fastjet Limited (formerly fastjet PLC)

("fastjet" the "Company" and together with its subsidiaries the "Group")

Interim Results for the six months to 30 June 2022

11 August 2022

fastjet, the African airline for everyone, announces its unaudited Interim Results for the six months to 30 June 2022, together with its strategic and business developments.

The table below shows the financial performance highlights of the fastjet Group for the period to 30 June 2022.

		H1 2022 US$'000 (Unaudited)	H1 2021 US$'000 (Unaudited)
Revenue:			
	fastjet Zimbabwe	**18,376**	8,529
	federal Airlines	**6,307**	1,774
	fastjet Limited	**-**	-
		24,683	10,303
Operating expenses:	fastjet Zimbabwe	**(18,175)**	(11,686)
	federal Airlines	**(6,405)**	(2,882)
	fastjet Limited	**(280)**	70
		(24,860)	(14,498)
Operating profit / (loss) before other income:	fastjet Zimbabwe	**201**	(3,157)
	federal Airlines	**(98)**	(1,108)
	fastjet Limited	**(280)**	70
		(177)	(4,195)
Other income:	fastjet Zimbabwe	**161**	-
	federal Airlines	**485**	219
	fastjet Limited	**2,685**	7,738
		3,331	7,957
Discontinued operations		**(14)**	(313)
Profit for the period after tax		**3,140**	3,449

Financial highlights

- Revenue increased by US$14.4m mostly driven by the following:

  - fastjet Zimbabwe Limited increased revenue to US$18.4m (H1 2021: US$8.5m) following the growth in passenger numbers. The market started to return to pre-COVID-19 levels at an increasing rate as from October 2021. The rising trend in passenger numbers was slightly dimmed by the scare posed by the Omicron variant in December 2021. However, starting April 2022 and for the rest of Q2 2022 passenger numbers were higher than pre-COVID-19 levels.
  - federal Airlines (Pty) Ltd ("FedAir") increased revenue to US$6.3m (H1 2021: US$1.8m). This increase was as a result of the return of leisure travel to South Africa in response to the removal of COVID-19 related travel restrictions and the increase of international flights as from April 2022.

- Operating expenses increased by US$10.4m compared to the six-month period to 30 June 2021 due to the following:

  - fastjet Zimbabwe operating expenses stood at US$18.2m compared to US$11.7m in 2021, driven by flight operations during this period being higher than pre-COVID-19 levels.
  - The major item driving the increase in costs is fuel, both in litres consumed and price paid per litre.
  - FedAir expenses increased by US$3.5m compared to 2021 following the absorption of the fastjet Central Systems business unit and the increase in operating expenses resulting from the increase in passengers carried.

Business Headlines

- Increase in revenue of fastjet Zimbabwe by 115% compared to H1 2021 and operated at above pre-COVID-19 operating schedule.
- Load factor for fastjet Zimbabwe reaching 78%.
- Network on time performance for fastjet Zimbabwe at 91%.
- Increase in revenue of FedAir by 256% compared to H1 2021.
- 16% more block hours or 8% more flights compared to H1 2021.
- Over ten new agents signed.
- Increased frequency on the Johannesburg to Victoria Falls route from one flight per day to three flights per day.
- Launch of Kruger to Victoria Falls route and Victoria Falls to Maun route.
- Order placed for six brand new Cessna Grand Caravan EX aircraft for FedAir, with deliveries scheduled for Q1 2023 and Q2 2023.
- Purchase of one Grand Caravan EX to be completed around September 2022.
- Sales and lease back of two older Cessna Grand Caravan in FedAir.
- Continuous access to Legacy Loan facility in Zimbabwe.

fastjet Zimbabwe operated at 116% of H1 2021 block hours and generated US$18.4m in sales.

FedAir generated a better performance compared to the corresponding period in 2021 but its recovery was delayed to April 2022, following the Omicron scare experienced for the first three months.

Commenting on the results, fastjet Group Chief Executive Officer Mark Hurst said:

"The COVID-19 crisis and resultant lockdown has severely affected all airlines. Despite the pandemic, the Group has managed to stay afloat because of the sacrifices and hard work of our employees, suppliers, and other stakeholders. We are more confident facing the future following the return to better load factors and yields experienced in H1 2022. The Group is in a much better position today than when the pandemic started. We expect 2022 to be the beginning of the recovery for both the airline and the tourism industry and we are well positioned in the business to seize those opportunities as they arise."

For more information, contact:

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Kris Jaganah, Group Chief Financial Officer kris.jaganah@fastjet.com

NOTES TO EDITORS

About fastjet:

fastjet is a multi-award-winning African airline that began flight operations in 2012. Today, fastjet connects the three major cities in Zimbabwe by flying between Harare and Victoria Falls and Harare and Bulawayo. In addition, the airline offers international flights from Harare, Bulawayo and Victoria Falls to Johannesburg in South Africa, and from Victoria Falls to Mbombela (Kruger) Nelspruit Mpumalanga in South Africa and Maun in Botswana.

Its awards include World Travel Awards 2016, 2017, 2018, 2019 2020 and 2021, and Skytrax World Airline Awards in 2017 and 2019, and in the top ten finalists for 2021.

Since commencing operations, fastjet has flown over 4 million passengers and has established itself as a reliable African airline brand, with a range of value-added products and services. As part of the airline's commitment to offering choice, flexibility and value, customers benefit from generous free baggage allowances, flexible change options, multiple payment channels, airport lounge access on select routes, and ancillary services such as car hire.

Business Review

The year started with cautious expectations following the travel restrictions imposed in December 2021 to contain the Omicron variant, and the start of conflict between Russia and Ukraine. fastjet Zimbabwe was less affected by those travel restrictions compared to FedAir. FedAir is dependent on international tourists from the USA, UK, and Europe, all of which had imposed travel advisories against travelling to South Africa to curtail the spread of the Omicron variant.

fastjet Zimbabwe experienced its best monthly performance in April 2022 and FedAir generated better results than the corresponding month in 2021. Those results confirmed management's expectations that the recovery is materialising and the main constraint to growth will be fleet availability, continuing high fuel prices, and significantly increased inflation worldwide.

Some of the cost savings and business decisions implemented during the lockdown periods have now become permanently embodied into the operating structures.

Fleet

fastjet currently operates and/or utilises the following fleet types and aircraft within each market:

Zimbabwe	Four Embraer ERJ145, 50-seat jets, servicing all domestic Zimbabwean routes as well as the international core cross border routes between Zimbabwe and South Africa.
South Africa	Unscheduled shuttle operations, predominantly with two PC-12, four Cessna C208B Grand Caravans and one Raytheon Beechcraft 1900D (seven aircraft).

Organization and Board Changes

There were no Board changes during the period.

A new Commercial manager has been employed in Zimbabwe providing additional coverage to Julian Edmunds, the Group's Chief Commercial Officer.

Several of the FedAir staff retrenched in 2020 have now been re-employed during H2 2021 and H1 2022.

The Group employs 225 full time employees.

Revenue generating initiatives

New payment channels have been added in 2021, namely CBZ Bank and Simbisa Brands giving access to over 128 outlets in Zimbabwe where potential passengers can pay for a fastjet ticket.

fastjet Zimbabwe started participating in the Airline Reporting Corporation ("ARC") in the USA, giving fastjet reach to all USA based travel agents.

Additional agreements have been entered into with tour operators to increase the reach of fastjet and FedAir. Several tour operators who left FedAir between 2017 and 2020 have now returned.

fastjet launched flights from Victoria Falls, Zimbabwe to Nelspruit, Kruger Mpumalanga, South Africa, on Wednesday 16 March 2022.

On 30 June 2022, fastjet launched a new route, four times a week connecting Victoria Falls in Zimbabwe and Maun in Botswana.

Revenue generating initiatives continued

fastjet increased the frequency on its Johannesburg to Victoria Falls route to three times daily to cater for the increase in demand.

Operational Review

fastjet has maintained its high operational standards in relation to safety, quality, security and reliability. As a result of this, the airline is well regarded in the marketplace, as evidenced by being named “Africa’s Leading Low-Cost Airline” at the World Travel Awards in 2021.

fastjet has also maintained elevated levels of brand awareness. It remains the second most followed African airline on Facebook and has the largest presence on Instagram amongst its market peers. Several influencers have been onboarded both in South Africa and Zimbabwe to promote the brand. The Group intends to continue building on these successes to improve sales and customer service using social media channels.

fastjet Zimbabwe

fastjet Zimbabwe is the leading airline brand in Zimbabwe. In the first half of 2022 fastjet Zimbabwe carried 104,397 passengers on 2,767 flights with an average load factor of 78%, better than the prior year average of 64% on 2,126 flights. Revenue per passenger increased by 27%.

Revenue per Available Seat Kilometre increased by 66% due to both higher yields and higher load factors achieved.

fastjet Zimbabwe has maintained a good ‘On Time Arrival’ performance of 91%, while aircraft utilisation averaged 5.52 block hours per day per aircraft (H1 2021: 5.59 block hours). Those numbers, while slightly worse than prior year, are not comparable, as the airline operated three aircraft in H1 2021 compared to four aircraft in H1 2022.

fastjet Zimbabwe now operates the following flights:

- Up to five daily flights between Johannesburg and Harare,
- Daily between Johannesburg and Bulawayo,
- Twice daily between Harare and Victoria Falls,
- Daily between Harare and Bulawayo,
- Three times daily between Johannesburg and Victoria Falls,
- Three times weekly between Victoria Falls to Kruger National Park and
- Four times weekly between Victoria Falls and Maun.

The Company has secured approval in 2020 from the Reserve Bank of Zimbabwe (“RBZ”) to register certain historic Group intercompany loans made to fastjet Zimbabwe Limited (“fastjet Zimbabwe”) with a value of US$22.5m as a legacy loan (the “Legacy Loan”) and a further US$2.7m of Company creditors in Zimbabwe as blocked creditor funds. The Legacy Loan balance forms part of the total Group intercompany loan funding to fastjet Zimbabwe since it first started operations. These approvals with the RBZ are recognitions from the RBZ that the loans were effected under the prior 1:1 currency regime towards investment and continued support of the Company’s operations in Zimbabwe. While the Company is awaiting the final position from the RBZ on the next steps to expunge balances under the Legacy Loan, as new legislation is being drafted to govern this. In the meantime, the RBZ has allowed the Company to draw against the Legacy Loan in ZWL currency (Zimbabwe local currency) to settle fastjet Zimbabwe creditors. There is no guarantee of continued future access to the Legacy Loan facility, despite recent successes in accessing these to date.

federal Airlines ("FedAir")

FedAir is the premier South African air service provider to the remote luxury lodges in the Kruger National Park and surrounding areas. The FedAir business is heavily dependent on international tourism from countries such as USA, Canada, UK, Germany, France, Italy and Latin America, all of which have been severely affected by COVID-19. The range of travel restrictions following the second and third wave, which, when added to the negative publicity faced by South Africa following its own variant, has resulted in an unprecedented decline in demand for leisure travel within the tourism industry into and within South Africa. New initiatives introduced during the travel restricted periods have been maintained including promotion of domestic tourism with special rates for South African residents.

The year started with cautious expectations following the travel restrictions imposed in December 2021 to contain the Omicron variant, and the start of conflict between Russia and Ukraine. The travel restrictions were lifted in April which helped Q2 2022 achieve better results than the corresponding period in the pre-COVID-19 2019 period.

The recovery has started and FedAir is well positioned to capitalize on this as some of our major competitors have exited. Tour Operators and Destination Management Companies ("DMC") who left FedAir between 2017 and 2020 have now returned.

On 29 March 2022, FedAir entered into an agreement with Textron Aviation Inc to acquire three Cessna Grand Caravan EX at a purchase price of US$2.9m per aircraft subject to favourable financial terms being secured. A further order of another three Cessna Grand Caravan EX was placed in July 2022 at US$2.9m per aircraft. The delivery of those aircraft is scheduled for March 2023 for the first three and the second three in June 2023. An agreement has also been reached with Airlink (Pty) Ltd to purchase one Cessna Grand Caravan EX with delivery around September 2022.

On 30 June 2022, FedAir entered a sale and leaseback transaction of its existing two Cessna Grand Caravans.

Financial Review

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Key performance indicators

The Directors consider the following to be the key performance indicators when measuring underlying operational performance:

Scheduled Airline Services (fastjet Zimbabwe)

Measure	**H1 2022**	**H1 2021**	Movement
Passenger numbers	**104,397**	65,884	58%
Revenue per Passenger (US$)	**164**	129	27%
Seats Flown	**133,950**	103,594	29%
Available Seat Kilometres (ASK)	**106,267,900**	87,456,874	22%
Load Factor	**78%**	64%	14pp
Revenue per ASK (US cents)	**16.14**	9.75	66%
Cost per ASK (US cents)	**17.10**	13.36	28%
Cost per ASK ex. Fuel (US cents)	**11.41**	11.59	-2%
Aircraft Utilisation (Hours)	**5.52**	5.59	-1%
Aircraft Utilisation at June end (Hours)	**7.42**	6.45	15%
Aircraft Utilisation in Peak Month (Hours)	**6.53**	6.62	-1%

Unscheduled Airline Services (FedAir)

Measure	**H1 2022**	**H1 2021**	Movement
Passenger numbers – Shuttle	**11,756**	5,190	127%
Passenger numbers – Charter	**3,584**	1,310	174%
Revenue per passenger (US$) - Shuttle	**271**	232	17%
Revenue per passenger (US$) - Charter	**646**	582	11%

The Group recorded a profit after tax for the period of US$3.1m (H1 2021: US$3.4m).

Group revenue increased year on year by 140% to US$24.7m excluding other income (H1 2021: US$10.3m). This is attributable mostly to the gradual phasing out of all travel restrictions, and the return to full schedules by both fastjet Zimbabwe and FedAir.

Cash position

Cash balances during the period increased from US$3.4m to US$6.3m mostly due to the resumption of flights to better than pre-COVID-19 levels. These cash balances are free funds and unrestricted.

Post balance sheet event

GECAS aircraft

Deregistration of the last remaining Embraer 190 by the Tanzanian Civil Aviation Authority (TCAA) aircraft has been completed and the aircraft left Tanzania on 31 May 2022.

On 05 July 2022, a final settlement amount of US$450k was agreed with Celestial Aviation Trading 7 Limited in relation to the tax claim from Tanzania Revenue Authority and preceding settlement agreements. This has been paid in full by the Company already.

Going Concern

The continuing operations of the Group operated at a profit and generated a positive cash inflow during 2021 and the first half of 2022. The main driver of the positive cash inflow in 2021 was accessing the funds recognised under the Legacy Loan facility. The COVID-19 pandemic has had a significant impact on the Group's ability to continue as a going concern in the past two years, however the impact of the pandemic has decreased significantly in the first six months of 2022, with load factors improving significantly. The Directors have taken several actions to mitigate the impact of the pandemic on the financial survival of the Group during, and post, the pandemic. Actions taken mostly in 2020 include detailed reviews of the Group's business model, specifically reviewing the fleet complement and size in FedAir, employee complements and other services provided within FedAir, fastjet Zimbabwe and fastjet Central Systems, with an aim to downscale the Group to a level whereby it can continue to operate in its current state on a vastly reduced format. This will allow the Group to maintain the ability to upsize should the opportunity arise post the pandemic.

Other significant risks remain associated with operating airlines and business in Africa including but not limited to political, judicial, administrative, fiscal and other regulatory matters. Many countries in Africa, including those in which the Group currently operate may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

fastjet Limited is the holding company of the Group and its expenses are funded through the activities of the subsidiary companies. As a result, the going concern assumption has been assessed as part of its function within the wider group as explained above including the conclusion.

The Directors believe, based on current financial projections and funds available, that the Group and Company will have enough resources to meet its operational needs and to make required repayments on the debt facilities over the relevant period, being at least until August 2023. Accordingly, in preparing these Financial Statements, the Directors continue to adopt the going concern basis.

The key assumptions applied by the Directors in the preparation of the detailed cash flow forecasts, which form the basis of this forecast are:

- No further COVID-19 travel related restrictions or resurgences.
- Sales and demand for FedAir reaching pre-COVID-19 levels by July 2022 onwards with travel restrictions from FedAir main markets removed.
- Continued access to Legacy Loan facility.

Going Concern (continued)

The Directors have considered several risks in preparing these forecasts, including inter alia:

- The COVID-19 pandemic and measures to reduce its spread have had a material adverse impact on the Company's business, results of operations, financial condition and liquidity in 2020 and 2021. In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and the World Health Organization ("WHO") subsequently declared COVID-19 a "Public Health Emergency of International Concern". Since February 2020, governments globally had implemented a range of travel restrictions including lockdowns, "do not travel" advisories, restrictions on travel from certain international locations, enhanced airport screenings, mandatory 14-day quarantine requirements, and other similar measures. Other governmental restrictions and regulations in the future in response to COVID-19 could include additional travel restrictions, quarantines of additional populations (including the Company's personnel), restrictions on our ability to access our facilities or aircraft or requirements to collect additional passenger data. In addition, governments, non-governmental organizations and entities in the private sector have issued and may continue to issue non-binding advisories or recommendations regarding air travel or other social distancing measures, including limitations on the number of persons that should be present at public gatherings. Finally, wariness among the public of travel by aircraft due to the perceived risk of health impacts, as well as cancelations of conventions, conferences, sporting events, concerts and other similar events, the closure of popular tourist destinations and the increased use of videoconferencing, have resulted in an unprecedented decline in business and leisure travel.

- The suspension (and risk of future suspensions) of flights as a result of travel bans in Zimbabwe and South Africa resulting from COVID-19; and

- Adverse currency exchange rate movements.

The key sensitivities to the underlying detailed cash flow forecasts are as follows:

- Load factors dropping by 10% from the forecast of around 82%. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$6.5m.

- Drop in average ticket prices by 10% over the next 12 months. The effect on the forecast will be a decrease in cashflow of around US$5.6m.

- Price of crude oil increasing by 10% compared to the current price forecasted of US$115 a barrel. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$3.1m.

These mostly external risks, along with the high level of sensitivity of the forecasts to the key assumptions described above, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and that those factors outside the Group's control may also result in the need for additional funding in order to continue as a going concern.

Current Trading and Outlook

Although the trading environment remains challenging, the Board is confident of the long-term prospects of the market. The airline has a clear plan, rigid in its implementation but flexible enough to adapt to changing market conditions. The Company and executive team remain confident about the future.

Mark Hurst
Group Chief Executive Officer
Executive Director

Kris Jaganah
Group Chief Financial Officer
Executive Director

Condensed consolidated income statement

	6 months ended 30 June 2022 US$'000 (Unaudited)	6 months ended 30 June 2021 US$'000 (Unaudited)	12 months ended 31 December 2021 US$'000 (Audited)
Revenue	**24,683**	10,303	27,914
Cost of sales	**(19,728)**	(11,157)	(27,265)
Gross profit / (loss)	**4,955**	(854)	649
Other operating income	**3,331**	7,957	13,834
Administrative costs	**(4,130)**	(2,949)	(8,769)
Operating profit	**4,156**	4,154	5,714
Finance income	**4**	20	26
Finance charges	**(998)**	(412)	(1,800)
Profit from continuing activities before tax	**3,162**	3,762	3,940
Taxation	**(8)**	-	410
Profit from continuing activities after tax	**3,154**	3,762	4,350
Loss from discontinued activities	**(14)**	(313)	(4,341)
Profit for the period	**3,140**	3,449	9
Attributable to:			
Shareholders of the parent company	**3,140**	3,449	9
Profit per share (basic and diluted) (US$)	**0.00**	0.00	0.00

Condensed consolidated statement of comprehensive income

	6 months ended 30 June 2022 US$'000 (Unaudited)	6 months ended 30 June 2021 US$'000 (Unaudited)	Year ended 31 December 2021 US$'000 (Audited)
Profit for the year	**3,140**	3,449	9
Items that may be reclassified to profit or loss:			
- Exchange differences on translation of continuing operations	**56**	(1,055)	536
- Translation reserve taken to income statement on discontinued subsidiaries	**-**	-	4,980
Total other comprehensive income for the year	**3,196**	(1,055)	5,516
Total comprehensive income	**3,196**	2,394	5,525
Attributable to:			
Shareholders of the parent company	**3,196**	2,394	5,525
Total comprehensive income	**3,196**	2,394	5,525

Condensed consolidated balance sheet

	As at 30 June 2022 US$'000 (Unaudited)	As at 30 June 2021 US$'000 (Unaudited)	Year ended 31 December 2021 US$'000 (Audited)
Non-current assets			
Intangible assets	**4,532**	5,047	4,533
Property, plant and equipment	**11,067**	10,889	11,583
Right - of - use assets	**1,191**	442	1,213
	16,790	16,378	17,329
Current assets			
Inventory	**-**	127	112
Cash and cash equivalents	**6,288**	3,422	4,406
Trade and other receivables	**11,193**	6,709	7,614
Assets classified as held for sale	**59**	-	96
	17,540	10,258	12,228
Total assets	**34,330**	26,636	29,557
Equity			
Share capital	**192,130**	192,077	192,130
Share premium account	**216,638**	215,050	216,638
Treasury shares	**-**	(288)	-
Reverse acquisition reserve	**11,906**	11,906	11,906
Retained earnings	**(404,098)**	(403,798)	(407,238)
Translation reserve	**1,333**	(5,294)	1,277
Equity attributable to shareholders of the Parent Company	**17,909**	9,653	14,713
Total equity	**17,909**	9,653	14,713
Liabilities			
Non-current liabilities			
Loans and other borrowings	**3,121**	3,636	2,983
Lease Liabilities	**1,294**	533	1,100
Deferred tax liability	**1,562**	2,752	1,566
	5,977	6,921	5,649
Current liabilities			
Trade and other payables	**10,424**	9,245	7,427
Loans and other borrowings	**-**	817	1,425
Lease Liabilities	**-**	-	218
Liabilities related to assets classified as held for sale	**20**	-	125
	10,444	10,062	9,195
Total liabilities	**16,421**	16,983	14,844
Total liabilities and equity	**34,330**	26,636	29,557

Rashid Wally
Chairman
11 August 2022

Mark Hurst
Group Chief Executive Officer
11 August 2022

Condensed consolidated cash flow statement

	6 months ended 30 June 2022 US$'000 (Unaudited)	6 months ended 30 June 2021 US$'000 (Unaudited)	12 months ended 31 December 2021 US$'000 (Audited)
Operating activities			
Profit / (loss) for the year	**3,140**	3,449	9
Adjustments for non-cash items:			
Loss from discontinued activities	**14**	313	4,341
Depreciation of aircraft	**1,505**	1,187	3,032
Depreciation of other property, plant and equipment	**84**	81	98
Depreciation of right-of-use assets	**-**	-	177
Amortisation of AOC	**-**	-	491
Amortisation of FedAir brand	**-**	-	19
Amortisation of other intangible assets	**-**	-	14
Taxation	**8**	-	(410)
Finance charges	**998**	-	334
Profit on disposal of assets	**(576)**	-	-
Changes in working capital:			
Decrease/(Increase) in trade and other receivables	**(4,658)**	(1,526)	(2,342)
(Decrease)/ Increase in trade and other payables	**4,090**	(2,152)	(83)
Cash generated in operating activities	**4,605**	1,352	5,680
Cash utilised in discontinued activities	**-**	-	(476)
Net cash generated in operating activities	**4,605**	1,352	5,204
Investing activities			
Purchase of property, plant and equipment	**(1,533)**	(373)	(4,045)
Proceeds from sale of property, plant and equipment		-	
Net cash flow from investing activities	**(1,533)**	(373)	(4,045)
Financing activities			
Issue of shares	**-**	-	1,641
Instalment sale liabilities repayments (aircraft)	**(714)**	(183)	(126)
Instalment sale liabilities interest paid	**(43)**	(45)	-
Lease liabilities payments	**-**	-	(115)
Lease liabilities interest paid	**-**	-	(68)
Loan repayments – SAHL (fastjet Limited)	-	(300)	(600)
Loan repayments – SSCG (fastjet Limited)	**(500)**	-	(250)
Loan repayments – COVID related (FedAir)	**(96)**	(71)	(106)
Interest paid on loans	**(97)**	(31)	(377)
Net cash flow from financing activities	**(1,450)**	(630)	(1)
Net movement in cash and cash equivalents	**1,622**	349	1,158
Effect of exchange rate changes on cash	**260**	(287)	(112)
Opening net cash	**4,406**	3,360	3,360
Closing net cash	**6,288**	3,422	4,406

Condensed consolidated statement of changes in equity

	Share Capital US$'000	Share Premium US$'000	Treasury Shares US$'000	Reverse Acquisition Reserve US$'000	Translation Reserve US$'000	Retained Earnings US$'000	Equity US$'000
Balance at 01 January 2021	**192,077**	**215,050**	**(288)**	**11,906**	**(4,239)**	**(407,247)**	**7,259**
Profit for the period	-	-	-	-	-	3,449	3,449
Foreign exchange difference	-	-	-	-	(1,055)	-	(1,055)
Total comprehensive income for the period	-	-	-	-	(1,055)	3,449	2,394
Balance at 30 June 2021	**192,077**	**215,050**	**(288)**	**11,906**	**(5,294)**	**(403,798)**	**9,653**
Exercise of warrants	53	1,588	-	-	-	-	1,641
EBT dissolved	-	-	288	-	-	-	288
Transactions with owners	53	1,588	288	-	-	-	1,929
Loss for the period	-	-	-	-	-	(3,440)	(3,440)
Exchange differences	-	-	-	-	1,591	-	1,591
Exchange differences on translation of discontinued operations recycled to income statement	-	-	-	-	4,980	-	4,980
Total comprehensive loss for the period	-	-	-	-	6,571	(3,440)	3,131
Balance at 31 December 2021	**192,130**	**216,638**	**-**	**11,906**	**1,277**	**(407,238)**	**14,713**
Profit for the period	-	-	-	-	-	3,140	3,140
Exchange differences	-	-	-	-	56	-	56
Total comprehensive profit for the period	-	-	-	-	56	3,140	3,196
Balance at 30 June 2022	**192,130**	**216,638**	**-**	**11,906**	**1,333**	**(404,098)**	**17,909**

Notes to the interim results

1. Basis of preparation and accounting policies

The financial information set out in this interim results statement is for the six months to 30 June 2022. The interim financial information has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparatives for the twelve-month period ended 31 December 2021 are not the Group's full financial statements for that period. A copy of the financial statements for that period has been delivered to the Registrar of Companies and is available on the Company website.

These financial statements are prepared applying the recognition and measurement requirements of IFRSs but not in compliance with IAS34.

The continuing operations of the Group operated at a profit and generated a positive cash inflow during 2021 and the first half of 2022. The main driver of the positive cash inflow in 2021 was accessing the funds recognised under the Legacy Loan facility. The COVID-19 pandemic has had a significant impact on the Group's ability to continue as a going concern in the past two years, however the impact of the pandemic has decreased significantly in the first six months of 2022, with load factors improving significantly. The Directors have taken several actions to mitigate the impact of the pandemic on the financial survival of the Group during, and post, the pandemic. Actions taken mostly in 2020 included detailed reviews of the Group's business model, specifically reviewing the fleet composition and size in FedAir, employee complements and other services provided within FedAir, fastjet Zimbabwe and fastjet Central Systems, with an aim to downscale the Group to a level whereby it could continue to operate in its current state on a vastly reduced format. This will allow the Group to maintain the ability to upsize should the opportunity arise post the pandemic.

Other significant risks remain associated with operating airlines and business in Africa including but not limited to political, judicial, administrative, fiscal and other regulatory matters. Many countries in Africa, including those in which the Group currently operate may in the future experience severe socio-economic hardship and political instability, including political unrest and government change.

fastjet Limited is the holding company of the Group and its expenses are funded through the activities of the subsidiary companies. As a result, the going concern assumption has been assessed as part of its function within the wider group as explained above including the conclusion.

The Directors believe, based on current financial projections and funds available, that the Group and Company will have enough resources to meet its operational needs and to make required repayments on the debt facilities over the relevant period, being at least until August 2023. Accordingly, in preparing these Financial Statements, the Directors continue to adopt the going concern basis.

The key assumptions applied by the Directors in the preparation of the detailed cash flow forecasts, which form the basis of this forecast are:

- No further hard lockdown restrictions.
- Flight operations for FedAir reaching pre COVID-19 levels by July 2022 onwards with travel restrictions from federal Airlines main markets removed.
- Continued access to the remaining Legacy Loan facility in Zimbabwe.

Going Concern (continued)

The Directors have considered a number of risks in preparing these forecasts, including inter alia:

- The COVID-19 pandemic and measures to reduce its spread have had a material adverse impact on the Company's business, results of operations, financial condition and liquidity in 2020 and 2021. In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and the World Health Organization ("WHO") subsequently declared COVID-19 a "Public Health Emergency of International Concern". Since February 2020, governments globally had implemented a range of travel restrictions including lockdowns, "do not travel" advisories, restrictions on travel from certain international locations, enhanced airport screenings, mandatory 14-day quarantine requirements, and other similar measures. Other governmental restrictions and regulations in the future in response to COVID-19 could include additional travel restrictions, quarantines of additional populations (including the Company's personnel), restrictions on our ability to access our facilities or aircraft or requirements to collect additional passenger data. In addition, governments, non-governmental organizations and entities in the private sector have issued and may continue to issue non-binding advisories or recommendations regarding air travel or other social distancing measures, including limitations on the number of persons that should be present at public gatherings. Finally, wariness among the public of travel by aircraft due to the perceived risk of health impacts, as well as cancelations of conventions, conferences, sporting events, concerts and other similar events, the closure of popular tourist destinations and the increased use of videoconferencing, have resulted in an unprecedented decline in business and leisure travel.

- The suspension (and risk of future suspensions) of flights as a result of travel bans in Zimbabwe and South Africa resulting from COVID-19; and

- Adverse currency exchange rate movements.

The key sensitivities to the underlying detailed cash flow forecasts are as follows:

- Load factors dropping by 10% from the forecast of around 82%. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$6.5m

- Drop in average ticket prices by 10% over the next 12 months. The effect on the forecast will be a decrease in cashflow of around US$5.6m.

- Price of crude oil increasing by 10% compared to the current price forecasted of US$115 a barrel. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$3.1m.

These mostly external risks, along with the high level of sensitivity of the forecasts to the key assumptions described above, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and that those factors outside the Group's control may also result in the need for additional funding in order to continue as a going concern.

2. Earnings/loss per share

The profit per share is calculated using the profit figures as stated in the statement of comprehensive income divided by the weighted average number of shares in issue. The weighted average number of shares in issue during the six months to 30 June 2022 was 3,803,961,380 (2021: 3,800,824 881).

3. Share capital

There has been no issue of shares during the six months ended 30 June 2022.

4. Related parties

Solenta:

Solenta Aviation Holdings Limited ("SAHL") is currently a 67% (2021: 67%) shareholder in fastjet Limited and provides aircraft leasing and related services to the Group.

The amounts included in the balance sheet for these items are as follows:

	Related party entity	**6 months ended 30 June 2022 US$'000**	6 months ended 30 June 2021 US$'000	Year ended 31 December 2021 US$'000
Non-current liabilities				
Long term loan	**SAHL**	**2,000**	2,300	2,000
Current liabilities				
Accruals				
- Solenta Investment Holdings Proprietary Limited	**SIH**	**-**	47	-
- Solenta Aviation Holdings Limited	**SAHL**	**10**	-	-
Trade payables				
- Solenta Aviation Holdings Limited	**SAHL**	**-**	1	10
- Solenta Aviation Proprietary Limited	**PTY**	**637**	1,764	715
- ACIA Aero Leasing Limited	**ACIA**	**36**	-	831
Current assets				
Trade receivables				
- Solenta Aviation Holdings Limited	**SAHL**	**219**	-	4
Deposit				
- Solenta Aviation Proprietary Limited	**PTY**	**448**	-	393
- ACIA Aero Leasing Limited	**ACIA**	**-**	-	525

The amounts included in the Income Statement in relation to transactions with the SAHL group of companies during the year were as follows:

	Related party entity	**6 months ended 30 June 2022 US$'000**	6 months ended 30 June 2021 US$'000	Year ended 31 December 2021 US$'000
Crew, Maintenance, Insurance services	**PTY**	**1,466**	455	2,175
Aircraft Base Maintenance	**PTY**	**547**	1,247	1,236
Crew re-currency training and/or type ratings	**PTY**	**133**	67	148
FedAir – Maintenance services	**PTY**	**6**	321	4
FedAir – Charter services	**PTY**	**-**	52	-
FedAir - Crew costs	**PTY**	**-**	4	-
FedAir - Other costs	**PTY**	**-**	4	43
Purchase of aircraft	**ACIA**	**-**	-	2,040
Operating Costs - landing, parking, navigation, fuel	**PTY**	**1**	-	78
Aircraft maintenance reserves	**ACIA**	**20**	-	23
Sale of aircraft parts	**PTY**	**-**	-	(50)
Charter revenue	**PTY**	**-**	-	(270)
Interest charges – SAHL loan	**SAHL**	**71**	102	158
Interest charges - ACIA	**ACIA**	**-**	-	46

Directors:

Mark Hurst, the fastjet Group CEO with effect from 01 January 2019, is also a Director of ACIA Aero Capital Limited and certain of its subsidiaries.

Transactions with subsidiaries:

Transactions with Group companies have been eliminated on consolidation and are not disclosed separately under related parties above.

Post balance sheet events:

GECAS aircraft

Deregistration of the last remaining Embraer 190 by the Tanzanian Civil Aviation Authority (TCAA) aircraft has been completed and the aircraft left Tanzania on 31 May 2022.

On 05 July 2022, a final settlement amount of US$450k was agreed with Celestial Aviation Trading 7 Limited in relation to the tax claim from Tanzania Revenue Authority and preceding settlement agreements. This has been fully paid by the Company already.

Copies of these interim financial statements will be available to view and download shortly from the Company's website www.fastjet.com.