AA4P QUARTERLY REPORT

Amedeo Air Four Plus Limited
LSE: AA4

Report to Shareholders for the quarter ending 31 December 2019

THE COMPANY

Amedeo Air Four Plus Limited ("the Company"), a Guernsey domiciled company, commenced business in May 2015 and has its shares listed on the Specialist Fund Segment of the London Stock Exchange's Main Market. Initially 202 million Ordinary Shares were issued at a price of 100p per share and subsequently the Company has concluded additional placings of shares at issue prices of 100p, 101p, 102p and 104p resulting in a total of 642,250,000 shares in issue as at 31 December 2019 (the "equity").

With the share price on 31 December 2019 closing at 76.5p the market capitalisation then of the Company was GBP 491,321,250.

COMPANY INVESTMENT STRATEGY

The Company's investment objective is to obtain income and capital returns for its Shareholders by acquiring, leasing and selling aircraft. The Company seeks to use the net proceeds of placings and/or other equity capital raisings, together with debt facilities (or instruments), to acquire aircraft which will be leased to one or more major airlines (each aircraft an "Asset"). The Company aims to provide Shareholders with an attractive total return comprising income from distributions through the period of the Company's ownership of the Assets and capital upon the sale, or other disposition of the Assets.

The Company's Articles provide that the Company may only acquire further aircraft with the approval of Shareholders by ordinary resolution in relation to each proposed acquisition. Where such approval for a new acquisition is obtained, it is the current intention of the Directors to offer Shareholders the opportunity to participate in any equity financing on a broadly pre-emptive basis, although other approaches to financing may also be considered and pursued if the Directors consider it appropriate to do so to diversify the funding sources of the Company.

The Board's intention is that, subject to finding suitable deals and obtaining subsequent Shareholder approval, the Company be grown into a larger vehicle owning a range of aircraft leased to more major airlines. The aim of such a strategy is to diversify the risk profile of the Company's portfolio of Assets and lease credits whilst maintaining its target investor returns of a quarterly dividend of 2.0625p per share and a double-digit total return.

The Asset Manager continues to monitor the market for transactions to present to the Board that would contribute positively to the Company's overall risk-return profile.

CURRENT INVESTMENTS

Since launch in May 2015, the Company has acquired eight Airbus A380, two Boeing 777-300ER and four Airbus A350-900 aircraft. Eight of these aircraft are leased to Emirates, two aircraft are leased to Etihad and four aircraft are leased to Thai Airways.

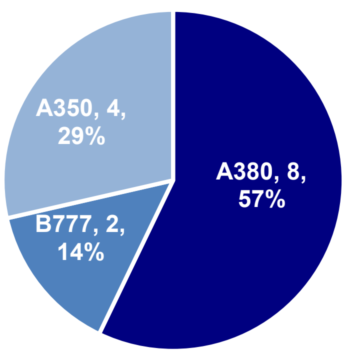
All aircraft are leased for a period of 12 years from each respective delivery date. To complete the purchase of these aircraft, subsidiaries of the Company entered into debt financing arrangements which, together with equity proceeds, were used to finance the acquisition of the fourteen aircraft.

OVERVIEW (31 December 2019)

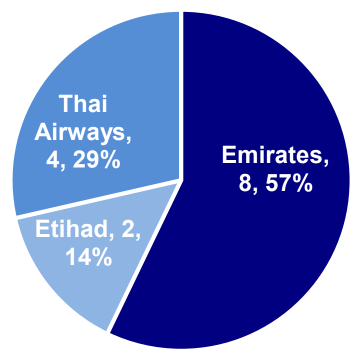
Listing	LSE	Dividend Payment Dates	April, July, October, January
Ticker	AA4	Launch Date / Price	13 May 2015 / 100p
Initial Share Price	100p	Incorporation	Guernsey
Share Price	76.5p (Closing)	Asset Manager	Amedeo Limited
Current Targeted Distribution	8.25 pence per share p.a.	Corp & Shareholder Advisor	Nimrod Capital LLP
Market Capitalisation	GBP 491,321,250	Administrator	JTC Fund Solutions (Guernsey) Limited
Initial Debt	USD 2,440,757,240	Auditor	KPMG
Outstanding Debt Balance	USD 1,951,152,115	SEDOL, ISIN	BWC53H4, GG00BWC53H48
Current Dividend Yield (based on the Current Share Price)	10.78%	Year End	31-Mar
Currency	GBP	Stocks & Shares ISA	Eligible
		Website	www.aa4plus.com

AA4P PORTFOLIO BREAKDOWN

By Aircraft Type



By Operator



A380 Commentary:

The A380 represents 57% of the Company assets by units and 69% based on the original asset cost. While the Company's assets therefore are somewhat diversified, the A380 remains its largest asset. 2019 has been a defining year for the A380, with the Airbus decision to discontinue the model after 2021, Air France announcing returns, Qatar likely planning A380 retirements, and Tim Clark highlighting, via various press interviews and reports, that Emirates could have a fleet of between 80 to 100 A380s over the longer term (although this will depend ultimately on demand and other decisions yet to be made on fleet strategy, see https://www.airlineratings.com/news/emirates-tim-clark-slams-airlines-poor-use-a380/). We expect that this scenario, if realised, may result in returns and possibly retirements of a number of Emirates A380s over the coming years, potentially 20 to 40 of the 123 total deliveries Emirates will have received by the end of 2021. Further, depending on the number of A380 airframes returned or retired over time there is limited visibility over the availability and value of engines and spare parts. It is unclear where the appraisers' values for the forthcoming financial year-end will end up as current A380 market sentiment is less optimistic that a balanced market will prevail. This appraisal exercise is something that we will be monitoring closely for the March 2020 financial year-end and in the meanwhile we believe it prudent to await this next appraisal process before publishing implied future total shareholder returns.

We hope that the A380 will become a successful niche aircraft that will fly into the 2040s; and our Asset Manager continues to engage with potential future users in promoting the efficient use of the A380. The outlook remains uncertain for what will happen to the Company's A380s at the end of the initial leases, although two aircraft operated by Emirates (MSN 201 and 208) have received configuration modification requests to install premium economy, as previously announced.

AMEDEO'S ASSET INSPECTION REPORT TO AA4P

The utilisation figures below represent the totals for each aircraft from first flight to 30-November-2019

Lessee	Model	MSN	REG	Delivery Date	Lease Expiry Date	Flight Hours	Flight Cycles
Emirates	A380-861	157	A6-EEY	04/09/2014	04/09/2026	22238	3534
	A380-861	164	A6-EOB	03/11/2014	03/11/2026	22086	3551
	A380-861	187	A6-EOM	03/08/2015	03/08/2027	22466	2074
	A380-861	201	A6-EOQ	27/11/2015	27/11/2027	16589	2611
	A380-861	206	A6-EOV	19/02/2016	19/02/2028	16570	2618
	A380-861	208	A6-EOX	13/04/2016	13/04/2028	15261	2408
	777-300ER	42334	A6-EPO	28/07/2016	28/07/2028	14106	3521
	777-300ER	42336	A6-EPQ	19/08/2016	19/08/2028	14971	3351
Etihad	A380-861	233	A6-API	24/03/2017	24/03/2029	14247	1538
	A380-861	237	A6-APJ	24/05/2017	24/05/2029	13350	1409
Thai	A350-900	123	HS-THF	13/07/2017	13/07/2029	11149	1915
	A350-900	130	HS-THG	31/08/2017	31/08/2029	10973	1788
	A350-900	142	HS-THH	22/09/2017	22/09/2029	10730	1801
	A350-900	177	HS-THJ	26/01/2018	26/01/2030	9272	1537

Recent Technical Activity:

- The Emirates A380 fleet operated normally
- The Emirates 777-300ERs, MSNs 42334 and 42336 had 1C Checks performed in September and October 2019, respectively.
- The Thai A350 fleet operated normally with no technical events reported.
- The Etihad A380 fleet operated normally with no technical events reported.

Industry Update: Boeing Production – 737 MAX and Other Programs

As we have reported in past quarters, the process of 737 MAX re-certification continues. Much to Boeing's chagrin, the date of re-entry into service continues to be delayed. In mid-December, Steve Dickson, Administrator of the FAA indicated in an interview with CNBC that re-certification will stretch into Q1 2020. CNBC reported that Dickson said that there are "10 to 11" milestones yet to be passed. The FAA is not the only regulator that Boeing will have to satisfy. Of particular concern is a recent statement from the Civil Aviation Administration of China (CAAC), which indicated in mid-December that Boeing yet has work to do to satisfy it. It remains to be seen how progress towards a comprehensive Sino-American trade deal will influence the CAAC.

Major operators continue to hedge their bets with their fleet planning. American Airlines has removed the MAX from its schedule through April 7, 2020. Southwest Airlines, which reached a 737 MAX compensation agreement with Boeing, has done the same through April 13, 2020. We now think that recertification may be a Q2 2020 event, but actual re-entry of the parked and undelivered fleet will take all of 2020, and likely into 2021. Various media outlets have reported that Boeing is also delaying phased increases in production rate by several months, with peak levels now not expected to be reached until April 2021.

The ongoing 737 MAX saga stands to continue to threaten Boeing's ability to advance other aircraft programs. Boeing's delay of the entry into service of the 777-8X, for instance, may be beginning to bear consequences. Qantas announced that it would select the A350-1000 rather than the 777-8X for its Project Sunrise. Boeing did receive a bit of good news in reports that the September load test failure on the -9X variant will likely not require a re-test. Boeing now aims to deliver the first aircraft in 2021.

We continue to believe that the FAA will review the 777X certification project with a very watchful eye. Fleet planning for 777X customers like Emirates will remain a challenge. To the extent these factors cause or prolong entry-into-service delays, other widebody aircraft residuals may benefit and the appraisal community should be more confident in regard to the B777-300ER.

Boeing's advancement on the New Midsized Aircraft ("NMA") also continues to be in doubt. Flight Global reported that Boeing was studying a potential re-engined 767-400ER for cargo and passenger use instead of a clean sheet design. Further, in early December United Airlines placed an order for 50 A321XLRs to replace its 757 fleet, giving rise to questions as to whether Boeing may need to focus new aircraft program efforts in the narrowbody space to compete with the A321XLR and / or replace the 737 MAX.

Aviation and the Environment: Amedeo Viewpoint

In recent times, we have seen increasing focus on the role of global aviation and its impact on our environment. Protests that target aviation as an industry need to be set in context. Today's climate protests are not about "saving our planet" – the planet will survive for a few billion years – but instead are about limiting human impact on the environment in which we live today.

Targeting global aviation within this positive action is misguided. Aviation brings people together to solve problems. Climate change is but one such problem and it cannot be solved without a unified approach to it. This does not mean Heads of State flying to Paris to agree modest reductions to emissions. It is instead about promoting social mobility, common awareness and collective action. It is about inspiring visions gained through travel – the splendour of Himalayan, Alpine, or Andean glaciers, or bearing witness to the Serengeti migration – then returning home and seeking to preserve the experience, those environments, for the benefit of future generations. It is about families going on vacation and seeing single-use plastic waste on beaches, then returning home and taking positive action to limit their own impact on the environment. Aviation enables people to not only see the world but to see its problems and to respond to those problems, individually and collectively, to care about things in the same way.

Aviation today produces less than 3% of global emissions and, though this may proportionately increase in a future world that drastically reduces its consumption of fossil fuels, we should not make excuses for it. For while we can heat and cool our homes and offices and power ground transportation increasingly from renewable energy sources, there is as yet no plausible technology to allow us to power flight in this way. Defying gravity is itself a worthy cause that brings people together and helps solve the world's problems. For now, the cost this carries is one we need to bear. Aviation has nonetheless reduced its per flying capita emissions by over 80% since the dawn of the jet age, and more is coming from improvements in air traffic control, more efficient planes and more efficient airlines with higher load factors. The industry continues to improve itself and is aware of its responsibilities. We are proud to be a part of global aviation and see it as a force for good.

IATA ECONOMIC ANALYSIS

Growth in industry-wide Revenue Passenger Kilometres (RPKs) continues to be positive for 2019 thus far, though somewhat below long-term trend. RPKs have risen by 4.3% on a year-to-date basis through the end of October. This increase represents a slower growth pace relative to a long-run average pace of approximately 5.5%. October year-over-year RPK growth was 3.4%, below full year-to-date levels. Airlines in the Middle Eastern region grew RPKs at the highest rate in October on a year-over-year basis, at 5.5%.

Overall, European and Asian airlines continue to be the fastest growing overall relative to their peers in other regions, recording year-to-date growth figures of 4.9% and 4.8% through October. The Middle East region was the clear laggard of the group, with year-to-date RPK growth of just 2.1%, though that figure represents a slight narrowing of the gap given the October growth previously mentioned.

Worldwide Available Seat Kilometres (ASKs) grew by 3.8% on a year-to-date basis through October, continuing a trend of growth below the RPK growth pace. Continuing a trend of elevated load factors, the industry recorded an 82.0% load factor for October, an all-time record for that month. Load factors stand at 82.8% over the first ten months of 2019. European and North American load factors lead the world at 85.5% and 85.0% year-to-date through October, with Africa and the Middle East lagging behind at 71.8% and 76.3%.

With respect to domestic markets, Brazilian RPKs are essentially flat for the year-to-date period (0.1% growth) reflecting a healthy rebound from declines recorded in the immediate aftermath of the exit of Avianca Brasil. ASKs have not seen a rebound to the same extent and have decreased 2.2%. Domestic Chinese RPKs have increased 8.5% on a year-to-date basis, outstripped, however, by 9.0% ASK growth. Chinese ASK growth could potentially have been even higher if not for the 737 MAX grounding and delivery moratorium.

EMIRATES GROUP

The Emirates fleet consisted of 271 aircraft as of December 2019, including 113 A380s.

As announced at the recent Dubai Airshow, the airline has streamlined its Boeing orderbook. Emirates now has firm orders with Boeing for 30 787-9 aircraft and 115 777X aircraft, and reconfirmation options for an additional 11 777X aircraft. Of the 126 potential 777X deliveries, FlightGlobal reports that 101 are of the -9 variant and 25 are of the -8 variant. Which of these comprise the 11 reconfirmation options remains undisclosed. Emirates expects 787-9 deliveries to begin in May 2023 and to continue for five years. The airline is in discussions with Boeing concerning the timeframe for 777X deliveries, which will be impacted by Boeing's overall progress with the program.

Also at the Dubai Airshow, Emirates modified its original intent to acquire 40 A330-900 and 30 A350 aircraft from Airbus. The airline has instead signed a firm order for 50 A350-900 XWB aircraft. These aircraft will deliver from May 2023 through 2028.

In addition to the recent activity, 10 more A380s are yet to be delivered to Emirates from Airbus by 2021. Emirates has publicly stated that it will fly A380s well into the 2030s, and we expect the fleet to stabilize at 80-100 aircraft

In late December, Emirates announced that President Sir Tim Clark would be retiring in June 2020. Clark has been with the airline since 1985 and became President in 2003. Following his retirement, Clark will remain with Emirates in an advisory role. Clark's successor has not yet been named.

On November 7th, Emirates announced its half-year 2019-2020 results. Headline revenue decreased to AED 47.3 billion from AED 48.9 billion for the comparable period in the prior year, representing a 3.3% decrease. Total capacity decreased to 29.7

billion Available Ton Kilometers. Passenger RPKs shrank 2% while ASKs shrank by 5%, resulting in an increase in passenger load factor from 78.8% to 81.8%. Changes in all the aforementioned figures were driven primarily by the closure of the Southern Runway at Dubai International Airport (DXB) for 45 days of the period, which caused capacity reductions. While the airline carried 29.6 million passengers during the first half, down 1.6% relative to the prior year, passenger yield increased by 1%. Cargo volume was 1.2 million tons, an 8.3% decrease. Cargo volume declines were compounded by a 3% cargo yield decline.

Operating costs decreased by 8%, bettering the 7% decrease in total capacity. Fuel costs were the largest component of total operating costs, comprising 32%. Fuel costs were 13% lower compared to the prior year comparable period, driven by both lower fuel usage during the DXB runway closure and by an average 9% decrease in oil prices. Total profitability increased dramatically to AED 862 million from AED 226 million.

With respect to fleet and network changes, Emirates announced an incremental daily service to Dhaka, beginning June 1, 2020. The route, the fourth daily frequency, will be served by a 777-300ER. In addition, on December 9, 2019 the airline completed its first passenger flight to Mexico, via Barcelona, which was served by a 777-200LR.

ETIHAD AIRWAYS

According to Cirium, Etihad had a majority widebody fleet of 110 aircraft in service as of December 2019, including 10 A380s and 19 passenger aircraft in the 777 family. As per Boeing data at the end of November 2019, the airline has a remaining orderbook of 34 787s and 25 777X aircraft with Boeing. However, Bloomberg reported that CEO Tony Douglas announced that the airline would have 51 787s in service by 2023, implying a reduction of 20 aircraft from the reported orderbook. 777X production delays leave an open question as to whether these aircraft will ultimately be delivered or not. From Airbus, Etihad will take delivery of 16 incremental A350-1000 aircraft and 26 A321neos. During 2019, Etihad has so far taken delivery of four A350-1000 aircraft from Airbus. These aircraft are currently in storage and not in revenue service.

With respect to fleet and network developments, Etihad announced that it would increase capacity to Beirut beginning October 27, 2019, serving the route with a 787-9 instead of an A321. In October, the airline announced an expansion of its partnership with Saudia, announcing a codeshare for 11 incremental destinations. Relatedly, as of December 8, 2019, Etihad will add a fourth daily frequency to Riyadh, which will be served with an A320. In November the airline announced a relaunch of its codeshare partnership with Pakistan International Airlines. Etihad will place its code on PIA services to Lahore, Islamabad, and Peshawar.

From an ESG perspective, Etihad and Boeing announced a global partnership centered on the 787 and sustainability during the Dubai Airshow. Etihad will operate a “Greenliner” with a special green-blue livery. The Greenliner will “be used to explore and assess environmental sustainability initiatives” including “emission-reducing measures, from changed operating practices to weight-saving initiatives.” In addition, Etihad in December became the first airline to raise funding for a project tied to U.N. Sustainable Development Goals. The airline will borrow €100 million from First Abu Dhabi Bank and Abu Dhabi Global Market in order to expand the Etihad Eco-Residence, a sustainable apartment complex for cabin crew.

With respect to the passenger experience, Etihad announced an expanded partnership with Emirates Islamic, a UAE financial institution in early November. The bank and Etihad Guest, the airline’s loyalty program, will release a new co-branded credit card. In mid-November, Etihad announced a re-launch of Etihad Guest. The program’s 6.5 million members will now benefit from miles that will no longer expire.

Finally, with respect to personnel Etihad made one key appointment in November. Duncan Bureau was named Senior Vice President Global Sales and Distribution. Mr. Bureau was previously President of Air Canada Rouge, and prior to accepting that role held senior sales positions at Air Canada, WestJet, and Malaysian Airlines.

THAI AIRWAYS INTERNATIONAL

Thai Airways International's fleet comprised 103 in-service aircraft as of the end of Q3 2019 (inclusive of Thai Smile units). The airline currently has no firm orderbook with either Boeing or Airbus. Numerous recent changes at the Board level have thrown into question the fleet plan for the future. The Board is currently chaired by an acting Chairman.

The group reported a Q3 2019 headline loss of Bt4.682 billion, a 26.5% decrease in profit relative to the Q3 2018 loss of Bt3.701 billion. Revenues decreased 6.1% year-over-year, falling to Bt45.016 billion from Bt47.953 billion in Q3 2018. The decrease in revenue was driven primarily by an 8.2% decrease in passenger revenue, itself a result of a 0.6% decline in RPKs and a 7.7% decrease in average passenger yield. Excluding foreign the exchange impact of an appreciating Baht, passenger yield still decreased by 2.4%. Passenger load factor increased from 77.5% to 80.0%. The airline carried approximately 50,000 more passengers during Q3 2019 than it did during Q3 2018, while offering 3.7% fewer ASKs. Freight revenue declined substantially, 25.4% year-over-year, though it represents just a small portion of total revenue.

Total expenses decreased by Bt4.029 billion, or 7.8%. Fuel expenses were the largest contributor to the decrease in both absolute and percentage terms, declining Bt2.107 billion or 13.7% relative to Q3 2018. Non-fuel operating expenses also declined, falling 5.4%. Bt1.311 billion of the total Bt1.914 billion decrease was attributable to Employee Benefit Expenses. This line item decreased 17.4% year-over-year due primarily to a Bt1.261 billion adjustment to vacation compensation expense and related accrued expenses from financial years 2015-2018. Net finance cost was decreased slightly, falling by 0.7%.

Thai Airways recorded a Bt2.689 billion charge for employee benefits as a result of the publication of new minimum employment standards promulgated by the State Enterprise Labor Relations Committee. The airline also recorded an impairment of Bt181 million for the quarter, a 51.2% smaller impairment than the Bt371 million recorded in Q3 2018. Finally, the Q3 2019 bottom line was benefitted by Bt919 million in foreign exchange gains, as compared to Bt299 million in foreign exchange losses during Q3 2018.

The airline had 17 aircraft classified as held-for-sale at the end of Q3 2019. Long term liabilities decreased 5.8% during the first nine months of 2019, with a total balance of Bt139.636 billion at September 30th. The airline's reported leverage and interest coverage metrics showed meaningful deterioration as measured at the end of Q3 2019 relative to Q3 2018. Thai Airways issued an incremental Bt8.788 billion in debentures on November 13.

In response to the "extreme" competition it is facing, Thai Airways has developed a 6 point plan to improve the airline's performance. This plan includes a "Zero Waste Management" program related to food waste, a new marketing strategy to launch direct flights to Sendai, Japan beginning October 29, increased digital marketing, and continued integration and network efficiencies between Thai Airways and Thai Smile, which is set to become a Star Alliance connecting partner by the end of 2019. The airline also expressed its continued expectation that Thailand would receive a country upgrade to Category 1 from the FAA by the end of 2019.

Thai Airways International Public Company Limited. Management's Discussion and Analysis for three months ended September 30, 2019.

This report has been prepared for the Company by Amedeo Limited ("Amedeo") in its capacity as Asset Manager to the Company and is for the sole benefit of the Company. We agree to the disclosure of this report by the Company in its quarterly report to shareholders on the basis that in doing so Amedeo does not assume any responsibility or liability to any person other than the Company. Neither Amedeo nor any of its directors, officers or employees shall be responsible for any loss or damage suffered by any person, other than the Company, as a result of placing reliance on the contents of this report.

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Contact with the Board

The Directors think it important that any Shareholder should be able to contact the Board, through the Chairman or any individual Director if they wish to do so. Contact email and telephone numbers for each Director are set out below.

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