is a critical judgement that requires estimation. In addition, assumptions over customer demand levels could have a significant effect on the impairment assessment performed. Any future events that would lead to extended travel restrictions or fleet grounding may impact future impairment or useful economic life assessments. The sensitivity analysis considered as part of the overall impairment assessment takes into account different assumptions for these key estimates, see note 8 for details.

#### 1b.(iii) Other areas of judgement and accounting estimates

The following are other areas of judgement and accounting estimates that do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements. The recognition and measurement of the following material assets and liabilities of note in that they are based on assumptions and/or are subject to longer term uncertainties.

#### Owned aircraft carrying values – £4,678 million (2024: £4,184 million) (note 9)

The key estimates used in arriving at aircraft carrying values are the UELs and residual values of the owned aircraft.

Aircraft are depreciated over their UEL to their residual values in line with the PPE Accounting Policy. The UEL is based on easyJet's long-term fleet plan and intended utilisation of the current fleet, which include long-term assumptions of market conditions and customer demands, which by their nature are inherently uncertain.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 1. Accounting policies, judgements and estimates (continued)

Residual value estimates for aircraft are reviewed annually based on independent aircraft valuations. The valuations are based on an assessment of the current state of the global marketplace for specific aircraft assets. Residual values have continued to increase, with ongoing delivery delays from aircraft original equipment manufacturers, together with the recovery in demand for air travel post the covid pandemic, resulting in strong demand for the previous generation narrowbody aircraft, including the A320ceo. Changes to residual value estimates are applied prospectively, and the review performed on 30 September 2025 resulted in a c.£500 million increase to the residual value of assets that continue to be depreciated. This will result in a c.£60 million reduction in the depreciation charge for the year ended 30 September 2026, which will reduce in subsequent years as the Group disposes its older aircraft. Should the marketplace for an asset class deteriorate unpredictably, there could be a risk that the recoverable amount for some aircraft assets would fall below their current carrying value or that residual values are subject to downward adjustment.

Owned and leased aircraft asset recoverable amounts are included in the Company's CGU and are therefore subject to review for impairment annually or when there is an indication of impairment within the CGU. Further details of the impairment testing applied are included in note 8.

#### Liability for compensation payments - £32 million (2024: £50 million) (presented within other payables in note 13)

The Company incurs liabilities for amounts payable to customers who make claims in respect of flight delays and cancellations, for which claims could be made up to six years after the event, and for reimbursement of reasonable expenses incurred as a result of flight delays and cancellations. The key estimation in the liability is the passenger claim rate for compensation payments. The estimation carries a level of uncertainty as it is based on customer behaviour. The basis of the estimates included in the liability are reviewed at least annually and when information becomes available that may result in a change to the estimate.

#### Fair value of leased aircraft purchases

Where the Company enters into agreements to purchase aircraft that were previously leased to the Company, and the original lease contract did not contain a purchase option, the newly acquired aircraft are recognised within property, plant and equipment at their fair value at the acquisition date when the fair value can be reliably measured. Management exercises judgement when determining the fair value of the aircraft at the acquisition date, with the difference between the fair value of the aircraft and the consideration paid being recognised in the income statement. Refer to note 1A for further details of the Company's accounting policy for the purchase of leased assets.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 2. Net finance charges

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
<b>Interest receivable and other financing income</b>		
External interest income	(126)	(140)
<b>Interest payable and other financing charges</b>		
Hedge discontinuation and ineffectiveness	-	1
Interest payable to fellow group undertakings <sup>1</sup>	206	219
Interest payable on facilities / borrowings	41	34
Interest payable on lease liabilities	56	48
	<b>303</b>	<b>302</b>
Net exchange losses/(gains) on monetary assets and liabilities <sup>2</sup>	16	(3)
<b>Net finance charges</b>	<b>193</b>	<b>159</b>

<sup>1</sup>Of the £206 million (2024: £219 million) of interest payable to fellow group undertakings above, £150 million (2024: £171 million) is owed to the parent entity.

<sup>2</sup>Included within net exchange gains on monetary assets and liabilities is a £4 million loss (2024: £80 million loss) relating to the fair value gain on US dollar foreign exchange derivatives designated as fair value through the income statement.

### 3. Profit before tax

The following have been included in arriving at profit before tax:

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
Intercompany seat capacity costs	1,825	1,750
Depreciation of property, plant and equipment		
Owned assets	299	272
Right of use assets	379	442
Loss on disposal and impairment of intangible assets	6	1
Loss on disposal of property, plant and equipment	18	18
(Reversal of impairment)/impairment of trade receivables	(1)	1
Loss on termination of leases	6	-
Sale and leaseback gain	-	(8)

## easyJet Airline Company Limited

### Notes to the financial statements (continued)

#### Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	Year ended 30 September 2025	Year ended 30 September 2024
	£ million	£ million
Company audit fee	1.0	1.0
Fees for audit of the Company's associates	0.6	0.3
	<b>1.6</b>	<b>1.3</b>

In addition, the Company incurred audit-related non-audit services fees of £0.2 million (2024: £0.2 million) from its auditors. This includes the fee of £0.2 million (2024: £0.1 million) incurred on behalf of the Group in respect of the half-year review performed.

During the year, other assurance related non-audit services fees totalling £0.1 million (2024: £0.4 million) were also incurred on behalf of the Group in relation to our EMTN Programme (2024: EMTN Programme, the Airbus order and ESG assurance).

#### 4. Employees

Average monthly number of persons employed by the Company:

	2025 Number	2024 Number
Flight and ground operations	14,582	14,025
Sales, marketing and administration	1,321	1,242
	<b>15,903</b>	<b>15,267</b>

#### Employee costs

Employee costs for the Company were:

	Year ended 30 September 2025	Year ended 30 September 2024
	£ million	£ million
Wages and salaries	970	885
Social security costs	153	138
Pension costs	70	57
Share-based payments	34	26
	<b>1,227</b>	<b>1,106</b>

Included in employee costs is a net debit of £7 million (2024: £9 million net debit) from redundancy and restructuring costs. These costs predominantly reflect the additional provision and income statement cost arising from the restructuring programmes in France and Italy that were announced in September 2024.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### Directors' emoluments

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
Remuneration	6	6
	6	6

This includes all Directors who held office during the financial year ended 30 September 2025.

As at 30 September 2025 the Company had four Directors (2024: four).

During the year one (2024: three) Directors received a taxable payment in lieu of employer pension contributions. One (2024: two) Directors accrued retirement benefits under the easyJet Group defined contribution pension scheme.

No Directors exercised shares in the parent company during the year (2024: none) and four Directors received shares relating to long term service plans (2024: four).

The highest paid Director received remuneration totalling £2.0 million (2024: £2.5 million) including pension contributions of £45,695 (2024: £49,909). The highest paid Director received shares relating to long term service plans but did not exercise shares in the parent company during the year (2024: none).

### 5. Tax (credit)/charge

Tax on profit on ordinary activities:

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
<b>Current tax</b>		
Foreign tax	1	2
Amounts receivable from Group undertakings in respect of group relief	(98)	-
Adjustments in respect of prior years <sup>1</sup>	(196)	-
<b>Total current tax (credit)/charge</b>	<b>(293)</b>	<b>2</b>
<b>Deferred tax</b>		
Temporary differences relating to property, plant and equipment	153	145
Other temporary differences	(2)	(4)
Adjustments in respect of prior years	(3)	(1)
<b>Total deferred tax charge</b>	<b>148</b>	<b>140</b>
<b>Total tax (credit)/charge</b>	<b>(145)</b>	<b>142</b>
Effective tax rate <sup>2</sup>	(98.6)%	78.0%

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### Reconciliation of the total tax charge

The tax for the year is lower (2024: higher) than the standard rate of corporation tax in the UK as set out below:

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
Profit before tax	147	182
Total tax charge at 25.0% (2024: 25.0%)	37	46
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Expenses not deductible for tax purposes	27	12
Movement in tax provisions	(1)	2
Share-based payments	(9)	(5)
Adjustments in respect of prior years - deferred tax	(3)	(1)
Adjustments in respect of prior years – current tax <sup>1</sup>	(196)	-
Loss relief to Group companies	98	88
Amounts receivable from Group undertakings in respect of group relief	(98)	-
<b>Total tax (credit)/charge</b>	<b>(145)</b>	<b>142</b>

<sup>1</sup> During the financial year it was identified that a surrender of UK tax losses by the Company to other UK Group members (in line with the Corporate Tax Act 2010) without consideration represented a distribution of assets with intrinsic value from the Company for which the Company has not been compensated. Furthermore, over the time period the distributions were made, the Company did not have sufficient distributable reserves to support the distributions. In the financial year ending 30 September 2025, a receivable has been recognised from easyJet plc for the cumulative value of the asset, from the year ending 30 September 2020 to the year ending 30 September 2024, of £196 million. This reflects the value of the asset distributed by the Company to easyJet plc as its parent and fully compensates the Company for the distribution.

<sup>2</sup> The effective tax rate for the Company for the year ended 30 September 2025, adjusted to remove the impact of the £196 million current tax adjustment in respect of prior years is 34.7%.

Current tax payable at 30 September 2025 amounted to £1 million (2024: £1 million payable).

During the year ended 30 September 2025 net cash tax paid amounted to £2 million (2024: £1 million net cash tax paid).

The forecasted effective tax rates have been determined on the basis that deferred tax assets on UK tax losses are fully recognised. This takes into account the legislative change to make Full Expensing Relief permanent as announced by the Chancellor of the Exchequer in the Autumn Statement 2023 and substantively enacted in February 2024.

### Tax on items recognised directly in other comprehensive income:

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
<b>(Charge)/credit to other comprehensive income</b>		
Deferred tax on change in fair value of cash flow hedges	(34)	83
<b>Total (charge)/credit to other comprehensive income</b>	<b>(34)</b>	<b>83</b>

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### Deferred tax

The net deferred tax liability/(asset) in the statement of financial position is as follows:

	Accelerated capital allowances £ million	Short-term timing differences £ million	Fair value (gains)/ losses £ million	Share-based payments £ million	Intercompany pension obligation £ million	Trading loss £ million	Total £ million
At 1 October 2024	549	-	(29)	(8)	(11)	(434)	67
Charged/(credited) to income statement	153	-	-	(2)	-	(3)	148
Charged to other comprehensive loss	-	-	34	-	-	-	34
<b>At 30 September 2025</b>	<b>702</b>	<b>-</b>	<b>5</b>	<b>(10)</b>	<b>(11)</b>	<b>(437)</b>	<b>249</b>

	Accelerated capital allowances £ million	Short-term timing differences £ million	Fair value (gains)/ losses £ million	Share-based payments £ million	Intercompany pension obligation £ million	Trading loss £ million	Total £ million
At 1 October 2023	405	(1)	54	(3)	(11)	(434)	10
Charged/(credited) to income statement	144	1	-	(5)	-	-	140
Credited to other comprehensive loss	-	-	(83)	-	-	-	(83)
<b>At 30 September 2024</b>	<b>549</b>	<b>-</b>	<b>(29)</b>	<b>(8)</b>	<b>(11)</b>	<b>(434)</b>	<b>67</b>

It is estimated that deferred tax assets of approximately £4 million (2024: deferred tax assets of £26 million) will reverse during the next financial year. Deferred tax liabilities of £nil million (2024: £nil million) will reverse during the next financial year.

### 6. Dividends

No dividend was paid in the year ending 30 September 2025 or 30 September 2024.

### 7. Total revenue

#### Geographical analysis:

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
United Kingdom	4,859	4,625
France	965	934
Switzerland	1,016	1,023
Northern Europe (excluding Switzerland)	706	640
Southern Europe (excluding France)	2,267	2,120
Other	126	100
	<b>9,939</b>	<b>9,442</b>

The Company has assessed the materiality of geographical revenues and has disclosed revenues by country of origin where such revenues are in excess of 10% of total revenue.

Geographical revenue is allocated according to the location of the first departure airport on each booking and other revenue is allocated according to the domicile of the Group company from which it is received.

Southern Europe comprises countries lying wholly or mainly south of the border between Italy and Switzerland.

### 8. Goodwill and other intangible assets

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

	Other intangible assets				Total £ million
	Goodwill £ million	Landing rights £ million	Computer software £ million	Carbon allowances £ million	
<b>Cost</b>					
At 1 October 2024	367	155	226	70	451
Additions	-	-	69	-	69
Transfer to current assets	-	-	-	(44)	(44)
Disposals	-	-	(22)	-	(22)
<b>At 30 September 2025</b>	<b>367</b>	<b>155</b>	<b>273</b>	<b>26</b>	<b>454</b>
<b>Accumulated amortisation</b>					
At 1 October 2024	-	-	70	-	70
Charge for the year	-	-	52	-	52
Disposals	-	-	(22)	-	(22)
<b>At 30 September 2025</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>
<b>Net book value</b>					
At 30 September 2025	367	155	173	26	354
At 30 September 2024	367	155	156	70	381

Included within computer software, are internally generated intangible assets of £135 million (2024: £77 million), and work in progress of £35 million (2024: £73 million). The accumulated depreciation of internally generated intangible assets as at 30 September 2025 was £93 million (2024: £67 million).

### Value in use calculation

The recoverable amount of goodwill and other assets with indefinite expected useful lives has been determined based on VIU calculations for the airline route network cash generating unit, which holds these assets.

Pre-tax cash flow projections have been derived from the strategic plan approved by the easyJet plc Board for the period up to 2030, using the following key assumptions:

	2025	2024
Pre-tax discount rate (derived from weighted average cost of capital, WACC)	10.7%	10.0%
Fuel price (US dollars per metric tonne)	719	838
Long-term economic growth rate	2.0%	2.0%
Exchange rates:		
US dollar	1.37	1.26
Euro	1.17	1.18

The discount rate has been calculated based on the capital asset pricing model using external inputs where relevant and the current cost of debt to the Group. The methodology is unchanged from the prior year. The increase in the discount rate is primarily attributable to a rise in both the risk-free rate and the equity risk premium, which have led to a higher cost of equity. Exchange rates and fuel price are based on spot rates as at 30 June 2025, the date on which the annual impairment review is performed.

Cash flow projections for the period up to 2030 incorporate the long-term prospects of the Company, taking into account growth expected by way of creating value through the business model. Cash flow projections beyond the forecast period have been extrapolated using an estimated average of long-term economic growth rates for the principal countries in which easyJet operates. The future impact of climate change on the business has been incorporated into strategic plans including the cost of future fleet renewals, the future estimated price of regulatory carbon schemes (including UK and EU ETS and CORSIA), the phasing out of no-cost ETS allowances, the expected price and quantity of SAF requirements, and the cost of carbon removal credits and other sustainability initiatives. The headroom of the value in use calculation over the carrying value of the relevant assets is broadly comparable to that calculated at 30 June 2024.

## easyJet Airline Company Limited

### Notes to the financial statements (continued)

Sensitivity analysis has been performed on key inputs to the value in use calculation, including the assumptions listed above and the strategic plan used as the base for the calculation. The impairment model is sensitive to a sustained and significant adverse movement in foreign currency exchange rates and forecast operating profits to the extent that no other compensating action is taken. It has been assumed that any significant future fuel price increase would be recovered through revenue pass through. Individual scenarios that have been deemed reasonably probable, in particular in relation to the current macroeconomic environment, do not give rise to an impairment. These scenarios include +/-10% on euro and US dollar rates, +100 bps increase in WACC, reduced capacity of 5%, increased operating costs (excluding fuel) of 3%, a fuel price increase of \$100 per metric tonne and a flat growth rate.

Additional risks associated with climate change have also been considered, including sensitivities of SAF usage and ETS costs, additional legal and technology costs, reduced demand and increased cost of maintenance and replacement aircraft. These scenarios, both individually and in reasonably probable combinations, do not give rise to an impairment.

#### Intangible assets

	2025 £ million	2024 £ million
<b>Non-current assets</b>		
EU ETS, CH ETS and UK ETS carbon allowances	26	70
	<b>26</b>	<b>70</b>
<b>Current assets</b>		
Carbon offsetting VER	7	8
EU ETS, CH ETS and UK ETS carbon allowances	51	564
	<b>518</b>	<b>572</b>
	<b>544</b>	<b>642</b>

ETS allowances are required to offset the carbon emitted by flights. The scheme is settled on an annual basis. The allowances required for annual settlement are held as intangible assets, with the associated liability included within accruals in trade and other payables (note 13). Non-current assets represent allowances purchased in advance for future settlement in over 12 months.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 9. Property, plant and equipment

	Aircraft and spares £ million	Land £ million	Other £ million	Total £ million
<b>Cost</b>				
At 1 October 2024	5,822	44	61	5,927
Additions <sup>1</sup>	808	-	21	829
Disposals	(31)	-	-	(31)
At 30 September 2025	6,599	44	82	6,725
<b>Accumulated depreciation</b>				
At 1 October 2024	1,638	-	15	1,653
Charge for the year	291	-	8	299
Disposals	(8)	-	-	(8)
At 30 September 2025	1,921	-	23	1,944
<b>Net book value</b>				
At 30 September 2025	4,678	44	59	4,781
At 30 September 2024	4,184	44	46	4,274

Right of use assets have been re-presented from property, plant and equipment to a separate statement of financial position line. Refer to note 1a for further detail.

The net book value of aircraft includes £569 million (2024: £519 million) relating to advance payments for future deliveries and life limited parts not yet in use. This amount is not depreciated.

The net book value of aircraft spares is £211 million (2024: £157 million).

The 'Other' category is comprised of leasehold improvements, computer hardware, fixtures, fittings and equipment, and work in progress in respect of property, plant and equipment projects. The work in progress as at 30 September 2025 was £27 million (2024: £15 million).

As at 30 September 2025, the Company was contractually committed to the acquisition of 12 CFM LEAP engine (2024: one), five used CFM56 engines (2024: nil) and 290 (2024: 299) Airbus 320 family aircraft, with a total estimated list price<sup>2</sup> of US\$ 35.2 billion (2024: US\$ 36.2 billion) before escalations and discounts, for delivery in financial years 2026 (17 aircraft), 2027 and 2028 (73 aircraft) and 2029 to 2034 (200 aircraft). Additionally, easyJet maintains purchase rights for a further 100 aircraft.

<sup>1</sup>Right of use asset disposals in note 16 includes £73 million (2024: £nil) relating to the purchase of eight aircraft that were previously leased, with a corresponding £237 million (2024: £nil) of additions to aircraft owned assets. The early exit of the leases and subsequent purchase of the aircraft resulted in a £54 million (2024: £nil) net credit to the income statement. Three of the purchased aircraft were subsequently subject to financing under a Japanese operating lease with call option ('JOLCO'), with the proceeds received classified as other borrowings and secured against the associated owned aircraft with a net book value of £103 million (2024: £nil).

<sup>2</sup>As Airbus no longer publishes list prices, the last available list price published in January 2018 has been used for the estimated list price.

### 10. Other non-current assets

	2025 £ million	2024 £ million
Mid-life aircraft delivery assets	167	156
Deposits held by aircraft lessors	11	13
	178	169

Mid-life aircraft delivery assets arise from maintenance obligations incurred on mid-life leased aircraft before easyJet acquired the aircraft. Some of these obligations occur where a lessor has agreed to make a contribution to easyJet's maintenance costs to reflect the cycles already flown by the aircraft at the point it is delivered to easyJet, plus or minus any maintenance utilised by easyJet that will not be paid for via a maintenance shop visit. Depending on the contract terms, payment will be made either at the maintenance event date or at the lease return date, the timing of which determines the current and non-current split of the asset. Other mid-life aircraft delivery assets are recognised as an offset to comparable lease maintenance obligations in respect of cycles flown at the point the

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

leased aircraft enters the fleet and for which easyJet carries the cost burden. The timing of the utilisation of these assets matches the estimated timing of the maintenance obligation assumed in the maintenance provision. The recoverability of this asset has been assessed by management, and the asset is considered to be fully recoverable.

### 11. Trade and other receivables

	2025 £ million	2024 £ million
Trade receivables	155	157
Less provision for loss allowance	(5)	(6)
	150	151
Prepayments	172	131
Accrued income	299	272
Other receivables	115	112
	<b>736</b>	<b>666</b>

Within the provision for loss allowance, £6 million has been credited to the income statement (2024: £4 million credited), with £nil million (2024: £nil million) being utilised in the year ended 30 September 2025.

Other receivables comprise current mid-life aircraft delivery assets, supplier receivables, VAT and trade deposits.

Included within trade and other receivables is £276 million (2024: £236 million) in respect of balances with intercompany counterparties.

### 12. Cash, cash equivalents and other investments

	2025 £ million	2024 £ million
Cash and cash equivalents (original maturity less than three months)	1,439	1,283
Other investments (original maturity more than three months)	2,024	2,118
	<b>3,463</b>	<b>3,401</b>

Other investments include term deposits, tri-party repos and managed investments where the original duration of the investment was more than three months.

### 13. Trade and other payables

	2025 £ million	2024 £ million
Trade payables	206	238
Amounts owed to group undertakings – current <sup>1</sup>	5,623	5,843
Accruals	936	959
Taxes and social security	45	37
Other payables	141	151
	<b>6,951</b>	<b>7,228</b>

<sup>1</sup>Apart from the balances associated with the issuance of the Eurobonds, the outstanding balances on the amounts owed to group undertakings are placed on intercompany accounts with no specified credit period, are unsecured, and bear market rates of interest. The intercompany loan agreements associated with the issuance of the Eurobonds are on the same terms as the bonds themselves (see note 26 in the Group's Annual Report and Accounts for year ended 30 September 2025) noting that they also contain a repayable on demand clause meaning that the balances are classified as current.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

Included within non-current liabilities are amounts owed to group undertakings of £20 million (2024: £17 million), and £18 million (2024: £18 million) is included in accruals in respect of balances with intercompany counterparties.

### 14. Liabilities relating to contracts with customers

Contract liabilities:

	2025		2024	
	Unearned revenue £ million	Other £ million	Unearned revenue £ million	Other £ million
Opening contract liabilities	1,715	29	1,492	73
Revenue deferred during the year	9,606	-	9,024	-
Revenue recognised during the year	(8,629)	(17)	(8,090)	(44)
Airline passenger duty on revenue recognised during the year	(765)	-	(711)	-
Additional contract liability during the year	-	59	-	89
Reduction in contract liability during the year	-	(59)	-	(88)
Foreign exchange impact during the year	-	1	-	(1)
<b>Closing contract liabilities</b>	<b>1,927</b>	<b>13</b>	<b>1,715</b>	<b>29</b>

Included within unearned revenue is £336 million (2024: £264 million) in respect of balances with intercompany counterparties.

Revenue deferred and recognised during the year is inclusive of other charges. Revenue deferred during the year is also presented inclusive of airline passenger duty (APD).

	2025		2024	
	Unearned revenue £ million	Other £ million	Unearned revenue £ million	Other £ million
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,656	20	1,398	44

Other customer contract liabilities consist of amounts transferred from unearned revenue to other payables due to the cancellation of flights and is made up of customer vouchers outstanding and amounts where customers have not yet requested a refund, voucher or flight transfer. The movements in 'additional contract liability' and 'reduction in contract liability' arise as flights are cancelled, as vouchers are awarded or exercised, and as customers advise on the exercise of their options following flight cancellations. The breakage applied to the contract liability in the year is included in revenue recognised during the year.

### 15. Borrowings

Borrowings are analysed as follows:

	2025 £ million	2024 £ million
Current	6	-
Non-current	97	-
	<b>103</b>	<b>-</b>

In the year ended 30 September 2025, the Company entered into three JOLCO aircraft financing agreements. These JOLCO agreements have a term of eight years before the call option payment falls due and upon payment, contractual ownership of the aircraft transfers to the Company and the financing is extinguished. The carrying value of the JOLCO borrowings at 30 September 2025 was £103 million. The weighted average interest rate for the three JOLCOs was 4.41%.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### 16. Leases

The Company holds aircraft under leasing arrangements that are recognised as right of use assets and lease liabilities, with remaining lease terms ranging up to seven years. The Company is contractually obliged to carry out maintenance on these aircraft, and the cost of this is provided based on the number of flying hours, days and cycles operated and the estimated cost of the maintenance events. Further details are given in note 1.

#### Right of use assets

Information in respect of right of use assets, including the carrying amount, additions and depreciation, is set out below. The right of use assets have been re-presented from property, plant and equipment in note 9. Refer to note 1a for further detail.

	Aircraft £ million	Other £ million	Total £ million
<b>Net book value</b>			
At 1 October 2024	1,105	36	1,141
Additions	197	79	276
Depreciation charge for the year	(362)	(17)	(379)
Disposals <sup>1</sup>	(73)	-	(73)
<b>At 30 September 2025</b>	<b>867</b>	<b>98</b>	<b>965</b>

<sup>1</sup> Right of use asset disposals includes £73 million (2024: £nil) relating to the purchase of eight aircraft that were previously leased, with a corresponding £237 million (2024: £nil) of additions to aircraft owned assets in note 9.

#### Lease liabilities

Information in respect of the interest arising on lease liabilities is set out in note 2. A maturity analysis of lease liabilities is set out below.

	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
<b>Cash payments during the year</b>		
Capital repayments	(226)	(219)
Interest payments	(56)	(48)
	<b>(282)</b>	<b>(267)</b>

	2025 £ million	2024 £ million
<b>Lease liabilities</b>		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	(296)	(266)
One to five years	(713)	(840)
More than five years	(115)	(155)
	<b>(1,124)</b>	<b>(1,261)</b>

	2025 £ million	2024 £ million
<b>Lease liabilities included in the statement of financial position</b>		
Current	(251)	(227)

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

Non-current	(752)	(907)
Total	(1,003)	(1,134)

The Company also enters into short-term leases and low-value leases which are not recognised as right of use assets and lease liabilities. The expense recognised in the year in relation to these leases is disclosed below.

Amounts recognised in income statement	Year ended 30 September 2025 £ million	Year ended 30 September 2024 £ million
Interest on lease liabilities	56	48
Expenses relating to low-value leases	5	3
Expenses relating to short-term wet leases	15	-
	76	51

## 17. Provisions for liabilities and charges

	Maintenance provisions £ million	Restructuring £ million	Other provisions £ million	Total provisions £ million
At 1 October 2024	894	12	51	957
Exchange adjustments	1	1	1	3
Release of provisions	(61)	(1)	(10)	(72)
Additional provisions recognised	194	6	21	221
Updated discount rates net of unwind of discount	16	-	-	16
Utilised	(108)	(8)	(6)	(122)
At 30 September 2025	936	10	57	1,003

The maintenance provisions provide for maintenance costs arising from legal and constructive obligations relating to the condition of the aircraft when returned to the lessor. As a result of the early exit of eight aircraft leases, with the aircraft subsequently being purchased, £61 million (2024: £nil) of the maintenance provision has been released. The early exit of the leases and subsequent purchase of the aircraft resulted in a £54 million (2024: £nil) credit to the income statement. Restructuring and other provisions include amounts in respect of potential liabilities for employee-related matters and litigation which arose in the normal course of business.

Provisions are analysed as follows:

	2025 £ million	2024 £ million
Current	177	151
Non-current	826	806
	1,003	957

The split of the current/non-current maintenance provision is based on the expected maintenance event timings. If actual aircraft usage varies from expectation the timing of the utilisation of the maintenance provision could result in a material change in the classification between current and non-current. Maintenance provisions are expected to be utilised within seven years.

As detailed in note 1b.(ii), the aircraft maintenance provision is sensitive to changes in uncontracted costs including the impact of inflationary factors in future years, discount rates and the GBP/USD exchange rate. The following table provides an estimate of the impact on the aircraft maintenance provision of reasonably possible changes to these assumptions.

Reasonably possible change	Impact on maintenance provision	2025 £ million
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# easyJet Airline Company Limited

## Notes to the financial statements (continued)

Discount rate	Increase by 1ppt	Decrease	(24)
	Decrease by 1ppt	Increase	26
Uncontracted costs in future years	Increase by 4ppts	Increase	32
	Decrease by 4ppts	Decrease	(34)
GBP/USD exchange rate	+10% change	Decrease	(68)
	-10% change	Increase	83

Within other provisions are provisions for litigation matters. The split of these provisions between current/non-current is based on the dates of expected court judgements. Provisions for restructuring could be fully utilised within one year from 30 September 2025 and therefore are classified as current.

### 18. Share capital

	Number		Nominal value	
	2025 million	2024 million	2025 £ million	2024 £ million
<b>Allotted, called up and fully paid - Ordinary shares of £1 each</b> At 30 September	<b>765</b>	765	<b>765</b>	765

### 19. Share incentive schemes

The Company operates the following share incentive schemes, all of which are settled in the equity of its parent, easyJet plc. Further details are given in pages 172 to 174 in the Group's Annual Report and Accounts for the year ended 30 September 2025.

#### Long Term Incentive Plan

The plan was open, by invitation, to Executive Directors and senior management, and provided for annual awards of Performance Shares worth up to 250% of salary each year. The vesting of these shares was dependent on TSR targets compared to FTSE-ranked companies at the start of the performance period. All awards have a three-year vesting period. The last awards were made in December 2020 and were assessed on performance conditions measured over the three financial years ended 30 September 2023. These plans are no longer awarded.

#### Restricted Stock Unit

The plan was awarded to the Airline Management Board, senior managers and some middle management, and provided annual awards of Performance Shares worth up to 75% of salary each year. All awards have a two or three-year vesting period, of which the vesting conditions are continued employment. These plans are no longer awarded.

#### Restricted Share Plan

The plan is open, by invitation, to Executive Directors, the Airline Management Board and senior and some middle management, and provides for annual awards of Performance Shares worth from 20% to 125% of salary, depending on role. All awards have a three-year vesting period. For the Executive Directors a three-year performance period plus two-year post-vesting holding period will apply. The awards are subject to the following underpins: that easyJet does not fall below its minimum liquidity target (such that a credit risk event is triggered) through the vesting period and that there is satisfactory governance performance including no ESG issues that result in material reputational damage to the Company (as determined by the Board). The vesting of these shares is also dependent on continued employment and assessment against performance underpins, as outlined in the Directors' Remuneration Report, measured over the vesting period.

#### Save As You Earn scheme

The scheme is open to all employees on the UK payroll. Participants may elect to save up to £500 per month under a three-year savings contract. An option is granted by the Company to buy shares at a discount of 20% from the market price on the day immediately preceding the date on which invitations are sent; however the 2022 scheme was granted at a discount of 10% from the market price. At the end of the savings period, the option becomes exercisable for a period of six months. Employees who are not paid through the UK payroll may participate in the scheme under similar terms and conditions, albeit without the same tax benefits.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

### Share Incentive Plan

The plan is open to all employees on the UK payroll. Participants may invest up to £1,800 of their pre-tax salary each year to purchase Partnership Shares in easyJet and up until 1 April 2020 easyJet also contributed matching shares. Employees must remain with easyJet for three years from the date of purchase of each Partnership Share in order to qualify for the Matching Share, and for five years for the shares to be transferred to them tax free. The employee is entitled to dividends on shares purchased, and to vote at shareholder meetings.

Subject to Company performance, easyJet also issues performance-related shares to UK employees (at no cost to the employees) under an approved share incentive plan of up to £3,000 per annum in value. There is a similar unapproved share scheme for international employees.

### Deferred Annual Bonus Plan

This plan represents the deferral of one-third of the annual bonus in shares for the Executive Directors and one-fifth of the annual bonus for the Airline Management Board. After an executive achieves their shareholding as per the requirements of the shareholding policy, the Remuneration Committee may determine that deferral is no longer required. All awards have a three-year vesting period of which the vesting conditions are continued employment.

The change in the number of awards outstanding, weighted average exercise prices during the year, and the number exercisable at each year end are set out below.

Weighted average exercise prices are as follows:

	1 October 2024	Granted	Forfeited	Exercised	30 September 2025
	£	£	£	£	£
Save As You Earn scheme	3.91	4.29	4.78	3.99	3.97

The exercise price of all awards, except those disclosed in the above table, is £nil.

The number of awards exercisable at each year-end and their weighted average exercise price are as follows:

	Price £	2024	Number Million	2024
		2025	2025	2024
Long Term Incentive Plan	-	-	-	-
Restricted Stock Unit	-	-	0.7	0.5
Restricted Share Plan	-	-	0.4	0.2
Save As You Earn scheme	3.99	6.39	4.8	0.5
Share Incentive Plan	-	-	-	-
Deferred Annual Bonus Plan	-	-	-	-
			5.9	1.2

The weighted average remaining contractual life for each class of share at 30 September 2025 and 30 September 2024 is as follows:

	Years	
	2025	2024
Long Term Incentive Plan	3.8	5.2
Restricted Stock Unit	6.9	7.8
Restricted Share Plan	8.6	8.9
Save As You Earn scheme	2.1	2.4
Share Incentive Plan (free shares)	2.0	9.5

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

Deferred Annual Bonus Plan

7.8

8.7

### 20. Financial instruments

	Held at fair value			Fair value £ million
	Fair value hedges	Cash flow hedges	Other financial instruments	
	£ million	£ million	£ million	
<b>At 30 September 2025</b>				
Derivative financial instruments	-	(8)	(38)	(46)
Derivative financial instruments with group undertakings	-	(14)	-	(14)
Other investments	-	-	151	151
Cash and cash equivalents	-	-	1,018	1,018
Equity investments	-	-	64	64
	Held at fair value			
	Fair value hedges	Cash flow hedges	Other financial instruments	Fair value
	£ million	£ million	£ million	£ million
<b>At 30 September 2024</b>				
Derivative financial instruments	-	(239)	(50)	(289)
Derivative financial instruments with group undertakings	-	40	-	40
Other investments	-	-	150	150
Cash and cash equivalents	-	-	672	672
Equity investments	-	-	51	51

The equity investment of £64 million (2024: £51 million) represents a 13.2% shareholding in a non-listed entity, The Airline Group Limited. Valuation movements are designated as being fair valued through other comprehensive income due to the nature of the investment being held for strategic purposes. Dividends of £14 million were received during the year (2024: £nil).

#### Fair value of derivative financial instruments

Accumulated gains and losses resulting from these transactions are deferred in the hedging reserve. The gains and losses will be recognised in the income statement in the periods when the hedged transactions impact the income statement. Where the gain or loss is included in the initial amount recognised following the purchase of an aircraft, recognition in the income statement is over a period of up to 23 years in the form of depreciation of the purchased asset.

Fair value movements on these derivatives are recognised in the income statement and offset foreign exchange movements on the corresponding notional amount of the statement of financial position monetary liabilities held in US dollar and euro.

The Company maintains cross-currency interest rate swap contracts on a proportion of fixed rate debt issuance as part of the approach to currency and interest rate risk management. These cross-currency interest rate swap contracts are designated and qualify as cash flow hedges to minimise volatility in the income statement.

#### Fair value calculation methodology

Where available the fair values of financial instruments have been determined by reference to observable market prices where the instruments are traded. Where market prices are not available, the fair value has been estimated by discounting expected future cash flows at prevailing interest rates and by applying year-end exchange rates (excluding The Airline Group Limited equity investment).

Apart from the equity investment, the remaining financial instruments for which fair value is disclosed in the table above, and derivative financial instruments, are classified as level 2.

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

The fair values of derivatives are calculated using observable market forward curves (e.g. forward foreign exchange rates, forward interest rates or forward jet fuel prices) and discounted to present value using risk-free rates. The impacts of counterparty credit, cross-currency basis and market volatility are also included where appropriate as part of the fair valuation.

The equity investment is classified as level 3 due to the use of forecast dividends which are discounted to present value. Though there are other level 2 inputs to the valuation, the discounted cash flow is a significant input which is not based on observable market data. The fair value is assessed at each reporting date based on the discounted cash flows with a secondary validation through a comparison to two other valuations calculated using a market approach and level 2 inputs. The fair value is being held at £64 million (2024: £51 million) based on a valuation report using this method by an external valuation firm with the material increase in valuation arising during the year as a result of improvements in the forecast of future cash flows. If the level 3 forecast cash flows were 10% higher or lower the fair value would not increase/decrease by a material amount.

The fair value measurement hierarchy levels have been defined as follows:

- Level 1, fair value of financial instruments based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2, fair value of financial instruments in an active market (for example, over the counter derivatives) which are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.
- Level 3, fair value of financial instruments that are not based on observable market data (i.e. unobservable inputs).

## 21. Guarantees, contingent liabilities and commitments

### *Contingent liabilities*

The Group previously disclosed an ICO investigation into a cyberattack and data breach that took place in 2020. Whilst the ICO investigation is now closed, associated group actions by law firms representing classes of customers affected by the data breach arising from the cyber-attack remain in place, and other claims have been commenced or threatened in certain other courts and jurisdictions. The merit, likely outcome, and potential impact of the actions is subject to significant uncertainties and therefore the Group is unable to assess the likely outcome or quantum of the claims and as such a provision is not included in these financial statements.

In 2024 the Spanish Ministerio de Consumo (Ministry of Consumer Affairs) issued easyJet with a €29 million fine for its hand luggage policy and the charges applied to cabin bags. The Group has appealed the fine and believes its policy is entirely lawful. This is supported by a recent communication by the European Commission who have opened an infringement procedure against Spain on the basis that this contravenes European law. easyJet does not consider it appropriate to recognise a provision for the charge. It is of note that a bank guarantee covering the value of the fine (€29 million) has been put in place during the year at the request of the Spanish authorities whilst the Group's appeal is in the court process. This does not change the Group's position that it believes its policy is entirely lawful.

In addition to the above, there are ongoing litigation matters in Italy and the possibility of claims being made by interested parties in the UK and France. These matters have the potential to result in material recoveries. Management has assessed the basis and likelihood of each case being brought, the Group's response, and the potential of a successful resolution. At this stage, having taken external legal advice, easyJet does not consider it appropriate to provide for these matters.

Through the normal course of business, the Group is involved in a number of other disputes and litigation cases. The potential outcome of these disputes and litigations can cover a range of scenarios, and in complex cases reliable estimates of any potential obligation may not be possible.

### *Contingent commitments*

#### Letters of credit and performance bonds

At 30 September 2025 the Company had outstanding letters of credit and performance bonds totalling £72 million (2024: £47 million), of which £2 million (2024: £9 million) expires within one year. The fair value of these instruments at each year end was negligible.

No amount is recognised on the statement of financial position in respect of any of these financial instruments as it is not probable that there will be an outflow of resources and the fair value has been assessed to be £nil.

#### Pathway to net zero

The airline industry has a responsibility to respond effectively to climate-based challenges. It is therefore important that the Group continues to play a positive role as a leader in mapping out the transition towards our ultimate ambition of zero carbon emission flying. This is set out through our net zero roadmap. This roadmap references several partnerships with other commercial companies to explore

# easyJet Airline Company Limited

## Notes to the financial statements (continued)

certain technologies which may assist with the overall goal to decarbonise the aviation industry. The majority of these partnerships are in fact agreements to work together on the areas identified and do not involve a financial commitment from easyJet other than the time and effort involved in the collaboration over an agreed period. Where there is a signed agreement requiring a financial commitment from easyJet in the future, any future payments are contingent on project progress or product/service delivery and are therefore not certain, hence no liability has been recognised for these payments.

### *Guarantees*

The Company, along with easyJet plc and easyJet FinCo B.V, guarantees all bond issuances under the €4 billion Euro Medium Term Note (EMTN) programme. As at 30 September 2025 the following notes had been issued by easyJet FinCo B.V (2021) and easyJet plc (2024):

- March 2021: Eurobonds consisting of €1.2 billion guaranteed Notes paying 1.875% interest and maturing in March 2028; and
- March 2024: Eurobonds consisting of €850 million guaranteed Notes paying 3.750% interest and maturing in March 2031.

In addition, the Company has provided a formal undertaking to the Civil Aviation Authority guaranteeing the payment and discharge of all liabilities of easyJet UK Limited, a subsidiary undertaking. This guarantee is required in order for easyJet UK Limited to maintain its operating licence pursuant to Regulation 3 of the Licensing of Air Carriers Regulations 1992.

easyJet plc has issued guarantees in respect of certain obligations of the Company. These guarantees relate to a range of arrangements, including, but not limited to; the Company's financing arrangements (e.g. certain debt instruments, credit card acquirer agreements, hedging transactions involving derivative financial instruments, bank letters of credit), the Company's suppliers (e.g. Airbus SAS in respect of the supply of aircraft); the Company's aircraft leases; and the brand licence agreement with easyGroup Limited.

## 22. Government Grants

In June 2023 the Company entered into a five-year term loan facility of \$1.75 billion (with easyJet plc as guarantor), underwritten by a syndicate of banks and supported by a partial guarantee from UK Export Finance under their Export Development Guarantee scheme. This term loan facility was cancelled in June 2025.

## 23. Related party transactions

During the year, the Company recognised £82 million (2024: £81 million) of sales relating to the leasing of aircraft and £42 million (2024: £94 million) of sales relating to the provision of maintenance services and £1 million (2024: £1 million) of insurance charges to easyJet Switzerland SA, a group company which is 49% owned by easyJet plc. Purchases from easyJet Switzerland SA relating to the purchase of seat capacity under the intra-group commercial capacity agreement were £299 million (2024: £334 million).

At 30 September 2025, £131 million (2024: £110 million) was outstanding and included within current liabilities. The outstanding balance is unsecured.

Amounts included in the income statement for the year ended 30 September 2025 due under the Brand Licence and other agreements with easyGroup Limited and others, detailed within note 29 to the Group's Annual Report and Account for year ended 30 September 2025, amounted to £23 million (2024: £21 million). Royalty payments within this total were £22 million (2024: £20 million).

At 30 September 2025, £2 million (2024: £3 million) was included in trade and other payables in relation to the Brand Licence and other agreements.

## 24. Ultimate controlling company

The Company's immediate parent and ultimate controlling company is easyJet plc, incorporated in England and Wales, registered number 03959649.

The only group in which the results of the Company are consolidated is headed by easyJet plc, the Annual Report and Accounts of which can be obtained from easyJet plc, Hangar 89, London Luton Airport, Luton, Bedfordshire, LU2 9PF and at [corporate.easyjet.com](https://corporate.easyjet.com).

## 25. Events after the statement of financial position date

In the year ended 30 September 2025, the Company entered into three JOLCO aircraft financing arrangements, refer to notes 10 and 15 for further details. After the statement of financial position date of 30 September 2025, the Company entered into a further three

## easyJet Airline Company Limited

### Notes to the financial statements (continued)

JOLCO agreements, with the \$116 million (£86 million) proceeds received classified as other borrowings and secured against the associated owned aircraft with a net book value of £75 million. These JOLCO agreements have a term of between six and seven years before the call option payment falls due, and upon payment, contractual ownership of the aircraft transfers to the Company and the financing is extinguished.

The Company also took delivery of two Airbus A321neo aircraft, which were added, unencumbered, to the Company's fixed asset register, and the Company separately agreed to lease extensions for two A320ceo aircraft, giving rise to future undiscounted lease payments of \$16.7 million.

In October 2025, the announcement was made of a new Moroccan branch (also dealing with employment matters), set to open in Spring 2026. This new three-aircraft base will be situated in Marrakech, marking the Company's first permanent base outside Europe.