

The logo consists of the word "AMEDEO" in white, uppercase, sans-serif font, centered within a dark blue rectangular box. To the right of the box is a circular graphic composed of several overlapping, semi-transparent rings in shades of blue and purple, creating a 3D effect.

**AMEDEO**

# **Amedeo Air Four Plus Webinar**

Tuesday 29<sup>th</sup> August 2023 14:00

## Webinar Speakers

**ROBIN HALLAM  
INDEPENDENT NON-EXECUTIVE CHAIRMAN  
(AA4P)**

Until 31 December 2015, Robin Hallam was a partner and co-head of Asset Finance at international law firm Hogan Lovells where he was a partner since 1995 specialising in aircraft finance, particularly leasing, export credit and structured financing.

From 1 January 2016 until 31 December 2016, Robin was a consultant at Hogan Lovells. In April 2017 Robin became a consultant at Bird & Bird. He has represented financial institutions, operating lessors, investors, airlines and export credit agencies. Robin holds a degree in law from Trinity College, Cambridge, is a member of the International Society for Transport Aircraft Trading and is currently ranked Senior Statesmen in Chambers UK 2017.

**MARK LAPIDUS  
CHAIRMAN & CEO  
(AMEDEO)**

Mark began his career with GE Capital in Chicago in 1985 engaged in leasing investments into corporate jets, truck fleets and industrial equipment.

Between 1990 and early 2005 he was a Managing Director with Citigroup's Global Asset Finance Group based in London and Madrid.

He founded Amedeo in 2013, following on from his time at Doric GmbH, where he was a founding shareholder and Managing Director from 2005 to 2013.

Mark holds an Economics degree from De Paul University and an MBA from the University of Chicago.

## PRESENTED BY ROBIN HALLAM | AA4P

- Company Overview
- Financial Summary

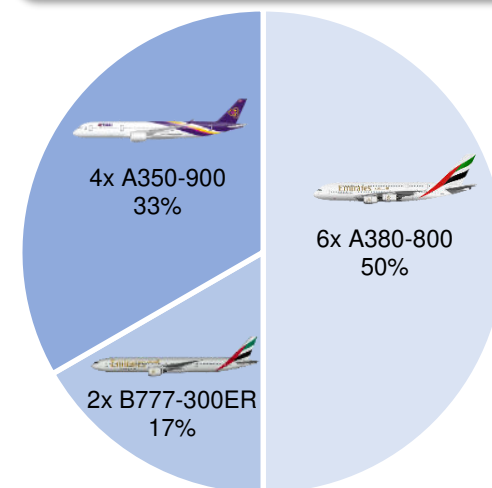
## PRESENTED BY MARK LAPIDUS | AMEDEO

- Aviation Market Update
- General Lessee Update
- Asset Update
- Maintenance Reserves

## Company Overview

- **Amedeo Air Four Plus** (the “Company”) is a non-cellular company limited by shares, registered and incorporated in Guernsey.
- The Company specialises in obtaining income and capital returns for its shareholders by acquiring, leasing, and then selling aircraft.
- Company **shares listed** on the Specialist Fund Segment of the London Stock Exchange’s Main Market **since May 2015**.
- The Company has paid out **over GBP 243m in dividends<sup>1</sup>** since inception.
- The Company has returned **c. GBP 156m in capital** through share redemptions.
  - Company returned c. GBP 98m to shareholders through share redemption in September 2020.
  - Company returned c. GBP 30m to shareholders through share redemption in December 2021.
  - Company returned c. GBP 28m to shareholders through share redemption in February 2023.
- Following the sale of 2x A380s to Etihad Airways in first half of 2020 with net cash proceeds over GBP 100m, the Company’s **portfolio consists of 12x aircraft**.
- The Company has 4x aircraft on lease to **Thai Airways** and 8x aircraft on lease to **Emirates**.

Portfolio Breakdown by  
**Number of Aircraft**



## Recent Announcements

- *On 4 January 2022, the Company announced the dividend reinstatement of 1.25 pence per share from 31 January 2022, which increased to 1.5 pence per share in October 2022, and 1.75 pence per share in April 2023.*
- *On 22 February 2023, the Company announced the redemption of one ordinary share for every eight existing shares. Accordingly, 43,414,122 shares were redeemed and cancelled, leaving the total number of shares in issue to currently be **303,899,361**.*

<sup>1</sup> Excludes share redemption announced in September 2020, December 2021 and February 2023. £243m figure includes July 2023 dividend.

# Financial Summary

Financial Year (31 March Year End)	FY22 2022 – 2023	FY21 2021 – 2022	FY20 2020 – 2021
<b>Total Rental Income (GBP)</b>	208,099,130	190,033,541	201,374,560
<b>Net Asset Value Per Share (Pence)</b>	112.32	90.34	71.80
<b>Distributions Made (GBP)</b>	19,102,241	4,341,418 <sup>1</sup>	11,346,419 <sup>2</sup>
<b>Outstanding Shares</b>	303,899,361	347,313,483	434,141,757
<b>Outstanding Debt (GBP)</b>	955,407,582	994,628,598	1,033,556,018
<i>Outstanding Debt (USD)</i>	<i>1,178,686,328</i>	<i>1,306,743,052</i>	<i>1,424,550,260</i>
<b>Profit / (Loss) (GBP)</b>	58,811,239	24,747,259	(172,062,324)
<b>Earnings Per Share (Pence)</b>	17.11	6.08	-32.17
<b>Change in Portfolio Residual Value<sup>3</sup></b>	-1%	-16%	-20%

For the financial year ended 31 March 2023, the Company posted a **profit of c. GBP 59m**, more than 2x if compared to 2022.

<sup>1</sup> Interim dividends of 1.25 pence per ordinary share announced on 04 January 2022.

<sup>2</sup> 1.15 & 1.50 pence per Redeemable ordinary share in respect of the financial year ending 31 March 2021.

<sup>3</sup> Based on appraisal assumptions used for each respective financial year. The 2022/23 financial year accounts for residual value at the end of the Thai lease extension.

# Consolidated Cash Flow Statement

Financial Year (31 March Year End)	FY22 2022 – 2023	FY21 2021 – 2022	FY20 2020 – 2021
<b>Cash from operating activities (GBP)</b>	186,923,108 (▲ 26.8%)	147,441,564 (▲ 11.8%)	131,895,051
<b>Cash from/(used in) investing activities (GBP)</b>	13,395,500 (▲ 508.7%)	2,200,594 (▼ 115.0%)	-14,662,534
<b>Cash used in financing activities (GBP)</b>	-191,957,604 (▲ 20.3%)	-159,610,091 (▼ 33.0%)	-238,317,682

Below is a breakdown of the amounts included in cash and cash equivalents as well as short term investments as of 31 March and the anticipated utilisation of these amounts. The below can also be found on pg. 69 of the recently published AFR.

	31 March 2023 (GBP)	31 March 2022 (GBP)
Maintenance provisions (note 22 as per pg. 70 of AFR)	70,239,703	58,355,513
Reserved for debt service obligations	9,848,789	6,927,177
Junior loan bullet balloon reserves	30,078,369	24,796,280
Dividend payment after year end	5,318,239	4,341,418
Operational Cash	11,841,267	27,994,779
<b>Total</b>	<b>127,326,367</b>	<b>122,415,167</b>



PRESENTED BY THE ASSET MANAGER

AMEDEO

## Latest IATA Report for June 2023 shows Total Demand for Travel was up 84.2% vs June 2022

DOMESTIC TRAVEL (RPKS)

▲ **27.2%**

(2022)

INTERNATIONAL TRAVEL (RPKS)

▲ **33.7%**

(2022)

TOTAL TRAVEL (PLF)

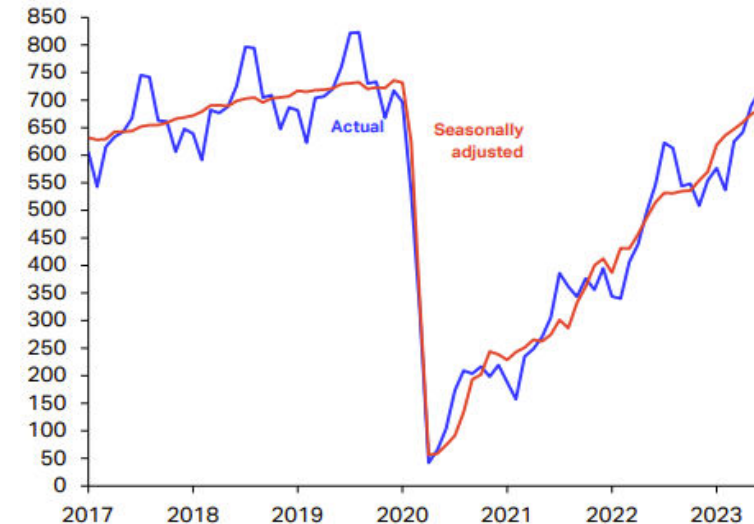
▲ **84.2%**

(2023)

Note: Data compared with June 2022 figures.

- Domestic Traffic surpassed pre-pandemic RPKs by 5.1% driven by strong improvements in performances of major domestic markets.
- International Traffic is maintaining the strong recovery seen this year. While different regions experienced varying recovery patterns, Asia Pacific carriers sustained their growth momentum, buoyed by the region's resilient air travel demand.
  - June 2023 international traffic reached 88.2% of the June 2019 level.
- Despite macroeconomic challenges affecting households, ticket sales suggest that the demand for air travel was robust in June, at the start of the Northern Summer Travel Season. These developments also signal that passenger traffic recovery will be sustained in the near future.

Industry RPKs (billions per month)





# Lessee Update

## Emirates

- The airline continues to perform all its obligations under the respective Lease Agreements.

## Thai Airways

- The airline continues to perform in accordance with the Amended and Restated Lease Agreements.
- The Company's A350 aircraft are in active service and the Power by the Hour (PBH) rental income generated revenues in excess of the corresponding debt service and operating expenses, with surplus cash being applied to repay loan principal as per the restructured loan agreements. Since January 2023, the Aircraft have transitioned to the monthly fixed rental, which have been paid in a timely manner.
- The Company has also benefited from gains on loan hedges, previously entered into during the restructuring of the loans, and has used these gains for additional principal repayment.

## Thai Rehabilitation

- Thai has completed its registration for capital restructuring on 14 December 2022. This result in the increase of its registered capital which has been increased from THB 21,827,719,170 (c. US\$ 661 million) to THB 336,824,601,650 (c. US\$ 10,200 million);
- The newly issued shares following the capital restructuring shall be allocated as the repayment to the creditors as per the debt-to-equity swap arrangement under the Plan.
- Thai would have until 31 December 2024 to complete the process with its creditors.
- The airline said in the management discussion and analysis for FY 2022 that equity will return to positive in 2024 and the airline's securities will be able to resume trading on the stock market in 2025.
- Note: the proposed debt-to-equity conversion only applies to financial creditors and not lessors.

- Emirates continues to utilise the Company's aircraft with the exception of MSNs 201 & 208 that remain grounded. Both of these aircraft remain fully insured and Emirates continues to fulfill all of their payment obligations without delay. The expected return to service is between Q4'23 and Q2'24.
- Thai Airways has continued to heavily utilise the A350 fleet over the past couple of months. Three of the Company's aircraft are currently in service. MSN 123 entered C Check on 07 July 2023, hence the low utilisation for month of July.

Lessee	Model	MSN	Age (yrs)	Utilisation Data (FHs/m)				Aircraft Last Operated <sup>1</sup>
				Apr-23	May-23	Jun-23	Jul-23	
Emirates	A380-861	157	9.0	371.3	403.5	353.6	335.2	25-Aug-23
	A380-861	164	8.8	402.0	338.4	371.1	401.0	25-Aug-23
	A380-861	187	8.1	378.3	441.5	383.4	379.5	22-Aug-23
	A380-861	201	7.8	-	-	-	-	18-Aug-20
	A380-861	206	7.5	347.4	369.3	349.5	423.2	25-Aug-23
	A380-861	208	7.4	-	-	-	0.2 <sup>2</sup>	10-Jul-23
	B777-300ER	42334	7.1	379.0	382.1	386.4	344.4	25-Aug-23
	B777-300ER	42336	7.0	365.4	429.2	368.5	410.2	25-Aug-23
Thai Airways	A350-900	123	6.1	407.2	351.8	341.1	75.9	06-Jul-23
	A350-900	130	6.0	444.0	401.8	425.4	399.5	25-Aug-23
	A350-900	142	5.9	442.6	417.2	379.9	343.9	24-Aug-23
	A350-900	177	5.6	436.4	359.1	323.6	395.3	25-Aug-23

<sup>1</sup> Flightradar24 data as of 25 August 2023.

<sup>2</sup> Short positional flight within Dubai.

# Maintenance Reserves

- In certain lease agreements, maintenance reserves are funds collected during the term to protect and cover the cost of major maintenance events. With Emirates leases, there are no maintenance reserves, the airline pays for the ongoing maintenance events, and then has to return the aircraft in a certain physical condition with payments for deviations to be agreed at the time of return based on published OEM rates quoted prices from providers for work to be undertaken.
- In the case of the 4x A350s, Thai paid maintenance reserves prior to restructuring, and continues to pay these in respect of the engines, which is the vast majority of maintenance costs, post restructuring. The maintenance reserves are collected on a monthly basis, based on the utilization of the aircraft for the previous month and based on pre-agreed rates. These funds are used for certain major maintenance events, such as engine overhauls.
- All maintenance reserves funds collected by the Company from Thai are deposited into a pledged account to the lenders. Such pledged accounts are part of the collateral package for the corresponding loans.
- When a qualified major maintenance event is expected or occurs, Thai and Rolls Royce create a detailed work scope for the repair and Amedeo reviews the project to determine if it is a qualified event.
  1. Thai will cover cost of the maintenance event and submit for reimbursement to the Company.
    - a) Should the cost of the major maintenance event exceed the nominal amounts held by the Company for such event, the Lessee shall bear the cost of the overage.
    - b) Any maintenance events which are required but do not meet the qualification criteria under the lease are the responsibility of the airline.
  2. The Company may only withdraw funds from the maintenance reserves account to reimburse the Lessee, after confirming to lenders that the event is qualified under the stipulations of the lease.

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## Lessee Update: Emirates



In the financial year ending 31 March 2023, Emirates recorded a net profit of AED 10.6 billion (US\$ 2.9 billion), reversing from the loss recorded the previous two years.

- The airline returned to profitability, exceeding its targets to deliver the highest level of profit, revenue and cash balance in Emirates' history.
- Largely attributed to the travel demand boom, careful planning, solid investments in its products and services led revenues to increase by 81% to AED 107.4 billion (US\$ 29.3 billion).
- It should be noted that in the second half of the financial year Emirates generated a net profit of AED 1.9 billion (US\$ 0.5 billion).
- The share of the cargo business to Emirates' overall revenue is c. 16%.

The airline repaid AED 3.0 billion (US\$ 817 million) of debt borrowed during COVID-19.

In June 2023, Emirates was operating over 2,400 weekly passenger flights to 130 airports around the world.

With the first of its new aircraft orders only arriving mid-2024, Emirates started a retrofit programme for 67 A380s and 53 777s with the new Premium Economy seats, refurbished First Class suites, and Business Class seats upgraded to a new style and design. As of 31 March 2023, Premium Economy is available on 12 aircraft – including 6 newly refurbished from the retrofit programme.

Emirates signed 11x agreements with new codeshare and interline partners in 2022-23, including United Airlines and Air Canada.

### Financial Overview

Income Statement	FY 22-23	% Change
Revenue	US\$ 29.3bn	▲ 81%
Profit / (Loss)	US\$ 2.9bn	N/A
Cash Assets	US\$ 10.2bn	▲ 79%
Passengers carried	43.6 million	▲ 1.2x
Overall capacity	48.2bn ATKM <sup>1</sup>	▲ 32%
Available seat km	284.0bn	▲ 78%

Fleet Utilisation <sup>2</sup>		
Aircraft Type	In Storage	In Service
A380	29	92
B777	3	142
<b>Total</b>	<b>32</b>	<b>234</b>
<b>%</b>	<b>12%</b>	<b>88%</b>

Figures reported from Emirates Annual Financial report 2022-2023. Figures converted 1 US\$ = AED 3.67.

<sup>1</sup> Available tonne kilometre.

<sup>2</sup> Flightradar24 data as of 25 August 2023.

# Lessee Update: Thai Airways



**Thai Restructuring:** The Thai Airways restructuring, with the Bankruptcy Planners, and aircraft lenders, was completed in December 2021. This has reset the leases with the airline as follows:

- PBH rent payments until 31 December 2022. PBH income generated revenues in excess of interest and expense with overages being applied to repay loan principal. Whilst debt service, expenses, and fees are fully covered, there is no income to shareholders.
- Lease rentals are then fixed from 1st January 2023 to original lease expiry, which is c. 45% below the previously agreed rent. Pre-petition unpaid rent in the amount of c. US\$ 6.7m is payable by the airline in instalments starting in 2024.
- A committed 6-year extension with future rent level to be agreed in future.
- New debt amortisation profile agreed with the Lenders.
- Gains from the derivative hedges entered into on the loans are used to further pay down the loan.
- Retain engine maintenance reserves (in an amount of c. US\$ 84.7m)<sup>1</sup> that will provide asset protection.

**Thai Rehabilitation:** Thai has completed its registration for capital restructuring on 14 December 2022. This result in the increase of its registered capital which has been increased from THB 21,827,719,170 (c. US\$ 661 million) to THB 336,824,601,650 (c. US\$ 10,200 million);

The newly issued shares following the capital restructuring shall be allocated as the repayment to the creditors as per the debt-to-equity swap arrangement under the Plan. The creditors that will be eligible to receive the payment as per the debt-to-equity swap arrangement include: (i) the Ministry of Finance (ii) unsecured financial institution with aircraft lease assignment right; and (iii) unsecured financial institutions

According to the Plan, the price for a debt-to-equity swap will be THB 2.5452 (c. US\$ 0.08) per share. THAI would have until 31 December 2024 to complete the process with its creditors. Upon completion, the shareholding of the Ministry of Finance would be diluted from 44.8% to around 33%, thereby maintaining its status as the major shareholder of the airline.

The airline said in the management discussion and analysis for FY 2022 that equity will return to positive in 2024 and the airline's securities will be able to resume trading on the stock market in 2025, able to build confidence among creditors, existing shareholders, and investors in supporting Thai's operations.

## Financial Overview

Income Statement	HY'2023	YoY Change
Revenue	US\$ 2.10bn	▲ 1.5x
Expenses	US\$ 1.49bn	▲ 63%
Profit / (Loss)	US\$ 0.39bn	▲ N/A
Cash Assets	US\$ 1.43bn	▲ 13%
Passengers carried	4.3 million	▲ 2.7x
Available seat km	24.1bn	▲ 82%

Fleet Utilisation <sup>2</sup>		
Aircraft Type	In Storage	In Service
A320	0	3
A330	0	3
A350	1	13
A380	6	0
B777	0	22
B787	1	7
<b>Total</b>	<b>8</b>	<b>48</b>
<b>%</b>	<b>14%</b>	<b>86%</b>