AA4P QUARTERLY REPORT

Amedeo Air Four Plus Limited
LSE: AA4

Report to Shareholders as at 1 June 2020

MESSAGE FROM THE CHAIRMAN

Dear Shareholders

This report has been delayed whilst we battle the headwinds in our industry. Every day has brought different issues and imposed burdens on our Asset Manager, Amedeo, and on our other advisers, which could not have been anticipated at the turn of the year. We also recognise that it is our investors who have been the most affected by events, with a greatly diminished share price and market capitalisation coupled with a temporary suspension of distributions. The Board's first priority is to ensure the long-term survival of the Company for the benefit of all shareholders as a class. Along with many other leasing businesses, we regard the preservation of cash as a prime survival factor in the current COVID-19 environment that has affected the aviation and hospitality sectors of the global economy the most.

Most of the global jet fleet is parked and stored and the prospects of returning to service and the shape of the future recovery are unclear. Most participants estimate that traffic volumes of 2019 will not be attained again until 2023-2024. Rules governing passenger entry into countries, implications of any quarantines, or protocols for what defines safe flying with COVID-19 risks are not yet determined. Yet the Board is optimistic that flying will return as it connects the world together to make it a better place and solve problems. In previous crises, commentators have been quick to predict the end of business and leisure travel and their replacement by video conferencing. Such has never prevented the incidence of flying increasing with GDP growth and we believe this latter factor will be a key determinant of restoring airlines to financial stability. Current lifesaving cargo supply chains show a chink of light and some revenue for airlines. The Board notes its lessee, Emirates, is operating at times up to 96 of its B777-300ER fleet primarily as cargo flights even though only 11 of these aircraft are designated freighters.

Yet, the survival of many airlines in their current form is at stake; who, in February this year, would have predicted that Lufthansa would need a massive government bailout and partial renationalisation to survive?

Dividends

The Board's decision announced on 6 April 2020 was to suspend dividend payments temporarily.

The decision to suspend the dividend payments was made in the light of multiple factors including the COVID-19 crisis, the massive uncertainties in the aviation market and travel industry, the impact of the Thai Airways negotiations, the potential for the receipt of a proposal to defer lease payments by Emirates (since received), and the attitude of the lenders to the Group's portfolio. The Board carefully considered and assessed these factors against the background of advice and information, including legal advice sought and received, the Company's investment objectives and the maintenance of the long-term financial stability of the Company for the benefit of all shareholders and creditors.

The Board will continue to monitor actively the financial impact on the Company and its group resultant from the evolving position with its aircraft lessees and lenders always bearing in mind its fiduciary obligations and the requirements of Guernsey law which determine the ability of the Company to make dividends and other distributions. In particular, the Board will seek to re-assess whether distributions can be resumed (including the quarterly dividends of rental income and the distribution of sale proceeds from the sale of the two A380 aircraft to Etihad earlier this year) once the Board has greater clarity on the prospective financial position of the Company and its subsidiaries; which is all very dependent on the long term financial viability of our two lessees.

The Board will update shareholders through RIS announcements as developments occur as it has done since the commencement of this unprecedented crisis.

As we announced on 15 April 2020, the Company has also received a request from Emirates for rent deferrals and our Asset Manager continues its negotiations with Emirates with a view to reaching a conclusion acceptable to all parties.

During the past year, a number of major shareholders have asked the Board to carry out a review of shareholder value derived from the alignment, or otherwise, of advisers' remuneration with shareholder fortunes. Several shareholders have asked us what we are doing to reduce costs and expenses in the current crisis, following the reduction in fees charged by Amedeo for its role in arranging the Etihad sale.

Having sought a proposal from Nimrod Capital LLP ("Nimrod") for a substantial reduction in their currently fixed fees and aligning these in future to the performance of our market capitalisation the Board regrets that the proposal received from Nimrod fell considerably short of this objective and contained unacceptable conditions which would hamper the Board's ability to manage the Company effectively.

Yours sincerely

Robin Hallam

Chairman

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 March 2020 (the "equity").

With the share price on 1 June 2020 closing at 27.6p the market capitalisation then of the Company was GBP 177,261,000.

CURRENT INVESTMENTS

Since launch in May 2015, the Company has acquired eight Airbus A380, two Boeing 777-300ER and four Airbus A350-900 aircraft. Two A380 aircraft were sold in February 2020. The current fleet consists of six A380s and two 777-300ERs leased to Emirates and four A350-900 aircraft 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 twelve aircraft.

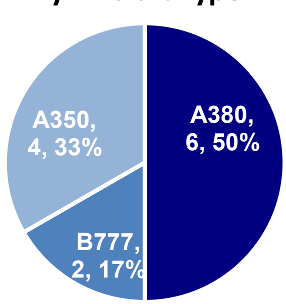
OVERVIEW (1 June 2020)

Listing	LSE
Ticker	AA4
Initial Share Price	100p
Share Price	27.6p (Closing)
Market Capitalisation	GBP 177,261,000
Initial Debt	USD 2,440,757,240
Outstanding Debt Balance	USD 1,513,909,894
Currency	GBP

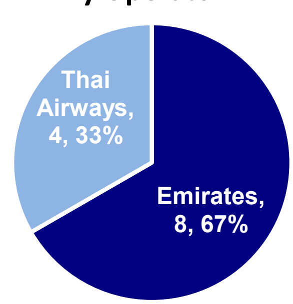
Dividend Payment Dates	April, July, October, January
Launch Date / Price	13 May 2015 / 100p
Incorporation	Guernsey
Asset Manager	Amedeo Limited
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Limited
Auditor	KPMG
SEDOL, ISIN	BWC53H4, GG00BWC53H48
Year End	31-Mar
Stocks & Shares ISA	Eligible
Website	www.aa4plus.com

AA4P PORTFOLIO BREAKDOWN

By Aircraft Type



By Operator



AA4P PORTFOLIO UPDATE provided by Amedeo Limited, the Company's Asset Manager

The Board of Directors was pleased to complete the sale of two A380-800 aircraft bearing manufacturer's serial numbers 233 and 237 to Etihad Airways PJSC, as announced in February. The Company has realised aggregate net cash proceeds of approximately GBP 130,860,000. The Board of Directors, having due regard to prevailing market conditions and to existing and anticipated secondary market activity regarding A380 aircraft, view this to be a favourable financial result achieved for and on behalf of shareholders.

Further to the Company's most recent announcement of 29 May 2020 Thai Airways ("Thai") has petitioned for rehabilitation with effect from 27 May. As of that date, there has arisen an automatic stay on creditors' rights against Thai and restrictions for Thai to pay and incur debts Thai has not paid any lease payments to the Company's subsidiaries since 22 May and the pre-petition agreement with the airline for a deferral of 50% of its rents is now unlikely to come into effect. The Company has retained as its local Thai counsel Chandler MHM and the processes are underway to present to the Court in the required form the Company's claims. In addition, the Asset Manager is in discussion with the secured lenders of the four aircraft on lease to Thai and awaits further news of the Planners' intentions, which might not become clear until much nearer to the August hearing.

Further to the Company's announcement on 15 May 2020, discussions with Emirates and the respective lenders are still in process. There are a number of different lenders groups underpinning secured financing in respect of the Emirates aircraft. Some of these banks are participating in providing direct liquidity facilities to Emirates and would not contemplate additional assistance in structured transactions. Others are considering and reviewing Emirates recently published results and going through individual briefings. Once the lenders' positions in these multiple transactions become clear, the Asset Manager will formulate recommendations to the directors. At this time no formal agreement has been reached and Emirates has continued to fulfil its current lease obligations.

WIDEBODY COMMENTARY

In the previous quarterly report, we indicated that 2019 developments with respect to the A380 counselled prudence in assessing appraised values for this asset type. While we believe that a reasonable degree of uncertainty remained prior to the onset of the worldwide COVID-19 outbreak, the current level of uncertainty greatly exceeds that which existed prior.

That said, we do think it is worthwhile to assess the current dynamics of the worldwide A380 fleet. Cirium data indicates that as of 1 June 2020 there were 240 A380s across the world fleet. Of that figure, Cirium reports that only 7 (3%) were in service, while 233 have been inducted into storage.

Significant questions remain as to what may happen to the A380 fleet as and when the COVID-19 pandemic passes. Air France has accelerated plans to permanently remove the A380 from its fleet. Lufthansa and Qatar Airways have publicized plans to phase out some of their A380s in the near term. Lufthansa is permanently decommissioning six A380s that were previously scheduled to depart the fleet in 2022. However, we do not expect Emirates to change its previously announced plans to retain a core A380 fleet into 2030s, although the previously mentioned 80 to 100 units may become a smaller number.

Different questions linger as pertains to the 777-300ER fleet. While it remains the workhorse of the global long-haul fleet, increased A350 and 787 output had cut into the market for 777-300ERs. The promised 777X program has also given some airlines incentive to consider longer term alternatives for their existing 777 fleet. With airlines struggling for cash, trying to avoid capital expenditure, and unlikely to be in position to take deliveries of previously anticipated quantities of A350s and 787s, it is likely that Airbus and Boeing will not be able to maintain current production rates. In fact, during its first quarter earnings call Boeing announced reductions in 777 and 787 production rates. With Boeing reeling from the 737 MAX calamity it may not have the financial and operational resources to produce the 777X in the time frame and quantity it had previously hoped. As a result, the 777-300ER may hold market share longer than anticipated.

Cirium reports an operating fleet of 818 777-300ER aircraft as of 1 June 2020. 596 of these aircraft were reported to be in service as of that date, or 73%. While it is a significant decrease relative to the 98% in service as of 31 December 2019, this percentage is roughly comparable to in-service percentages for the A350 and 787 families. 64% of the A350 fleet was in service as of 1 June 2020 as was 63% of the 787 fleet. Each of these compares very favourably to the A380 fleet, of which only 3% was in service the same date.

According to Cirium, the A350 has an operating fleet of 369 aircraft as of 1 June 2020. The family type's fuel-efficiency metrics and flexibility in capacity, as well as operational use, has made it, and its slightly smaller competitor B787-9, very popular within the industry. While these aircraft will dominate the future widebody lift, both Airbus and Boeing have announced significant production reductions and debt laden, coming out of COVID-19 airlines may not rush to replace or add to their existing fleets. Lufthansa, previously allergic to leasing, has announced that all future fleet additions will be leased.

The ramifications of present circumstances on widebody fleet utilization and asset values are very far from being known by the aviation industry, much less, we reiterate, reflected in appraisal data.

The future right now is a little harder to predict than usual. After COVID-19 it is likely that, in the medium-term, demand for travel will take some years to return to 2019 levels. But that is likely to result in significant declines in new widebody production as well, as a result of increased cost of capital for airlines and lessors, and perhaps expectations of low oil prices. Jefferies, in a recent report, estimated a 60% decline in cumulative widebody production through 2023. These factors may give rise to a favourable view of stored, modern, and way-too-early-to-retire (based on normal useful life) used aircraft once the dust settles. It is also worth noting that after every previous crisis affecting aviation, new models emerged and changed the business. These are unprecedented circumstances facing the aviation industry; it is certain that it will come back, but in how long and in what form are difficult to foresee while we are in the midst of this pandemic.

AMEDEO'S ASSET INSPECTION REPORT TO AA4P

The utilisation figures below represent the totals for each aircraft from first flight to 30 April 2020

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	23632	3759
	A380-861	164	A6-EOB	03/11/2014	03/11/2026	23475	3773
	A380-861	187	A6-EOM	03/08/2015	03/08/2027	23992	2209
	A380-861	201	A6-EOQ	27/11/2015	27/11/2027	17706	2798
	A380-861	206	A6-EOV	19/02/2016	19/02/2028	17966	2842
	A380-861	208	A6-EOX	13/04/2016	13/04/2028	16109	2542
	777-300ER	42334	A6-EPO	28/07/2016	28/07/2028	15492	3853
	777-300ER	42336	A6-EPQ	19/08/2016	19/08/2028	16374	3646
Thai Airways	A350-900	123	HS-THF	13/07/2017	13/07/2029	12654	2146
	A350-900	130	HS-THG	31/08/2017	31/08/2029	12508	2010
	A350-900	142	HS-THH	22/09/2017	22/09/2029	12249	2014
	A350-900	177	HS-THJ	26/01/2018	26/01/2030	10717	1760

Recent Technical Activity:

- No significant technical events have been reported by Emirates for this period. Thai Airways have reported that the titled APU from MSN 177 was removed on 25 March 2020 and sent for a repair shop visit.
- Emirates aircraft have been grounded from the end of March 2020. Fleet last operated as per the dates listed below as of 30 April 2020:
    - MSN 157: 23 March 2020
    - MSN 164: 19 March 2020
    - MSN 187: 24 March 2020
    - MSN 201: 21 March 2020
    - MSN 206: 24 March 2020
    - MSN 208: 24 March 2020
    - MSN 42334: 20 March 2020
    - MSN 42336: 24 March 2020
- Thai Airways aircraft have been grounded from the end of March 2020. Fleet last operated as per the dates listed below as of 30 April 2020:
    - MSN 123: 24 March 2020
    - MSN 130: 29 March 2020
    - MSN 142: 26 March 2020
    - MSN 177: 25 March 2020

Industry Update: COVID-19

On 14 April, IATA released an Updated Impact Assessment with respect to COVID-19. The report's findings and conclusions were rather grim. IATA reported that daily flights worldwide have decreased by about 80% relative to 1 January 2020. Outside of U.S. and Asian domestic traffic, the world fleet is effectively grounded. IATA now expects that the recession caused by COVID-19 will result in a loss of output twice as large as that recorded during the Global Financial Crisis. This recession alone, it believes, would reduce global Revenue-passenger kilometres ("RPKs") by 8%. When combined with travel restrictions and the impact of passenger confidence, IATA projects a 48% year-over-year decrease in worldwide RPKs in 2020. In total, the organization now expects a loss of $314 billion in passenger revenues during 2020.

IATA's estimates foretell significant distress for airlines around the world. IATA reports that the median airline had approximately 2 months of cash at the end of 2019. Further, it estimates that many airlines were already substantially levered. Aside from the top 30 airlines in the world, the remainder of the airline industry had an Operating Lease-adjusted Net Debt / EBITDAR ratio of over 5x at the end of 2019.

The current situation, with aircraft grounded and staff on enforced vacation, is unsustainable in the near term. The majority of airlines are seeking government support as well as requesting rent deferrals on their leases. As they burn cash, it is likely that a number will be forced into liquidation and we note the issues facing Air Mauritius and Virgin Australia and Virgin Atlantic, where the majority of the fleet is leased. However, lessors need the underlying lending banks to agree to also defer loan repayments and, as the banks are facing demands from all sides in these circumstances, that may not always be possible.

A snapshot of Q12020 earnings from public carriers tells the story.

American: -$2.2b/-$1.1b*; -16%
United: -$1.7b/-$639m*; -11%
Southwest: -$94m/-$77m*; -3%
All Nippon: -$539m/-$579m*; -15%
Japan Airlines: -$210m/-$176m*; -7%
Air China: -$802m/-$945m*; -24%
China Eastern: -$599m/-$760m*; -31%
China Southern: -$859m/-$955m*; -24%
Hainan Airlines: -$947m/-$1b*; -77%
Juneyao/9Air: -$71m/-$81m*; -18%
Spring Airlines: -$33m/-$52m*; -17%
Finnair: -$158m; -16%
Cebu Pacific: -$23m/-$8m*; -4

*Net result in USD/*Net result excluding special items/ Operating margin/Source Skift Inc.*

IATA has reported some glimmers of hope, however. Chinese passenger numbers have begun to increase, and passenger yields have stabilized, with domestic yields for the first two weeks in March thus far slightly exceeding those in the same month during 2019. Further, it was encouraged by fiscal stimulus actions and intentions declared by governments around the world. The governments of many large economies with significant air travel markets will provide stimulus packages falling in the range of 10-20% of GDP. Governments also need to define the rules as to how airlines are to be given access to their various destinations and on-board protocols. Will lockdowns set to ease across many countries, common new standards will be key to a faster airline restart.

Cargo, which also froze in January/February has had a roaring recovery supplying among other things medical equipment (PPE) across the globe. We add a link to a relevant article below.

https://www.cnn.com/travel/article/boeing-747-covid-19/index.html
It is also worth noting that vaccine development may prove to be a significant recovery boost to air travel, and in that sense Oxford University efforts, now supplemented by AstraZeneca appear promising.

EMIRATES GROUP

COVID-19 Related Updates:

On 14 April 2020 Amedeo received a request from Emirates seeking from the Company an agreement on rent deferral. Amedeo is continuing its discussions with Emirates and also with the Company's lenders with a view to reaching a conclusion acceptable to all parties. Emirates has confirmed that the lease rental will remain current and up-to-date until an agreed contractual position is achieved.

On 10 May 2020 Emirates published its audited annual report for the period ending 31 March 2020.

- Emirates reported a profit of AED 1.1 billion (US$ 288 million), 21% up from the previous year
- Emirates closed the financial year with AED 20.2 billion (US $5.5 billion) of cash assets
- Revenue declines by 6% to AED 92.0 billion (US$ 25.1 billion), impacted by planned 45 days
- DXB runway closure and temporary suspension of passenger flights in March
- Airline capacity reduced to 59 billion ATKM with aircraft fleet size unchanged

Due to the unprecedented business environment from the ongoing pandemic, and to protect its liquidity position, Emirates has not declared a dividend for this financial year.

In his statement, His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, of Emirates said: "For the first 11 months of 2019-20, Emirates and Dnata were performing strongly, and we were on track to deliver against our business targets. However, from mid-February things changed rapidly as the COVID-19 pandemic swept across the world, causing a sudden and tremendous drop in demand for international air travel as countries closed their borders and imposed stringent travel restrictions."

At the directive of the UAE government, Emirates has suspended all passenger flights effective 25 March 2020, and does not expect to resume normal flight operations until at least 1 July 2020. The airline continues to operate approved repatriation flights to select destinations. Gloves and masks are mandatory for passengers and employees on repatriation flights. Emirates, in conjunction with the Dubai Health Authority, became the first airline to perform rapid, on-site COVID-19 blood tests at Terminal 3.

The airline will continue to operate its scheduled 777F service for the transportation of essential goods, particularly medical supplies. It has been also using a significant number of 777-300ER aircraft as dedicated freighter service. In order to reduce expenditures, Emirates has publicly acknowledged that layoffs will take place.

Encouragingly, on 13 May 2020 Emirates announced its plan to operate scheduled flight services from 21 May 2020 to nine destinations: London, Frankfurt, Paris, Milan, Madrid, Chicago, Toronto, Sydney and Melbourne, subject to various government approvals. The airline will also offer connections in Dubai for customers travelling between the UK and Australia.

Travellers will only be accepted on these flights if they comply with the eligibility and entry criteria requirements of their destination countries. This includes an approval from the Federal Authority for Identity and Citizenship (ICA) for UAE residents who wish to return to Dubai.

Emirates preparation give us a glimpse of what near term flying will be like. At Dubai International airport, customers and employees will have their temperatures checked via thermal scanners. Protective barriers have been installed at check-in counters to provide additional safety during interaction. Gloves and masks are mandatory for all customers and employees at the airport. In addition, Emirates' cabin crew, boarding agents and ground staff who interact directly with travellers will don personal protective equipment

(PPE) including a protective disposable gown and safety visor.

Social distancing protocols will also be implemented. At this airport, this includes physical indicators being placed on the ground and at waiting areas in the airport to ensure travellers maintain a safe distance.

For health and safety reasons and to minimise interaction on-board, Emirates will offer a modified in-flight service that focuses on reducing contact and infection risk. Magazines and print reading material will not be available during this time. Cabin baggage have to be checked-in, and customers can only bring essential items such as a laptop, handbag, briefcase or baby item on board.

Emirates has initiated a stringent safety programme to ensure aircraft cabins remain clean and sanitary. The airline's modern aircraft cabins have been fitted with advanced HEPA air filters which remove 99.97% of viruses and eliminate dust, allergens and germs from cabin air for a healthier and safer on-board environment. After its journey and on landing in Dubai, each aircraft will go through enhanced cleaning and disinfection processes to ensure safety and proper sanitation.

On the 31 March 2020 the Dubai government restated its continued support of Emirates with a promise of an equity injection. Crown Prince of Dubai and Chairman of The Executive Council of Dubai His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum announced that the Government of Dubai is fully committed to supporting Emirates airlines in the current critical period. As a shareholder of Emirates airlines, the Government of Dubai will inject equity into the company, considering its strategic importance to the Dubai and UAE economy and the airline's key role in positioning Dubai as a major international aviation hub. Further details in this regard will be announced at a later stage.

https://mediaoffice.ae/en/news/2020/March/31-03/Sheikh-Hamdan-affirms-Dubai-Governments-full-support-to-Emirates-airlines

It is the first time in the airline's 35-year history that such a measure has been taken, and it shows the government's commitment towards Emirates.

The table below details the current fleet status:

Aircraft Type	Grounded	Active
A380	115	0
777	88	67
Total	**203**	**67**
%	**75%**	**25%**

Source: Flightradar24 as of 1 June 2020

The 67 B777 aircraft predominantly operate as cargo flights, and these number has been as high as 90 on some days. Emirates designated cargo B777F comprise 11 units, capable of carrying up to 120 tons of cargo. The airline has also been using passenger configured B777s with slight modifications to carry normal belly cargo (up to 40 tons) and also bulky but light packages on the main passenger deck, like medical PPE equipment across the world, allowing, we estimate, for another 30 tons. We are also aware that Emirates Cargo enters into ACMI agreements with other cargo operators to provide extra capacity. While a much smaller source than passenger revenue, cargo revenue must currently be an important part of generating much needed cash.

General Updates:

The Emirates fleet consisted of 270 aircraft as of March 2020, including 115 A380s.

In addition to its current fleet, Emirates has an orderbook with Airbus and Boeing. With Airbus, Emirates has a firm order for 50 A350-900 XWB aircraft. These aircraft were to deliver from May 2023 through 2028 as well as 8 more A380s that were to be delivered to Emirates from Airbus by 2021.

With Boeing, Emirates has firm orders 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, including the 11 reconfirmation options. Emirates had expected 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. In a recent commentary Emirates said that the current circumstances have put all existing orders into question. Therefore, given the COVID-19 disruption, it is unclear when these deliveries will now occur.

THAI AIRWAYS INTERNATIONAL

COVID-19 Related Updates:

The table below details the current fleet status, excluding ThaiSmile aircraft:

Aircraft Type	Grounded	Active
A330	13	2
A350	10	2
A380	6	0
747	7	0
777	29	3
787	8	0
Total	**73**	**7**
%	**91%**	**9%**

Source: Flightradar24, as of 1 June 2020

General Updates:

According to Cirium, Thai Airways International fleet is comprised of 119 aircraft (inclusive of 20 ThaiSmile aircraft). Thai states on its official website that its operational fleet consists of the 80 aircraft mentioned above, while its subsidiary operates 20 A320-200 aircraft. Thai has placed 19 aircraft in long term storage, which includes three 737-400, four 747-400, three A330-300, and nine A340-600 aircraft. The airline currently has no firm orderbook with either Boeing or Airbus. A significant rationalisation and simplification of Thai future fleet is to be expected as a part of the rehabilitation plan of the airline, although the direction and details of these plans are not yet known.

The group reported a full year 2019 headline loss of Bt12.042 billion, a 3.9% decrease in profit relative to the full year 2018 loss of Bt11.569 billion. Revenues decreased 7.7% year-over-year, falling to Bt184.046 billion from Bt199.500 billion in 2018. The decrease in revenue was driven primarily by a 7.0% decrease in passenger revenue, itself a result of a 0.9% decline in RPKs and a 6.8% decrease in average passenger yield. Excluding foreign the exchange impact of an appreciating Baht, passenger yield still decreased by 2.7%. Passenger load factor increased from 77.6% in 2018 to 79.1% in 2019. The airline carried approximately 190,000 more passengers during 2019 than it did during 2018, while offering 2.7% fewer ASKs. Freight revenue declined substantially, 20.4% year-over-year, though it represents just a small portion of total revenue.

Total expenses decreased by Bt12.088 billion, or 5.8%. Non-fuel operating expenses declined 4.6%, or Bt6.580 billion. Employee benefit expenses fell by Bt2.392 billion or 7.7% and Depreciation and Amortization fell by 11.9%, or Bt2.258 billion. Fuel expenses also decreased, declining Bt5.421 billion or 9.0% relative to 2018. Net finance cost also decreased slightly, falling by 2.0%.

Thai Airways recorded a Bt2.689 billion charge during the year 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 Bt634 million during 2019, an 81.7% smaller impairment than the Bt3.459 billion million recorded in 2018. Finally, the full year 2019 bottom line was benefitted by Bt4.439 billion in foreign exchange gains, as compared to Bt911 million in foreign exchange gains during 2018. Long term liabilities decreased 3.0% during 2019, with a total balance of Bt143.852 billion at 31 December 2019. The airline's reported leverage and interest coverage metrics showed meaningful deterioration as measured at the end of 2019 relative to 2018.

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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