

fastjet Plc

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

Trading Update, Impact of COVID-19, Capital Requirements and Restructuring Proposal

7 April 2020

fastjet, the low-cost African airline, today provides an update on forecast trading following announcements by the Government of South Africa and the Government of Zimbabwe to effect lockdowns regarding efforts to contain and control the rapid escalation of COVID-19 in their respective countries.

South Africa began a country-wide lockdown on Thursday 26 March 2020 that will continue to midnight on Thursday 16 April 2020. Zimbabwe started a country-wide lockdown on Monday 30 March 2020 that, at present, will continue to midnight on Sunday 19 April 2020. There is a risk that the respective Governments could further extend both lockdowns; the fastjet executive management team is closely monitoring this and the impact such an extension may have on the scheduled restart date for flight operations. fastjet Zimbabwe is currently planning to restart flight operations on Tuesday 21 April 2020. Flight operations will commence on a reduced flying programme, building up frequency and yields according to passenger demand and the competitor landscape.

fastjet business and employee actions

During the lockdown period, all non-essential employees are on paid annual leave, with those employees responsible for essential critical tasks continuing to work from home. Once a week, selected employees in Zimbabwe are performing essential aircraft maintenance and flight activities on the grounded fleet to keep the aircraft fully serviceable in accordance with required maintenance preservation requirements.

All fastjet group employees have accepted a voluntary salary reduction effective from 1 April 2020 of up to 30% depending on their current salary scales, with the lowest earners affected the least.

The monthly gross salary costs (before variable flight pay allowances paid to cockpit and cabin crew) from April 2020 onwards for the fastjet group (Zimbabwe, South Africa and UK) is approximately US\$ 200,000 per month.

fastjet Zimbabwe expects that the significantly reduced global oil prices will help to cushion the financial impact of the forecast lower passenger demand when operations restart. The April 2020 fuel price is 35% lower than it was in January 2020, at which point fuel represented 23% of total operating costs.

At this current time, it remains difficult to accurately forecast revenues for the months ahead and the resultant cash generation; in light of this, the Board will continue to assess the Company's going concern ability on an ongoing basis and, in particular, from when operations restart.

fastjet Zimbabwe, Restructuring and Divestment Proposal

As announced on 12 March 2020, the Directors expected that the Group would have sufficient resources to meet its operational needs until the end of June 2020. This was prior to the worldwide disruptions caused by COVID-19

To address future funding requirements, the Group is in ongoing discussions with an investor consortium led and underwritten by Solenta Aviation Holdings Limited and other local investors in Zimbabwe (the "Investor Consortium"), in relation to the disposal of the Company's holding in fastjet Zimbabwe (the "Disposal"), with such Disposal subject to certain preconditions. The Directors had expected to meet all pre-conditions by 31 March 2020 and further that the transaction would be completed, subject to shareholder approval, in April 2020.

Following the COVID-19 outbreak and country lockdowns in South Africa and Zimbabwe, these timelines are no longer practically achievable. Additionally, the shutdown of flights of fastjet Zimbabwe will have a further impact on the overall fastjet Zimbabwe business and obligations, as revenues have stopped whilst the fixed costs continue.

The Group's executive management team therefore approached the Investor Consortium to confirm its views on completing the Disposal once the fastjet Zimbabwe business restarts flight operations. The Investor Consortium confirmed that it remains committed to the divestment proposal but has indicated that it would potentially foresee modified terms needing to be discussed, negotiated and agreed between it and the Company's Board. These discussions can only begin when the impacts and timeline of the two countries' shutdowns are better understood. The Investor Consortium indicated that it would need to assess and understand the costs incurred linked to the COVID-19 flight suspensions, recurring fixed costs and, when flights do restart, the forward-looking passenger demands which will then be more accurately understood.

Whilst the COVID-19 pandemic is a significant headwind to all airlines worldwide, the fastjet Zimbabwe business model provides the Company with several pillars of strength that will help support trading and future operations while waiting for the Disposal. fastjet Zimbabwe has fully paid off all of its Embraer EMB145 aircraft; it has a low and lean overall overhead cost base in Zimbabwe; and additionally, fastjet Zimbabwe is receiving support from the relevant authorities in Zimbabwe.

fastjet Zimbabwe's unflown forward ticket sales obligation was US\$ 616,476 as of 31 March 2020. This is much lower than traditionally experienced and is due to the very late booking patterns by passengers who are booking flights only 24-48 hours before the actual travel date.

FedAir business and employee actions

Federal Airlines ("FedAir") provides shuttle and charter services to the safari reserves and lodges in the Southern Africa region. Its markets are predominately international tourists from the USA, the UK and mainland European countries. All these countries have been severely hit by the COVID-19 pandemic and the associated international travel bans currently in force.

With the ongoing disruption experienced in international flights and the tourism industry as a result of the COVID-19 pandemic, FedAir has entered a restructuring process under section 189 of the South African labour law requirements which will result in 55% of its full-time employees being retrenched. The

remaining employees have either accepted a voluntary salary restructuring or a reduction in salary of approximately 20% on a cost to company basis. The FedAir company pension scheme will also be terminated effective as at 1 April 2020 and thereafter all employees will either choose to continue it directly themselves, place it into a preservation fund or have it paid out.

The majority of FedAir employees are on paid leave for the month of April 2020 whilst a few essential employees continue working from home or operating freight charters regionally.

As a result, FedAir has seen a dramatic downturn in forward ticket sales and reservations and the majority of passengers that were booked have deferred their travel into Q4 2020 or the first half of 2021. FedAir is not expecting significant shuttle or charter bookings for at least the next six months and is forecasting that the earliest they would see passengers returning would be from December 2020 onwards and, for most of the bookings, into 2021.

As a result of this situation, a significant portion of the 14 aircraft fleet (which were leased in on a per hour cost basis, some with minimum monthly flight hour guarantees) has been terminated. FedAir has retained the four aircraft which it owns, and that were previously acquired with bank loans, and two third-party owned B1900D type aircraft which will be leased into the foreseeable future on a variable per hour basis, with no minimum flight hour guarantees for the rest of 2020. FedAir is in discussions with its aircraft financiers relating to the owned aircraft to suspend and defer capital repayments on the aircraft loans until December 2020 due to the very low debt levels remaining on those aircraft.

FedAir has retained limited crew to operate these six aircraft, which will be the core fleet retained for the remainder of 2020.

The lack of any material revenue from the FedAir traditional shuttle and charter business will place significant strain on FedAir's cashflow and resources. After the above significant FedAir restructuring, which the Company together with the FedAir executive leadership team believes is now the minimum required to protect the core business without losing significant specialised skills, FedAir would need additional cashflow of approximately US\$ 1.0m by 31 December 2020. Options to raise the required capital to support the FedAir business include securing additional loans against its existing aircraft assets or a new rights issue. The FedAir management team is exploring all options and further announcements will be made in the months ahead.

Cash position

The management actions detailed above will reduce the equivalent monthly cash burn of the Group, assuming zero revenue from both fastjet Zimbabwe and FedAir, to approximately US\$ 550,000 whilst all flights are suspended.

As at 3 April 2020, the Group had cash reserves of US\$ 1.88m with no restricted cash. Of the Group's US\$ 1.88m cash reserves, US\$ 0.43m is in Zimbabwe and currently unrestricted.

Capital Requirements

With the temporary suspension of all of the Company's operations in April 2020, and the expected impact to the FedAir business for the remainder of 2020, the Board is reassessing the going concern ability of the

entire group in its current form, with both the FedAir and fastjet Zimbabwe businesses retained, until the Investor Consortium can clarify its intentions and a new proposal and valuation for the Disposal is agreed with the fastjet Board.

As announced on 12 March 2020, the Group had engaged with all its main creditors who, following detailed discussions with management, had agreed to defer due dates for repayments and/or have agreed to settlement discounts to current carrying values of their liabilities. Good progress has been made on this and the Group's total liabilities could be reduced or deferred by between US\$ 1.0m to US\$ 3.0m between April 2020 and July 2020. If achieved, this will relieve significant pressure on the Company's future cashflow forecasts.

Subsequently the Directors believe - based on current financial projections, funds available and expected to be made available, together with the revised creditor terms agreed above - that the Group will continue to have sufficient resources to meet its operational needs until the end of June 2020.

The headroom of available cash resources remains minimal and will be drawn on in the next three months to sustain and settle fixed costs and obligations of the Group, despite having reduced these significantly already.

In the event that the Group is unable to complete the Disposal or raise additional new capital by 30 June 2020, the Directors believe the Group would be unable to continue trading as a going concern.

The Company is continuing to assess the situation daily and will provide further updates as and when required due to the unprecedented external factors linked to the Covid-19 pandemic the business is facing.

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.

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fastjet plc

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NOTES TO EDITORS

About fastjet

fastjet is a multi-award winning (including Skytrax World Airline Awards Best Low-Cost Airline in Africa 2017) low-cost African airline for everyone, who began its flight operations in Tanzania in November 2012 flying passengers from Dar es Salaam to just two domestic destinations - Kilimanjaro and Mwanza.

Today, fastjet's route network includes operations predominately in Zimbabwe and South Africa together with interline arrangements with carriers such as Emirates and Qatar. The airline has flown over 3 million passengers with an impressive aggregate on-time performance above 90%, establishing itself as a punctual, reliable, and affordable carrier.

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