QUARTERLY FACT SHEET

December 2023

DORIC NIMROD AIR THREE LIMITED

LSE: DNA3

The Company

Doric Nimrod Air Three Limited ("the Company", and together with its subsidiary DNA Alpha Ltd. "the Group") is a Guernsey domiciled company. Its 220 million ordinary preference shares ("the Equity") have been admitted to trading on the Specialist Fund Segment (SFS) of the London Stock Exchange's Main Market. The market capitalisation of the Company was GBP 122.1 million as of 31 December 2023.

Investment Strategy

The Company's investment objective is to obtain income returns and a capital return for its shareholders by acquiring, leasing and then selling aircraft. The Company receives income from the leases, and targets a gross distribution to the shareholders of 2.0625 pence per share per quarter (amounting to a yearly distribution of 8.25% based on the initial placing price of 100 pence per share). It is anticipated that income distributions will continue to be made quarterly.

Company Facts (31 December 2023)	
Listing	LSE
Ticker	DNA3
Current Share Price	55.5p
Market Capitalisation	GBP 122.1 million
Initial Debt	USD 630 million
Outstanding Debt Balance[1]	USD 0 million (0% of Initial Debt)
Current Dividend	2.0625p per quarter per share (8.25p per annum)
Earned Dividends	82.33p
Current Dividend Yield	14.86%
Dividend Payment Dates	January, April, July, October
Ongoing Charges (OCF)[2]	2.2%
Currency	GBP
Launch Date/Price	2 July 2013 / 100p
Average Remaining Lease Duration	1 year 10 months
Incorporation	Guernsey
Aircraft Registration Numbers (Lease Expiry Dates)	A6-EEK (29.08.2025), A6-EEO (29.10.2025), A6-EEM (14.11.2025), A6-EEL (27.11.2025)
Asset Manager	Amedeo Management Ltd
Corporate & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Ltd
Auditor	Grant Thornton Ltd
Market Makers	Investec Bank Plc, Jefferies International Ltd, Liberium Capital Ltd, Peel Hunt LLP, Shore Capital Ltd, Winterflood Securities Ltd
SEDOL, ISIN, LEI	B92LHN5, GG00B92LHN58, 213800BMYMCBKT5W8M49
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairthree.com

[1]Class A EETC matured in May 2023, Class B EETC matured in November 2019.
[2]As defined by the AIC.

Asset Manager's Comment

1. The Assets

The Company acquired four Airbus A380 aircraft by the end of November 2013. Since delivery, each of the four aircraft has been leased to Emirates Airline ("Emirates") – the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates – for a term of 12 years with fixed lease rentals for the duration. In order to complete the purchase of the aircraft, DNA Alpha Ltd ("DNA Alpha"), a wholly owned subsidiary of the Company, issued enhanced equipment trust certificates ("EETC") – a form of debt security – in July 2013 in the aggregate face amount of USD 630 million. In May 2023 DNA Alpha has fully repaid all outstanding EETC obligations. On 4 January 2023, the Company announced that its wholly owned subsidiary DNA Alpha Limited has received notice from Emirates that it is exercising the option to enable it to redeliver MSN 132 in the minimum condition equivalent to "half-life" together with a cash sum, as opposed to delivery in full-life condition. In the event the aircraft is returned to the subsidiary, Emirates will pay the sum of USD 12,000,000 to the subsidiary, in addition to the contracted monetary compensation arrangements, on or prior to the lease expiry date of 29 August 2025.

Aircraft utilisation for the period from delivery of each Airbus A380 until the end of December 2023 was as follows:

Aircraft Utilisation

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
132	29/08/2013	36,531	4,486	8h 9m
133	27/11/2013	36,311	4,157	8h 44m
134	14/11/2013	33,741	3,801	8h 53m
136	29/10/2013	35,909	4,015	8h 57m

Maintenance Status

Emirates maintains its A380 aircraft fleet based on a maintenance programme according to which minor maintenance checks are performed every 1,500 flight hours and more significant maintenance checks (C checks) at 36-month or 18,000-flight hour intervals, whichever occurs first.

Emirates bears all costs relating to the aircraft during the lifetime of the leases (including for maintenance, repairs, and insurance).

In November 2023 the European Union Aviation Safety Agency (EASA) issued an airworthiness directive (AD) adopting the already mandatory inspection of wing rear spars between certain wing ribs. After further results of the inspections of the wing rear spars by Airbus revealed more findings, criteria previously specified by Airbus were no longer justified. Prompted by these developments, Airbus redefined one of the driving parameters for the threshold for wing rear spars inspections, by replacing a previous to-be-calculated factor with a fixed factor, defined in this AD. This new factor focuses on time spent in storage.

Starting in 2019 a series of ADs was issued addressing concerns about potential cracks in certain wing rear spars. However, the aircraft owned by the Company were not due for inspections according to earlier ADs. Based on the data and evidence collected during the inspections over the last four years or so, contributing factors in addition to the age of the wing were identified. The probability of a crack, for example, also depends on the amount of time an aircraft has spent on the ground (stored or parked) in severe environmental conditions. The phenomenon underlying this relationship is called Hydrogen Environmental Assisted Cracking (HEAC). It affects specific aluminium alloys used in the A380. Emirates aircraft are more severely affected than those of other A380 operators due mainly to the hot desert climate in the UAE and prolonged storage periods during the pandemic in that environment.

Emirates schedules 60 days for the initial inspection. Repeat inspections are currently scheduled at an interval of 36 months. Three of the Company's four aircraft were inspected in Toulouse (France), Teruel (Spain), and Beijing (China) starting in September 2023 and returned to service in mid-December immediately after the work had been completed. All four aircraft of the Company are currently in service.

2. Market Overview

The impact of the pandemic on the global economy was severe, resulting in a 3.1% contraction in global GDP in 2020, followed by a recovery of 6.0% and 3.1% in 2021 and 2022 respectively. According to its latest report on global economic prospects from June 2023, the World Bank expects moderate growth of 2.1% for the current year.

In the final month of the 2023 calendar year the International Air Transport Association (IATA) revised its 2023 projection for the airline industry net profits from USD 9.6 billion to USD 23.3 billion. In 2024 profitability is expected to increase further, reaching USD 25.7 billion, a year-over-year 0.1 percentage point net profit margin improvement. The optimistic outlook is also supported by IATA passenger polling in November 2023: 44% of travellers polled expect to travel more in the next 12 months than in the previous 12 months. Only 7% said they will travel less, while 48% expect to maintain similar levels of travel within the next 12 months. However, IATA has also identified risk factors that could negatively affect industry profitability. This includes global economic developments, war, and supply chain issues: If unemployment rates significantly rise from their currently exceptionally low levels, the strong consumer demand that has supported the recovery could weaken. While the operational impacts of the Ukraine war and the Israel-Hamas war have so far been limited to re-routings due to airspace closures and have not significantly impacted traffic levels at the global scale, "any escalation could produce a radically different global economic scenario to which aviation would not be immune", according to IATA. Airlines continue to be impacted by supply chain issues in the form of unforeseen maintenance issues on some aircraft and engine types as well as delays in the delivery of aircraft parts and new aircraft, which limit capacity expansion and fleet renewal.

Air passenger travel first gained momentum in 2022 and has recovered substantially according to IATA. The rebound continued in 2023: In October industry-wide revenue passenger kilometres (RPKs) increased by 31.2% compared to the same period in the year before. However, the impact of the pandemic is evident as RPKs are still 1.8% below the pre-pandemic level achieved in October 2019. At the same time airlines boosted their capacities, measured in available seat kilometres (ASKs), from October 2022 by 29.4%, a recovery to 97.0% of the pre-pandemic value in October 2019. The average passenger load factor (PLF) improved by 1.2 percentage points from its October 2022 levels to 83.1% or 1.0 percentage point above its October 2019 levels.

While international travel measured in RPKs is still 5.6% short of its volume before the sector was hit by the pandemic, global domestic travel has fully recovered, surpassing the 2019 benchmark levels by 4.8% in October 2023. The strong performance of major markets over the last few months, and in particular positive developments in China, have contributed to these results. The latest ticket sales indicate, however, a horizontal trend compared with 2019 levels. IATA observed a stagnation in domestic ticket sales in early November 2023, mainly triggered by a slowdown in China, the world's second largest market for domestic air travel. Nevertheless, international ticket sales remain "aligned with the stable demand recovery trend observed since early 2022".

The Middle East, where the lessee is located, recorded an RPK increase of 23.9% between October 2022 and October 2023, surpassing its pre-pandemic air passenger traffic by more than 6%. Capacities, measured in ASKs, expanded by 21.4% over the period, resulting in a 1.6 percentage point improvement of the average PLF to 80.6% or 7.1 percentage points above its pre-pandemic levels.

Source: IATA, World Bank

3. Lessee – Emirates

Network

From January 2024 Emirates will upgrade the capacity of its service to Barcelona, Spain, by returning the A380 on one of its two daily flights. A Boeing 777-300ER will continue to service the second flight. Furthermore, the airline has accelerated the return of the A380 on the daily service between Milan Malpensa, Italy, and New York JFK. Initially scheduled for the end of March 2024, the first flight will now operate from 1 February.

In November Emirates and German-based leisure airline Condor activated their reciprocal interline agreement enabling customers to enjoy enhanced flight connectivity on 70 routes operated by both airlines across Europe, Africa, Asia, Australasia, and the Middle East. Emirates' passengers will have access via four regional points in Germany to 57 destinations in Europe and the Caribbean with a single ticket and baggage check-through to their final destination.

Fleet

According to Emirates, its passenger aircraft fleet consisted of 116 Airbus A380s and 133 Boeing 777s at the end of September 2023. Over the last two years or so Emirates' President, Sir Tim Clark, has provided multiple status updates on the likely future of the airline's A380 fleet. In February 2022 he reported on recycling efforts of the first five A380s Emirates had retired, but pointed out that these efforts will not continue with further A380s. At that time Emirates aimed to extend the life of about 120 A380s and 777s by six to ten years each. On 1 November 2022 Emirates kicked off its multi-billion dollar cabin retrofit programme involving the upgrade of the entire interior cabin of 67 Airbus A380s and 53 Boeing 777-300ERs, and the installation of the airline's latest premium economy seats. All A380s earmarked for the retrofit programme are expected to be back in service by May 2024. During the first half of Emirates' 2023/24 financial year ten A380s were completely refurbished and returned to service, bringing the total number of A380s retrofitted so far to 16. The Company is not aware that any of the DNA3 aircraft are scheduled for retrofitting. In a June 2023 interview with Bloomberg, Clark refined the timeline about the future of its A380 fleet, noting that Emirates "will keep them flying until 2032" before the airline starts to take them out of its fleet. Under the current circumstances their operation is "very profitable" for the carrier, Clark noted at that time. In November 2023 he once again extended the scheduled end of Emirates' A380 services. Now the airline intends to fly the A380 until at least 2041 due to the lack of availability of similar-sized replacement aircraft.

To maintain and improve operational efficiency and maximise fleet performance and reliability of its A380 fleet "well into the next decade", Emirates signed agreements worth over USD 1.5 billion at the 2023 Dubai Air Show. Partners such as Honeywell, Collins Aerospace, Lufthansa Technik, Gameco and others will deliver aviation aftermarket and Maintenance, Repair and Overhaul (MRO) services. "Our continued commitment to and confidence in the A380 are why we are investing heavily to keep the fleet in optimal shape and pristine condition. The A380 will remain core to our network and customer proposition for the next decade, and we want to ensure our fleet is in tip-top shape", said Clark in a statement.

At the 2023 Dubai Air Show in November Emirates also added a number of aircraft to its existing order book for a combined list price value of USD 58 billion:

<u>Boeing 777-X</u>

In November 2023 Emirates topped up an existing order for 115 Boeing 777-Xs, a combination of 16 777-8s and 99 777-9s, by signing a firm order for another 35 777-8 and 55 777-9 aircraft. This brings the lessee's Boeing 777-X orderbook to a total of 205 units. Delivery of the first 777-9 from the initial order is expected towards the end of 2025, according to a statement from Tim Clark in late September 2023. Deliveries from the new 777-9 order are scheduled up until 2035. Deliveries of the slightly smaller 777-8, for which Emirates is one of the launch customers, are expected to commence in 2030.

If delivered in 2025, the Boeing 777-9 will be over five years late. Due to multiple delays, and as these aircraft are destined to replace the airline's aging Boeing 777-300ER fleet, the carrier extended the lease period of 25 Boeing 777 aircraft during the 2022/23 financial year and included the aircraft type in its refurbishment programme. Currently, Tim Clark has no concerns that the delivery of the first 777-9 aircraft could slip into 2026.

With Airbus A380s and Boeing 747s no longer available for order, the Boeing 777-X is the biggest aircraft in production.

<u>Boeing 787</u>

During the 2023 Dubai Air Show Emirates also updated an existing order for 30 Boeing 787-9 aircraft and committed to purchasing another five. As per the latest agreement of mid-November 2023, Emirates will receive 20 Boeing 787-8s and 15 Boeing 787-10s. However, the airline did not share an updated delivery timeline.

The previously ordered 787-9 aircraft were supposed to be delivered from May 2023 onwards. But Clark does not expect the 30 Boeing 787s to join his fleet soon: Delivery of the 787 family paused for about 19 months between November 2020 and August 2022 after Boeing had identified quality issues. It only resumed after the US Federal Aviation Authority (FAA) decided the airframer "had made the necessary changes to ensure that the 787 Dreamliner meets all certification standards". Deliveries paused for another few weeks in February/March 2023 over concerns connected to the aircraft's forward pressure bulkhead which were then resolved. In June 2023 Boeing announced the discovery of yet another production flaw that required the manufacturer to inspect all 90 787 aircraft in its inventory, potentially affecting the timing of near-term 787 deliveries as well.

In September 2023 Clark said, "the 787 isn't in the short-term picture at this point in time".

Airbus A350

An order of a further 15 A350-900s placed during the 2023 Dubai Air Show increases the number of A350-900 widebody aircraft ordered by Emirates to 65. The first is expected to join Emirates' fleet in August 2024. For the first 50 aircraft the airline and the manufacturer agreed on a "compressed delivery schedule" with all 50 to be delivered within a 30-month period. This should help "to pick up this big capacity hole that we can see", noted Emirates' President last year. The last aircraft of this batch are expected to be delivered in early 2028.

In late September 2023 Tim Clark confirmed that the airline was also looking at the Airbus A350-1000 "quite seriously". The A350-1000 is about seven metres longer and has more than 50 additional seats in a typical two-class configuration compared to the A350-900. However, such an order for up to 50 A350-1000s did not materialise at the Dubai Air Show in November 2023. Clark claimed the insufficient time-on-wing performance of the Rolls-Royce Trent XWB-98 engine as a major roadblock for an order. Due to the harsh environment the aircraft are operating in and at the utilisation levels expected, the engine is reaching "less than a quarter" of the 2,500 engine cycles, according to Clark. Hence, Emirates is reportedly requesting guarantees for up to 2,500 engine cycles on wing and "at a maintenance cost per hour that is alright".

With a more diversified fleet, Emirates plans to add 400 destinations to its network over the next decade and expects to operate about 350 aircraft from the early 2030s onwards.

Emirates anticipates reaching its pre-pandemic capacity by the second quarter of 2024, according to Adnan Kazim, Chief Commercial Officer of Emirates. This will include up to 97 Airbus A380s with at least 12 additional spare aircraft to cover downtime for maintenance. In total, Kazim expects that approximately 110 Airbus A380 will have returned to service by then.

Key Financials

In the first half of its 2023/24 financial year ending on 30 September 2023, Emirates recorded a net profit of AED 9.4 billion (USD 2.6 billion), a record half-year performance for the company and 134% more than in the same period of the previous year. The airline attributes its performance to the strong passenger demand for international travel across markets and its ability to activate capacity to match demand. Revenue, including other operating income, was up 19% from last year and reached AED 59.5 billion (USD 16.2 billion).

Between 1 April and 30 September 2023 the airline carried 26.1 million passengers, an increase of 31% over the same period in the previous year. While air cargo demand on a global level was shrinking, Emirates' SkyCargo uplifted 1,035,000 tonnes during that period, an increase of 11% over the same period last year.

During the reporting period Emirates continued to rebuild its network, e.g. by restoring A380 operations to seven destinations and increasing its ASK capacity by 30%. At the same time RPKs increased by 35%. This resulted in an average PLF of 81.5%, an improvement of 3.0 percentage points compared to the same period last year.

Emirates' direct operating cost increased 9%: Fuel was the largest cost component amounting to 34% of operating costs, 4 percentage points lower than in the period from April to September 2022. Higher revenues and better margins resulted in an improved EBITDA of AED 19.5 billion (USD 5.3 billion), a 33% improvement from last year's EBITDA.

As of 30 September 2023 Emirates' total liabilities decreased by 8.7% to AED 118.5 billion (USD 32.2 billion) compared to the end of the previous financial year. Amongst other things, the airline repaid AED 4.9 billion (USD 1.3 billion) in bonds and term loans and paid a dividend to its shareholders in the amount of AED 3.5 billion (USD 954 million). Total equity came in at AED 42.4 billion (USD 11.6 billion), an improvement of 52% since the beginning of the current financial year. Emirates' equity ratio stood at 26.4% and its cash position, including short-term bank deposits, amounted to AED 38.2 billion (USD 10.4 billion) at the end of September 2023, slightly more than at the beginning of the current financial year. The net cash flow from operating activities came in at AED 18.4 billion (USD 5.0 billion) for the period between April and September 2023, about 11% lower than in the same period the previous year.

As at the end of December 2023, Emirates had outstanding US dollar debt issuances with maturities in 2025 and 2028. These bonds were trading close to par and with running yields of approximately 4.6% in US dollars. There has also been no significant upward pressure on yields. This level of yields does not appear to indicate any significant financial stress to the issuer. In Emirates' most recent annual financial report the auditor PricewaterhouseCoopers issued an unqualified audit report.

The management of the Emirates Group, the combined businesses of Emirates Airline and dnata, noted that "the [Emirates] Group has surpassed previous records to report our best-ever half-year performance. Our profit for the first six months of 2023-24 has nearly matched our record full year profit in 2022-23." For the second half of the current financial year Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates Airline and Group, expects "customer demand across our business divisions to remain healthy" and identified rising fuel prices, the strengthening US dollar, inflationary costs, and geo-politics as potential headwinds. In late August 2023 Emirates' Chief Commercial Officer, Adnan Kazim, noted that "travel demand across our network has been strong and resilient despite rising cost-of-living pressure in many markets".

Sustainability

In early November 2023 Emirates confirmed that the first flights operating with sustainable aviation fuel (SAF) have taken off from Dubai International Airport. This was the first ever supply of SAF to Emirates in Dubai, according to the airline. The 315,000 gallons of blended SAF were supplied by Shell and enabled Emirates to power a number of missions over the course of a few weeks. The ratio of 40% neat SAF and 60% conventional Jet A-1 allowed for a seamless integration into the existing airport fuel infrastructure and did not result in any modification requirements for the aircraft engines. Neat SAF reduces greenhouse gas emissions by up to 80% over its life cycle compared with conventional jet fuel.

Later that month Emirates became the world's first airline to operate an A380 demonstration flight with one of the four engines powered on 100% SAF, together with the auxiliary power unit (APU). For commercial flights SAF use is currently capped at a 50% blend limit. In the run-up to the demonstration flight ground engine testing was performed at the Emirates Engineering Centre in Dubai to validate the engine's capability to run on the specially blended 100% drop-in SAF without affecting its performance or requiring any modifications. The Engine Alliance GP7200 engine used for the test is the same engine type as installed on the A380s owned by the Group.

An Airbus spokesperson emphasized that "SAF is vital to meeting the sector's target of net-zero emissions in 2050". The manufacturer is working to make all its aircraft 100% SAF-capable by 2030. Engine manufacturer Engine Alliance noted that all of its engines "can operate on approved SAF blends today and through extensive research and testing, GE Aerospace is helping lead the approval and adoption of 100% SAF in the aviation industry".

Source: Aero Routes, Bloomberg, Cirium, Emirates

4. Aircraft – A380

As of the end of December 2023, the global A380 fleet consisted of 220 aircraft with 12 airline operators, according to Ascend. Of these, 159 were in service. The remainder of the fleet is currently parked. The 12 operators are Emirates (121), Singapore Airlines (14), British Airways (12), Qantas (10), Korean Air Lines (10), Etihad Airways (10), Qatar Airways (10), Deutsche Lufthansa (8), Thai Airways (6), Asiana Airlines (6), Air France (4), and All Nippon Airways (3).

In an analysis published in November 2023 Cirium Ascend Consultancy noted that the number of A380s reactivated post-pandemic is higher than initially expected, but that the full extent of the fleet recovery "is hard to forecast". After the number of in-service A380s reached a low in the single digits at the height of the pandemic, Cirium Ascend Consultancy estimates "that potentially up to 190 aircraft could be reactivated". Several factors were identified to explain a "once-unlikely comeback". This includes the large-scale retirements of older twin-aisles in the early months of the pandemic and "a relative lack of replacement capacity", due to the slow ramp-up of production by Airbus and Boeing as well as extended delays to the introduction of the Boeing 777-X.

Source: Cirium

Addendum

Implied Future Total Returns based on the latest appraisals as at 31 March 2023

– For illustrative purposes only –

The Directors note that the outlook for the A380, and hence the total return of an investment in the Group, is subject to an increased amount of uncertainty. From the outset of the transaction, the Directors have relied on appraisers' valuations based on the assumption that there would be a balanced market where supply and demand for the A380 are in equilibrium. These values are called future base values. At the instruction of the Group this assumption was changed for the March 2020 appraisals onward. Appraisers assumed a soft market, characterized by less favourable market conditions for the seller, including, but not limited to, an imbalance of supply and demand in the aircraft type. These values are called future soft values. The asset manager advised the Directors that the market sentiment for the A380 had declined since the valuation in March 2019: Following Airbus' announcement to discontinue the A380 production in 2021, a number of operators made determinations about their fleets that indicate an increased supply in used A380s in the coming years. Furthermore, A380s returned from operating leases could not be placed within a reasonable period of time and owners were forced to explore alternative scenarios for revenue generation such as engine leasing. The impact of the COVID-19 pandemic has further exacerbated this situation as potential operators are focused on utilizing their existing capacities. Based on these observations the asset manager suggests the continued use of soft values to reflect the prevailing market circumstances in the valuations.

To enable investors to assess the effects of varying residual values on their total returns, the table below is provided for informational purposes only and contains a range of discounts to the average independently appraised residual values determined at the last valuation date in March 2023. The table summarises the total return components, calculated on the current exchange rate and using discounts of 25%, 50%, and 75% and the latest available appraised value of the aircraft, which is the average of valuations provided by three independent aircraft appraisers and quoted in US dollars. The latest appraisals available are dated end of March 2023.

The total return for a shareholder investing today (31 December 2023) at the current share price consists of future income distributions during the remaining lease duration and a return of capital at dissolution of the Group. **The latter payment is subject to the future value and the respective sales proceeds of the aircraft, quoted in US dollars and the USD/GBP exchange rate at that point in time.** Since launch, three independent aircraft appraisers have provided the Group with their values for the aircraft at the end of each financial year.

The table below summarises the total return components using the appraised value of the aircraft which is the average of valuations provided by three independent aircraft appraisers and quoted in US dollars. **This residual value at lease expiry takes inflation into account and is the most reliable estimate available. Due to accounting standards, the value used in the Group's Annual Financial Report differs from this disclosure as it excludes the effects of inflation and is converted to sterling at the prevailing exchange rate on the reporting date (i.e. 31 March 2023).**

The contracted lease rentals are calculated and paid in US dollars to satisfy debt interest and principal, and in sterling to satisfy dividend distributions and Group running costs, which are in pounds sterling. The Group's cash flow is therefore insulated from foreign currency market volatility during the term of the leases.

With reference to the following table, there is no guarantee that the aircraft will be sold at such a sale price or that such capital returns will be generated.

The Directors note that any possible long-term impact of the COVID-19 global pandemic on the Group and aviation industry as a whole are entirely unknown at the time of writing. While the UN World Health Organization (WHO) declared an end to COVID-19 as a public health emergency back in May 2023, subsequent economic issues including high inflation and rapidly rising interest rates to curb inflation put a strain on the economy. Furthermore, airlines are directly impacted by continuing supply chain issues with aircraft and engine manufacturers not always able to deliver new aircraft or spare parts to maintain existing fleets on time. The following table does not therefore include any assumptions in this regard and should be read accordingly.

Implied Future Total Return Components Based on Soft Market Appraisals

The implied return figures are not a forecast and assume the Group has not incurred any unexpected costs or loss of income.

Aircraft portfolio value at lease expiry according to

- **Latest appraisal[1]   USD 158.2 million based on inflated future soft market values**

Per Share (rounded)	Income Distributions	Return of Capital			
		Latest Appraisal -75%[2]	Latest Appraisal -50%[2]	Latest Appraisal -25%[2]	Latest Appraisal[2]
Current FX Rate[3]	17p	18p	32p	46p	61p
Per Share (rounded)		Total Return[4]			
		Latest Appraisal -75%[2]	Latest Appraisal -50%[2]	Latest Appraisal -25%[2]	Latest Appraisal[2]
Current FX Rate[3]		35p	49p	63p	77p

[1] Date of valuation: 31 March 2023; inflation rate: 1.5%

[2] Average of the three appraisals at the Group's respective financial year-end in which each of the leases reaches the end of the respective 12-year term less disposal costs

[3] 1.2731 USD/GBP (29 December 2023)

[4] Including expected future dividends

So far, only a limited secondary market has developed for the aircraft type.

Contact Details

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