Annual Report and Financial Statements

For the year ended 31 December 2023

Contents

Strategic Report

The Board of Directors of fastjet Limited and its subsidiaries ("the Group" or "fastjet") present the Strategic Report for the year ended 31 December 2023.

This report outlines the Directors' views of those matters which are considered to be significant to the Group's undertakings.

Nature of the Business

The business of the Group is divided into three units:

1. *fastjet Zimbabwe Limited* ("fastjet Zimbabwe")

fastjet Zimbabwe commenced operations in 2015, flying scheduled operations from Harare to domestic destinations within Zimbabwe. It later expanded its footprint to include regional flights to South Africa. The principal routes flown by the airline during the year under review were:

- Harare – Bulawayo;
- Bulawayo – Johannesburg;
- Harare – Johannesburg;
- Harare – Victoria Falls;
- Victoria Falls – Johannesburg; and
- Victoria Falls – Kruger Mpumalanga.

2. *federal Airlines Proprietary Limited* ("FedAir")

In October 2018, the group purchased FedAir via its subsidiary, Parrot Aviation Proprietary Limited. Fedair is one of the most multi-faceted aviation companies in South Africa, having innovated the shuttle service for flying guests to some of Africa's most luxurious safari lodges. FedAir's service offering includes the following:

- Daily customised shuttle services to luxury safari lodges;
- Full charter services;
- Aircraft leasing, maintenance, insurance and crew (ACMI) services for fastjet Zimbabwe; and
- Airline reservation, booking and management information system services for fastjet Zimbabwe.

3. Central

These comprise of the parent and non-trading companies responsible for central capital, investment, and financing activities of the Group.

Market review

Zimbabwe

Zimbabwe continues to be a challenging and volatile market to operate in, requiring continual change management and daily hands-on oversight. This volitality is driven primarily by the rapid devaluation of the Zimbabwean Dollar and resultant hyper-inflation, which in turn drives frequent amendments to monetary policy in an attempt to mitigate volatility and help steer the economy.

During the year, Zimbabwe adopted the Open Skies Policy in an effort to enhance the country's attractiveness to potential investment and tourism. The policy has also allowed for the awarding of Zimbabwean landing and route rights to foreign airlines meeting the relevant international technical and safety standards. This has significantly increased the number of carriers operating on key routes operated by fastjet Zimbabwe increasing competitive pressures in an already low-yield market.

Strategic Report

Market review (continued)

The Public Accountants and Auditors Board (PAAB) is mandated to regulate the auditing and accounting standards in Zimbabwe. On 11 October 2019, the PAAB announced that broad market consensus had been reached for the application of the accounting standard IAS29 – *Financial Reporting in Hyperinflationary Economies* (IAS29) in Zimbabwe. IAS29 has therefore been and continues to be applied for the preparation and presentation of financial statements of entities operating in Zimbabwe since the financial year ending 31 December 2019.

It was further determined that the functional currency of fastjet Zimbabwe is the United States Dollar (US$), consistent with that of the previous year. This is because the majority of the company's sales and expenses are influenced by, denominated in or settled in US$. There was therefore no exchange adjustment required at the consolidation level as the functional currency of fastjet Zimbabwe was the same as the Group's functional currency.

South Africa

FedAir holds an Airline Operators Certfiicate ('AOC') in South Africa, allowing it to operate domestically and, subject to bilateral authorisations, it also allows FedAir to operate to neighbouring countries and further afield regionally. FedAir has a well-established market in the unscheduled safari business, carrying tourists directly to their destinations in the Sabi Sands, Kruger National Park and surrounding areas.

The functional currency of FedAir is the South African Rand (ZAR). There is therefore an exchange adjustment required at the consolidation level to convert FedAir's financial results to US$, which is the Group's functional and reporting currency.

Regulatory environment

The regulatory environment remains an important consideration for fastjet. The Group has made considerable progress in some areas, though the complex regulatory landscape in Africa remains a significant challenge. A major factor in achieving fastjet's long term growth potential is the dependence on government approvals being granted enabling the airline access to new markets. The airline is therefore subject to the possibility of delays in obtaining the necessary approvals due to often-burdensome administrative processes.

The process for obtaining these government approvals is as follows: Firstly, an application for an Air Service Permit (ASP) is submitted, typically to the relevant country's Ministry of Transport (or equivalent). This is followed by a detailed review of the Company's business plan and financial status. After an ASP has been granted, the respective Civil Aviation Authority will issue an Air Operator Certificate once it is satisfied that the airline can operate safely and that it complies with all local regulatory requirements. This process is governed by a framework prescribed by the International Civil Aviation Organisation (ICAO). Finally, before the airline can operate into other countries, those destination countries will require a Foreign Operator Permit (FOP) for each individual aircraft type, following a review of the airline's maintenance programme, operations, and records of each aircraft type, designated for operation on the relevant route.

The Group continues to work closely with governments at the highest level and within the industry to promote the reform of the regulatory environment regarding route rights and market access.

fastjet imposes standards on its own operations to comply wherever possible with international best practice, regulations and operating standards. The Group takes every opportunity to support and drive the improved safety and operational regulation and oversight by the various civil aviation authorities.

Strategic Report

Financial Performance

The organisational and business model of the fastjet Group is split into the following specific cash-generating units (CGUs):

- fastjet Zimbabwe – scheduled airline operations within and outside of Zimbabwe;
- federal Airlines – non-scheduled shuttle and charter services inside South Africa and regionally; and
- Central – Holding Company and non-trading companies responsible for central capital, investment, and financing activities of the Group.

The Group recorded a loss for the year of US$7.7m from continuing operations (2022:US$10.7m profit) and an operating loss of US$6.7m (2022: US$12.1m profit).

fastjet Zimbabwe reported a loss of US$4.0m (2022: US$2.9m profit).

FedAir reported a profit of US$49k (2022:US$1.3m).

Central (which comprise of fastjet Limited; Parrot Aviation South Africa Proprietary Limited; Federal Air Proprietary Limited; and Rempart Aviation Limited) reported a loss of US$3.5m (2022: US$6.5m profit).

The performance of cash generating units is included below:

Year ended 31 December 2023	fastjet Zimbabwe US$'000	Central (Limited) US$'000	federal Airlines US$'000	Eliminate Inter-segment US$'000	Total US$'000
External	**50,931**	**-**	**16,806**	**-**	**67,737**
Inter-segment	**-**	**262**	**4,420**	**(4,682)**	**-**
Total revenue	**50,931**	**262**	**21,226**	**(4,682)**	**67,737**
Other income	**34**	**3,315**	**1,739**	**(1,278)**	**3,810**
EBITDA	**(3,441)**	**(3,049)**	**2,624**	**(268)**	**(4,134)**
Other finance expense	**(350)**	**(45)**	**(1,018)**	**165**	**(1,248)**
Depreciation / amortisation	**(240)**	**(439)**	**(1,337)**	**(510)**	**(2,526)**
(Loss) / profit before tax	**(4,031)**	**(3,533)**	**269**	**(613)**	**(7,908)**
Tax	**-**	**-**	**(220)**	**419**	**199**
Net (loss) / profit	**(4,031)**	**(3,533)**	**49**	**194**	**(7,709)**
Loss from discontinued activities net of tax	**-**	**-**	**-**	**-**	**(72)**
Loss for the year for the Group					**(7,781)**
Non-current assets	**8,308**	**4,244**	**22,354**	**-**	**34,906**

*Earnings before interest, taxation, depreciation and amortisation

Strategic Report

Financial Performance (continued)

Group revenue from continuing operations increased by US$3.6m to US$67.7m (2022: US$64.1m). This was due to both fastjet Zimbabwe and FedAir resuming normal operations after COVID - 19. The complete removal of travel restrictions coupled with the introduction of additional frequencies contributed to significantly improved performance compared to even pre-pandemic.

Zimbabwe revenue increased slightly year on year by US$0.9m to US$50.9m (2022: US$50.0m). The increase was not as expected because of the entrance of competition into the market.

FedAir revenue increased by US$4.4m to US$21.2m (2022: US$16.8m). FedAir managed to go back to its pre-pandemic levels and this was also compounded by the exit of some of its competitors to deliver this strong performance.

Central had a loss of US$3.5m (2022:US$10.1m) This is mainly because there was other income of US$9.0m in the prior compared to US$3.3m in the current year. This other income was mainly from recovery of legacy debt in Zimbabwe.

Total costs for the group increased by 24% to US$78.2m (2022: US$63.1m). This was in line with the increase in revenue and increase in operations for the year 2023. Overall costs have increased more than revenue due to increase in fixed costs of the business.

The performance of cash-generating units for the year ended 31 December 2022, is included in the table below for comparative purposes.

Year ended 31 December 2022	fastjet Zimbabwe US$'000	Central US$'000	federal Airlines US$'000	Eliminate Inter-segment US$'000	Total US$'000
External revenue	50,046	-	14,011	-	64,057
Inter-segment revenue	-	250	2,816	(3,066)	-
Total revenue	50,046	250	16,827	(3,066)	64,057
Other operating income	161	9,037	1,567	(890)	9,875
EBITDA*	3,540	10,525	2,583	(3,232)	13,416
Net finance (expense) income	(557)	(406)	(259)	(37)	(1,259)
Depreciation and amortisation	(124)	-	(684)	(510)	(1,318)
Profit (loss) before taxation	2,859	10,119	1,640	(3,779)	10,839
Taxation	-	-	(313)	182	(131)
Net profit	2,859	10,119	1,327	(3,597)	10,708
Loss from discontinued activities net of taxation	-	-	-	-	(15)
Profit for the year for the Group	2,859	10,119	1,327	(3,597)	10,693
Non-current assets	6,305	6,179	6,055	-	18,539

*Earnings before interest, taxation, depreciation and amortisation.

Strategic Report

Key performance indicators

The Directors consider the following to be the key performance indicators (KPIs) when measuring fastjet's underlying operational performance. The KPIs reflect standard airline industry metrics which provide measures of efficiency and business performance. They provide a mechanism for the Group to track performance at both a Group level and industry level. They are indicative of how the business is achieving its objectives from an operational, cost and revenue perspective. These measures are split between scheduled and unscheduled services, relating to the combined operating performance of fastjet Zimbabwe and FedAir respectively.

Scheduled Airline Services

Measure	**2023**	2022	Movement
Passenger numbers	**323,409**	273,821	18%
Revenue per Passenger (US$)	**157.5**	182.7	-14%
Revenue per Total Seat (US$)	**120.6**	140.4	-14%
Seats Flown	**422,384**	356,443	18%
Available Seat Kilometres ("ASK")	**314,526,102**	283,005,915	11%
Load Factor	**77%**	77%	0%
Revenue per ASK (US cents)	**16.20**	17.68	-8%
Cost per ASK (US cents) (excluding exceptional items)	**17.40**	16.85	3%
Cost per ASK ex. Fuel (US cents) (excluding exceptional items)	**12.00**	10.78	11%
Aircraft Utilisation (Hours)	**5.00**	6.53	-23%
Aircraft Utilisation at Year End (Hours)	**4.56**	7.49	-39%

Unscheduled Airline Services

Measure	**2023**	2022	Movement
Passenger numbers – Shuttle	**44,035**	31,983	38%
Passenger numbers – Charter	**7,475**	8,789	-15%
Revenue per pax (US$) – Shuttle	**232**	244	-5%
Revenue per pax (US$) – Charter	**882**	706	25%

Strategic Report

KPI commentary

Scheduled Airline Services

Passenger numbers increased to 323,409 in 2023 from 273,821 in 2022. This increase is mostly attributable to the notable performance of the Johannesburg-Victoria Falls route and also its other existing routes. fastjet introduced additional frequencies from Bulawayo to Johannesburg.

Revenue per passenger decreased by 14%. This was because Zimbabwe adopted the Open Skies Policy in an effort to enhance the country's attractiveness to potential investment and tourism. The policy has also allowed for the awarding of Zimbabwean landing and route rights to foreign airlines meeting the relevant international technical and safety standards. This has significantly increased the number of carriers operating on key routes operated by fastjet Zimbabwe increasing competitive pressures in an already low-yield market.

Load Factor remained at 77%. There was not much room for growth because of the competition.

Cost per ASK (US cents) ("CASK") (excluding exceptional items) increased by 3% mostly due to the increase in fuel prices experienced in 2023. Excluding fuel CASK increased by 11% attributable to the general inflationary environment the world is facing.

Aircraft Utilisation (hours) decreased by 23% from 6.53 hours in 2022 to 5.00 hours in 2023.

Unscheduled Airline Services

Number of passengers for the shuttle business grew by 12,052 to 44,035 in 2023, as travel restrictions eased, and the tourism sector started reviving. Revenue per passenger for the shuttle services decreased by 5% from 2022 to 2023 due to an increase in costs as a result of inflation.

Number of passengers for the Charter business decreased by 1,314 from 8,789 in 2023. The revenue per passenger increased by 25%.

Strategic Report

Principal Risks and Uncertainties

The Group is subject to various risks, including those that derive from the nature of the aviation industry and from operating in Africa. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. As more fully described in the Going Concern statement in the Financial Review below, there are a number of key sensitivities which would impact the Group's cashflows.

The risk management and internal control systems encompass the Group's policies, culture, organisational behaviour, processes, and systems. The Group has a risk management framework and process that identifies and monitors its principal risks and regularly identifies mitigating actions to those risks.

The following list sets out the Group's principal risks and uncertainties, many of which are inherent in the operation of an airline in any jurisdiction. The risks and uncertainties described below are the ones that are expected to have the most significant impact on the Group:

- **Competition:** Changes in competitor behaviour could adversely affect fastjet's financial performance. The Open Skies policy in Zimbabwe opened fastjet's primary market to international carriers with larger gauge aircraft, thereby significantly increasing seat supply and reducing fares. fastjet performs constant route analysis compared to competitor activity, enabling real-time responses on capacity and yield.

- **Finance and going concern:** The Group needs to ensure that it has the financial resources to continue operations and deliver on its strategic objectives. The Group has appropriate budgeting, forecasting and cash management systems in place. The Group is continually enhancing and strengthening its reporting and internal control environment.

- **Currency risk in Zimbabwe:** the currency in Zimbabwe continues to devalue against the US$. The Reserve Bank of Zimbabwe continually monitors this devaluation and adjusts policies accordingly. The frequency of policy amendments requires active management. In the event that Zimbabwean airlines are prohibited from ticketing in US$ or, if access to US$ liquidity becomes heavily restricted, this would represent a significant risk to the Group. Tickets are currently sold in both US$ and ZWG. Tickets priced in ZWG are continually monitored to ensure that they are always in line with the US$ equivalent.

- **Regulatory:** The retention of regulatory approvals and licences is essential for services and operations to continue uninterrupted. The Group maintains effective management systems to ensure compliance with aviation regulations in its licenced markets, namely Zimbabwe and South Africa.

- **Retention of flight crew:** Post covid, the passenger market size has rebounded, driving demand for flight crew. South African carriers operating larger gauge aircraft have also increased capacity, which has further increased demand for crew. This has resulted in a higher-than-normal attrition of flight crew during the year. The Group has implemented various retention policies to minimise the effects of this and where necessary, implemented outside aircraft charters. By financial year end, staff turnover rates had stabilised.

- **Information Technology:** The availability, security, compliance and performance of the website, reservation systems and other critical technologies, and the protection of company and customer data, are critical to ongoing operations. The Group maintains a secure network with strong access control measures which are regularly tested. Key financial and booking data is adequately backed up. Policies and procedures are in place to protect consumer information in accordance with the regulatory requirements.

Strategic Report

Principal Risks and Uncertainties (continued)

- **Safety:** A major safety incident could adversely affect fastjet's operations, financial performance and reputation. fastjet's quality and safety management systems ensure that there are appropriate safety resources and procedures. There are also additional assurances from the licenced post holders in each airline, and oversight by the fastjet Limited Board's Safety Committee.

- **Currency risk in South Africa:** the Group incurs US$ denominated costs (both operating costs and capital expenditure) while a portion of its revenue stream is earned in ZAR. The ZAR is relatively volatile against the US$ which could increase the cost base significantly. Near term currency fluctuation risk is mitigated where possible by matching flows of income and expenditure in the same currency, thereby creating a natural hedge.

- **Oil price:** The Group does not enter into fuel hedging contracts but ensures that where possible its ticket pricing strategy reflects current oil prices. There is a residual oil price risk in possible movements in fuel price for sold but unflown tickets. This is mitigated by the short timeframe from the booking date to flight date. Most fuel purchases are currently priced on a fixed monthly basis to mitigate this risk.

- **Political uncertainty:** This is continuously monitored by the Board and actions are taken if required. The group strives to have positive working relationships in the countries it operates in and operates according to domestic and internationally recognised standards and principles.

- **Climate change:** The effects of climate change on the Group include both physical risks such as flight delays or airport closures and the related costs, as well as contractual, regulatory and compliance risks. Internationally, customers are becoming increasingly aware of the carbon impact flying. However, the safety risks associated with ground travel in Africa, from both a climate and crime perspective, continue to outweigh the carbon impact issue. Furthermore, fastjet continues to monitor the impact of its carbon emissions.

Directors' Report

Section 172 Statement

The Board and every Director continues to act in such manner as it or they consider, in good faith, would be most likely to promote the success and interests of the Group, for the benefit of its members as a whole and in doing so have regard (amongst other matters) to the provisions and requirements as set out in Chapter 10 of Part 2 of the Companies Act 2006 (Duties). Such matters included:

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

It is noted that, prior to any matter being declared as resolved by the Board, the Duties would be carefully and duly considered by every Director.

Principal decisions made during the year

The principal decisions and actions taken during the year decided by the Board and/or the Executive Team, included the following:

Key decisions taken in the year	Affected stakeholders	Engagement of stakeholders in the decision
Deployed fare family structures in fastjet Zimbabwe. Fare families refer to a group of different travel options that are included within the price of a ticket when a customer purchases flight eg. baggage allowance.	Customers	Promotion of fare families via various marketing initiatives and engagement with distribution agents to educate the travel trade.
Cessation of Vic Falls- Maun route due to loss-making route performance, effective 3 September 2023.	Customers	Customers with forward bookings were re-accommodated and/or refunded for their forward bookings.
The sale and leaseback of one aircraft owned by FedAir, ZS – MLR.	Aircraft Lessor	Negotiations of transaction with aircraft lessor
Suspension of the E120 network in fastjet Zimbabwe effective 12 January 2024 owing to loss making route performance.	Customers	Customers with forward bookings were re-accommodated and/or refunded for their forward bookings.
Following the cut of loss-making routes, management were required to restructure the underlying cost base, necessitating the retrenchment of 22 employees in the 2024 financial year.	Employees	Consultations were conducted with affected employees. Town Hall events were held to communicate the rationale to unaffected employees.

Directors' Report

Section 172 Statement (continued)

Key decisions taken in the year	Affected stakeholders	Engagement of stakeholders in the decision
Purchase of six (6) Cessna Grand Caravan EX from Textron delivered in June 2023 and July 2023.	Bank (Investec Bank Limited)	FedAir obtained the necessary credit approved finance facilities to fund the aircraft acquisition.
Increase existing Solenta Aviation Holdings Limited shareholder loan facility from US$2m to US$7.5m	Shareholders	Fastjet Limited provided the business plan and obtained the necessary credit approvals for increasing the existing facility.
Additions of charter and wet lease aircraft from third parties.	Lessors of aircraft	Negotiations with aircraft lessors.
Removal of the agents commission in FedAir and replaced with an override commission structure to appropriately incentivise sales.	Agents, Destination Management Companies (DMCs).	New commission structures were successfully negotiated and concluded with agents.

Consequences of Decisions

Board members and Directors receive training on their obligations which, together with regular management and financial reports and board papers, ensures that Board members and Directors have all the relevant information required to enable them to properly reflect and consider the impact of all decisions.

Given the volatility of the markets the Group operates in, and the dynamic travel business sectors, the Board adopts a proactive response to operational, regulatory and political issues.

The Directors fulfil their duties through a governance framework that delegates day-to-day decision-making to the management of the Group companies.

The Board members draw on their experience and awareness of the impact of decisions in the longer term, to assist in quality and consistent outcomes.

How we engage and foster strong relationships with some of our key stakeholders

The Board continues to take account of the impact of its decisions on all our stakeholders, who include customers, employees, suppliers, shareholders, regulators and governments, including as set out in section 172 of the Companies Act 2006.

The Board believes that part of that responsibility includes understanding the views of those stakeholders and building constructive relationships with them.

During the year the Board received presentations from relevant parts of the business focusing on the customer, shareholders and regulators.

Directors' Report

Section 172 Statement (continued)

Employees

- *Training*

fastjet provides training and development for employees. This training includes Aviation Regulatory Training for Safety, Security, Quality, Operations & Maintenance personnel; Systems training for administrative staff, Service training for Customer Contact personnel, Sales training for Commercial personnel and Financial training for Finance personnel.

- *Employment policies*

The Company regularly reviews its employment conditions and policies. Disciplinary and grievance policies are well communicated to new and existing employees and are available on the intranet for ease of reference for employees.

fastjet ensures that all employees are fairly compensated for work done, and equal opportunities are extended to all employees. fastjet Human Resources policies, including but not limited to those that relate to recruitment, training, remuneration and benefits, are based on individual qualifications and performance.

- *Equal opportunity employer*

fastjet is committed to treating employees equally, regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation (the Protected Characteristics). The relevant policies set out the Company's approach to equal opportunities and the avoidance of discrimination at work. It applies to all aspects of employment.

fastjet treats applicants with disabilities equally and supports current employees who become disabled. This includes offering flexibility and making reasonable adjustments to the workplace to ensure they can achieve their full potential.

However, for fastjet's pilots and cabin crew, there are a range of strict regulatory requirements on health and physical ability with which all applicants and current employees must comply.

- *Employee engagement and communication policy*

Communication with employees is key, and the Executive management team and Directors follow a policy of keeping all employees informed of strategic, commercial, financial and human resources matters. fastjet regularly engages with its employees in each country to discuss the ongoing strategies and business objectives and how the company plans to achieve these. These sessions are interactive, and management encourages and welcomes employee feedback on the topics discussed and other ways to improve the overall fastjet business.

Suppliers & Customers

fastjet continues to work closely with its suppliers, developing relationships in partnership with them. fastjet works with its suppliers in ensuring their products and services are put into use in accordance with agreements and, where relevant, prescribed standards that ensure brand and reputations are protected when doing so.

fastjet maintains a strong engagement with its key suppliers in developing these relationships, with a view to accomplish the best possible experience for customers and staff.

Directors' Report

Section 172 Statement (continued)

fastjet has flown over 4.0 million domestic and international passengers, establishing itself as a punctual, reliable, and affordable value airline offering, with inclusive and complementary services to all customers.

fastjet Zimbabwe adapted their core low-cost airline model (pay for every extra thereafter) into a more value airline offering. Additionally, fastjet Zimbabwe celebrated "Customer Appreciation Month" which included the launch of various initiatives including recognition of loyalty from frequent flyer passengers, with a number of free tickets as a "thank you" and as a form of frequent traveller benefit.

fastjet remains focused on offering quality services and choices to all customers, whilst maintaining the brand as a value driven, safe and reliable airline.

Communities & Environment

fastjet continues to support local communities, as it has done in previous years, as part of their social responsibilities. This takes various forms, including supporting charitable and sporting events, recruitment of local personnel, and educational events with local communities. The Group remains committed to providing a safe and healthy working environment and supports efforts which reduce the Group's overall impact on the environment. In addition to good governance practices, through our Health and Safety committees and various management initiatives, fastjet maintains a strong focus on adopting and enhancing best practices in all matters relating to employees, suppliers and customers.

Government

fastjet works constructively with relevant ministries, civil aviation authorities and other government bodies in each country where it operates, regardless of political affiliation. Whilst fastjet believes in the rights of individuals to engage in the democratic process, it is fastjet's policy not to make political donations or to be involved in politics.

There were no political donations made or political expenditure incurred during the 2023 and 2022 financial years.

Business Conduct

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

Non-trading financial performance

Post balance sheet events are disclosed in Note 27 to the financial statements. There are no further non-trading financial performance matters to report not covered in elsewhere in this report.

The Strategic Report, the Annual Report and the audited Financial Statements on pages 2 - 95 were approved and authorised for issue by the Board of Directors on 20 December 2024.

Kirsten King
Chief Financial Officer
20 December 2024

Directors' Report

The Board of Directors of fastjet Limited present the Annual Report and the audited Financial Statements for the ended 31 December 2023.

Board of Directors

The Directors who served the Company during the period and up to the publication of this report are as follows:

Name	Position	Appointment / Resignation date
Rashid Wally	Non-Executive Chairman	Appointed 01 April 2017
Robert Burnham	Non-Executive Director – Independent	Appointed 30 May 2006
Mark Hurst	Group Chief Executive Officer until 05 May 2024	Appointed 02 July 2018
	Non-Executive Director from 06 May 2024	
Glenn Orsmond	Group Chief Executive Officer	Appointed 06 May 2024
Kris Jaganah	Group Chief Financial Officer	Appointed 05 April 2019 Resigned 31 October 2023
Kirsten King	Group Chief Financial Officer	Appointed 03 October 2023
Julian Edmunds	Group Strategy and Development	Appointed 15 September 2024

The beneficial share interests of the Directors that served during the year under review are set out below:

Name	31 December 2023 No. of shares of £1.00 each	*31 December 2022 No. of shares of £1.00 each
Kris Jaganah	-	**10,752**

Directors' remuneration is set out in Note 8 to the Consolidated financial statements.

Results and Dividends

The consolidated income statement is set out on page 24 and has been prepared in US$, the functional and reporting currency of the Company and the consolidated Group.

The Group's net loss after taxation for the year for continuing activities was US$7.7m (2022: profit of US$10.7m).

No dividends have been paid or proposed in the current year or in the prior year.

Specific risks – currency, liquidity, credit, interest rate and capital management

Information on the above specific risks can be found in Note 24 to the Consolidated financial statements.

Holding company

The Group is controlled by Solenta Aviation Holdings Limited which held 66.98% (2022: 66.98%) of the Group's shares as at the balance sheet date. At the date of signature of this report Solenta Aviation Holdings Limited holds 75.15% of the Group's shares.

Directors' Report

Investments in subsidiaries and joint venture

The Group's investments in its subsidiaries and joint venture is set out in Notes 21 and 28 to the Consolidated financial statements.

Share capital

There was no change to the capital in issue during the year under review. Shares in issue at the current and previous financial year end were as follows:

- 380,457 ordinary shares of GBP 1 each.
- 9,313 000 deferred shares of GBP 0,01 each.
- 1,035,890 deferred shares of GBP 0.09 each.

Deferred shares have no rights attached.

Borrowings

Total Group borrowings at year-end total U$18.0m (2022: US$2.9m) as set out in Note 18 to the Consolidated financial statements.

During the year under review, shareholder loan funding from Solenta Aviation Holdings Limited increased by U$4.0m to U$6.0m at year end. Available undrawn facilities on the shareholder loan facility totals U$1.5m at the balance sheet date.

External bank borrowings increased during the year under review by U$11.7m relating to the financing of the acquisition of the six new Cessna Caravan EX's in June and July 2023.

Post balance sheet events

Post balance sheet events are set out in Note 27 to the Consolidated financial statements.

Going concern

The Group and Company financial statements have been prepared on the basis of the accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities and contingent liabilities will occur in the ordinary course of business. The key risks and assumptions considered in the application of the going concern assumption are set out in Note 1 to the Consolidated financial statements.

Capital expenditure

The Group incurred capital expenditure of U$23.2m during the year under review. The most significant of these was the acquisition of six new Cessna Caravan EXs in June and July 2023 for U$18.4m. The acquisition was partially financed via a bank loan for U$11.7m, with the balance paid in cash.

Existence of branches

fastjet Zimbabwe Limited established a branch in South Africa in August 2023 to meet local South African Reserve Bank (SARB) exchange control requirements within South Africa. The branch results are consolidated into the fastjet Zimbabwe Limited results which form part of the consolidated results of the Group.

Directors' Report

Directors' and Officers' Insurance cover

Currently there is no active Group D & O insurance policy in place.

Provision of information to auditors

So far as each of the Directors are aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Streamlined Energy and Carbon Reporting Disclosures (SECR)

Streamlined Energy and Carbon Reporting is a new government reporting programme that came into force on 1 April 2019.

For the purposes of the SECR report, the Group has defined its carbon footprint as a measure of the amount of carbon dioxide (CO2) released into the atmosphere as a result of its activities. The Group's carbon footprint is calculated and expressed as a suite of carbon dioxide equivalents (CO2e) figures in metric tonnes.

The Group's carbon footprint is therefore made up of two parts, direct and indirect emissions.

Direct emissions

Direct emissions are produced by sources which are owned or controlled by the reporting organisation and include electricity use, burning oil or gas for heating, and fuel consumption as a result of business travel or distribution. Direct emissions corresponds to elements within scopes 1, 2 and 3 of the World Resources Institute Greenhouse Gas (GHG) Protocol, as indicated below.

- Emissions arising from fuel consumption used to operate flights;
- Electricity, heat or steam generated on-site;
- Natural gas, gas oil, LPG or coal use attributable to Group-owned facilities;
- Group-owned vehicle travel;
- Production of any of the six GHGs (CO2, CH4, N2O, HFCs, PFCs and SF6); and
- Consumption of purchased electricity.

Directors' Report

Streamlined Energy and Carbon Reporting Disclosures (SECR) (continued)

Indirect emissions

Indirect emissions result from a company's upstream and downstream activities. These are typically from outsourced/contract manufacturing, and products and the services offered by the organisation. Indirect emissions correspond to scope 3 of the World Resources Institute GHG Protocol excluding employee business travel as indicated below.

- Employee commuting;
- Transportation of an organisation's products, materials or waste by another organisation;
- Outsourced activities, contract manufacturing and franchises GHG emissions from waste generated by the organisation but managed by another organisation;
- GHG emissions from the use and end-of-life phases of the organisation's products and services;
- GHG emissions arising from the production and distribution of energy products, other than electricity, steam and heat, consumed by the organisation;
- GHG emissions from the production of purchased raw or primary materials; and
- GHG emissions arising from the transmission and distribution of purchased electricity.

Below is a brief outline of the methodology used to generate various figures for fastjet Limited and its subsidiaries.

Data collection

Fuel: This was collected from reports provided by the businesses fuel providers.

Electricity consumption: This was collected from billing data form suppliers.

Carbon conversion

To perform the carbon conversion, we utilised the government conversion factors for company reporting of greenhouse gas emissions found here https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

The table below shows the information for the group from the 1 January 2022 to 31 December 2023.

Greenhouse Gas Emissions

Activity	**2023 Tonnes CO2e**	2022 Tonnes CO2e
Emissions from aircraft fuel	**50,215**	53,275
Emissions from purchased electricity	**90**	69
	78,597	53,344
Energy consumption used to calculate emissions Kwh	**620,141,073,358**	420,896,836,668

Directors' Report

Streamlined Energy and Carbon Reporting Disclosures (SECR) (continued)

Intensity Metric

The Group uses an intensity metric, based on the carbon efficiency of our airline. This is expressed as grams of carbon dioxide equivalent (gCO2e) per revenue passenger kilometre (RPK).

Intensity metric	**2023** **Tonnes CO2e**	2022 gCO2e
Carbon emissions/revenue passenger km	**0.0111**	0.0222

Directors' Report

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with IFRS, subject to any material departures disclosed and explained in the financial statements;
- for the parent Company Financial Statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 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 requirements of the Companies Act 2006. They are also 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 Annual Report and audited Financial Statements on pages 24 - 95 were approved and authorised for issue by the Board of Directors and are signed on their behalf by:

Rashid Wally
Chairman
20 December 2024

Independent auditor's report to the members of fastjet Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;

- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;

- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of fastjet Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Consolidated income statement, the Consolidated statement of other comprehensive income, the Consolidated balance sheet, the Consolidated cash flow statement, the Consolidated statement of changes in equity, the Parent company balance sheet, the Parent company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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 Group or Parent 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.

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

Independent auditor's report to the members of fastjet Limited

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of fastjet Limited

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the reporting framework and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be The Health and Safety at Work Act 1974, Data Protection Act 2018, Bribery Act 2010 and tax legislation in the jurisdictions in which it operates.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Independent auditor's report to the members of fastjet Limited

- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Review of management investigative reports including any related forensic reports.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition.

Our procedures in respect of the above included:
- Testing of journal entries which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Testing a sample of revenue transactions to underlying supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Owen Pettifor
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Owen Pettifor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

20 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

	Note	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Revenue	4	**67,737**	64,057
Cost of sales	6	**(59,166)**	(51,540)
Gross profit		**8,571**	12,517
Other operating income	7	**3,810**	9,875
Administrative costs	6	**(16,965)**	(11,466)
Impairment (loss) / reversal	5	**(2,076)**	1,172
Operating (loss) / profit	5	**(6,660)**	12,098
Finance income	9	**632**	46
Finance charges	9	**(1,880)**	(1,305)
(Loss) / profit from continuing activities before tax		**(7,908)**	10,839
Taxation	10	**199**	(131)
(Loss) / profit from continuing activities after tax		**(7,709)**	10,708
Loss from discontinued activities net of tax	3	**(72)**	(15)
(Loss) / profit for the year		**(7,781)**	10,693
Attributable to:			
Shareholders of the parent company		**(7,781)**	10,693
		(7,781)	10,693
(Loss) / profit per share (basic and diluted) (US$)	11		
From continuing activities		**(20.26)**	28.40
From discontinued activities		**(0.19)**	0.00
Total		**(20.45)**	28.40

The accompanying accounting policies and notes form part of these financial statements.

Consolidated statement of other comprehensive income

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
(Loss) / profit for the year	**(7,781)**	10,693
Items that may be reclassified to profit or loss:		
- Exchange differences on translation of continuing operations	**(19)**	712
- Translation reserve taken to income statement on discontinued subsidiaries	**-**	-
Total other comprehensive (loss) / income for the year	**(7,800)**	712
Total comprehensive (loss) / income	**(7,800)**	11,405
Attributable to:		
Shareholders of the parent company	**(7,800)**	11,405
Total comprehensive (loss) / income	**(7,800)**	11,405

The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet

	Notes	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Non-current assets			
Intangible assets	12	**4,246**	5,195
Property, plant and equipment	13	**28,040**	10,988
Investment in joint venture	28	**-**	-
Right - of - use assets	14	**2,620**	2,356
Other financial assets	29	**1,075**	-
		35,981	18,539
Current assets			
Inventory		**184**	-
Trade and other receivables	15	**12,503**	16,409
Cash and cash equivalents	16	**4,295**	7,822
Assets classified as held for sale	3	**-**	74
		16,982	24,305
Total assets		**52,963**	42,844
Equity			
Share capital	20	**192,130**	192,130
Share premium account	20	**216,638**	216,638
Reverse acquisition reserve		**11,906**	11,906
Retained earnings		**(404,326)**	(396,545)
Translation reserve		**1,970**	1,989
Equity attributable to shareholders of the Parent Company		**18,318**	26,118
Total equity		**18,318**	26,118
Liabilities			
Non-current liabilities			
Loans and other borrowings	18	**16,541**	2,436
Deferred tax liability	19	**1,458**	1,556
Lease liabilities	14	**1,487**	1,409
		19,486	5,401
Current liabilities			
Trade and other payables	17	**12,412**	9,757
Loans and other borrowings	18	**1,429**	464
Lease liabilities	14	**1,318**	1,082
Liabilities related to assets classified as held for sale	3	**-**	22
		15,159	11,325
Total liabilities		**34,645**	16,726
Total liabilities and equity		**52,963**	42,844

These financial statements were approved and authorised for issue by the Directors and are signed on their behalf by:

Rashid Wally
Chairman
20 December 2024

Kirsten King
Chief Financial Officer
20 December 2024

Consolidated cash flow statement

	Notes	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Operating activities			
(Loss) / profit for the year		**(7,781)**	10,693
Adjustments for non-cash items:			
Loss from discontinued activities		**72**	15
Depreciation of aircraft	13	**3,314**	3,608
Depreciation of other property, plant and equipment	13	**285**	174
Depreciation of right- of- use assets	14	**1,272**	635
Amortisation of AOC	12	**491**	491
Amortisation of FedAir brand	12	**19**	19
Impairment / (reversal of impairment) of brands	12	**439**	(1,172)
Impairment of aircraft	13	**985**	-
Impairment of other financial assets	5	**2,076**	-
RBZ recovery costs	6	**1,075**	-
RBZ legacy loan settlement gain	7	**(3,151)**	-
Write off of aircraft	13	**264**	-
Tax penalties and interest	6 & 9	**491**	-
Unrealised exchange loss		**1,419**	-
Adjustments for items disclosed separately:			
Profit on disposal of property, plant and equipment	7	**(424)**	(576)
Taxation	10	**(199)**	131
Interest paid on loans	25	**928**	235
Lease liabilities interest paid	14	**271**	-
Changes in working capital:			
(Increase) / decrease in inventory		**(184)**	113
Decrease / (increase) in trade and other receivables		**971**	(8,695)
(Decrease) / increase in trade and other payables		**(588)**	2,201
Net cash from operations		**2,045**	7,872
Taxation refunded		**14**	-
Cash generated in operating activities		**2,059**	7,872
Investing activities			
Purchase of property, plant and equipment		**(19,987)**	(4,540)
Proceeds on sale of property, plant and equipment		**1 802**	1,920
Disposal of subsidiaries		**26**	-
Business combinations	22	**9**	-
Net cash flow from investing activities		**(18,150)**	(2,620)
Financing activities			
Loan advances in cash	25	**21,970**	157
Repayment of capital on loans	25	**(6,886)**	(1,612)
Repayment of interest on loans	25	**(924)**	(235)
Lease liability payments (being actual rentals paid)	14	**(1,537)**	(691)
Net cash flow from financing activities		**12,623**	(2,381)
Net movement in cash and cash equivalents		**(3,468)**	2,871
Effect of exchange rate changes on cash		**(59)**	545
Opening net cash		**7,822**	4,406
Closing net cash	16	**4,295**	7,822

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 31 December 2021	**192,130**	**216,638**	**-**	**11,906**	**1,277**	**(407,238)**	**14,713**
Transactions with owners	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	10,693	10,693
Other comprehensive income							
- Exchange differences	-	-	-	-	712	-	712
Total comprehensive profit for the year	-	-	-	-	712	10,693	11,405
Balance at 31 December 2022	**192,130**	**216,638**	**-**	**11,906**	**1,989**	**(396,545)**	**26,118**
Transactions with owners	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(7,781)	(7,781)
Other comprehensive income							
- Exchange differences	-	-	-	-	(19)	-	(19)
Total comprehensive loss for the year	-	-	-	-	(19)	(7,781)	(7,800)
Balance at 31 December 2023	**192,130**	**216,638**	**-**	**11,906**	**1,970**	**(404,326)**	**18,318**
Note	**20**	**20**					

Notes to the consolidated financial statements

1. Significant accounting policies

fastjet Limited is the Group's parent company. It is incorporated in England and Wales. The address of its registered office is the 6th Floor 60 Gracechurch Street, London, EC3V OHR.

The shares of the Company are traded privately via the Asset Match trading platform, www.assetmatch.com.

Holding Company

fastjet Limited's holding company is Solenta Aviation Holdings Limited ("SAHL"), a Maltese company, registered under company number C 86476, of registered office 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta. Solenta Aviation Holdings Limited held 67% of the group's equity as at 31 December 2023 (2022: 67%).

Basis of preparation

The financial statements are prepared in accordance with UK-adopted International Accounting Standards with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The significant accounting policies are set out below and have, unless otherwise stated, been applied consistently, in all material respects, throughout all periods presented in these financial statements.

Presentation of results

On 31 December 2021 the Group decided to close fastjet Zambia, EBT Trust, fastjet Mozambique and fastjet Africa as further described in Note 3. The closure of these entities resulted in a loss from discontinued operations of US$72k (2022:US$15k) (see Note 3).

Functional and presentation currencies

All amounts are presented in US dollars (US$), being the Company's functional currency and the Group's presentation currency. The US$ functional currency is a consequence of the majority of the Group's sales and cost of sales are influenced by, denominated in and settled in US$. In preparing the financial statements of the individual companies, transactions denominated in foreign currencies in that country are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of transactions.

The functional currency of the various Group subsidiary companies were assessed to be as follows:

- fastjet Zimbabwe is US$;
- federal Airlines ("FedAir") is South African Rand;
- fastjet Limited is US$;
- fastjet Africa is South African Rand (to deregistration date of 24 October 2023);
- fastjet Mozambique is Mozambican metical (to deconsolidation date of 24 October 2023);
- Rempart Aviation is US$;
- Parrot Aviation is South Arican Rand; and
- Federal Air is South African Rand

Non-monetary assets and liabilities are translated at the historical rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on translating foreign cash balances are shown as finance income or expense.

Notes to the consolidated financial statements

Functional and presentation currencies (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense are translated at the monthly average exchange rates. Exchange differences arising, if any, are classified in equity and are transferred to the Group's foreign currency translation reserve within equity. Such translation is recognised as income or as expense in the period in which the operation is disposed of.

Subsidiaries within the Group hold monetary intercompany balances for which settlement is neither planned nor likely to occur in the foreseeable future and thus are considered to be part of the Group's net investment in the relevant subsidiary. Due to the equity-like nature of these balances, any exchange differences arising on translation are recognised on consolidation directly into equity through the Consolidated Statement of Other Comprehensive Income, only being recognised in the Consolidated Income Statement on the disposal of the net investment.

The following table presents the monthly average rates for the year ended 31 December 2023:

Month	**South African Rand**	**Mozambican Metical**	**Zimbabwean Dollars**
January	**17.0780**	**63.7336**	**720.5577**
February	**17.0780**	**63.8104**	**846.4124**
March	**18.2837**	**63.7598**	**910.2679**
April	**18.1288**	**63.7523**	**965.9733**
May	**19.0394**	**63.7598**	**1,276.9880**
June	**18.7572**	**63.8897**	**5,564.3380**
July	**18.2176**	**63.8362**	**5,104.4750**
August	**18.7368**	**63.7336**	**4,638.4630**
September	**18.9642**	**63.6943**	**4,837.8100**
October	**19.0429**	**63.7336**	**5,626.1300**
November	**18.5368**	**63.7078**	**5,773.2080**
December	**18.6495**	**63.7223**	**5,868.1770**

The Zimbabwean Dollars ("ZWL") exchange rates are disclosed above as some transactions are transacted in this currency in fastjet Zimbabwe. As disclosed on the previous page, however, the functional currency of fastjet Zimbabwe is the US Dollar.

The following table present the monthly average rates for the year ended 31 December 2022:

Month	South African Rand	Mozambican Metical	Zambian Kwacha	Zimbabwean Dollars
January	15.5061	63.7721	17.2424	109.7052
February	15.2221	63.7781	18.1152	119.7082
March	14.9889	63.7750	17.9538	130.0958
April	14.8865	63.7696	17.4661	146.5649
May	15.8836	63.7758	17.1153	192.2399
June	15.8007	63.8093	17.0276	332.3142
July	16.8387	63.8102	16.5151	390.6673
August	16.6920	63.8151	16.1447	482.6640
September	17.5462	63.8304	15.6654	587.6786
October	18.1219	63.8291	15.9550	627.1481
November	17.4893	63.8452	16.5567	634.0001
December	17.2993	63.8329	17.6024	666.3208

Notes to the consolidated financial statements

Functional and presentation currencies (continued)

The following table gives the exchange rates that has been used to translate the assets and liabilities of key foreign businesses to US$ as at 31 December 2023 and 31 December 2023:

	Year 2023	Year 2022
Currency	**Balance Sheet (closing rate)**	Balance Sheet (closing rate)
South African Rand	**18.3019**	17.0068
Mozambican Metical	**63.7633**	64.1026
Zambian Kwacha*	**n/a**	18.1159
Zimbabwean Dollars	**6,215.7319**	671.7511

* fastjet Zambia was deregistered in 2022 that was the subsidiary that was reporting in Zambian Kwacha.

Going Concern

Despite the Group incurring a loss for the year of U$7.7m, the Group generated positive operating cash flows of U$2m. Zimbabwe outlaid cash during the year for necessary scheduled aircraft maintenance events. FedAir acquired 6 new aircraft during the year, partially financed via bank loans and partially in cash. The net effect of these activities was a reduction in cash of U$3.4m.

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 November 2025. 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:

- Flight operations for FedAir continuing on the same trend as experienced in 2023; and
- Zimbabwe returning to a net cash generating unit.

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

- Adverse currency exchange rate movements.
- Adverse oil price increases.

Notes to the consolidated financial statements

Going Concern (continued)

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

- Load factors dropping by 5% from the forecast of around 75%. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$2.7m;
- 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$4.2m; and
- Jet fuel price increase by 20% compared to the current price forecasted. The effect of this on forecast cashflow over the next 12 months would be a decrease in cashflow of US$2.8m.

These mostly external risks do illustrate a high level of sensitivity of the forecasts to the key assumptions described above, however none of the sensitivities indicate a reduction in cash flow in excess of the Group's forecast available cash balances.

Notes to the consolidated financial statements

New accounting standards, interpretations and amendments

The Group applied the following standards, amendments and interpretations for the first time for the year ended 31 December 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements;
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS12).

Based on the assessment performed, these had no material impact on the Group.

Recent accounting developments

The following new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been applied early by the Group in these financial statements.

The following are not expected to have a significant impact on the Group's consolidated financial statements:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases) – effective 01 January 2024;
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements) – effective 01 January 2024;
- Non-current Liabilities with Covenants (Amendments to IAS1 Presentation of Financial Statements) – effective 01 January 2024; and
- Supplier Finance Arrangements (Amendments to IAS7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures) – effective 01 January 2024.

The following amendments are effective for the period beginning 01 January 2025

- Lack of Exchangeability (Amendments to IAS 21 The effects of Changes in Foreign Exchange Rates)

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Acquisition during the year

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest ("NCI") and other components of equity. Any resulting gain or loss is recognised in profit or loss.

Notes to the consolidated financial statements

Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group accounts for the acquisition of subsidiaries and businesses using the purchase method. The cost of acquisition is measured at the aggregate of the fair values of assets given and equity instruments issued, plus any liabilities assumed. The acquired entities' assets, liabilities and contingent liabilities that meet the recognition criteria set out in IFRS 3 (Revised) are recognised at fair value.

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

The interest of non-controlling interests in the acquired entities is initially measured at the non-controlling party's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or has been abandoned, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal, if before balance sheet, or when the operation meets the criteria to be classified as held for sale.

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification.

Notes to the consolidated financial statements

Discontinued operations (continued)

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

When an operation is classified as a discontinued operation, the statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period. Discontinued operations are presented in the consolidated income statement as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal Groups constituting discontinued operations.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- term of the lease
Motor vehicles	- 4 years
Fixtures and equipment	- 4 to 7 years
Plant and machinery	- 10 years

Land is not depreciated.

Aircraft

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Aircraft purchased with some economic life expired are depreciated over the remaining economic life. Subsequent costs incurred which lend enhancement to future periods, such as long-term scheduled maintenance and major overhaul of aircraft and engines are capitalised and depreciated over the length of period benefiting from these enhancements. All other maintenance costs are charged to the income statement as incurred.

Each component of an item of aircraft and other fixed assets with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

On acquisition, each aircraft is split into its component assets, being each of its engines and its airframes. Major engine maintenance incurred by the company is capitalised into the cost of each engine asset. Depreciation of Airframe and Landing Gear is provided on the straight-line method and depreciation of aircraft engines (Engine Overhaul or Shop Restoration, plus Engine Hot Section Inspection and Auxiliary Power Unit) is provided on the sum-of-units method to write off the cost of each asset to its residual values over the estimated useful life.

Notes to the consolidated financial statements

Aircraft (continued)

The estimated useful lives are as follows:

Aircraft fleet	Airframe [1]	Engine Overhaul / Shop Restoration [2]	Engine Hot Section Inspection [2]	Propellers [2]	Landing Gear [1]	Auxiliary Power Unit ("APU") [2]
Embraer 145	25 years	7,000 Hours	n/a	n/a	144 months	5,000 Hours
C208B Fleet	30 years	3,600 Hours	1,800 Hours	3,600 hours	3,600 hours	n/a
C208B EX Fleet	30 years	4,000 Hours	1,800 Hours	3,600 hours	3,600 hours	n/a
PC12 Fleet	30 years	3,500 Hours	2,000 Hours	3,500 hours	3,500 hours	n/a

[1] Depreciated on the straight-line method.

[2] Depreciated on the sum-of-units method (per hour flown / utilised).

Intangible assets

Intangible assets (other than goodwill) are recognised at cost less accumulated amortisation charges and any provision for impairment, or they are deemed to have an indefinite economic life and are not amortised but tested annually for impairment or more frequently, if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Amortisation is charged on a straight-line basis, as follows:

Air Operator Certificates (AOCs)	- 10 years
Brand licence agreement	- 10 years
Purchased brand	- Indefinite
Computer software	- 4 years

The purchased brand was purchased from easyGroup Holdings Limited. It is considered to have an indefinite life because there is no foreseeable limit to the cashflows generated from the fastjet brand.

Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Notes to the consolidated financial statements

Impairment of assets (continued)

Impairment losses for cash-generating units reduce the recognised value of assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment charge on the value of goodwill cannot be reversed in a subsequent period.

This is evaluated for impairment yearly and if an impairment has occurred, then a loss must be recognised.

Leases

Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group leases aircraft with contract terms less than 12 months. These are short term leases, and the Group has taken the short-term exemption included in IFRS 16 and expensed the costs through the profit and loss account in the period in which they are incurred. These leases included variable lease payments that are linked to the future performance of use of an underlying asset in the form of flight hours and these variable payments are recognised when the performance or use occurs.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the lessee uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method.

Notes to the consolidated financial statements

Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Revenue

The Group recognises revenue when it transfers control over goods and services to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

Passenger revenue and ancillary services

Revenue for the provision of air travel is recognised on the date of departure. Ancillary fees such as baggage fees, credit card fees and flight alteration fees are also recognised on the date of departure as these are not considered distinct because the customer cannot benefit from it without taking the flight. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue at a point in time when it transfers control of a service to a customer. Revenue is recorded net of refunds and passenger delay and disruption costs.

Any amounts received prior to the departure date are recorded as deferred income – see Note 17.

The fare portion of ticket sales where the passenger is a no show are recorded to profit and loss immediately in accordance with the fare rules of the ticket. The taxes component of the ticket is retained in deferred income for a period of one year, during which the passenger may claim a refund for this portion. After a period of one year, if no claim has been received, the amount is released to income.

Notes to the consolidated financial statements

Revenue (continued)

Shuttle and charter revenue
Clients are invoiced at an agreed rate, based on the higher of actual aircraft utilisation and a minimum fixed amount per shuttle ticket or charter flight. Revenue is recognised in profit and loss when the actual flight has flown. Any amounts received prior to the flight date are recorded as deferred income.

Other revenue
Revenue is recognised at a contractually agreed rate in the month of service.

The Group incurs costs to obtain a customer contract that would otherwise not have been incurred. Such costs include travel agency fees and other commissions paid and global distribution systems (“GDS”) booking fees. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense contract costs (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Other operating income

Other operating income arises mainly from other sources which do not form part of the Group’s passenger revenue generating activities including advertising and marketing income, maintenance recharges and fuel recoveries. Since this is not considered to be part of the main revenue stream, the Group presents this income separately from revenue. The performance obligation arises at a point in time and the revenue is recognised once the performance obligation is satisfied.

Inventory

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. Inventory comprises aircraft general spares and rotables and catering stock. Inventory excludes borrowing costs and freight. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and applicable variable selling expenses.

Cost of sales

The direct cost of providing services recognised as revenue in the current period is included in cost of sales.
This includes costs such as: aircraft maintenance, aircraft hire, fuel, crew costs and airport charges.

Pension costs

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Notes to the consolidated financial statements

Taxation

Current tax is the tax currently payable, or receivable based on the result for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Share-based payments
Employee benefits

The company operates equity-settled share-based remuneration plans for certain employees (including Directors).

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the number of shares that will vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate to share premium.

Equity-settled share-based payment transactions

Share-based payment arrangements in which the company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. Share based payments are measured by reference to the fair value of goods or services received.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Other financial assets

Other financial assets consist of Treasury bills. These are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

Notes to the consolidated financial statements

Financial instruments (continued)

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares that have been issued.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Retained earnings" mostly comprise all current and prior period results as disclosed in the income statement as well as costs taken directly to equity.
- “Translation reserve” represents the cumulative amount of foreign exchange gains and losses recognised outside of retained earnings.
- “Reverse acquisition reserve” represents the difference between the net assets assumed and the cost of the investment on combination of Rubicon and Lonrho’s reserves in 2012.

Financial assets

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit and loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost:

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Notes to the consolidated financial statements

Financial instruments (continued)

The Group's financial assets measured at amortised cost comprise treasury bills, trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand and deposits held at call with banks.

All financial assets not classified as measured at amortised cost are measured at fair value through profit and loss.

Fair value through profit or loss:

All financial assets not classified as measured at amortised cost are measured at fair value through profit and loss. This includes all derivative financial assets. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated income statement in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual agreements entered into.

The Group's financial liabilities include lease liability, borrowings, and trade and other payables.

Loan notes are initially recognised at fair value, net of transactions costs, and are subsequently recorded at amortised cost using the effective interest method.

Other financial liabilities are initially recognised at fair value, net of transaction costs, and are subsequently recorded at amortised cost using the effective interest method.

Treasury shares

Purchases of own shares (treasury shares), including the related costs, are deducted directly from equity in the Consolidated Financial Statements.

Investment in joint venture

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists on when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby by the parties that have joint control of the arrangements have rights to the net assets of the arrangement.

An interest in a joint venture is accounted for using the equity method. Under this method, interest in joint ventures are carried at cost adjusted for post-acquisition changes in the Group's share of net assets of the joint venture, net any impairment losses. The Group's share of post-acquisition profit or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the Group's interest in that joint venture are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Notes to the consolidated financial statements

Key judgements and estimates

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates made by management in the application of adopted IFRS that have a significant effect on the financial statements with a significant risk of material adjustment in the next year are discussed in the following Notes:

- When considering the recoverability of the investment in FedAir, the valuation of the Federal Airlines Proprietary Limited ("FedAir") CGU, using the discounted cashflow method). The valuation made use of estimates to determine future load factors, pricing, revenue, costs and capital expenditure requirements. Refer to Note 12.

- Impairment of intangible assets (Note 12). Intangible assets comprise of the fastjet and FedAir brands which were acquired at US$2.5m and US$0.3m respectively and that had an indefinite useful life. An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Refer to the referenced note for details of impairment testing performed.

- Useful lives and residual values of aircraft (Note 13). Aircraft is depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of assets and residual values are assessed annually. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market condition, remaining life asset and projected disposals values.

- Valuation of treasury bills (Note 29). The valuation of treasury bills on initial recognition, and the subsequent measurement thereof, has been identified as a complex area due to the fact that there are varying views on the correct accounting treatment of these treasury bills, and due to the absence of an active market with sufficient trades to inform the fair value of the treasury bills in Zimbabwe. The treasury bills are disclosed in Note 29 and are recorded at amortised cost.

Notes to the consolidated financial statements

Key judgements and estimates (continued)

Judgements made by management in the application of adopted IFRS that have significant effect on the financial statements. These include:

- the determination of going concern shown above on page 31.

- the determination of the functional currencies of subsidiaries. Management concluded that the functional currency for fastjet Zimbabwe Limited ("fastjet Zimbabwe") during 2022 and 2021 was US$. It was noted that the majority of the sales for fastjet Zimbabwe were denominated and settled in US$, the majority of the cost of sales for fastjet Zimbabwe are denominated and settled in US$. In addition, the Government of Zimbabwe issued Statutory Instrument 142 of 2019 Reserve Bank of Zimbabwe (legal Tender) Regulations 2019. This specifically allowed airlines to receive legal tender in foreign currencies such as the US Dollar. This judgement impacts the foreign exchange gains/losses within the income statement and the translation reserve.

- The Group holds less than 50% voting rights in the following companies. The Group consolidates these subsidiaries even though they hold less than 50% of the voting rights:

  - Parrot Aviation Proprietary Limited; and
  - fastjet Zimbabwe Limited.

  Management believes that the consolidation of the above subsidiaries is appropriate as, in the context of IFRS 10, the parent company has control because they have the ability and opportunity through shareholder agreements to immediately exercise a call option (at a nominal amount) to change the majority shareholder. This is always subject to any local shareholding restrictions and requirements for airline companies that apply from time to time in each respective country. Further, the maintenance of structural intercompany balances within these entities avoids the requirement to utilise dividend mechanisms and as such in substance gives the group 100% exposure to the economic interests of these entities.

  Other factors of control include the appointment of the management team, board representation, airline commercial activities support, operational route network and fleet selection and ticket distribution systems, through the fastjet brand licencing agreements with these companies, together with inter-group loan agreements supporting working capital needs of the operational subsidiary.

  Due to the above, management does not recognise any non-controlling interest.

Revision of useful lives of aircraft

During the year the useful life of aircraft airframes for the C208B and PC12 fleet was reassessed from 25 years to 30 years, after taking into account the life cycle of the airframe.

The net effect of the changes in the current financial year was a decrease in depreciation of US$49k.

Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be decreased by the following amounts:

2024 - 2028	US$99k
2029	US$94k
2030 - 2044	US$90k
2045 - 2052	US$76k
2053	US$51k

Notes to the consolidated financial statements

2. Segmental reporting

The Group's operations comprise that of airline services. That business operates across a number of different geographical territories, all within Africa. Accordingly, these geographical territories are the basis for the Company's segmental reporting disclosure.

The results of fastjet Limited head office and the Group's several (dormant) holding companies are disclosed under the heading 'Central'. A new business unit, fastjet Central Systems, was implemented in 2019, and has been disclosed as a segment on its own now. The fastjet Central Systems business unit is responsible for the management and supply of all reservation and booking systems, brand compliance and oversight, and revenue accounting, for any fastjet branded airline operations, for which it charges a management fee to the supported airline. The accounting policies of these segments are in line with those set out in Note 1.

Year ended 31 December 2023	fastjet Zimbabwe US$'000	Central (Limited) US$'000	federal Airlines US$'000	Eliminate Inter-segment US$'000	Total US$'000
External	**50,931**	**-**	**16,806**	**-**	**67,737**
Inter-segment	**-**	**262**	**4,420**	**(4,682)**	**-**
Total revenue	**50,931**	**262**	**21,226**	**(4,682)**	**67,737**
Other income	**34**	**3,315**	**1,739**	**(1,278)**	**3,810**
EBITDA	**(3,441)**	**(3,0489)**	**2,624**	**(268)**	**(4,134)**
Other finance expense	**(350)**	**(45)**	**(1,018)**	**165**	**(1,248)**
Depreciation / amortisation	**(240)**	**(439)**	**(1,337)**	**(510)**	**(2,526)**
(Loss) / profit before tax	**(4,031)**	**(3,533)**	**269**	**(613)**	**(7,908)**
Tax	**-**	**-**	**(220)**	**419**	**199**
Net (loss) / profit	**(4,031)**	**(3,533)**	**49**	**(194)**	**(7,709)**
Loss from discontinued activities net of tax	**-**	**-**	**-**	**-**	**(72)**
Loss for the year for the Group					**(7,781)**
Non-current assets	**8,308**	**4,244**	**22,354**	**-**	**34,906**

Notes to the consolidated financial statements

2. Segmental reporting continued

Year ended 31 December 2022	fastjet Zimbabwe US$'000	Central (Limited) US$'000	federal Airlines US$'000	Eliminate Inter-segment US$'000	Total US$'000
External	50,046	-	14,011	-	64,057
Inter-segment	-	250	2,816	(3,066)	-
Total revenue	50,046	250	16,827	(3,066)	64,057
Other income	161	9,037	1,567	(890)	9,875
EBITDA	3,540	10,525	2,583	(3,232)	13,416
Other finance expense	(557)	(406)	(259)	(37)	(1,259)
Depreciation / amortisation	(124)	-	(684)	(510)	(1,318)
(Loss) / profit before tax	2,859	10,119	1,640	(3,779)	10,839
Tax	-	-	(313)	182	(131)
Net profit / (loss)	2,859	10,119	1,327	(3,597)	10,708
Loss from discontinued activities net of tax	-	-	-	-	(15)
Profit for the year for the Group	2,859	10,119	1,327	(3,597)	10,693
Non-current assets	6,305	6,179	6,055	-	18,539

The Board monitors the performance of the business units and the overall Group. It monitors loss after tax and its individual components and therefore these are disclosed above.

Notes to the consolidated financial statements

3. Discontinued operations

The loss from discontinued operations net of tax comprise of the following components:

Component	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
fastjet Africa & fastjet Mozambique		
- trading loss net of tax (see Note 3.1)	**(45)**	(15)
- net assets no longer consolidated (see Note 3.1)	**(27)**	-
Total	**(72)**	(15)

3.1 Trading loss net of tax

As at 31 December 2021, the Board took the decision to close three subsidiaries, fastjet Zambia, fastjet Africa and fastjet Mozambique and accordingly these companies no longer form part of the continuing operations with effect from this date.

fastjet Zambia was deregistered in 2022.

fastjet Africa was deregistered on 24 October 2023 and it and its subsidiary fastjet Mozambique were deconsolidated from this date.

The loss from discontinued activities net of tax in the consolidated income statement for 2023 comprises:

	US$'000
Revenue	-
Cost of sales	-
Gross profit	-
Other income	-
Administrative costs	**20**
Operating loss	**20**
Finance charges	**(65)**
Loss before tax	**(45)**
Taxation	-
Loss for the year	**(45)**

Notes to the consolidated financial statements

3.1 Trading loss / (profit) net of tax (continued)

The loss from discontinued activities net of tax in the consolidated income statement for 2022 comprises:

	fastjet Africa US$'000
Revenue	-
Cost of sales	-
Gross profit	-
Other income	-
Administrative costs	(9)
Operating loss	(9)
Finance charges	(6)
Loss before tax	(15)
Taxation	-
Loss for the year	(15)

3.2 The following are the assets and liabilities relating to these operations:

All assets and liabilities had been derecognised as at 31 December 2023.

The following are the assets and liabilities relating to these operations for 2022:

	fastjet Africa US$'000	fastjet Mozambique US$'000	Total US$'000
Current assets			
Cash and cash equivalents	-	74	74
Total	-	74	74
Current liabilities			
Trade and other payables	1	21	22

Notes to the consolidated financial statements

4. Revenue

Revenue from continuing operations is made up of the following:

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Scheduled airline passenger revenue	**50,665**	47,778
Shuttle revenue	**10,215**	7,802
Charter revenue	**6,779**	6,954
Ancillary services	**78**	1,523
Total	**67,737**	64,057

The Group has disaggregated revenue into various categories in the table below, which is intended to enable users to understand the nature of the revenue by country. These exclude intercompany revenue.

Year ended 31 December 2023	**Fastjet Zimbabwe US$'000**	**FedAir US$'000**	**Total US$'000**
Scheduled airline passenger revenue	**50,665**	**-**	**50,665**
Shuttle revenue	**-**	**10,215**	**10,215**
Charter revenue	**188**	**6,591**	**6,779**
Ancillary services	**78**	**-**	**78**
Total	**50,931**	**16,806**	**67,737**

Year ended 31 December 2022	Fastjet Zimbabwe US$'000	FedAir US$'000	Total US$'000
Scheduled airline passenger revenue	47,778	-	47,778
Shuttle revenue	-	7,802	7,802
Charter revenue	745	6,209	6,954
Ancillary services	1,523	-	1,523
Total	50,046	14,011	64,057

Deferred income (forward ticket sales)

Amounts included in Trade and other payables (linked to forward ticket sales)	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Balance - 01 January	**2,214**	1,647
Amounts released to revenue during the year	**(2,214)**	(1,647)
Tickets booked and banked in advance for the following year not recognised as revenue during the period – included in liabilities [1]	**3,384**	2,214
Balance – 31 December	**3,384**	2,214

[1] See Note 17

Notes to the consolidated financial statements

5. Operating (loss) / profit

Operating (loss) / profit is stated after charging the following disclosable items:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000 Restated*
Operating lease costs		
• Aircraft from other lessors or operators (short term lease)	**9,219**	8,205
• Other leases	**83**	97
Right- of- use amortisation (see Note 14)		
• Aircraft	**987**	374
• Property	**280**	259
• Equipment	**5**	2
Amortisation of intangible assets (see Note 12)	**510**	510
Depreciation of property, plant and equipment (see Note 13)		
• Property, plant and equipment	**285**	174
• Owned aircraft	**3,314**	3,608
External audit fees:		
• Group – (BDO)	**166**	209
• Subsidiary companies - (BDO)	**115**	50
Non-audit services - BDO	**3**	-
Net foreign exchange losses	**485**	555
Impairment (reversal of impairment) on intangible assets (see Note 12)	**439**	(1,172)
Impairment of aircraft (see Note 12)	**985**	-
Impairment of other financial assets (see Note 29)	**2,076**	-

Refer to Note 8 for disclosure on employee costs

* The amortisation of right of use assets for 2022 has been represented to show amortisation of aircraft separate from property. In the prior the two were combined.

Notes to the consolidated financial statements

6. Cost of sales:

Cost of sales analysis for continuing operations comprise of the following main cost categories:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Aircraft leases		
- South Africa (FedAir) (non-group)	**9,219**	8,205
Aircraft depreciation	**3,314**	3,608
Aircraft impairment	**985**	-
Fuel	**18,721**	18,589
Crew costs and training		
- Flight crew and cabin crew salaries	**2,574**	2,584
- Other crew costs	**1,301**	123
- Training	**666**	565
Aircraft maintenance		
- fastjet Zimbabwe (Solenta)	**1,687**	3,469
- fastjet Zimbabwe (Other)	**5,216**	1,329
- South Africa (FedAir) (Solenta)	**666**	242
- South Africa (FedAir) (Other)	**1,022**	1,299
Passenger variable costs	**3,466**	2,985
Ground handling	**3,389**	2,922
Airport costs (landing, parking, overfly and navigation)	**3,255**	2,810
Cost of ancillaries	**1,518**	1,309
Withholding taxes	**43**	123
Aircraft insurance	**586**	297
Flight operations support	**260**	328
Passenger delay, goodwill and immigration fines	**568**	175
In-flight retail	**100**	26
Airport passenger charges	**390**	335
Other operational costs	**42**	93
Other	**178**	124
Total	**59,166**	51,540

Notes to the consolidated financial statements

Note 6 (continued)

Administrative costs:

Administrative costs for continuing operations comprise of the following main cost categories:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Employee costs		
- salaries and wages	**5,840**	5,128
- other employee costs	**731**	512
- sub-contractors and consultants	**1,819**	1,283
Depreciation of right- of- use assets	**1,272**	635
RBZ recovery costs	**2,325**	-
Legal and professional	**990**	586
IT costs	**948**	1,147
Office costs	**832**	765
Marketing and advertising costs	**800**	405
Travel and subsistence	**663**	321
Amortisation of intangible assets	**510**	510
Impairment of fastjet brand	**439**	-
Bad debts	**425**	-
SARS Penalties	**301**	-
Depreciation of property, plant and equipment	**285**	174
Other costs	**35**	-
Total	**16,965**	11,466

7. Other operating income

Other operating income arises mainly from other sources which do not form part of the Group's passenger revenue generating activities. Since this is not considered to be part of the main revenue stream, the Group presents this income separately from revenue.

Other income comprises of the following:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
RBZ Legacy Loan settlement gain[1]	**3,151**	8,687
Profit on disposal of assets [2]	**424**	576
Other	**119**	80
Handling	**57**	-
Advertising and marketing income earned	**50**	161
Parking	**9**	21
Settlement agreement on PHI	**-**	350
Total	**3,810**	9,875

1 This is the gain from the settlement of the RBZ Legacy Loan. See also Note 29.

2 Included in this amount for the current year is US$396k recognised on the disposal in December 2023 by FedAir of ZS-MLR. The total proceeds received was US$1.7m. On the same date the Group entered into an operating lease agreement for the aircraft for a period of 30 months and a monthly rental of US$23k plus variable reserves.

Notes to the consolidated financial statements

8. Staff costs

The average number of staff (including Directors) employed by the Group during the year amounted to:	**Year ended 31 December 2023**	Year ended 31 December 2022
Administration and management	**51**	71
Cockpit and cabin crew	**118**	79
Ground and flight operations	**78**	53
Commercial	**60**	17
Aircraft maintenance	**23**	19
Total staff employed (continuing operations)	**330**	239
Employees analysis by country (continuing operations):		
• Zimbabwe	**110**	91
• South Africa (FedAir)	**216**	144
• United Kingdom	**4**	4
Total staff employed	**330**	239

The aggregate payroll costs (including Directors):	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Salaries and wages	**12,674**	10,077
Social security costs	**258**	118
Total	**12,932**	10,195
Payroll costs for the continuing operations are disclosed in:		
Administration costs	**8,391**	6,923
Cost of sales	**4,541**	3,272
Total	**12,932**	10,195

Notes to the consolidated financial statements

8. Staff costs (continued)

Directors' remuneration

Directors' remuneration is analysed below.

For the year ended 31 December 2023

	Salary US$'000	Bonus US$'000	Directors Fees US$'000	Professional fees US$'000	Benefits US$'000	Total US$'000
Robert Burnham	-	-	46	-	-	46
Rashid Wally	-	-	56	-	-	56
Mark Hurst	240*	97*	-	-	-	337*
Kirsten King ^	57	-	-	-	-	57
Kris Jaganah #	120	83	-	-	-	203
Total	**417**	**180**	**102**	-	-	**699**

The remuneration of the highest paid Director was US$337k (2022: US$462k).

For the year ended 31 December 2022

	Salary US$'000	Bonus US$'000	Directors Fees US$'000	Professional fees US$'000	Benefits US$'000	Total US$'000
Robert Burnham	-	-	40	-	-	40
Rashid Wally	-	-	56	100	-	156
Mark Hurst	240*	222*	-	-	-	462*
Kris Jaganah	144	115	-	-	-	259
Total	384	337	96	100	-	917

* Paid to Solenta Investment Holdings (Pty) Ltd for services rendered by Mark Hurst as Group CEO.
^ Appointed 3 October 2023.
# Resigned 31 October 2023.

Notes to the consolidated financial statements

9. Finance income and Finance charges

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Finance income		
Net foreign exchange gains	**485**	-
Interest received on short term deposits	**147**	46
	632	46
Finance charges		
Interest on loans and other borrowings	**1,068**	135
Bank charges (includes 2% transfer fees in Zimbabwe)	**342**	358
Interest - SARS	**190**	-
Interest on lease liabilities	**271**	248
Other finance charges	**9**	9
Net foreign exchange losses	**-**	555
	1,880	1,305

10. Taxation

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Current tax expenses / (benefit):		
Overseas tax expense	**(121)**	131
Deferred tax		
Deferred tax	**(78)**	-
	(199)	131
Disclosed in:		
- continuing operations	**(199)**	131
Tax expense / (benefit) - continuing and discontinued operations	**(199)**	131

Notes to the consolidated financial statements

10. Taxation (continued)

A reconciliation of the tax expense to the reported losses is given below:

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
(Loss) profit from continuing operations before tax	**(7,908)**	10,839
Loss from discontinued operations before tax	**(72)**	(15)
Profit / (loss) before tax	**(7,980)**	10,824
Profit / (loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	**(1,516)**	2,057
Current year profits for which no tax has been recognised	**81**	(550)
Foreign exchange not allowed	**355**	464
Expenses not deductible for tax purposes	**1,258**	217
Non-taxable income	**(131)**	(1,875)
Assessed loss from prior year	**-**	-
Release of fair value adjustment	**(419)**	(182)
Prior period tax adjustment	**(17)**	-
Effects of capital gains tax	**(11)**	-
Overseas tax	**201**	-
Total current tax (benefit)	**(199)**	131

Expenses not deductible for tax purposes include specific and general provisions disallowed for tax purposes until such time as the expenditure is incurred. Examples are fundraising costs and legal costs.

At 31 December 2023 the Group had accumulated tax losses of approximately US$260m (2022: US$258m) available for offset against future taxable trading profits. The ability to utilise these tax losses is uncertain in some jurisdictions except for FedAir and therefore the Directors consider it inappropriate to recognise this potential deferred tax asset until such time as the Group begins to generate taxable profits against which the losses will be utilised.

Notes to the consolidated financial statements

11. (Loss) / profit per share

Profit / (loss) per share is calculated by dividing the profit / (loss) for the year attributable to equity shareholders in the Parent Company (as stated in the income statement) by the weighted average number of shares in issue during the period.

The weighted average number of shares in issue during the period, adjusted for the share consolidations, was 380,457 (2022: 380,457). The profit for the purposes of basic earnings per share being the net loss attributable to the equity holders of the parent was US$7.7m continuing, and US$72k loss discontinued operations (2022: US$10.7m profit continuing and US$15k loss discontinued operations).

Number of ordinary shares	**Year ended 31 December 2023**	Year ended 31 December 2022
Issued ordinary shares as at 01 January	**380,457**	3,804,566,129
AgIssue of shares - 29 September 2022	**-**	3,871
New share balance before consolidation	**-**	(3,804,570,000)
Consolidated ordinary shares of £1.00 shares (every 10,000 ordinary shares consolidated into 1)	-	380,457
Number of shares as at 31 December	**380,457**	380,457

The weighted average number of ordinary shares for 2023 is calculated as follows:

Weighted average number of ordinary shares	**Year ended 31 December 2023**
Issued ordinary shares as at 01 January	**380,457**
Shares issued during the year	**-**
Weighted average number of shares as at 31 December	**380,457**

The weighted average number of ordinary shares for 2022 is calculated as follows:

Weighted average number of ordinary shares	Year ended 31 December 2022
Issued ordinary shares as at 01 January	3,804,566,129
Issue of shares – 29 September 2022	976
Weighted average shares after share issue	3,804,567,105
Share consolidation (every 10,000 shares consolidated into 1)	
Weighted average number of shares as at 31 December	380,457

Notes to the consolidated financial statements

12. Intangible assets

	Goodwill US$000	AOCs US$'000	Brands* US$'000	Computer software US$'000	Total US$'000
Cost					
At 31 December 2021	1,499	7,893	2,797	1,519	13,708
Additions	-	-	-	-	-
At 31 December 2022	1,499	7,893	2,797	1,519	13,708
Additions	-	-	-	-	-
At 31 December 2023	**1,499**	**7,893**	**2,797**	**1,519**	**13,708**
Less: Amortisation and Impairment					
At 31 December 2021	1,499	4,452	1,705	1,519	9,175
Amortisation for the year	-	491	19	-	510
Impairment loss reversal[1]	-	-	(1,172)	-	(1,172)
At 31 December 2022	1,499	4,943	552	1,519	8,513
Amortisation for the year	-	491	19	-	510
Impairment for the current year[1]	-	-	439	-	439
At 31 December 2023	**1,499**	**5,434**	**1,010**	**1,519**	**9,462**
Net carrying amount					
At 31 December 2021	-	**3,441**	**1,092**	-	**4,533**
At 31 December 2022	-	**2,950**	**2,245**	-	**5,195**
At 31 December 2023		**2,459**	**1,787**	-	**4,246**

Notes to the consolidated financial statements

* Indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

Indefinite life Intangible asset	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
fastjet Zimbabwe CGU		
fastjet Limited brand [1]	**2,500**	2,500
Less: cumulative impairment from prior years	**(368)**	(1,540)
Less: impairment loss in the current year	**(439)**	-
Add: impairment loss reversal in the current year	**-**	1,172
	1,693	2,132
FedAir CGU		
FedAir brand [2]	**297**	297
Less: cumulative impairment	**(108)**	(108)
Less cumulative amortisation	**(95)**	(76)
	94	113
Total	**1,787**	2,245

[1] **fastjet Limited brand:**
The recoverable amount of the fastjet Limited brand has been calculated with reference to its value in use based on brand licensing fees chargeable to fastjet branded airline operations. The key assumptions of this calculation are shown below:

Key Assumptions	Year ended 31 December 2023	Year ended 31 December 2022
Period in which management forecasts are based	**2024 - 2028**	2023-2027
Growth rate applied beyond approved forecast period	**0.5%**	0%
Discount rate	**14.42**	14.91%

The recoverable amount of the Cash Generating Units ("CGUs") to which this brand asset is allocated have been measured based on value in use, using a discounted cash flow method. Cash flow projections are based on the business plan approved by the Board covering a five-year period. Cash flows beyond the two-year period are projected to increase in line with the long-term growth rate mentioned above. The indefinite life intangible asset is allocated to the following Cash Generating Units ("CGU"):

Cash Generating Unit	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
fastjet Zimbabwe	**1,693**	2,132
Total	**1,693**	2,132

Notes to the consolidated financial statements

Sensitivity Analysis:
If the inputs to the valuation model above were higher / lower, while all other variables were held constant, the carrying amount of the brand would change as reflected below:

0.5% decrease in the long-term growth rate	**(US$ 34,755)**
1% increase in the discount rate	**(US$ 112,577)**

[2] **FedAir brand:**

As at 31 December 2023, management calculated the recoverable amount of the FedAir business using a discounted cashflow method.

The key assumptions of this calculation are shown below:

Key Assumptions	**Year ended 31 December 2023**	Year ended 31 December 2022
Period in which management forecasts are based	**2024 - 2028**	2023 - 2027
Growth rate applied beyond approved forecast period	**3%**	6.50%
Discount rate	**14.08%**	15.09%
Foreign exchange rate ZAR: US$	**R19.00:US$1.00**	R17.30:US$1.00

Sensitivity Analysis:
If the inputs to the valuation model above were higher / lower or if there was a R1.00 fluctuation in exchange rate, while all other variables were held constant, the value of the FedAir business would change as reflected below based on the discounted cashflow model:

2% decrease in the long-term growth rate	**(US$7,006,828)**
2% increase in the discount rate	**(US$5,135,212)**
R1:00 increase in ZAR:US$ exchange rate	**(US$2,247,759)**

* In all scenarios, there will be no impairment required as the recoverable amount will still be above the carrying amount**.**

Notes to the consolidated financial statements

13. Property, plant and equipment

	Owned Aircraft US$'000	Property US$'000	Plant & Machinery US$'000	Land US$'000	Fixtures and Equip. US$'000	Motor Vehicles US$'000	Total US$'000
Cost							
At 31 Dec. 2021	18,158	386	361	-	525	268	19,698
Additions	4,570	30	39	-	200	215	5,054
Disposals/write off	(2,093)	-	-	-	-	-	(2,093)
Foreign currency difference	(285)	(3)	(6)	-	1	(4)	(297)
At 31 Dec. 2022	**20,350**	**413**	**394**	**-**	**726**	**479**	**22,362**
Additions	18,618	767	70	90	320	123	19,988
Transfer from deposits	3,249	-	-	-	-	-	3,249
Disposals/write off	(1,544)	-	-	-	(3)	(8)	(1,555)
Foreign currency difference	(64)	(4)	(3)	-	(13)	38	(46)
At 31 Dec. 2023	**40,609**	**1,176**	**461**	**90**	**1,030**	**632**	**43,998**
Accumulated depreciation and impairments							
At 31 Dec. 2021	7,165	231	272	-	348	99	8,115
Charge for the year	3,608	31	17	-	90	36	3,782
Write – off	362	-	-	-	-	-	362
Disposals	(770)	-	-	-	-	-	(770)
Foreign currency difference	(115)	(1)	1	-	-	-	(115)
At 31 Dec. 2022	10,250	261	290		438	135	11,374
Charge for the year	3,314	66	25	-	113	81	3,599
Write – off	264	-	-	-	-	-	264
Disposals	(191)	-	-	-	-	-	(191)
Impairment	985	-	-	-	-	-	985
Foreign currency difference	(127)	-	-	-	-	54	(73)
At 31 Dec. 2023	**14,495**	**327**	**315**	**-**	**551**	**270**	**15,958**
Net carrying amount							
At 31 Dec. 2021	**10,993**	**155**	**89**	**-**	**177**	**169**	**11,583**
At 31 Dec. 2022	**10,100**	**152**	**104**	**-**	**288**	**344**	**10,988**
At 31 Dec. 2023	**26,114**	**849**	**146**	**90**	**479**	**362**	**28,040**

Aircraft with a carrying amount of US$19.3m (2022: US$1.7m) serve as security for borrowings in Note 18 and motor vehicles with a carrying amount of US$142k (2022: US$161k), serve as security for the instalment liabilities in Note 18.

Notes to the consolidated financial statements

14. Right-of-use assets and lease liabilities

Nature of leasing activities (in the capacity as lessee)

The Group leases seven aircraft, various airport and administrative properties located in Zimbabwe and South Africa and equipment. The leases run for a period of 1.5 years to five years. For the lease of seven properties in Zimbabwe, the rental is subject to review upon the service of one calendar months' notice by the lessor. Some leases in South Africa, the lease payments increase each year by inflation or and in others to be reset periodically to market rental rates. For some property leases the periodic rent is fixed over the lease term. The Group is restricted from entering into any sub-lease arrangements without the written consent of the lessor. The Group leases in equipment with contract terms of three years. The periodic rent for equipment leases is fixed over the lease term.

The Group routinely leases aircraft on an adhoc basis. These arrangements do not exceed 12 months, and the Group has taken the short-term exemption included in IFRS 16 and expensed the costs through the profit and loss account in the period in which they are incurred. The lease payments are based on a flat monthly amount plus variable lease payments that are linked to the future performance of use of an underlying asset in the form of flight hours and these variable payments are recognised when the performance or use occurs. The amount relating to aircraft leases that was expensed in the current year is US$9.9m (2022:US$8.0m). Some of these leases are cancellable with short notice of thirty days and no penalty and some with a notice of forty-eight hours with also no penalty.

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The following are the Right- of- use assets of the Group as at 31 December 2023 and the corresponding lease liabilities:

Right-of-use assets

	Aircraft US$'000	Property US$'000 *Restated for 2022	Equipment US$'000	Total US$'000
As at 1 January 2022	-	1,213	-	1,213
Additions	1,882	12	16	1,910
Amortisation	(374)	(259)	(2)	(635)
Effect of modification to lease terms	-	91	-	91
Foreign exchange movements	(7)	(216)	-	(223)
As at 31 December 2022	1,501	841	14	2,356
Additions	**1,695**	**91**	**-**	**1,786**
Amortisation	**(987)**	**(280)**	**(5)**	**(1,272)**
Effect of modification to lease terms	**(82)**	**-**	**-**	**(82)**
Foreign exchange movements	**(134)**	**(34)**	**-**	**(168)**
As at 31 December 2023	**1,993**	**618**	**9**	**2,620**

Notes to the consolidated financial statements

Right-of-use assets and lease liabilities (continued)

Lease liabilities

	Aircraft US$'000	Property US$'000 *Restated for 2022	Equipment US$'000	Total US$'000
As at 1 January 2021	-	1,318	-	1,318
Additions	1,882	12	16	1,911
Interest expense	40	82	1	123
Lease payments	(407)	(282)	(2)	(691)
Effect of modification to lease terms	-	91	-	91
Foreign exchange movements	(6)	(254)	-	(261)
As at 31 December 2022	1,509	967	15	2,491
Additions	**1,695**	**91**	**-**	**1,786**
Interest expense	**63**	**207**	**1**	**271**
Lease payments	**(1,187)**	**(344)**	**(6)**	**(1,537)**
Effect of modification to lease terms	**(87)**	**-**	**-**	**(87)**
Foreign exchange movements	**250**	**(366)**	**(3)**	**(119)**
As at 31 December 2023	**2,243**	**555**	**7**	**2,805**

***** The 2022 figures were restated to show the leases of aircraft separate from leases of buildings. Management believe that this will give a clearer view of the leases the Group is involved in.

Maturity analysis of lease liabilities

At 31 December 2023	**Up to 3 months US$'000**	**Between 3 and 12 months US$'000**	**Between 1 and 2 year US$'000**	**Between 2 and 5 years US$'000**	**Over 5 Years US$'000**
Lease liabilities	**425**	**1,128**	**1,038**	**565**	**65**

At 31 December 2022	Up to 3 months US$'000	Between 3 and 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 Years US$'000
Lease liabilities	269	813	855	554	-

Notes to the consolidated financial statements

15. Trade and other receivables

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Financial assets		
Trade and other receivables due within one year:		
Trade receivables (net of provision for loss allowance)	**6,941**	7,676
Other receivables	**2,262**	6,305
Total financial assets classified measured at amortised cost	**9,203**	13,981
Non-financial instruments:		
VAT and tax	**2,873**	2,071
Prepayments	**427**	357
Total non-financial instruments	**3,300**	2,428
Total	**12,503**	16,409

The Group applies a simplified approach to measuring expected credit losses using the lifetime expected credit loss provision method.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. Trade receivables relate primarily to travel agencies who have collected funds for the group – for the 2023year these are all considered to have a similar credit risk and aging and have been included in one category.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

Credit risk for receivables has not increased significantly since their initial recognition.

Notes to the consolidated financial statements

Trade and other receivables (continued)

The lifetime expected loss provision for trade receivables and contract assets is as follows:

As at 31 December 2023	**Current US$'000**
Expected loss rate – category 1	**1%**
Gross carrying amount	**6,501**
Loss provision	**65**
Expected loss rate – category 2	**97%**
Gross carrying amount	**440**
Loss provision	**425**
As at 31 December 2022	
Expected loss rate – category 1	1%
Gross carrying amount	7,676
Loss provision	76
Expected loss rate – category 2	100%
Gross carrying amount	-
Loss provision	-

Movements in the impairment allowance for trade receivables are as follows:

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Opening provision for impairment of trade receivables	**-**	-
Increase during the year	**425**	-
Decrease during the year	**-**	-
At 31 December	**425**	-

Notes to the consolidated financial statements

16. Cash and cash equivalents

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Cash on hand	**29**	31
Bank balances	**4,266**	7,791
Cash and cash equivalents in the consolidated balance sheet	**4,295**	7,822
Cash and cash equivalents in the statement of cash flows*	**4,295**	7,822

* As at 31 December 2023, US$69k (2022: US$485k) of cash and cash equivalents of fastjet Zimbabwe was cash restricted for use mainly within the country. In addition, bank balances of R1.6m (US$87k) (2022: R3.4m (US$201k)) are unavailable as it has been pledged as security for bank guarantees issued on behalf of the Group.

17. Trade and other payables

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Trade payables	**5,000**	5,889
Deferred income (Unutilised ticket liability)	**3,384**	2,214
Accruals	**1,623**	1,069
Accrual for RBZ recovery costs	**1,075**	-
VAT	**814**	-
Other payables	**485**	543
Employee taxes and social security	**31**	42
	12,412	9,757

Notes to the consolidated financial statements

18. Loans and other borrowings

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Non-current		
Solenta Aviation Holdings Limited loan [1]	**6,000**	2,000
Investec Bank revolving credit facility[2]	**10,255**	-
COVID-19 related loan[2]	**200**	320
Instalment sale liabilities [2]	**86**	116
Total	**16,541**	2,436
Current		
Investec Bank revolving credit facility[2]	**1,253**	-
COVID-19 related loan[2]	**150**	202
Instalment sale liabilities [2]	**22**	262
Satfin	**4**	-
Total	**1,429**	464

[1] US$ denominated – fastjet Limited
[2] South African Rands (ZAR) denominated – FedAir CGU

Solenta Aviation Holdings Limited ("SAHL") loan

In December 2023, the facility was increased by $5.5m to a total of US$7.5m and a further US$4.0m was drawn down bringing the total loan balance to US$6m. The undrawn facility at year end and at the date of this report is $1.5m Any further drawdowns are subject to credit approval at the time of the request. On this date the original repayment date previously set at 29 November 2024 was extended to December 2025 with an option to extend further subject to there being no events of default for a maximum further 24 months (i.e an extension to December 2027).

The salient terms of the Facility are as follows:

- Security for the loan comprises security over certain key material assets of the fastjet Group including the fastjet brand and trademarks, the majority interest in the shares held by the Group in fastjet Zimbabwe Limited, the shares acquired by the Group in Federal Airlines Proprietary Limited, a mortgage over one aircraft, ZS–BBD with a carrying value of US$1m and a pledge and cession of legacy debt to the value of US$4.2m.

- The security includes a SAHL right to nominate directors to the Boards of FedAir and fastjet Zimbabwe Limited together with an additional director to the Board of fastjet Limited (such nominated individuals in each case to constitute a minority of directors of the respective boards of the companies);

- The Facility agreement includes standard representations, warranties and events of default, including restrictions on future borrowing and security (subject to exceptions); and

- The applicable interest rate was fixed at 6% per annum until the additional draw down, thereafter the interest rate is fixed at 12% per annum;

Notes to the consolidated financial statements

18. Loans and other borrowings (continued)

Instalment sale liabilities

Liabilities under instalment sale agreements are South African Rand denominated loans held with Standard Bank of South Africa Limited. The instalment sale liabilities are secured by motor vehicles with a book value of US$142k (2022: aircraft and motor vehicles of US$1.9m). The loans bear interest at the South African prime lending rate. The current monthly instalment is ZAR52k (US$2k). The final repayment date is 30 November 2027.

COVID-19 loan

On 10 August 2020, FedAir received a ZAR12,6m (approximately US$760k) COVID-19 Emergency Term Loan facility from Standard Bank of South Africa Limited and the loan agreements have been agreed and implemented. The loan is over a period of 66 months and bears variable interest at the South African prime interest rate. The loan was granted on an unsecured basis. The final repayment date is 31 March 2026 and the current monthly instalment is ZAR278k (US$15k).

The loan could only be used to finance specified operational expenses in the amounts set out below:

- salaries and wages to employees: gross payroll i.e. cost to company, including income tax remittances, pension, medical aid but specifically excluding payment in relation to retrenchments - for an aggregate amount of R4.0m (US$274k);
- salaries and wages to directors, trustees, members and other like officers (but specifically excluding payments in relation to retrenchments, loan repayments, profit, shareholder or member distributions, director members', trustees' and/or management fees and/or royalty payments to directors, members, trustees and/or shareholders - for an aggregate amount of R857k (US$57k);
- payment of rentals (immovable properties) and lease payments (in relation to machinery and equipment directly used in the production of goods and services in the business) - for an aggregate amount of R1,3m (US$89k);
- supplier payments of direct and indirect costs and expenses associated with the domestic and/or foreign supply of goods, materials and services to the Borrower, including (without limitation), the costs and expenses of importing and exporting goods and materials, including all logistics and custom service providers relating thereto - for an aggregate amount of R3.0m (US$205k);
- utility payments: electricity, water and gas - for an aggregate amount of R154k (US$11k); and
- other operating expenses in an aggregate amount of R3,2m (US$219k).

FedAir has complied with the above conditions to date.

Investec Bank Revolving credit facility

The loan was drawn down in two equal tranches in June and July 2023 and used to partially finance the acquisition of the six new Cessna Caravan EX's.

The loan is secured by:

- Aircraft with registrations ZS-KMF, ZS-KMH, ZS-KMI, ZS-KMJ, ZS-KMK, ZS-KMM, ZS-DAT and ZS-SRR with a total carrying amount of ZAR353.4m (US$19.3m);
- Cession of insurances on the above aircraft;
- Cession of airframe and engine warranties; and
- Subordination of all intercompany and shareholder loans to the borrower in favour of the lender.

Notes to the consolidated financial statements

18. Loans and other borrowings (continued)

The loan bears interest at 1-month JIBAR plus 3.3% per annum. The current monthly instalment is ZAR3.8m (US$197k).

The final repayment date is 31 July 2030.

The loan facility is subject to various financial and non-financial covenants.

19. Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method.

The movement on the deferred tax account is as shown below:

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
At 1 January	**(1,566)**	(1,566)
Recognised in profit and loss	**78**	-
Effects of movements in exchange rate	**30**	10
At 31 December	**(1,458)**	(1,556)
Deferred tax liability is attributable to the following items		
Aircraft, plant and equipment	**(2,252)**	(823)
AOC	**(688)**	(825)
Allowance for future expenditure	**(135)**	(154)
Lease liabilities	**718**	655
Prepaid expenses	**(20)**	(33)
Brand	**(26)**	(32)
Assessed loss	**1,384**	-
Income received in advance	**226**	233
Right-of-use-asset	**(672)**	(619)
Leave pay provision	**40**	34
Provision for bonuses	**11**	38
Effect of change in tax rate	**-**	14
Adjustment for prior years	**-**	(15)
Effects of movement in exchange rate	**(44)**	(29)
	(1,458)	(1,556)

In 2023, a deferred tax asset has been recognised for unused tax losses in Federal Airlines Proprietary Limited but not for the remainder of the companies in the Group. This is because it is not probable that future taxable profits will be available against which the Group companies can use the benefits thereon.

Notes to the consolidated financial statements

20. Share capital and Share premium

	Number of ordinary shares £1.00 each	Number of ordinary shares £0.0001 each '000	Number of deferred shares* £0.01 each '000	Number of deferred shares* £0.09 each '000	Share capital GBP'000	Share capital US$'000	Share premium US$'000
At 1 January 2022	-	3,800,825	9,313	1,035,890	131,331	192,077	215,050
Shares issued	-	3,741	-	-	-	53	3,794
Consolidation	380,457	(3,804,570)	-	-	-	-	380,457
At 31 December 2022	380,457	-	9,313	1,035,890	131,331	192,130	216,638
Shares issued	-	-	-	-	-	-	-
Consolidation	-	-	-	-	-	-	-
At 31 December 2023	**380,457**	**-**	**9,313**	**1,035,890**	**131,331**	**192,130**	**216,638**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

*** Deferred shares** - On 8 August 2016, the Company's existing ordinary shares of £1.00 each were consolidated into new ordinary shares on the basis of one new ordinary share of 1 penny each and 11 deferred shares of 9 pence each for every existing ordinary share of £1.00 each.

The deferred shares have no rights attached.

2023:

No shares were issued during 2023.

2022:

On 29 September 2022 the existing 3,804,570,000 shares of £0.01 each were consolidated into 380,457 shares of £1.00 each. To effect the Share Consolidation, the Company issued 3,871 additional Ordinary Shares prior to the consolidation record date so that the aggregate nominal value of the ordinary share capital of the Company is exactly divisible by 10,000. Following the Additional Share Issuance, the Company had 3,804,570,000 Ordinary Shares in issue.

These were consolidated into new ordinary shares of £1 each on the basis of 1 (one) consolidated share for every 10,000 ordinary shares in issue. After the consolidation, the shares in issue became 380,457.

Notes to the consolidated financial statements

21. Subsidiaries

The Company holds ordinary shares in the following subsidiary companies. All subsidiaries are included in the consolidated financial statements.

Active Companies			**Voting rights held**	
Name	**Country of Incorporation**	**Activity**	**2023**	2022
fastjet Zimbabwe Limited	Zimbabwe	Airline Services	49.00%	49.00%
Parrot Aviation Proprietary Limited	South Africa	Holding Company	25.00%	25.00%
federal Airlines Proprietary Limited *	South Africa	Airline Services	25.00%	25.00%
Rempart Aviation Limited	Mauritius	Airline Services	100.00%	-
Federal Air Proprietary Limited *	South Africa	Aircraft leasing	25.00%	-

Discontinued Operations			**Voting rights held**	
Name	**Country of Incorporation**	**Activity**	**2023**	2022
fastjet Africa (Pty) Limited ^	South Africa	Airline Management Services	-	100.00%
fastjet Mozambique Limitada ^	Mozambique	Airline Services	-	99.25%
fastjet Zambia Limited	Zambia	Airline Services	-	49.50%

* Held via Parrot Aviation Proprietary Limited.

^ fastjet Africa Proprietary Limited deregistered on 24 October 2023 and its subsidiary fastjet Mozambique Limitada is deconsolidated from this date.

The registered office of all companies incorporated in the UK is the 6th Floor, 60 Gracechurch Street, London EC3V OHR.

The registered office for Parrot Aviation Proprietary Limited is Key West Centre, 43 Van Buuren Road, Bedfordview, Gauteng, South Africa.

The registered office for federal Airlines Proprietary Limited is Hangar 14, Northern Perimeter Road, Bonaero Park, Johannesburg, South Africa.

The registered office for Rempart Aviation Limited is c/o AMG Services Ltd, 11th Floor, Tower A, 1 Exchange Square, Ebene, Mauritius.

The registered office for Federal Air Proprietary Limited is Key West Centre, 43 Van Buuren Road, Bedfordview, Gauteng, South Africa.

All subsidiaries of the Group are shown above and share the year end of the company.

fastjet Zimbabwe Limited, fastjet Zambia Limited

During the year ended 31 December 2015 the share capital in fastjet Zimbabwe Limited and fastjet Zambia Limited were reorganised to enable shares to be issued to holding companies incorporated in the respective countries which in turn are owned by individuals who are nationals in those countries. The shares, which were issued, brought the national ownership by virtue of the individual shareholdings to greater than 50% ownership in each country.

fastjet Zimbabwe Limited is consolidated as subsidiaries in these financial statements. Refer to the key judgements and estimates note on page 43 for further detail regarding this consolidation.

Notes to the consolidated financial statements

21. Subsidiaries continued

Parrot Aviation Proprietary Limited

In the 2017 financial year, fastjet Limited acquired a 25% equity interest in Parrot Aviation. The remaining 75% equity was acquired by the fastjet Group Chairman, Rashid Wally and transferred to Wally Technologies & Associates in 2021.

Parrot Aviation is consolidated as a subsidiary in these financial statements. Although the Group holds only 25% shareholding and voting rights in the entity, it controls the management, operations and distributions through contractual agreements as well as its board representation. Consequently, there is no adjustment for non-controlling interests.

22. Acquisition of subsidiaries

On 01 May 2023, Parrot Aviation Proprietary Limited acquired 100% of the shares of Federal Air Proprietary Limited for US$3k (ZAR57,346). The table below summaries the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition being 01 May 2023.

	US$'000
Cash and cash equivalents	4
Trade and other payables	(1)
Total identifiable net assets acquired	**3**

On 01 June 2023, fastjet Limited acquired Rempart Aviation Limited (formerly Acia Aero Leasing Atlas Limited) for a consideration of US$1k from Acia Aero Holdings Limited. The table below summaries the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition being 01 June 2023.

	Rempart Aviation US$'000
Cash and cash equivalents	9
Trade and other payables	(8)
Total identifiable net assets acquired	1

Goodwill arising from the acquisitions above was recognised as follows:

	Federal Air US$'000	Rempart Aviation US$'000
Consideration transferred	3	1
Fair value of identifiable assets	(3)	(1)
Goodwill	**-**	-

Notes to the consolidated financial statements

23. Shares based payments

Employee Share Options

The Company has issued various options and warrants. Share options have been issued to Directors and employees as part of their remuneration and incentive packages.

The terms and conditions related to the grants of the share options are as follows; all options are to be settled by physical delivery of shares.

Grant date of Options granted to Directors	Number of options granted*	Vesting Conditions	Contractual life of options*
Options granted to Directors and employees on 1 April 2015	2,834,204	Approval of proposed funding announced by the Company on 1 April 2015 by the Company in a general meeting by 20 April 2015.	01.04.15 to 01.04.25
Options granted to Directors on 15 August 2016	1,922,607	None	15.08.16 to 15.08.26

In accordance with IFRS 2 "Share based payments" share options granted or re-priced during the period have been measured at fair value. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model.

*The number of options and vesting conditions has been adjusted following the share consolidation on 21 April 2015.

	Date of grant		
	13 June 2012	1 April 2015	15 August 2016
Share price	£3.05	£1.025	£0.2545
Exercise price	£5.00	£1.025	£0.315
Expected volatility	50%	77.27%	110.73%
Expected life	2.5 years	3 years	5 years
Expected dividends	0	0	0
Risk-free interest rate	2%	0.65%	0.17%

Notes to the consolidated financial statements

Reconciliation of outstanding share options

The number and weighted average prices of options are as follows:

	31 December 2023		31 December 2022	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at beginning of the year	4,759,811	£1.15	4,759,811	£1.15
Granted	-	-	-	-
Exercised	-	-	-	-
Lapsed	3,000	£1.15	-	-
Outstanding at end of the year	4,756,811	£1.15	4,759,811	£1.15

Options and average prices have been adjusted following the share consolidation on 21 April 2015.

The share options outstanding at 31 December 2023 have an exercise price in the range of £0.315 to £44.78 (2022: £0.315 to £44.78) and a weighted average contractual life of 7.7 years (2022: 7.7 years).

Expense recognised in the profit or loss	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Total expense recognised for equity-settled share-based payments	-	-

Notes to the consolidated financial statements

24. Financial instruments

The Group's principal financial instruments comprise of equity shares, cash and cash equivalents and borrowings. The purpose of these instruments is to finance the Group's operations. The Group has other financial assets and liabilities that arise directly from its operations, such as trade and other receivables and payables.

The Group does not presently enter into derivative transactions such as forward foreign currency contracts.

Carrying value and fair value of financial assets and liabilities

The fair value of financial assets and liabilities, together with their carrying value at each reporting date are as follows:

At 31 December 2023	**Financial assets at fair value through profit and loss US$'000**	**Amortised cost US$'000**	**Amortised cost financial liabilities US$'000**	**Other* US$'000**	**Carrying value US$'000**	**Fair value US$'000**
Other financial assets	**-**	**1,075**	**-**	**-**	**-**	**1,075**
Trade and other receivables	**-**	**9,203**	**-**	**3,300**	**12,503**	**12,503**
Cash and cash equivalents	**-**	**4,295**	**-**	**-**	**4,295**	**4,295**
Trade and other payables	**-**	**-**	**(8,183)**	**(4,229)**	**(12,412)**	**(12,412)**
Loans and borrowings	**-**	**-**	**(17,970)**	**-**	**(17,970)**	**(17,970)**
Lease liabilities	**-**	**-**	**(2,805)**	**-**	**(2,805)**	**(2,805)**

At 31 December 2022	Financial assets at fair value through profit and loss US$'000	Amortised cost US$'000	Amortised cost financial liabilities US$'000	Other* US$'000	Carrying value US$'000	Fair value US$'000
Trade and other receivables	-	13,981	-	2,428	16,409	16,409
Cash and cash equivalents	-	7,822	-	-	7,822	7,822
Trade and other payables	-	-	(7,501)	(2,256)	(9,757)	(9,757)
Loans and borrowings	-	-	(2,900)	-	(2,900)	(2,900)
Lease liabilities	-	-	(2,491)	-	(2,491)	(2,491)

* Amounts included in the "other" column are not "financial instruments" but are included to facilitate reconciliation of the carrying value of financial instruments with the statement of financial position.

Notes to the consolidated financial statements

Financial instruments (continued)

Currency Risk

The Group operates in several African currencies and so is exposed to exchange rate risk. There is a degree of natural hedging in that the operating subsidiaries generate revenues and costs in the same currencies; however, exchange variances do occur when the local entities are translated to the functional Group currency upon consolidation. Further exchange exposure arises from the Group's financing (in particular share issues) being largely denominated in Sterling.

Details of the Group's exposure to currency risk are detailed below. The financial assets and liabilities by currency (converted into US dollars) are as follows:

At 31 December 2023	**Monetary assets US$'000**	**Monetary liabilities US$'000**
US Dollars	**11,431**	**12,838**
South Africa Rand	**4,225**	**15,204**
Euro	**362**	**132**
Sterling	**210**	**182**
ZWG (Zimbabwe local $)	**75**	**2,946**
Mozambican Metical	**62**	**-**
Canadian dollar	**23**	**-**
Indian Rupee	**20**	**-**
Swiss Franc	**8**	**-**
Australian Dollar	**5**	**-**
Swedish Krona	**5**	**-**
Ugandan Shilling	**3**	**-**
Mauritian Rupee	**1**	**-**
Botswana Pula	**-**	**5**
Malawian Kwacha	**-**	**-**
	16,430	**31,302**

At 31 December 2022	Monetary assets US$'000	Monetary liabilities US$'000
US Dollars	18,403	6,012
South Africa Rand	1,951	6,257
Euro	4	10
Sterling	100	5
ZWG (Zimbabwe local $)	1,416	2,230
Mozambican Metical	9	-
Canadian dollar	-	-
Indian Rupee	-	-
Swiss Franc	-	-
Australian Dollar	-	-
Swedish Krona	-	-
Ugandan Shilling	-	-
Mauritian Rupee	-	-
Botswana Pula	35	-
Malawian Kwacha	375	-
Botswana Pula	35	-
	22,293	14,514

Notes to the consolidated financial statements

Financial instruments (continued)

No formal policies have been put in place in order to hedge the Group's activities from exposure to currency risk, but it is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible. The Group considers this minimises a lot of foreign exchange exposure. The Group and the Company's cash balances are maintained in a number of currencies, somewhat matched to the expected currency of outflows and this further reduces exposure to exchange risk. The biggest currency risk is in the Zimbabwean market in that it is challenging to extract funds from local sales to pay for offshore payables.

Management regularly monitors the currency profile of the Group's cash balances and obtains informal advice to ensure that the cash balances are held in currencies minimising the impact on the results and position of the Group from foreign exchange movements.

Sensitivity analysis

A 10% percent weakening of the following currencies against the US$ at 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 31 December 2022.

	10% increase in currency Impact on profit before tax		**10% decrease in currency Impact on profit before tax**	
	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
South Africa Rand	**(1,220)**	(478)	**1,220**	478
Euro	**26**	(1)	**(26)**	1
Sterling	**3**	11	**(3**	(11)
ZWG (Zimbabwe local $)	**(319)**	(90)	**319**	90
Mozambican Metical	**7**	1	**(7)**	(1)
Canadian dollar	**3**	-	**(3)**	-
Indian Rupee	**2**	-	**(2)**	-
Swiss Franc	**1**	-	**(1)**	-
Australian Dollar	**1**	-	**(1)**	-
Swedish Krona	**1**	-	**(1)**	-
Ugandan Shilling	**-**	-	**-**	-
Mauritian Rupee	**-**	-	**-**	-
Botswana Pula	**-**	-	**(2)**	-
Malawian Kwacha	-	42	-	(42)

Notes to the consolidated financial statements

Financial instruments continued

Liquidity risk

Liquidity risk arises from Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's and company's short, medium and long-term funding and liquidity management requirements. The Group and company manage liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities including estimated interest payments:

At 31 December 2023	**Carrying amount US$'000**	**Contractual cash flows US$'000**	**Up to 3 months US$'000**	**3 months and 12 months US$'000**	**1 to 2 years US$'000**	**2 to 5 years US$'000**	**5 years and over US$'000**
Trade payables	**5,000**	**5,000**	**-**	**5,000**	**-**	**-**	**-**
Other payables and accruals*	**2,108**	**2,108**	**-**	**2,108**	**-**	**-**	**-**
Loans with SAHL	**6,000**	**6,000**	**-**	**-**	**6,000**	**-**	**-**
Instalment sale liabilities	**108**	**136**	**8**	**25**	**35**	**68**	**-**
Lease liabilities	**2,805**	**3,221**	**425**	**1,128**	**1,038**	**565**	**65**
COVID-19 related loan	**351**	**396**	**46**	**137**	**182**	**31**	**-**
Investec Bank loan	**11,507**	**16,442**	**630**	**1,889**	**2,518**	**7,553**	**3,852**
Satfin loan	**4**	**4**	**-**	**4**	**-**	**-**	**-**
Total	**27,883**	**33,307**	**1,109**	**10,291**	**9,773**	**8,217**	**3,917**

The following are contractual maturities of financial liabilities as at 31 December 2022:

At 31 December 2022	Carrying amount US$'000	Contractual cash flows US$'000	Up to 3 months US$'000	3 months and 12 months US$'000	1 to 2 years US$'000	2 to 5 years US$'000	5 years and over US$'000
Trade payables	5,889	5,889	-	5,889	-	-	-
Other payables and accruals*	1,612	1,612	-	1,612	-	-	-
Loans with SAHL	2,000	2,000	-	-	2,000		-
Instalment sale liabilities	378	427	130	154	36	107	-
Lease liabilities	2,491	2,943	304	868	804	967	-
COVID-19 related loan	522	614	48	145	194	227	-
Total	12,892	13,485	482	8,668	3,034	1,301	-

* Excludes deferred income and taxes

Notes to the consolidated financial statements

Financial instruments continued

Credit risk

Cash and cash equivalents

The Group credit risk arises from cash and cash equivalents. The Group held cash and cash equivalents of US$4.3 as at 31 December 2023 (2022: US$7.8m). The cash and cash equivalents are held with bank and financial institution counterparties, which have the ratings shown below:

	Year ended 31 December 2023		Year ended 31 December 2022	
	Rating	**Cash at Bank US$'000**	Rating	Cash at Bank US$'000
Barclays UK	A+	**2,219**	A+	6,150
Investec Bank	AA+	**1,493**	AA+	-
Standard Bank of South Africa	AA+	**376**	AA+	1,016
Stanbic Bank Zimbabwe	**BB-**	**88**	BB-	129
CBZ Zimbabwe	AA-	**45**	AA-	434
Ecobank Zimbabwe	AA-	**27**	AA-	7
NMB Bank Zimbabwe	BBB-	**9**	BBB-	49
Afrasia Bank	**A+**	**4**	-	-
CABS	**A+**	**2**	A+	3
Nedbank	**B**	**2**	B	-
African Century	**BBB-**	**1**	BBB-	-
NBS	**BBB-**	**-**	BBB-	2
Steward Bank	**BB+**	**-**	BB+	1
Bank balance as per Note 16		**4,266**		7,791

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Refer to further disclosure in Note 15 Trade and other receivables.

Trade and other receivables

The Group's credit risk for trade and other receivables is limited because it is not exposed to a high level of trade or other receivables, in large part because customers typically pay for flights prior to departure.

Interest rate risk

The Group interest rate risk arises from interest bearing borrowings (refer to Note 18 for the detailed terms of the borrowings). The interest rate risk is managed through determining the right balance of fixed and variable debt within the finance structure where necessary.

The interest profile of financial liabilities was as follows:

At 31 December 2023	**Loans and borrowings US$'000**	**Total US$'000**
Fixed interest (SAHL & Satfin)	**6,004**	**6,004**
Variable interest	**11,966**	**11,966**
Total	**17,970**	**17,970**

Notes to the consolidated financial statements

Financial instruments continued

At 31 December 2022	Loans and borrowings US$'000	Total US$'000
Fixed interest (SAHL)	2,000	2,000
Variable interest	900	900
Total	2,900	2,900

Had there been a fifty basis points increase or decrease in the interest rates, the impact on the income statement and the shareholders' equity will be insignificant.

Capital management risk

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity.

In order to maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce debt.

The Board's policy for the Group and company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the level of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group monitors capital based on the net debt to capital ratio. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

The debt-to-adjusted-capital ratios were as follows:

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Loans and borrowings	**17,970**	**2,900**
Lease liabilities	**2,805**	**2,491**
Less: cash and cash equivalents	**(4,295)**	**(7,822)**
Net debt / (cash)	**(16,480)**	**(2,431)**
Total equity	**18,318**	**26,118**
Debt to capital ratio	**(90%)**	**(9%)**

Notes to the consolidated financial statements

Financial instruments (continued)

The increase in the net debt to capital ratio during 2023 resulted from the new loan that was acquired from Solenta Aviation Holdings Limited and the new revolving credit facility with Investec Bank. The total equity decreased as a result of the losses that were made in the current year.

25. Reconciliation of liabilities arising from financing activities in the cash flow

	Investec aircraft loans US$'000	**Instalment sale liabilities US$'000**	**SAHL loan US$'000**	**SSCG Loan US$'000**	**Satfin Limited US$'000**	**COVID-19 loan US$'000**	**Total US$'000**
At 1 January 2023	**-**	**378**	**2,000**	**-**	**-**	**522**	**2,900**
Cash movements:							
Advances of loans	**11,970**	**-**	**4,000**	**-**	**6,000**	**-**	**21,970**
Repayment of capital	**(509)**	**(243)**	**-**	**-**	**(6,000)**	**(134)**	**(6,886)**
Repayment of interest	**(638)**	**(20)**	**(149)**	**-**	**(70)**	**(47)**	**(924)**
Non-cash movements:							
Interest charges accrued	**638**	**20**	**149**	**-**	**74**	**47**	**928**
Foreign exchange variances	**47**	**(27)**	**-**	**-**	**-**	**(38)**	**(18)**
Balance as at 31 December 2023	**11,508**	**108**	**6,000**	**-**	**4**	**350**	**17,970**

	Investec aircraft loans US$'000	Instalment sale liabilities US$'000	SAHL loan US$'000	SSCG Loan US$'000	Satfin Limited US$'000	COVID-19 loan US$'000	Total US$'000
At 1 January 2022	-	1,203	2,000	502	-	703	4,408
Loan obtained	-	157	-	-	-	-	157
Repayment of borrowings as per cash flow statement	-	(965)	-	(502)	-	(145)	(1,612)
Payment of interest	-	(54)	(123)	(9)	-	(49)	(235)
Other non-cash changes:							
Interest charges accrued	-	54	123	9	-	49	235
Foreign exchange variances	-	(17)	-	-	-	(36)	(53)
Balance as at 31 December 2022	-	378	2,000	-	-	522	2,900

Notes to the consolidated financial statements

26. Related Parties

Solenta:

As at 31 December 2023, Solenta Aviation Holdings Limited ("SAHL") was a 67% (2022: 67%) shareholder in fastjet Limited and provided aircraft leasing and related services to the Group.

The amounts included in the **Balance Sheet** for these items are as follows:

	SAHL group entity	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Non-current liabilities			
Long term loan	**SAHL**	**6,000**	**2,000**
Current liabilities			
Trade payables			
• Solenta Aviation Holdings Limited	**SAHL**	**-**	**10**
• Solenta Aviation (Proprietary) Limited	**PTY**	**537**	**473**
• ACIA Aero Leasing Limited	**ACIA**	**2**	**12**
• Solenta Investment Holdings (Proprietary) Limited	**SIH**	**-**	**1**
Current assets			
Trade receivables			
• Solenta Aviation Holdings Limited	**SAHL**	**251**	**264**
• ACIA Aero Leasing Limited	**ACIA**	**133**	-
Deposit			
• Solenta Aviation (Proprietary) Limited	**PTY**	**196**	**483**

fastjet Limited entered into a brand license agreement with Solenta Aviation Mozambique Limitada ("SAM") to allow SAM to operate on its AOC the fastjet brand. There have been no transactions during the year with SAM with regard to this agreement.

Notes to the consolidated financial statements

Related Parties (continued)

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

	SAHL group entity	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Aircraft maintenance reserves	**PTY**	**4,083**	3,469
Aircraft Base Maintenance	**PTY**	**1,133**	1,071
Crew re-currency training and/or type ratings	**PTY**	**320**	293
FedAir – Maintenance services	**PTY**	**666**	207
Sale of aircraft parts	**PTY**	**654**	-
FedAir - Other costs	**PTY**	**2**	-
FedAir – crew costs	**PTY**	**-**	3
FedAir – other income	**SAHL**	**-**	13
Operating Costs - landing, parking, navigation, fuel	**PTY**	**-**	5
		6,858	5,061
Interest charges - SAHL loan		**149**	123
Interest charges - ACIA		**-**	6

Directors:

Directors are considered related parties. There are no other transactions with Directors apart from the Directors' emoluments disclosed in Note 8.

Additionally, Mark Hurst, the fastjet Group Chief Executive Officer with effect from 1 October 2019 and Non-Executive Director from 06 May 2024, continues to serve as the Group Chief Executive Officer and 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. See Note 21 for the list of subsidiaries.

Wally Technologies and Associates

Wally Technologies and Associates which owns 75% of Parrot Aviation, provides consultation services to FedAir. For the year ended 31 December 2023, US$64k (2022:US$114k) was paid to Wally Technologies in relation to these services. As at 31 December 2023, US$nil (2022:US$42k) was included in accruals.

Notes to the consolidated financial statements

27. Post balance sheet events

A new currency, the Zimbabwe gold ("ZWG") was introduced in Zimbabwe with effect from 08 April 2024. This replaced the old ZWL currency. The multi-currency system still remains in place.

The Directors are not aware of any other adjustable or disclosable events that occurred after the reporting date and up to the date of this report.

28. Investment in joint venture

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Pearl Yield South Africa Proprietary Limited	**50%**	0%
Cost of investment	**-**	-
Share of post-acquisition profits	**-**	-
Carrying value	**-**	-

The year end of the joint venture is 31 December, and the entity is incorporated in South Africa.

Unrecognised equity accounted losses
Total accumulated unrecognised losses amount to ZAR170,933 (US$9k).

29. Other financial assets

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Treasury bills	**3,151**	-
Expected credit loss provision	**(2,076)**	-
Net financial asset	**1,075**	-

The Company secured approval in 2020 from The Reserve Bank of Zimbabwe ("RBZ") to register certain historic Group intercompany loan funding to fastjet Zimbabwe Limited ("fastjet Zimbabwe") as a Legacy Loan in terms of RBZ's Section 35 of the Exchange Control Regulations statutory instrument 109 of 1996. In this regard, RBZ allowed fastjet Zimbabwe to draw the equivalent of US$29,4 million in ZWL currency, in financial year 2022.

On 16 November 2023, RBZ was further mandated to issue Treasury Bonds (the "Treasury Bills") with a face value of US$12.7m to fastjet Zimbabwe.

The Group measures these Treasury Bills at fair value and subsequently at amortised cost and are discounted using an effective interest rate of 15%. Accordingly, the Treasury Bills are valued at US$3,2m.

Furthermore, of the US$12.7m Treasury Bills recovered in terms of the Legacy Loan, Treasury Bills with a face value of US$4.2m (and a fair value of US$1.1m), were utilised to settle costs associated with the recovery of the Legacy Loan. Prior to this, US1,3m was already incurred in relation to the Legacy Loan.

Notes to the consolidated financial statements

Other financial assets (continued)

In February 2024, in an attempt to extract value from the treasury bills, management approached the Zimbabwe Ministry of Finance ("MOF") with a view to using the Treasury bills to settle supplier invoices. Given the macroeconomic conditions in Zimbabwe, and the shortage of available currency, while accepted in principle by MOF, this was difficult to put into practice. After taking into this into account and other quantitative and qualitative factors, management deemed the instrument to be non – recoverable and a provision for expected credit loss of 100% was assigned to the bills except the portion used to settle recovery costs. On fair value hierarchy, the treasury bills are classified as level 3 instruments due to the absence of an active market with sufficient trades.

Treasury bills are carried at 0% coupon and have a tenure of the following years:

Treasury bill number	Tenure in years	Amount in US$'000	Present value US$'000
FCTB231116B - GOVMT1428	3	1,406	924
FCTB231116I - GOVMT1427	5	1,406	699
FCTB231116C - GOVMT1429	8	1,406	459
FCTB231116D - GOVMT1430	10	1,406	348
FCTB231116E - GOVMT1431	12	1,406	263
FCTB231116F - GOVMT1432	15	1,406	173
FCTB231116G - GOVMT1433	18	1,406	113
FCTB231116H - GOVMT1434	20	2,812	172
		12,654	3,151

Post year end, on 29 November 2024, the 20-year-old Treasury bill of US$2.8m was successfully utilised to settle supplier invoices.

All fastjet's Treasury bills are pledged as part of security package for Solenta Aviation Holdings Limited long-term borrowings in Note 18.

Parent company balance sheet

	Note	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Assets			
Investments	4	**8,747**	8,746
Intangible assets	5	**1,693**	2,132
Investment in joint venture	9	**-**	-
Intercompany loan receivable	6	**8,223**	2,505
Other financial asset	15	**1,075**	-
		19,738	13,383
Current assets			
Cash and cash equivalents		**2,219**	6,150
Trade and other receivables	7	**41**	24
		2,260	6,174
Total assets		**21,998**	19,557
Equity			
Share capital	10	**192,130**	192,130
Share premium account	10	**216,638**	216,638
Equity reserve		**-**	12,502
Retained earnings		**(394,574)**	(404,701)
Total equity		**14,194**	16,569
Non-current liabilities			
Loans and borrowings	11	**6,000**	2,000
Current liabilities			
Trade and other payables	8	**1,804**	988
Total liabilities		**7,804**	2,988
Total liabilities and equity		**21,998**	19,557

In accordance with Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement and statement of comprehensive income. The Company's loss for the year was US$2,4m (2022: US$10.9m).

These financial statements were approved and authorised for issue by the Directors and are signed on their behalf by:

Rashid Wally
Chairman
20 December 2024

Kirsten King
Chief Financial Officer
20 December 2024

Parent company statement of changes in equity

	Share Capital US$'000	Share premium US$'000	Retained earnings US$'000	Equity Reserve US$'000	Total equity US$'000
Balance at 31 December 2021	192,130	216,638	(415,606)	12,502	5,664
Transaction with owners	-	-	-	-	-
Profit for the year	-	-	10,905	-	10,905
Balance at 31 December 2022	192,130	216,638	(404,701)	12,502	16,569
Loss for the year	-	-	(2,375)	-	(2,375)
Capital contributions	-	-	12,502	(12,502)	-
Balance at 31 December 2023	**192,130**	**216,638**	**(394,574)**	**-**	**14,194**

Notes to the parent company financial statements

1. Accounting policies

fastjet Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS's; and
- Disclosures in respect of the compensation of key management Personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures;

- IFRS 2 Share Based Payments in respect of group settled share-based payments;
- Disclosures required by IFRS 5 Non - current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; and
- Certain disclosure required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies of the Company are the same with that of Group except for the ones listed below. The accounting policies have been applied consistently to all periods presented in these financial statements. Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

Non-derivative financial instruments

Non-derivative financial instruments comprise of investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

The fair values of all financial assets and financial liabilities are equal to their carrying amounts.

Investments in subsidiaries

Investments are included at cost less accumulated impairment losses.

Equity reserve
This represents the amounts previously loaned by fastjet Limited to subsidiaries fastjet Africa, fastjet Mozambique and fastjet Zambia, which has now been converted to a capital contribution.

Investment in joint venture

In the company's separate financial statements, investment in joint venture is carried at cost less accumulated impairment losses.

Notes to the parent company financial statements

2. Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates made by management in the application of adopted IFRS that have significant effect on the financial statements with a significant risk of material adjustment in the next year are discussed in the following notes:

- Impairment of intangible assets (Note 5). Intangible assets comprise of the fastjet brand which was acquired at US$2.5m and had an indefinite useful life. Impairment of the fastjet brand is assessed annually making use of the Company's forecasts on future brand licence fees to fastjet branded airline subsidiaries, on a discounted cash flow method. There are a number of sensitivities on the forecasts that support the value of the intangible assets and these have been disclosed in the note. The recoverable amount of the fastjet Limited brand has been calculated with reference to its value in use based on brand licensing fees chargeable to fastjet branded airline operations.

- In the current year, no impairment was provided for on either the investment in or the loan receivable from Parrot Aviation Proprietary Limited (see Notes 4 and 6). The amount of the loan is directly linked to the valuation of the main operating subsidiary Federal Airlines Proprietary Limited of which the valuations involved an estimation of future cashflows with several sensitivities. Any movement in these sensitives will result in a change in the assessment of the repayment of the loan.

Judgements made by management in the application of adopted IFRS that have significant effect on the financial statements. These include:

- the determination of going concern shown in the consolidated financial statements above on page 31.

Notes to the parent company financial statements

3. Staff costs

The average number of staff (including Directors) employed by the fastjet Limited during the year amounted to:	**Year ended 31 December 2023**	Year ended 31 December 2022
Administration and management	**4**	**4**

The aggregate payroll costs (including Directors):	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Salaries and wages	**236**	2,585
Total	**236**	2,585
Payroll costs are disclosed in:		
Administration costs	**236**	2,585
Total	**236**	2,585

The aggregate remuneration of the Directors in the year was:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Salaries and wages	**417**	**384**
Directors' fees	**102**	**96**
Bonuses	**180**	**337**
Professional fees	**-**	**100**
	699	**917**

The remuneration of the highest paid Director was US$337 (2022: US$462k). The remuneration of the Directors can be found on page 54.

Notes to the parent company financial statements

4. Investments in subsidiaries

Investments in subsidiary undertakings were as follows:	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
Investment in Parrot[1]	**8,746**	8,746
Impairment	**-**	-
Closing balance	**8,746**	8,746
Capital contributed [2]		
Opening balance	**10,666**	12,502
Write off of investment in Africa[3]	**(10,666)**	-
Disposal of investment in fastjet Zambia[3]	**-**	(1,836)
Closing balance	**-**	10,666
Impairment		
Opening balance	**10,666**	12,502
Write off of investment in Africa[3]	**(10,666)**	-
Disposal of investment in fastjet Zambia[3]	**-**	(1,836)
Closing balance	**-**	10,666
Investment in Rempart[4]	**1**	-
Balance at 31 December	**8,747**	8,746

[1.] On 23 December 2022 the Company converted US$8.7m (R150m) loan to Parrot Aviation Proprietary Limited ("Parrot") into Class A preference shares which are cumulative, redeemable and non-participating. The preference shares rank in priority with regards to the payment of dividends and the distribution of assets in the event of a wind up of the subsidiary. The shares may be voluntarily redeemed at the option of Parrot by providing 30 days' notice to the company.

[2] As at 31 December 2021, fastjet Limited had a total amount of US$12.5m (2021:US$12.5m) receivable from its subsidiaries (fastjet Mozambique US$7.4m, fastjet Africa US$2.9m, fastjet Zambia US$1.8m and EBT Trust US$0.4m). These amounts were converted into contributed capital to fastjet Africa, fastjet Mozambique, fastjet Zambia and EBT Trust. This investment was impaired at year end after a review concluded that these subsidiaries by themselves are unable to generate profitability to support the amounts invested in them by fastjet Limited. Accordingly, these amounts were fully impaired at 31 December 2021.

[3] During the year, the Group closed fastjet Africa which also owned 100% of fastjet Mozambique, and during 2022, the Group closed down fastjet Zambia, this resulted in the writing off of all the capital that had been contributed into these subsidiaries.

[4] On June, fastjet Limited acquired Rempart Aviation Limited for US$1k cash.

Notes to the parent company financial statements

5. Intangible assets

	Brands US$'000	Software and other US$'000	Total US$'000
Cost			
At 31 December 2021	2,500	781	3,281
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	**2,500**	**781**	**3,281**
Additions	-	-	-
Disposals	-	-	-
At 31 December 2023	**2,500**	**781**	**3,281**
Amortisation and impairment charges			
At 31 December 2021	1,540	781	2,321
Impairment reversal	(1,172)	-	(1,172)
Disposals	-	-	-
At 31 December 2022	**368**	**781**	**1,149**
Impairment	439	-	439
Disposals	**-**	**-**	**-**
At 31 December 2023	**807**	**781**	**1,588**
Net carrying amount			
At 31 December 2022	**2,132**	**-**	**2,132**
At 31 December 2023	**1,693**	**-**	**1,693**

Indefinite life intangible assets considered significant in comparison to the Company's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

Indefinite life Intangible asset	**Year ended 31 December 2023 US$'000**	Year ended 31 December 2022 US$'000
fastjet Limited brand	**2,500**	2,500
Less: cumulative impairment	**(807)**	(1,540)
Add: impairment reversal	**-**	1,172
	1,693	2,132

Notes to the parent company financial statements

fastjet Limited brand:
The recoverable amount of the fastjet Limited brand has been calculated with reference to its value in use based on brand licensing fees chargeable to fastjet branded airline operations. The key assumptions of this calculation are shown below:

Key Assumptions	**Year ended 31 December 2023**	Year ended 31 December 2022
Period in which management forecasts are based	**2024 - 2028**	2023-2027
Growth rate applied beyond approved forecast period	**0.5%**	0%
Discount rate	**14.42%**	14.91%

The recoverable amount of the Cash Generating Units (CGUs) to which this brand asset is allocated have been measured based on value in use, using a discounted cash flow method. Cash flow projections are based on the business plan approved by the Board covering a four-year period. Cash flows beyond the two-year period are projected to increase in line with the long-term growth rate mentioned above.

The indefinite life intangible asset is allocated to the following Cash Generating Units ("CGU"):

Cash Generating Unit	**Year ended 31 December 2023**	Year ended 31 December 2022
fastjet Zimbabwe	**1,693**	2,132
Total	**1,693**	2,132

Sensitivity Analysis:

If the inputs to the valuation model above were 1% higher / lower, while all other variables were held constant, the carrying amount of the brand would change as follows:

0.5% decrease in the long term growth rate	**(US$34,755)**
1% increase in the discount rate	**(US$112,577)**

Notes to the parent company financial statements

6. Intercompany loans receivable

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Loan to Parrot[1] – opening balance	**2,505**	2,505
Advances during the year	**5,718**	-
	8,223	2,505
fastjet Zimbabwe Aircraft loan[2]	**14,940**	14,422
Provision for impairment	**(14,940)**	(14,422)
Total	-	-
Other amounts receivable from Group undertakings[3]	**46,697**	46,372
Provision for impairment	**(46,697)**	(46,372)
Total	**-**	-

[1] fastjet Limited entered into a call option ("The Option") agreement to acquire 100% of the shares of federal Airlines for a total consideration of US$9.6m with US$4.0m payable through a cash loan to the existing shareholders and the rest paid in shares. Subsequently the US$4.0m cash loan was reduced to US$3.2m following the distribution of a dividend to the existing shareholders of FedAir. fastjet Limited transferred its FedAir call option asset together with US$4.0m cash option to Parrot Aviation Proprietary Limited ("Parrot") for a loan receivable of US$9.6m. On 31 December 2022, fastjet converted the amount receivable from Parrot in respect of this loan and other loan amounts, accumulated over the years to investment in preference shares of Parrot for an amount of US48.7m (ZAR150m).

[2] The Aircraft loan is unsecured and bears interest at 4.5% per annum.

[3] The amounts receivable from Group undertakings are unsecured and interest free. These are fully provided for as shown above.

7. Trade and other receivables

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
VAT receivable	**30**	13
Other debtors	**4**	4
Prepayments	**7**	7
	41	24

Notes to the parent company financial statements

8. Trade and other payables

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Accrual for RBZ recovery costs	**1,075**	-
Accruals	**512**	760
Trade payables	**196**	207
Other payables	**21**	21
	1,804	988

9. Investment in joint venture

Refer to Note 28 in the Consolidated financial statements.

10. Share capital and share premium

Refer to Note 20 in the consolidated financial statements.

11. Loans and borrowings

Refer to Note 18 in the consolidated financial statements.

12. Related party transactions

Refer to Note 26 in the Consolidated financial statements.

13. Subsidiaries

Refer to Note 21 in the Consolidated financial statements.

14. Post balance sheet events

The Directors are not aware of any other adjustable or disclosable events that occurred after the reporting date and up to the date of this report.

15. Other financial asset

Refer to Note 29 in the Consolidated financial statements.

Other Information

Glossary of Key Terms

ACMI	Aircraft, maintenance, insurance, and crew
Aircraft Utilisation	Average number of block hours per day per aircraft
Aircraft Utilisation (peak month)	Average number of block hours per day per aircraft being the highest month
Aircraft Utilisation (Year-end)	Average number of block hours per day per aircraft at year-end
AOC	Air Operator Certificate
ASL	Air Service Licence
ASP	Air Service Permit
Available seat kilometres (ASK)	Seats flown multiplied by the number of kilometres flown
BASA	Bilateral Air Service Agreement
Block hours	Hours of service for aircraft, being the time that the aircraft leaves the terminal at the departure airport to the time of arrival at the destination airport
CAA	Civil Aviation Authority
CGU	Cash generating unit
Cost per ASK	Revenue less profit before tax, divided by ASK
Cost per ASK excluding fuel	Revenue less profit before tax less Fuel costs, divided by ASK
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBITDAR	Earnings before Interest, Tax, Depreciation, Amortisation and Rent
5th Freedom	*Fifth Freedom of The Air* - the right or privilege, in respect of scheduled international air services, granted by one State to another State to put down and to take on, in the territory of the first State, traffic coming from or destined to a third State (also known as a *Fifth Freedom Right*).
FAM	fastjet Mozambique Limitada
FedAir	federal Airlines Proprietary Limited

Other Information

FOP	Flight Operator's Permit
ICAO	International Civil Aviation Organisation
Load Factor	Number of passenger segments as a percentage of number of seats flown
Passenger segments	Number of ticketed seats flown. Ticketed seats comprise seats sold to passengers (Including no-shows) per segment (excluding infants)
PTY	Solenta Aviation (Proprietary) Limited (South Africa)
Revenue	The sum of seat revenue and non-seat revenue
Revenue per ASK	Revenue divided by ASK
Revenue per passenger	Revenue divided by number of passenger segments
SAHL	Solenta Aviation Holdings Limited (Malta)
SAM	Solenta Aviation Mozambique Limitada
SATF	Satfin Limited (Isle of Man)
SSCG	Sub-Sahara Capital Group Limited
US$	United States of America dollars
ZWG/ZWL	Zimbabwean dollar

Other Information

Company details and advisors

Registered Number	5701801
Directors	Rashid Wally (Non-Executive Chairman) Glenn Orsmond (Group Chief Executive Officer) (appointed on 06 May 2024) Mark Hurst (Non-Executive Director from 06 May 2024) (Group Chief Executive Officer until 05 May 2024) Kirsten King (Group Chief Executive Officer) (appointed on 03 October 2023) Kris Jaganah (Group Chief Financial Officer) (resigned on 31 October 2023) Robert Burnham (Non-Executive Director) Julian Edmunds (Group Strategy and Development) (appointed on 15 September 2024)
Company Secretary	Mr. Ben Harber Shakespeare Martineau 60 Gracechurch Street London EC3V OHR DX 700 London City
Registered Office	6th Floor 60 Gracechurch Street London EC3V OHR DX 700 London City
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
Solicitors	Charles Russell Speechlys (CRS) 5 Fleet Place London EC4M 7RD
Share Trading Platform	Asset Match UK 1 Bow Lane London EC4M 9 EE www.assetmatch.com