fastjet Plc

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

(AIM: FJET)

Interim Results for the six months to 30 June 2019

fastjet, the African value airline for everyone, announces its unaudited Interim Results for the six months to 30 June 2019, together with its strategic and operational developments.

The table below shows the financial performance highlights of the fastjet Group for the period to 30 June 2019.

	(Unaudited) H1 2019 US$’000	(Unaudited) H1 2018 US$’000 Re-presented*
Revenue	**19,731**	14,479
Expenses from continuing activities	**(24,221)**	(23,559)
Loss from continuing activities after tax	**(4,490)**	(9,080)
Loss from discontinued activities net of tax	**(5)**	(5,525)
Loss for the period after tax	**(4,495)**	(14,605)
Loss per share from continuing activities (US$)	**(0.001)**	(0.020)
Cash balance at period end	**3,415**	3,312

Presentation of results

* On 26 November 2018, the Group sold its holding in fastjet Air TZ (BVI) Limited, which further held 49% in fastjet Airlines Limited. In addition, the Board further resolved to close the Guernsey structure which consisted of dormant entities. The 2018 Interim Results have therefore been re-presented to report fastjet Air TZ (BVI) Limited, fastjet Airlines Limited and the dormant entities as discontinued operations.

Financial highlights

- Revenue from continuing operations increased by US$5.3m mostly driven by the following:
  - Fedair acquisition in October 2018 which resulted in additional revenue of US$5.8m during the first half of 2019;
  - 19% increase in revenue from fastjet Zimbabwe to US$12.1m (H1 2018: US$10.2m) driven by an increase in revenue per passenger and an increase in revenue per Available Seat Kilometres (“ASK”); and
  - fastjet Mozambique revenue reduced by US$2.3m compared to H1 2018, driven by a decrease in capacity following the decision taken to scale back operations to mitigate losses in Mozambique. Fastjet Mozambique scaled back frequency on routes to reduce overall capacity supply and additionally aligned the schedules with LAM. The Board expects the trading losses in Mozambique to be far less in the remaining six months of the year compared to the first half of 2019.

- Operating expenses reduced by US$0.7m compared to the six month period to 30 June 2018 as a result of:

    - Additional operating expenses of US$5.6m following the acquisition of FedAir;
    - Reduction in operating expenses of US$2.5m due to fastjet Mozambique's decrease in capacity flown; and
    - Lower Central costs of US$2.5m after closing of fastjet Tanzania operations and the restructuring of Head Office functions.

Operational Headlines

- Increase in revenue per passenger of 38% year on year;
- Decrease in load factor of 16% year on year, driven primarily by substantial RTGS$ ticket price increases and overall Zimbabwean economy pressures;
- Increase in fastjet Zimbabwe revenue despite the difficult trading conditions following the introduction of a new currency which effectively devalued the existing currency up to 8.4 times its previous value at official rates and pushing inflation rates to 176%;
- fastjet Mozambique scaled back frequency on routes to reduce overall capacity supply following the entry of a competitor coupled with two category 5 cyclones at the beginning of 2019, all of which served to suppress demand. This prompted fastjet Mozambique to deepen its relationship with LAM through a code sharing arrangement;
- FedAir remained resilient and generated marginal operating profits for the first half of the year despite the negative impact of the Cape Town water crisis and the 2019 elections on the South African tourism market;
- Decentralisation of operations into country commenced January 2019; and
- Network on-time performance at an 87% monthly aggregate.

Commenting on the results, fastjet Chief Executive Officer Nico Bezuidenhout said:

"It is pleasing to note the improved results for the first half, seasonally the weakest period of the year, as they illustrate the positive impact the Companys stabilisation efforts have had on the financial performance of the business.

Key metrics such as revenue per available seat kilometre showed a year-on-year improvement of 39% in H1 2019; this is now 140% higher than the corresponding period in 2016.

In addition to our improved financial results, we were also pleased to win again Best Low-Cost Carrier in Africa at the Paris Air Show last month, demonstrating our continued commitment to delivering exceptional service for our customers.

Whilst the stabilisation process, now concluded, was no-doubt painful, it is encouraging to see the benefit in improved financial results and a stronger foundation for the future. I would like to thank our shareholders, employees, suppliers and customers for their continued support over the past year."

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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 Zimbabwe by flying between Harare and Victoria Falls, Harare and Bulawayo. It also offers flights from Harare and Victoria Falls to Johannesburg in South Africa. In November 2017 fastjet also began fastjet branded domestic flights in Mozambique using one Embraer E145, a 50-seater aircraft operated by Solenta Aviation Mozambique. As part of a codeshare agreement entered into with LAM – Mozambique Airlines fastjet is able to offer its customers flights between Maputo, Tete, Beira and Quelimane.

Since commencing operations fastjet has flown over 3 million passengers and has established itself as a punctual, reliable, and affordable low-cost carrier.

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 fastjet Plc by Kris Jaganah, Chief Financial Officer.

fastjet Plc is quoted on the London Stock Exchange's AIM Market.
For more information see www.fastjet.com

Business Review

During the first half of 2019 fastjet executed its decentralisation strategy and focused its efforts on the new operating environment in Zimbabwe following the introduction of a new domestic currency effective 22 February 2019. fastjet Mozambique scaled down its route network following the entry of a new competitor and, to effectively compete in the Mozambique market, entered into a new code share agreement with LAM the national carrier.

Fleet

Following the December 2018 capital raise and the acquisition of Federal Airlines in October 2018, fastjet currently operates and/or utilises the following fleet types and aircraft within each market:

Zimbabwe:	Three Embraer ERJ145, 50-seat jets, servicing all domestic Zimbabwean routes as well as the core cross border routes to South Africa;
Mozambique:	One Embraer ERJ145, 50-seat jet, operating under the Solenta Aviation Mozambique airline licence and operational certificates, as fastjet Mozambique; and
South Africa:	Unscheduled shuttle operations, predominantly with two PC-12, eight Cessna C208B Grand Caravans and two Raytheon Beechcraft 1900D.

Organisation and Board Changes

The Group head office pursued its decentralization strategy and appointed a Chief Executive Officer and a Chief Commercial Officer for fastjet Zimbabwe in Q2 2019.

Kris Jaganah joined the Board of Directors on 05 April 2019 following his appointment as Chief Financial Officer of the Group.

Following the resignation of Nico Bezuidenhout on 01 July 2019, Mark Hurst, currently Deputy Group CEO, will take up the position of acting CEO, working closely with Nico for the handover, and thereafter assume the Group CEO role until such time as a permanent replacement CEO is appointed.

Nico Bezuidenhout will leave the Group effective 30 September 2019 but will remain an Executive Director and the active Group CEO until such time.

Revenue generating initiatives

As a value driven airline, fastjet continues to take a more flexible approach to the traditional low-cost carrier model, with market specific nuances impacting significantly on the traditional Western perception of affordable air travel. Local culture demands and requirements are being better heard and understood and adjustments made accordingly.

During the first half of the year fastjet implemented the Flexi-Flyer program appealing to the corporate market. This allows additional luggage at no extra cost, unlimited ticket changes and a fast track check in and aircraft boarding.

In addition, fastjet is reviewing its distribution networks to enable accessibility to more passengers in the key markets it operates in.

Further enhancements to the Company's website have had positive effects on inbound online traffic. This, in tandem with the upgraded reservation system, has led to a stronger fastjet brand and a user friendly consumer experience, which has seen increases in organic traffic and direct searches.

Operational Review

fastjet has maintained its high operational standards in relation to safety, quality, security and reliability. As a result of this the airline is well regarded in the marketplace, as evidenced by being named “Africa’s Leading Low-Cost Airline” at the World Travel Awards in both 2018 and 2019, followed by Best African Low-Cost Carrier at the 2019 Skytrax World Airline Awards.

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

Significant cost reductions have been achieved following the decentralisation strategy. The call centre functions covering Zimbabwe and South Africa are now performed in-house in Zimbabwe which has led to improved service levels and sales conversions in both markets.

fastjet Zimbabwe

fastjet Zimbabwe is the leading airline brand in Zimbabwe. In the first half of 2019, fastjet Zimbabwe carried 78,742 passengers on 2,579 flights with an average load factor of 61%, down from a prior year average of 65%. Revenue per passenger increased by 35% following the “right pricing” of the ticket seats in the second half of 2018 and onwards.

Revenue per Available Seat Kilometre improved by an impressive 29% due to increased yields as a result of the above “right pricing” strategy.

fastjet Zimbabwe now operates four daily return flights between Johannesburg and Harare, double daily between Harare and Victoria Falls, double daily between Harare and Bulawayo and three times per week (seasonally) between Johannesburg and Victoria Falls.

fastjet Zimbabwe has plans to further increase frequencies on these four key routes and is also looking at adding additional regional destinations for deployment in Q4 2019 (subject to receiving designations and route approvals) and then consistently throughout 2020.

fastjet’s Zimbabwe operation, which accounted for 67% of Group revenue in FY2018, remains sensitive to currency volatility and the frequently changing and volatile local environment that currently exists in Zimbabwe.

fastjet Zimbabwe has maintained a good ‘On Time Arrival’ performance of 88%, while aircraft utilisation averaged 6.33 block hours per day per aircraft (H1 2018: 8.8 block hours). In the first half of 2019, fastjet Zimbabwe reduced frequencies on certain week days between Harare and Johannesburg and Harare and Victoria Falls, which were traditionally weaker flights that did not contribute positive margin to operating results.

On 22 February 2019, the Reserve Bank of Zimbabwe formally announced the introduction of a new domestic currency which effectively devalued its domestic US dollar denominated assets and liabilities, including cash balances. At the same time they introduced an interbank exchange rate of RTGS$ 2.500 = US$1.00.

Since March 2019, because of the above changes, the RTGS$ to US$ exchange rates via interbank market have devalued significantly from the starting RTGS$2.500 to a current interbank rate of RTGS$ 8.900 as of 24 July 2019. This has driven a significant increase in costs of all supplies in country, with resultant inflation running at 176% in RTGS$ terms. Our RTGS$ ticket pricing has been updated regularly throughout the first half of 2019 taking into account a stable baseline US$ ticket pricing model converted at the prevailing RTGS$: US$ exchange rates.

On 26 June 2019, an official (s35 of exchange control regulations statutory instrument 109 of 1996) announcement was made by the Reserve Bank of Zimbabwe of the removal of multi-currency, with the RTGS$ / bond notes as the only legal tender in the country except for international airlines. fastjet Zimbabwe currently sells the majority of its tickets in RTGS$, US$, and South African Rand. Since March 2019, Fastjet has had access to the interbank market for its foreign currency requirements.

fastjet Mozambique

During December 2018, competition in the local Mozambique market intensified following the entry of Ethiopian Airlines as a domestic carrier. This increase in aircraft and capacity supply, coupled with two category 5 tropical cyclones at the beginning of 2019 which served to suppress demand, prompted fastjet to scale back frequency on routes, reduce overall capacity supply and deepen its relationship and partnership with LAM. The two carriers place their airline designator codes on each other's services, align schedules and remove duplication. Therefore, passengers will have an increased choice of fastjet-coded services, with a reduced financial exposure to the Company.

The Group continues to closely monitor the loss evolution of its Mozambique operations, both in context of demand (negative economic impact of natural disasters offset by pending gas extraction coming on-stream) and supply (LAM partnership and Ethiopian Airlines Market entry) considerations.

The Board expects the trading losses in Mozambique to be far less in the remaining six months of the year, compared to the first half of 2019.

The fastjet Mozambique losses represent a significant operational challenge to the Group. The Board has taken action to minimize such losses whilst recognizing that it is strategically important to retain fastjet brand visibility in the country in expectation of the considerable increase in passenger demand in 2020 onwards. This demand will be driven by the commencement of oil and gas infrastructure build projects in the northern areas of Mozambique.

fastjet South Africa

FedAir has remained resilient and generated marginal operating profits for the first half of the year, even though the South African tourism market has experienced a slight decrease in tourist arrivals. This trading pattern is in line with historical trends over several prior years, with the majority of operating profit being generated in the second half of each year, driven by tourist arrivals during the European, US, and Asian summer holiday season.

South Africa represents the largest domestic aviation market on the African continent and is the largest trading partner to both Zimbabwe and Mozambique, whilst also being an important tourist source market for both these countries.

FedAir provides an operating platform for the fastjet brand to enter the domestic South African Market in addition to presenting opportunities to gain synergies in back-office functions.

In preparing FedAir to have the ability to operate a fastjet branded airline on its own in South Africa in 2020, should the Board strategically decide this, the Group has registered one of the ERJ145s on the FedAir aircraft operating certificate ("AOC"). FedAir will support the fastjet Zimbabwe operation on an aircraft, crew, maintenance and insurance basis ("ACMI") going forward and effective from July 2019. This allows FedAir to gain its own operational airline expertise on the ERJ145 fleet and further replaces any long-term support or dependencies on Solenta Aviation (South Africa) for additional aircraft and crew supply.

Financial Review

		H1 2019 US$'000 (Unaudited)	Re-presented* H1 2018 US$'000 (Unaudited)
Revenue:			
	fastjet Zimbabwe	**12,126**	10,244
	fastjet Mozambique**	**1,874**	4,235
	FedAir	**5,731**	-
Total		**19,731**	14,479
Operating profit / (loss):	fastjet Zimbabwe	**(1,430)**	(3,203)
	fastjet Mozambique	**(2,383)**	(2,697)
	FedAir	**90**	-
	Central	**(767)**	(3,180)
	Discontinued operations	**(5)**	(5,525)
Operating loss for the period after tax		**(4,495)**	(14,605)

** fastjet Mozambique reduced revenue driven by the Board's decision to reduce activities to avoid the active ticket price war between LAM and Ethiopian airlines as they both competed aggressively and at below unit cost levels to gain and / or retain market share.

Key performance indicators

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

Scheduled Airline Services (Continuing Operations)

Measure	**H1 2019**	H1 2018 (Re-presented) *	Movement
Passenger numbers	92,089	119,087	-23%
Revenue per Passenger (US$)	145	107	36%
Seats Flown	149,350	162,600	-8%
Available Seat Kilometres (ASK)	110,805,400	146,199,750	-24%
Load Factor	62%	73%	-11pp
Revenue per ASK (US cents)	12.04	8.73	38%
Cost per ASK (US cents)	16.17	16.25	0%
Cost per ASK ex. Fuel (US cents)	11.10	13.27	-16%
Aircraft Utilisation (Hours)	5.69	8.40	-32%
Aircraft Utilisation at June end (Hours)	4.84	8.76	-45%
Aircraft Utilisation in Peak Month (Hours)	6.45	8.76	-26%

* Note: 2018 comparatives figures were re-presented to exclude fastjet Tanzania.

Unscheduled Airline Services (FedAir)

Measure	H1 2019	H1 2018	Movement
Passenger numbers - Shuttle	16,369	-	n/a
Passenger numbers - Charter	6,465	-	n/a
Revenue per passenger (US$) - Shuttle	138	-	n/a
Revenue per passenger (US$) – Charter	209	-	n/a

The Group recorded a loss after tax for the period of US$4.5m (H1 2018: loss US$14.6m).

Group revenue increased year on year by 36% to US$19.7m (H1 2018: US$14.5m). This is attributable mostly to the acquisition of Federal Airlines in October 2018.

Cash position

Cash balances during the period decreased from US$6.6m to US$3.4m incurred mostly due to the following:

- Funding of Mozambique operations;
- Deregistration of Tanzania aircraft – US$1.25m paid to Tanzanian CAA and airport authorities;
- Settlement of the loan with SSCG Africa Holdings - US$1.25m repaid on the 10 June 2019; and
- Devaluation of the newly introduced currency in Zimbabwe.

Exchange rates

On 22 February 2019 the Reserve Bank of Zimbabwe formally announced the introduction of a new domestic currency which effectively devalued its domestic US dollar denominated assets and liabilities including cash balances. At the same time they introduced an interbank exchange rate of RTGS$ 2.500 = US$1.00.

Since March 2019, because of the above changes, the RTGS$ to US$ exchange rates via interbank market have devalued significantly from the starting RTGS$2.500 to a current interbank rate of RTGS$ 8.900 as of 24 July 2019. This has driven a significant increase in costs of all supplies in country with resultant inflation running at 176%.

On 26 June 2019, an official (s35 of exchange control regulations statutory instrument 109 of 1996) announcement was made by the Reserve Bank of Zimbabwe of the removal of multi-currency, with the RTGS$/ bond notes as the only legal tender in country except for international airlines.

Post balance sheet event

The Directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

Going Concern

The Group has in recent years operated at a loss and incurred a further operating cash outflow during the first half of 2019. The Group reviewed its current operating model in 2018 and took the following initiatives to reduce cash outflow:

- Divestment from Tanzania;
- Downsizing and restructuring of Head Office;
- Conversion of debt into equity;
- Acquisition of leased aircraft for shares;
- Restructuring of legacy debts;
- Localisation of services in Zimbabwe;
- Route optimisation; and
- Increase in fares to match costs.

There are risks associated with operating 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.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Directors continue to adopt the going concern basis notwithstanding the expected need for further funding and assumed ability to extract hard currency funds from Zimbabwe in the foreseeable future.

The Directors believe, based on current financial projections and funds available and expected to be made available, that the Group will have sufficient resources to meet its operational needs over the relevant period, being at least until year end. Accordingly, in preparing these Financial Statements, the Directors continue to adopt the going concern basis. However, the headroom of available cash resources is minimal, and the projections are very sensitive to any assumptions not being met.

The matters described above represent material uncertainties that may cast significant doubt upon the Group's and the parent Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The Financial Statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

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

- Load factors will average 74% for second half of 2019, which is traditionally stronger than the first half;
- Introduction of new initiatives to drive ex South Africa passengers;
- Focused, country-centric marketing by the commercial teams;
- Majority of revenue generated in US$ and ZAR;
- Mozambique operating expenses reducing following revised terms with Solenta; and
- Exchange rates: fastjet cashflows are exposed to movements in the RTGS$ and ZAR. In its forecasting fastjet has assumed that the key exchange rates remain at current levels.

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

- Not achieving forecast passenger numbers and load factors;
- An increase in aviation fuel prices, which are currently not hedged;
- Adverse currency exchange rate movements; and
- Ability to successfully remit cash from Zimbabwe.

Current Trading and Outlook

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

Nico Bezuidenhout
Chief Executive Officer

Kris Jaganah
Chief Financial Officer

Condensed consolidated income statement

	6 months ended 30 June 2019 US$'000 (Unaudited)	(Re-presented)* 6 months ended 30 June 2018 US$'000 (Unaudited)	12 months ended 31 December 2018 US$'000 (Audited)
Revenue	**19,731**	14,479	38,514
Cost of sales	**(18,341)**	(17,428)	(50,273)
Gross profit / (loss)	**1,390**	(2,949)	(11,759)
Administrative costs	**(4,912)**	(6,333)	(13,774)
Operating loss	**(3,522)**	(9,282)	(25,533)
Exceptional items			(22,106)
Finance income	**72**	1,208	431
Finance charges**	**(1,040)**	(1,006)	(10,641)
Loss from continuing activities before tax	**(4,490)**	(9,080)	(57,849)
Taxation	**-**	-	(324)
Loss from continuing activities after tax	**(4,490)**	(9,080)	(58,173)
Loss from discontinued activities net of tax	**(5)**	(5,525)	(6,867)
Loss for the period	**(4,495)**	(14,605)	(65,040)
Attributable to:			
Shareholders of the parent company	**(4,495)**	(14,605)	(65,040)
Non-controlling interests	**-**	-	-
Loss per share (basic and diluted) (US$)			
From continuing activities	**(0.001)**	(0.020)	(0.080)
From discontinued activities	**(0.000)**	(0.010)	(0.010)
Total	**(0.001)**	(0.030)	(0.090)

* Note: 2018 comparatives figures were re-presented to exclude fastjet Tanzania.

** Includes net foreign exchange losses in Zimbabwe of US$753k for the period ended 30 June 2019.

Condensed consolidated statement of comprehensive income

	6 months ended 30 June 2019 US$'000 (Unaudited)	(Re-presented)* 6 months ended 30 June 2018 US$'000 (Unaudited)	12 months ended 31 December 2018 US$'000 (Audited)
Loss for the year	**(4,495)**	(14,605)	(65,040)
Items that may be reclassified to profit or loss:			-
- Exchange differences on translation of continuing operations	**65**	(1,806)	73
- Exchange differences on translation of discontinued operations	**-**	-	(5,491)
Total other comprehensive income / (expense) for the year	**65**	(1,806)	(5,418)
Total comprehensive expense	**(4,430)**	(16,411)	(70,458)
Attributable to:			
Shareholders of the parent company	**(4,430)**	(16,411)	(70,458)
Non-controlling interests	**-**	-	-
Total comprehensive expense	**(4,430)**	(16,411)	(70,458)

* Note: 2018 comparatives figures were re-presented to exclude fastjet Tanzania.

Condensed consolidated balance sheet

	As at 30 June 2019 US$'000 (Unaudited)	As at 30 June 2018 US$'000 (Unaudited)	Year ended 31 December 2018 US$'000 (Audited)
Non-current assets			
Intangible assets	**6,393**	3,000	6,384
Property, plant and equipment	**15,473**	42,458	16,561
	21,866	45,458	22,945
Current assets			
Inventory	**139**	-	138
Cash and cash equivalents	**3,415**	3,312	6,573
Trade and other receivables	**3,767**	12,542	4,409
Loan to Annunaki	**5**	-	1,090
Other financial assets	**-**	11,000	-
	7,326	26,854	12,210
Total assets	**29,192**	72,312	35,155
Equity			
Share capital	**192,077**	150,752	192,077
Share premium account	**215,050**	209,216	215,004
Treasury shares	**(288)**	(288)	(288)
Shares in lock-up transactions	**-**	(14,237)	-
Reverse acquisition reserve	**11,906**	11,906	11,906
Retained earnings	**(407,792)**	(352,951)	(403,297)
Translation reserve	**(4,930)**	(1,385)	(4,997)
Equity attributable to shareholders of the Parent Company	**6,023**	3,013	10,405
Non-controlling interests	**-**	-	-
Total equity	**6,023**	3,013	10,405
Liabilities			
Non-current liabilities			
Loans and other borrowings	**4,177**	19,273	3,767
Obligations under finance leases	**-**	25,975	-
Deferred tax liability	**3,761**	-	3,746
	7,938	45,248	7,513
Current liabilities			
Loans and other borrowings	**756**	708	2,709
Obligations under finance leases	**-**	3,418	-
Trade and other payables	**14,475**	19,857	14,528
Taxation	**-**	68	-
	15,231	24,051	17,237
Total liabilities	**23,169**	69,299	24,750
Total liabilities and equity	**29,192**	72,312	35,155

Condensed consolidated cash flow statement

	6 months ended 30 June 2019 US$'000 (Unaudited)	(Re-presented)* 6 months ended 30 June 2018 US$'000 (Unaudited)	12 months ended 31 December 2018 US$'000 (Audited)
Operating activities			
Loss for the year	**(4,495)**	(14,605)	(65,040)
Adjustments for non-cash items:			
Loss from discontinued activities	**5**	5,525	6,867
Equity-settled share-based payment – released	**-**	-	11,317
Equity-settled share-based payment - services received	**-**	2,334	5,254
Amortisation of other intangible assets	**-**	-	1,034
Impairment of FedAir Brand Licensing Agreement	**-**	-	4,609
Impairment of goodwill	**-**	-	1,499
Impairment of air operations certificate	**-**	-	2,979
Impairment of fastjet Plc brand	**-**	-	1,220
Impairment of FedAir brand	**-**	-	108
Lease rental arrears on the aircraft converted into equity	**-**	-	495
Finance income	**239**	(1,208)	(431)
Finance charges	**-**	1,006	10,641
Depreciation of aircraft	**1,131**	-	692
Depreciation of other property, plant and equipment	**235**	215	111
Share option charges	**-**	192	281
Tax expense (continuing operations)	**-**	-	324
Changes in working capital:			
Decrease in trade and other receivables	**339**	(6,347)	1,405
(Decrease) in trade and other payables	**317**	(7,557)	(14,672)
Cash utilised in operating activities	**(2,229)**	(20,445)	(31,307)
Cash generated from operating activities of discontinued activities	**-**	(5,342)	1,426
Interest received	**-**	-	124
Net cash utilised in operating activities	**(2,229)**	(25,787)	(29,757)
Investing activities			
Purchase of subsidiary (net of cash acquired)	**-**	-	(2,412)
Purchase of intangibles	**-**	(285)	(526)
Purchase of property, plant and equipment	**(240)**	(152)	(627)
Disposal of discontinued operation (net of cash disposed)	**-**	-	(84)
Investing activities from discontinued operations	**-**	(32)	(41)
Net cash flow from investing activities	**(240)**	(469)	(3,690)
Financing activities			
Proceeds from the issue of shares (net of expenses)	**-**	-	24,668
Loan received - SAHL	**-**	12,000	12,000
Loan received - SSCG	**-**	-	2,000
Loan advanced - Annunaki	**(726)**	-	(5,000)
Loan repayment - SSCG	**(1,250)**	-	-
Proceeds from loan - Annunaki	**1,366**	-	-
Interest paid	**(124)**	(3)	(1,642)
Instalment sale liabilities repayments	**(313)**	-	(177)
Finance lease obligations repayments	**-**	(2,415)	(2,284)
Loan notes and interest paid - discontinued operations	**-**	(702)	(1,234)
Net cash flow from financing activities	**(1,047)**	8,880	28,331
Net movement in cash and cash equivalents	**(3,516)**	(17,376)	(5,116)
Effect of exchange rate changes on cash	**358**	609	(8,390)
Opening net cash	**6,573**	20,079	20,079
Closing net cash	**3,415**	3,312	6,573

* Note: 2018 comparatives figures were re-presented to exclude fastjet Tanzania.

Condensed consolidated statement of changes in equity

	Share Capital US$'000	Share Premium US$'000	Treasury Shares US$'000	Shares in lock-up transactions US$'000	Reverse Acquisition Reserve US$'000	Translation Reserve US$'000	Retained Earnings US$'000	Equity US$'000
Balance at 01 January 2018	**150,752**	**209,216**	**(288)**	**(16,571)**	**11,906**	**421**	**(338,538)**	**16,898**
Share based payments	-	-	-		-	-	192	192
Share services received	-	-	-	2,334	-		-	2,334
Transactions with owners	-	-	-	2,334	-	-	192	2,526
Loss for the year	-	-	-	-	-	-	(14,605)	(14,605)
Other comprehensive income	-	-	-	-	-	(1,806)	-	(1,806)
Total comprehensive loss for the year	-	-	-	-	-	(1,806)	(14,605)	(16,411)
Balance at 30 June 2018	**150,752**	**209,216**	**(288)**	**(14,237)**	**11,906**	**(1,385)**	**(352,951)**	**3,013**
Shares issued net of issuance costs	41,325	5,788	-	-	-	-	-	47,113
Share based payments	-	-	-	-	-	-	89	89
Share services received	-	-	-	2,920	-	-	-	2,920
Share services released	-	-	-	11,317	-	-	-	11,317
Transactions with owners	41,325	5,788	-	14,237	-	-	89	61,439
Loss for the year	-	-	-	-	-	-	(50,435)	(50,435)
Other comprehensive income:								
- Exchange differences on translation of continuing operations	-	-	-	-	-	1,879	-	1,879
- Exchange differences on translation of discontinued operations recycled to income statement	-	-	-	-	-	(5,491)	-	(5,491)
Total other comprehensive loss	-	-	-	-	-	(3,612)	-	(3,612)
Total comprehensive loss for the year	-	-	-	-	-	(3,612)	(50,435)	(54,047)
Balance at 31 December 2018	**192,077**	**215,004**	**(288)**	**-**	**11,906**	**(4,997)**	**(403,297)**	**10,405**
Share costs converted into equity		**48**						**48**
Transactions with owners	-	**48**	-	-	-	-	-	**48**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(4,495)**	**(4,495)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**65**	**-**	**65**
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**65**	**-**	**65**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**65**	**(4,495)**	**(4,430)**
Balance at 30 June 2019	**192,077**	**215,052**	**(288)**	**-**	**11,906**	**(4,932)**	**(407,792)**	**6,023**

Notes to the interim results

1. Basis of preparation and accounting policies

The financial information set out in this interim results statement is for the six months to 30 June 2019. The interim financial information has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparatives for the twelve-month period ended 31 December 2018 are not the Group's full financial statements for that period. A copy of the financial statements for that period has been delivered to the Registrar of Companies.

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

The Group has in recent years operated at a loss and incurred a further operating cash outflow during the first half of 2019. The Group reviewed its current operating model in 2018 and took the following initiatives to reduce cash outflow:

- Divestment from Tanzania;
- Downsizing and restructuring of Head Office;
- Conversion of debt into equity;
- Acquisition of leased aircraft for shares;
- Restructuring of legacy debts;
- Localisation of services in Zimbabwe;
- Route optimisation; and
- Increase in fares to match costs.

There are risks associated with operating 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.

The commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating concerns with respect to licences and agreements for business which may be susceptible to delay, revision or cancellation, as a result of which legal redress may be uncertain or delayed.

The Directors continue to adopt the going concern basis notwithstanding the expected need for further funding and assumed ability to extract hard currency funds from Zimbabwe in the foreseeable future.

The Directors believe, based on current financial projections and funds available and expected to be made available, that the Group will have sufficient resources to meet its operational needs over the relevant period, being at least until year end. Accordingly, in preparing these Financial Statements, the Directors continue to adopt the going concern basis. However, the headroom of available cash resources is minimal, and the projections are very sensitive to any assumptions not being met.

The matters described above represent material uncertainties that may cast significant doubt upon the Group’s and the parent Company’s ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The Financial Statements do not include any adjustments that would result if the basis of preparation proved inappropriate.

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

- Load factors will average 74% for second half of 2019, which is traditionally stronger than the first half;
- Introduction of new initiatives to drive ex South Africa passengers;
- Focused, country-centric marketing by the commercial teams;
- Majority of revenue generated in US$ and ZAR;
- Mozambique operating expenses reducing following revised terms with Solenta; and
- Exchange rates: fastjet cashflows are exposed to movements in the RTGS$ and ZAR. In its forecasting fastjet has assumed that the key exchange rates remain at current levels.

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

- Not achieving forecast passenger numbers and load factors;
- An increase in aviation fuel prices, which are currently not hedged;
- Adverse currency exchange rate movements; and
- Ability to successfully remit cash from Zimbabwe.

2. Earnings/loss per share

The loss per share is calculated using the loss figures as stated in the statement of comprehensive income divided by the weighted average number of shares in issue. The weighted average number of shares in issue during the six months to 30 June 2019 was 3,800,824 881 (2018:522,408,205). In view of the losses from continuing activities the share options in issue have no dilutive effect.

3. Share capital

There has been no issue of shares during the six months ended 30 June 2019.

4. Related Parties

Solenta:

Solenta Aviation Holdings Limited ("SAHL") is currently a 59.34% shareholder in fastjet Plc and provides aircraft leasing and related services to the Group.

During 2017 fastjet Plc entered into various agreements with SAHL and/or its subsidiaries which included (i) an option to purchase FedAir, (ii) FedAir brand licence agreement, (iii) a restraint of trade agreement with SAHL group.

During 2018 fastjet Plc entered into a loan agreement with SAHL.

On 07 October 2018 Parrot Aviation and fastjet Plc exercised their option to purchase the shareholding of FedAir, which at the time of purchase was owned 67.60% by Solenta Investment Holdings Proprietary Limited, a subsidiary company of SAHL.

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

	SAHL group entity	6 months ended 30 June 2019 US$'000	6 months ended 30 June 2018 US$'000	Year ended 31 December 2018 US$'000
Current assets				
Other financial assets	**SAHL**	**-**	11,000	-
Non-current liabilities				
Long term loan	**SAHL**	**2,010**	-	2,000
Current liabilities				
ATR 72-600 accrual[1]	**AL&M**	**-**	10,946	-
Accruals			512	157
- Solenta Aviation Holdings Limited	**SAHL**	**44**	-	-
- Solenta Aviation Mozambique Limitada	**SAM**	**114**	-	-
Trade payables				
- Solenta Aviation Holdings Limited	**SAHL**	**36**	-	97
- Solenta Aviation Mozambique Limitada	**SAM**	**1,971**	301	857
- Solenta Aviation (Pty) Limited	**PTY**	**2,431**	-	570
Equity				
Equity-settled share-based payment transactions	**SAHL**	**-**	16,571	-

[1] AL&M is a subsidiary company of the ACIA Aero Capital Limited ("AACL") group, which is not part of the SAHL group of companies. However, a 1.24% shareholder of SAHL also owns shares of AACL and, via this relationship, AL&M has been reflected as a related party for total transparency purposes.

On 1 November 2017 Solenta Aviation Mozambique Limitada ("SAM") and fastjet Mozambique Limited ("FAM") entered into an agreement by which Solenta Mozambique S.A supplies to fastjet Mozambique Limited all the required flight operations activities and functions, administration and management support, administration support for the purpose of settlement of operations and related billing, maintenance activities and operations, supervision of fuel uplifting provided by the third-party suppliers, supervision of airside ground handling activities provided by the third party suppliers and airside oversight of asset security. The amounts relating to this are reflected in the table above.

Additionally, fastjet Plc entered into a brand licence agreement with SAM to allow SAM to operate on its AOC the fastjet brand. There have been no transactions during the year with SAM in regard to this agreement.

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	6 months ended 30 June 2019 US$'000	6 months ended 30 June 2018 US$'000	Year ended 31 December 2018 US$'000
Crew, Maintenance, Insurance and other services	**SAM**	**2,214**	-	3,059
Aircraft operating dry leases	**SAHL**	**-**	6,479	2,400
Aircraft operating dry leases - share release component	**SAHL**	**-**	2,920	5,254
Crew and Maintenance services	**PTY**	**2,282**	-	5,924
Interest charges - SAHL loan	**SAHL**	**58**	-	628
Raising fee - SAHL loan	**SAHL**	**-**	-	240

Liberum Capital Limited:

Liberum is fastjet's nominated advisor and currently holds a 5.52% shareholding in fastjet. The following were the transactions that took place between Liberum and fastjet during the year:

	6 months ended 30 June 2019 US$'000	6 months ended 30 June 2018 US$'000	Year ended 31 December 2018 US$'000
Professional fees	**57**	62	2,469

Directors:

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

Transactions with subsidiaries:

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

5. Post balance sheet events

The Directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

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