QUARTERLY FACT SHEET

September 2020

DORIC NIMROD AIR ONE LIMITED

LSE: DNA

COVID-19

The impact of the COVID-19 pandemic on the aviation sector has been significant with about a third of the global passenger aircraft fleet still grounded. This quarterly fact sheet is exclusively based on known facts at the time of writing and does not seek to draw on any speculation about any possible future, long-term impacts of the pandemic on the aviation sector or the Company specifically and should be read in such context. The Board notes the continuing market commentary regarding rental deferrals and confirms that it has received no formal request from Emirates to renegotiate its lease and that the lessee is currently servicing it in line with its obligations. The Board is in close contact with the Asset Manager and its other advisors and will continue to keep shareholders updated via quarterly fact sheets and ad-hoc announcements as required.

The Company

Doric Nimrod Air One Limited ("the Company") is a Guernsey domiciled company. Its 42,450,000 ordinary preference shares have been admitted to trading on the Specialist Fund Segment (SFS) of the London Stock Exchange's Main Market. The Company has purchased one Airbus A380-861 aircraft, manufacturer's serial number (MSN) 016, which it has leased for an initial term of 12 years, with fixed lease rentals for the duration, to Emirates, the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates. The market capitalisation of the Company was GBP 16.3 million as of 30 September 2020.

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 a single aircraft. The Company receives income from the lease, and targets a gross distribution to the shareholders of 2.25 pence per share per quarter (9p per annum). It is anticipated that income distributions will continue to be made quarterly.

Company Facts (30 September 2020)	
Listing	LSE
Ticker	DNA
Current Share Price	38.5p (closing)
Market Capitalisation	GBP 16.3 million
Initial Debt	USD 122 million
Outstanding Debt Balance	USD 12.2 million (10% of Initial Debt)
Current and Targeted Dividend	2.25p per quarter (9p per annum)
Earned Dividends	85.5p
Current Dividend Yield	23.38%
Dividend Payment Dates	January, April, July, October
Cost Base Ratio[1]	1.5% (based on average share capital)
Currency	GBP
Launch Date/Price	13 December 2010/100p
Remaining Lease Duration	2 years 3 months
Incorporation	Guernsey
Aircraft Registration Number (Lease Expiry Date)	A6-EDC (16.12.2022)
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Ltd
Auditor	Deloitte LLP
Market Makers	finnCap Ltd, Investec Bank Plc, Jefferies International Ltd, Numis Securities Ltd, Shore Capital Ltd, Winterflood Securities Ltd
SEDOL, ISIN	B4MF389, GG00B4MF3899
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairone.com

[1] Calculated as Operating Costs/Average Share Capital as per the latest Annual Financial Report.

Asset Manager's Comment

1. The Doric Nimrod Air One Airbus A380

The Airbus A380 is registered in the United Arab Emirates under the registration mark A6-EDC. For the period from original delivery of the aircraft to Emirates in November 2008 until the end of August 2020, a total of 5,995 flight cycles were logged. Total flight hours were 48,721. This equates to an average flight duration of around eight hours and ten minutes.

Due to the effects of COVID-19, the aircraft has been stored since March 2020, currently at Dubai World Central International Airport (DWC).

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.

Due to the continuing COVID-19 pandemic, Emirates has stored the aircraft owned by the Company in Dubai. The lessee has "a comprehensive aircraft parking and reactivation programme [in place], that strictly follows manufacturer's guidelines and maintenance manuals". In addition, Emirates has enhanced standards and protocols of their own, to protect and preserve the asset during the downtime. This includes the watertight sealing of all apertures and openings through which environmental factors – sand, water, birds, and insects – can find their way inside an aircraft. During parking, maintenance teams complete periodic checks at different intervals. Depending on the reactivation date of a specific aircraft, the lessee might defer due maintenance checks, which are calendar-based, until that time. This would allow the lessee to make use of the full maintenance interval once the operation of a specific aircraft resumes.

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

Inspections

Doric, the asset manager, conducted a records audit in May. The condition of the aircraft's technical records was in compliance with the provisions of the lease agreement.

2. Market Overview

The impact of COVID-19 on the global economy has been severe and is expected to result in a 4.9% to 5.2% contraction in global GDP for 2020, according to the International Monetary Fund and the World Bank. In its latest economic impact analysis, the International Civil Aviation Organization (ICAO) estimated that the full year 2020 will see a reduction in seats offered by airlines of 48% to 51% compared with the previous baseline forecast for the year. Furthermore, ICAO anticipates this trend to continue into the first quarter of 2021 with airlines reducing seats offered by 23% to 43%. However, the actual impact of COVID-19 on the airline industry will depend on a number of factors, including the duration and magnitude of the outbreak and containment measures, the degree of consumer confidence in air travel as well as general economic conditions. The International Air Transport Association (IATA) has forecast an airline industry-wide net loss of USD 84.3 billion for this year.

As of August 2020, air passenger demand has continued its gradual recovery from the low-point in April, with industry-wide revenue passenger kilometres (RPKs) contracting by 75% year-on-year in August vs. an 80% fall in July. The load factor of 58.5 % was the lowest in history for August. Modest demand improvements were primarily being driven by some domestic markets including Russia and China, and on intra-European routes, while international demand remains weak. In the first eight months of 2020, RPKs were down 64% against the previous year. Similarly, industry-wide capacity, measured in available seat kilometres (ASKs), also decreased by 55% between January and August 2020 against the same period in 2019. This resulted in a 15.6 percentage point decrease in the worldwide passenger load factor (PLF) to 67.4%.

In the first eight months of 2020, passenger traffic in the Middle East was down 66% against the previous year. Capacity also fell by 60%, resulting in a 12.0 percentage point decrease in PLF to 64.8%. Latest available data for August indicate an RPK contraction of 91% against the same month in the previous year, with ASKs 81% below its August 2019 levels. The PLF amounts to about 37%, a decline of 44.9 percentage points. IATA anticipates the losses of Middle Eastern airlines to rise to USD 4.8 billion in 2020 (from a loss of USD 1.5 billion in 2019).

Source: IATA, ICAO © International Air Transport Association, 2020. Air Passenger Market Analysis August 2020. Economic Performance of the Airline Industry, Mid-Year Report June 2020. All Rights Reserved. Available on the IATA Economics page. © International Civil Aviation Organization, Effects of Novel Coronavirus (COVID-19) on Civil Aviation: Economic Impact Analysis, 9 September 2020.

3. Lessee – Emirates

Network

As of mid-August, over 150 destinations in Emirates' global network remained subject to COVID-19-related travel restrict-ions. Daily flights were around 230 - approximately 40% of pre-pandemic levels, with half of the frequencies operating as cargo-only services. As a means to contain the outflow of cash, Emirates has adopted the policy that no operation is allowed to go below the cash operating costs. According to Emirates' president Tim Clark, the Airbus A380 has proven economically viable in this regard, as solid load factors have led to profitable operations. The airline resumed its A380 services on 15 July with flights to London Heathrow and Paris.

In order to rebuild confidence in air travel, Emirates became the first airline to offer free COVID-19 insurance for all passengers on its own flights and those of its codeshare partners. The programme covers medical expenses of up to EUR 150,000 and quarantine costs of EUR 100 per day for 14 days, should passengers be diagnosed with COVID-19 during their travel. The programme is set to end on 31 October.

At the beginning of September, Emirates and flydubai announced that they have renewed their partnership, allowing customers to travel on codeshare flights to over 30 destinations on flydubai and over 70 destinations on Emirates. Both airlines have each implemented safety measures, including enhanced sanitation of all touchpoints and advanced HEPA filters fitted in aircraft cabins. Passengers on Emirates flights are also provided with a complimentary hygiene kit containing masks, gloves, hand sanitiser and anti-bacterial wipes.

Up until the end of September, Emirates' A380 fleet has resumed flights to six destinations, including Cairo, Guangzhou, London Heathrow, Moscow, Paris, and Toronto.

Fleet

While Emirates' operations had remained mainly cargo-only services through mid-August, the carrier has since announced plans to gradually increase its passenger network and plans to service 94 destinations in October. Prior to this, the vast majority of Emirates' 141 passenger Boeing 777 aircraft had returned to service, but many had been operating cargo-only flights. At the same time, 13 of Emirates' 115 Airbus A380 aircraft have been returned to service.

The table below details the passenger fleet activity as of 30 September 2020, reflecting Emirates' recently increased operations:

Passenger Fleet Activity

Aircraft Type	Grounded	In Service
A380	102	13
777	4	137
Total	**106**	**150**
%	**41%**	**59%**

Source: Cirium as of 30 September 2020

In July, Boeing disclosed that the 777X programme was being delayed again, with deliveries now scheduled to begin in 2022. In response, Emirates, as the launch customer of the Boeing 777-9, is seeking additional clarity on the certification process as it negotiates a revised schedule for its Boeing 777-9 aircraft. However, Tim Clark noted that the delivery delay probably benefits Emirates in the short-term due to the ongoing global pandemic.

Key Financials

In the financial year ended 31 March 2020, Emirates recorded its 32nd consecutive year of profit despite negative impacts from the 45-day runway closure at Dubai International Airport and early effects of the COVID-19 pandemic. Largely due to these external factors as well as a negative currency impact of AED 572 million (USD 156 million), total revenue declined by 6% to AED 92.0 billion (USD 25.1 billion) for the financial year. However, in the face of these pressures, Emirates recorded a profit of AED 1.1 billion (USD 288 million). This was a 21% increase over the results of the previous financial year and resulted in a profit margin of 1.1%.

Emirates' total operating costs decreased by 10%. This was largely attributable to developments in the airline's fuel costs. The decline in the average cost of fuel of 9% during the financial year, together with the capacity reduction, resulted in a 15% decrease in the fuel bill to AED 26.3 billion (USD 7.2 billion). Fuel accounted for 31% of operating costs and remained the largest cost component for the airline.

Emirates' total liabilities increased by 66% to AED 148.5 billion (USD 40.5 billion) primarily due to recognition of additional lease liabilities following the adoption of IFRS 16. This was offset to an extent by a reduction in forward sales liabilities due to the ongoing COVID-19 pandemic. Total equity decreased by 37.5% to AED 23.6 billion (USD 6.4 billion) primarily due to the adoption of IFRS 16. This resulted in an equity ratio of 13.7%. Emirates ended the financial year 2019/20 with AED 20.2 billion (USD 5.5 billion) in cash assets, after it raised AED 4.4 billion (USD 1.2 billion) in additional liquidity in the last quarter of 2019/20 through term loans, revolving credit and short-term trade facilities.

Between April and mid-August 2020 Emirates has been able to generate nearly USD 2 billion in cash sales on its cargo and limited passenger operations.

In addition to Emirates' continuing efforts to preserve its cash position during the COVID-19 pandemic by various measures, including thousands of redundancies and temporary pay cuts for its workforce, Tim Clark stated in an interview in mid-August that "we'll probably need cash from the shareholder sooner rather than later". At the end of August it was reported, that the airline received USD 2 billion as a cash injection from the Emirate of Dubai. The capital increase was not publicly announced, but disclosed in a prospectus for a potential bond issuance by the Government of Dubai. Already in the pandemic's early days Dubai's Crown Prince Sheikh Hamdan bin Mohammed highlighted that the Government is "fully committed to supporting Emirates in the current critical period" and "as a shareholder of Emirates, the Government will inject equity 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".

As at the end of September Emirates has outstanding US dollar debt issuances with maturities in 2023, 2025, and 2028. These respective bonds were trading at approximately par (100 cents) each and with running yields ranging from approximately 3.9% to 4.5% in US dollars there has also been no upward pressure on yields. This level of yields does not appear to indicate any significant financial stress to the issuer.

The next update on Emirates' financials in expected to become available in November, when the airline usually provides key figures for the first half of its financial year, which ends on 30 September.

Source: Cirium, Emirates, Reuters

4. Aircraft – A380

As of the end of September 2020, the global A380 fleet consisted of 237 planes with airline operators. Only 19 of these aircraft were in service, the remainder of the fleet is currently parked due to COVID-19. The fourteen operators are Emirates (115), Singapore Airlines (19), Deutsche Lufthansa (14), Qantas (12), British Airways (12), Korean Air Lines (10), Etihad Airways (10), Qatar Airways (10), Air France (9), Malaysia Airlines (6), Thai Airways (6), Asiana Airlines (6), China Southern Airlines (5), All Nippon Airways (2), and Hi Fly (1). Another three temporarily stored aircraft are lease returns.

Due to the COVID-19 pandemic, most A380 operators temporarily parked the aircraft type from March, with the number of parked A380s peaking at nearly the entire fleet. In fact, only China Southern and Hi Fly operated their A380s continuously. However, Emirates has begun to gradually restore A380 services since mid-July. In contrast, other A380 operators, such as Singapore Airlines, Qantas and Qatar Airways, are reviewing their fleets and have indicated that there will be no early return of A380 services. Air France does not plan a return to service for any of its remaining A380s.

In spring 2020 Lufthansa disclosed that it intends to permanently decommission six A380s with immediate effect. They were originally earmarked to depart the fleet in 2022. In September the airline announced that the remaining eight aircraft, "which were previously intended for flight service, will be transferred to storage and removed from planning". "These aircraft will only be reactivated in the event of an unexpectedly rapid market recovery", according to a press release. Lufthansa no longer expects to achieve 50% of its pre-COVID-19 ASK levels by the end of 2021 and released a new estimate of 20-30%. The German airline group claims that the outlook for international air transport "has significantly worsened" in recent weeks.

The chief executive of Dubai Airports, which owns and manages the operation and development of both of Dubai's airports, has expressed confidence in the concept of international hubs in a post-COVID world, despite the trend towards more point-to-point traffic. With many countries facing an economic crisis Paul Griffiths believes that "the efficiency of hubs and aggregation power of bringing together city pairs around the world, which will never likely have enough traffic to be justified to have a point-to-point service, will continue to be served and aggregated very efficiently through global hubs". Against this background he assumes that "777 and A380 are pretty well placed for several years to come as actually serving that role very well". Another COVID-related development could also help large airport hubs: He thinks that "it's going to be very difficult to persuade the environmental groups and general public actually to support airport expansions in the future". Due to COVID-19 lockdowns and the associated slowdown in industrial production, pollution was temporarily avoided in many regions around the world, resulting in clear skies.

Source: Cirium, Simple Flying

ADDENDUM

Implied Future Total Returns based on the latest appraisals as at 31 March 2020
-For illustrative purposes only-

The Directors note that the outlook for the A380, and hence the total return of an investment into the Company, is subject to an increased amount of uncertainty. From the outset of the transaction, the Directors 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 Company this assumption was changed for the March 2020 appraisals. 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 previous 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 like engine leasing. The ongoing COVID-19 pandemic with more than 90% of all A380s worldwide on the ground, further exacerbates this situation, as potential operators are focused on utilizing their existing capacities. Based on these observations the Asset Manager suggests the 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 below table is provided for information only and contains a range of discounts to the average independently appraised residual values determined at the last valuation date in March 2020. 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 total return for a shareholder investing today (30 September 2020) at the current share price consists of future income distributions during the remaining lease duration and a return of capital at dissolution of the Company. **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 Company 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 Company'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 2020).**

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 Company running costs, which are in sterling. The Company's cash flow is therefore insulated from foreign currency market volatility during the term of the lease.

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 Company and aviation industry as a whole are entirely unknown at the time of writing. The following two tables do not therefore include any assumptions in this regard, and should be read accordingly.

Implied Future Total Return Components Based on Appraisals

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

Aircraft value at lease expiry according to

- **Latest appraisal[1]** **USD 46.7 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]	23p	24p	44p	65p	86p
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]		46p	67p	88p	108p

[1]Date of valulation: 31 March 2020; inflation rate: 1.5% [2]Average of the three appraisals at the Company's financial year-end in which the lease reaches the end of the 12-year term less disposal costs [3]1.2918 USD/GBP (30 September 2020) [4]Including future dividends

On a like-for-like basis with March 2019 appraisal values, the March 2020 aircraft valuation based on inflated future base values would be USD 68.2 million.

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

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