

fastjet Plc

("fastjet", the "Company" or the "Group")

Trading Update, Sale of Embraer Aircraft and Shareholder Loan Arrangement

01 May 2020

fastjet, the low-cost African airline, today provides an update to the market and shareholders.

Trading Update

On 7 April 2020 the Company announced that, following the country-wide lockdowns in South Africa and Zimbabwe due to the coronavirus ("COVID-19") outbreak, it had suspended flight operations. Following extensions to the lockdowns in both countries, the Company has continued to suspend flight operations. The Company continues to assess the situation daily and will provide further updates as and when necessary. fastjet intends to resume flight operations once permitted by the South African and Zimbabwean Governments and flight schedules will remain flexible in the weeks and months ahead depending on how each respective government phases the release of its lockdown and, thereafter, on demand for seats. At all times, the safety of the Company's employees and customers will remain of paramount importance and focus.

Capital Requirements and Restructuring Proposal

As announced on 7 April 2020, the Board expects that the Company would need further funding by June 2020 to enable it to continue operating in its current form. To address this funding requirement, the Company, as announced previously, has been in discussions with an investor consortium led and underwritten by Solenta Aviation Holdings Limited ("SAHL") and other local investors in Zimbabwe (the "Investor Consortium"), in relation to the disposal of the Group's holding in fastjet Zimbabwe (the "Disposal"). The Investor Consortium remains committed to the Disposal but, as previously announced, at potentially modified terms. Discussions with the Investor Consortium will only restart when the impact and timeline of the lockdowns in South Africa and Zimbabwe are better understood.

As announced on 12 March 2020, with delays to the Disposal the Company had engaged with its main creditors, following which several creditors had agreed to defer due dates for repayments and/or have agreed to settlement discounts to current carrying values of their liabilities (the "Creditor Discounts"). The Creditor Discounts have reduced the Company's total liabilities by US\$0.6 million to date.

Management remains in discussions with certain creditors and has identified additional discounts of between US\$1.0 million and US\$3.0 million (the "Additional Creditor Discounts"), which would require additional capital for these to be realised. Such Additional Creditor Discounts would relieve significant pressure on the Company's current balance sheet obligations in the future.

Subsequently, the Directors believe that - based on current financial projections, funds available and expected to be made available, together with the revised creditor terms agreed above - the Company will continue to have sufficient resources to meet its operational needs until the end of July 2020. The headroom of available cash resources, however, remains minimal and will be drawn on during the next three months to sustain and settle fixed costs and obligations of the Company should the lockdowns and travel restrictions in South Africa and Zimbabwe be extended into May 2020 and beyond.

In the event that the Company is unable to complete the Disposal, raise additional new capital, secure the Additional Creditor Discounts, or the current COVID-19 induced lockdowns and related travel restrictions are extended past June 2020, the Directors believe the Company would be unable to continue trading as a going concern beyond 31 July 2020.

Cash Position

As at 22 April 2020, the Group had cash reserves of US\$1.9 million with no restricted cash. Of the Company's US\$1.9 million cash reserves, US\$0.4 million is in Zimbabwe and currently unrestricted.

Shareholder loan facility agreement and Related Party Transaction

The Company has negotiated a US\$600,000 loan facility with SAHL (the "Additional Shareholder Loan"). The Additional Shareholder Loan is being provided to aid the Company with its overall working capital and future liquidity needs during the extended lockdown and, specifically, in the start-up period of operations following the easing of the lockdown and travel restrictions in South Africa and Zimbabwe.

The Board feels that the additional liquidity will provide extra cash into the overall Group, as fixed costs continue during the lockdown and in anticipation of reduced demand for air travel in the months ahead, due to COVID-19, following any restart of operations.

The key terms of the Additional Shareholder Loan are as follows:

- US\$600,000 facility to be provided to the Company by SAHL;
- Fixed interest rate of 10%, calculated daily, based on a 360-day loan period and paid monthly in arrears;
- Initial six-month term with the right for the Company to extend twice thereafter for further periods of six months each, up to a maximum 18-month term;
- On any renewal extension, a rollover renewal fee of 1% of the loan value shall be payable (US\$6,000) per rollover;
- The Additional Shareholder Loan shall be included and secured by the collateral and security package already held under the current US\$2,000,000 Shareholder loan facility agreed with SAHL on 4 March 2018 and amended on 16 November 2018 (the "Existing Shareholder Loan");
- The Board has approved that SAHL register an aircraft mortgage to secure the Existing Shareholder Loan and the Additional Shareholder Loan, together US\$2,600,000 (the "Outstanding Shareholder Loan"), against one of the Company's EMB145 aircraft currently registered in South Africa;
- SAHL is entitled to convert at any time the full or any part of the Outstanding Shareholder Loan of US\$2,600,000 into ordinary shares of the Company, at a weighted average share price over the 90 days up to the drawdown date of the Additional Shareholder Loan, subject to the approval of the Board;
- SAHL is entitled to a fee of \$20,000 to cover legal and fundraising costs, payable on the first drawdown of the Additional Shareholder Loan; and
- The Additional Shareholder Loan includes standard representations, warranties and events of default, including pledged security.

SAHL is considered to be a related party to the Company by virtue of SAHL being a Substantial Shareholder as defined in the AIM Rules and, as such, the entering into of the Additional Shareholder Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules. The Directors of the Company, excluding Mark Hurst (Group Interim Chief Executive Officer), who is considered a related party to SAHL, consider that, having consulted with the Company's Nominated Adviser, the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned.

Sale of Embraer Aircraft and Related Party Transaction

As announced on 24 April 2020, the Company entered into an agreement with Solenta Aviation (Pty) Limited ("Solenta"), a South African subsidiary company of SAHL, involving the sale of one of the Company's Embraer 145 aircraft (the "Embraer 145") on 9 March 2020 (the "Sale") for a consideration of US\$2.2 million (the "Consideration").

Solenta is considered a related party to the Company by virtue of being a subsidiary of SAHL, who is a Substantial Shareholder as defined in the AIM Rules. The Sale has been identified as a related party transaction under Rule 13 of the AIM Rules but was not identified as such at the time. The Sale also constituted a substantial transaction for the purposes of Rule 12 of the AIM Rules.

The Directors of the Company, excluding Mark Hurst (Group Interim Chief Executive Officer), who is considered a related party to SAHL, have since evaluated the Sale and, having consulted with Liberum in its capacity as the Company's Nominated Adviser, consider the Sale to have been fair and reasonable insofar as the Company's Shareholders are concerned.

This announcement is released by fastjet plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Kris Jaganah, Group Chief Financial Officer.

fastjet plc

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NOTES TO EDITORS

About fastjet

Fastjet is a multi-award-winning African value airline that began flight operations in 2012. Its awards include Leading African Low-Cost Carrier World Travel Awards 2016, 2017, 2018 and 2019, and Skytrax World Airline Awards Best Low-Cost Airline in Africa 2017.

Today, fastjet connects the three major cities in Zimbabwe by flying between Harare and Victoria Falls and Harare and Bulawayo. Internationally the airline offers flights from Harare and Bulawayo to Johannesburg in South Africa.

In October 2018, fastjet acquired an interest in FedAir, which provides unscheduled shuttle and charter services to the game lodges in the Southern Africa region.

Since commencing operations fastjet has flown over 3.5 million passengers and has established itself as a punctual, reliable, and affordable airline, with value-added services inclusive of free baggage allowance(s), airport lounge access, dedicated check-in and more according to the new fare attributes introduced across their network.