QUARTERLY FACT SHEET

30 September 2018

DORIC NIMROD AIR TWO LIMITED

LSE: DNA2

The Company

Doric Nimrod Air Two Limited ("the Company") is a Guernsey domiciled company, which was listed on the Specialist Fund Segment (SFS) of the London Stock Exchange's Main Market on 14 July 2011 with the admission of 72.5 million Ordinary Shares at an issue price of 200p per share. On 27 March 2012, the Company issued 100,250,000 C Shares at 200p per share. With effect from 6 March 2013, the C Shares were converted into Ordinary Shares. One Ordinary Share has been received for every one C Share, resulting in 172,750,000 Ordinary Shares in total. The market capitalisation of the Company was GBP 376.6 million as of 30 September 2018.

The Company has four wholly-owned subsidiaries: MSN077 Limited, MSN090 Limited, MSN105 Limited and Doric Nimrod Air Finance Alpha Limited ("DNAFA").

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 portfolio of aircraft. The Company receives income from the leases and targets a gross distribution to the shareholders of 4.5 pence per share per quarter (amounting to a yearly distribution of 9.0% based on the initial placing price of 200p per share). It is anticipated that income distributions will continue to be made quarterly.

The total return for a shareholder investing today (30 September 2018) 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 appraisers have provided the Company with their future values for the aircraft at the end of each financial year. The latest appraisals available are dated the end of March 2018. The table No I below summarises the total return components, calculated on different exchange rates and using the appraised value of the aircraft, which is the average of valuations provided by three independent external appraisers and quoted in US dollars. This residual value at lease expiry takes inflation into account and is the most reliable estimate available in the Company's Asset Manager's opinion. Due to accounting standards, the values used in the Company's financial reports differ from this disclosure as they exclude the effects of inflation and are converted to sterling at the prevailing exchange rate on the reporting date (e.g. 31 March 2018).

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 is, therefore, insulated from foreign currency market volatility during the term of the leases.

With reference to the following two tables, there is no guarantee that the aircraft will be sold at such a sale price or that such capital returns would be generated. It is also assumed that the lessee will honour all its contractual obligations during the entire anticipated lease term:

I. 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.

Aircraft portfolio value at lease expiry according to

- Prospectus appraisal USD 863 million
- Latest appraisal[1] USD 780.4 million

Per Share (rounded)	Income Distributions	Return of Capital		Total Return[2]	
		Prospectus Appraisal	Latest Appraisal[3]	Prospectus Appraisal	Latest Appraisal[3]
Prospectus FX Rate[4]	108p	322p	296p	431p	405p
Current FX Rate[5]	108p	380p	348p	489p	457p

[1]Date of valuation: 31 March 2018 [2]Includes future dividends [3]Average of the three appraisals as at the end of the Company's respective fiscal years in which each of the leases reached the end of their respective 12-year terms
[4]1.56 USD/GBP Initial Admission / 1.53 USD/GBP C Shares Admission
[5]1.3030 USD/GBP (30 September 2018)

II. Company Facts (30 September 2018)

Listing	LSE
Ticker	DNA2
Current Share Price	218.0p (closing)
Market Capitalisation	GBP 376.6 million
Initial Debt	USD 1.03 billion
Outstanding Debt Balance	USD 461 million (45% of Initial Debt)
Current/ Future Anticipated Dividend	4.5p per quarter (18p per annum)
Earned Dividends	116p
Current Dividend Yield	8.26%

II. Company Facts (continued)	
Dividend Payment Dates	April, July, October, January
Cost Base Ratio[1]	1.0% (based on Average Share Capital)
Currency	GBP
Launch Date/Price	14 July 2011 / 200p
Average Remaining Lease Duration	5 years 10 months
C Share Issue Date/Price	27 March 2012 / 200p
C Share Conversion Date/Ratio	6 March 2013 / 1:1
Incorporation	Guernsey
Aircraft Registration Numbers (Lease Expiry Dates)	A6-EDP (14.10.2023), A6-EDT (02.12.2023), A6-EDX (01.10.2024), A6-EDY (01.10.2024), A6-EDZ (12.10.2024), A6-EEB (09.11.2024), A6-EEC (30.11.2024)
Asset Manager	Doric GmbH
Corp & Shareholder Advisor	Nimrod Capital LLP
Administrator	JTC Fund Solutions (Guernsey) Ltd
Auditor	Deloitte LLP
Market Makers	Canaccord Genuity Ltd, finnCap Ltd, Jefferies International Ltd, Numis Securities Ltd, Shore Capital Ltd, Winterflood Securities Ltd
SEDOL, ISIN	B3Z6252, GG00B3Z62522
Year End	31 March
Stocks & Shares ISA	Eligible
Website	www.dnairtwo.com

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

Asset Manager's Comment

1. The Assets

The Company acquired a total of seven Airbus A380-861 aircraft between October 2011 and November 2012. Each aircraft is leased to Emirates Airline ("Emirates") – the national carrier owned by the Investment Corporation of Dubai, based in Dubai, United Arab Emirates – for an initial term of 12 years from the point of delivery, with fixed lease rentals for the duration. In order to complete the purchase of the first three aircraft, MSN077 Limited, MSN090 Limited and MSN105 Limited entered into three separate loans, each of which will be fully amortised with quarterly repayments in arrear over 12 years.

The net proceeds from the C Share issue ("the Equity") were used to partially fund the purchase of four of the seven Airbus A380s. In order to help fund the acquisition of these final four aircraft, DNAFA issued two tranches of enhanced equipment trust certificates ("the Certificates" or "EETC") – a form of debt security – in June 2012 in the aggregate face value of USD 587.5 million. DNAFA used the proceeds from both the Equity and the Certificates to finance the acquisition of four new Airbus A380 aircraft leased to Emirates.

The seven Airbus A380 aircraft bearing manufacturer's serial numbers (MSN) 077, 090, 105, 106, 107, 109 and 110.

The seven A380s owned by the Company recently visited Amsterdam, Bangkok, Barcelona, Beijing, Dusseldorf, Frankfurt, Guangzhou, Hong Kong, London Heathrow, Melbourne, Milan, Paris, Seoul, Singapore, Sydney, Taipei, and Toronto.

Aircraft utilisation for the period from delivery of each Airbus A380 until the end of August 2018 was as follows:

Aircraft Utilization

MSN	Delivery Date	Flight Hours	Flight Cycles	Average Flight Duration
077	14/10/2011	31,873	3,771	8 h 25 min
090	02/12/2011	28,570	4,666	6 h 5 min
105	01/10/2012	25,697	4,109	6 h 15 min
106	01/10/2012	28,082	3,275	8 h 35 min
107	12/10/2012	28,363	3,327	8 h 30 min
109	09/11/2012	25,332	4,012	6 h 20 min
110	30/11/2012	25,657	4,179	6 h 10 min

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. The increased C check interval allows for a higher aircraft availability due to lower downtime.

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

Inspections

Doric, the asset manager, performed physical inspections of the aircraft with MSNs 077 and 106 in June 2018. The physical condition of the aircraft were in compliance with the provisions of the respective lease agreements. Another physical inspection was performed for MSN 109 in September 2018. The final report was not available at the editorial deadline.

Additionally, Doric conducted records audits of the aircraft with MSNs 105, 106 and 107 in September 2018. The final reports were not available at the editorial deadline.

2. Market Overview

Growth in passenger traffic, measured in global revenue passenger kilometres (RPKs), has remained in line with the forecast of the International Air Transport Association (IATA). The industry body expected the pace of RPK growth to slow slightly during this calendar year relative to that of last year. This is largely due to upward pressure on airline input costs, particularly from higher fuel prices, which has translated into a reduced boost to demand from lower airfares. Nevertheless, RPKs increased by 6.9% over the first seven months of 2018 compared to the same period in 2017, continuing the above-trend RPK growth.

Industry-wide capacity, measured in available seat kilometres (ASK), increased by 6.1% during the first seven months of this year, resulting in a 0.7 percentage point increase in worldwide passenger load factors (PLFs) to 81.9% compared to the same period last year. Between January and July 2018, passenger load factors of Middle East based carriers remained unchanged at 74.7%.

RPK growth in the Middle East has increased by 4.7% since the beginning of the year. While the region has been adversely impacted by a number of policy measures in recent years, including the temporary ban on portable electronic devices and travel restrictions for certain categories of passengers, IATA notes that there are tentative signs of a pick-up in the upward trend in passenger volumes, which could develop in the coming months.

Asia/Pacific-based operators remain the top performers in overall market demand. Through July 2018, RPKs increased by 9.7% compared to the previous period. Latin America ranked second with 6.4% followed closely by Europe with 6.3%. North America saw an increase of 5.1%. Africa experienced the slowest growth at a rate of 2.8%.

In 2018, IATA forecasts that airlines' fuel bill will increase to USD 188 billion representing 24.2% of average operating costs. IATA expects an average price of USD 70 per barrel for jet fuel for this year, according to its mid-year report released in June, as jet fuel prices continue to rise with oil prices.

3. Lessee – Emirates Key Financials

In the 2017/18 financial year ending on 31 March 2018, Emirates recorded its 30th consecutive year of profit with a net result of AED 2.8 billion (USD 762 million), an improvement of 124% compared to the previous financial year, leading to a profit margin of 3.0%. Despite continuing political challenges impacting traveller demand and fare adjustments due to a highly competitive business environment, Emirates increased its revenue to AED 92.3 billion (USD 25.2 billion). This was aided by the decline of the US dollar against currencies in most of Emirates' key markets, which had an AED 661 million (USD 180 million) positive impact on the airline's bottom line.

Emirates' overall passenger traffic continued to grow during the 2017/18 financial year. The airline carried a record 58.5 million passengers (a 4% increase over last financial year) and achieved a passenger load factor of 77.5% compared to last year's 75.1%. The increase in the passenger load factor was the result of capacity management in response to political uncertainty and strong competition in many markets despite a moderate 2% increase in seat capacity.

Total operating costs increased by 7% over the previous financial year, largely due to the 15% increase in the average price of jet fuel during the financial year. Including a 3% uplift in line with capacity expansion, the airline's fuel bill increased by 18% to AED 24.7 billion (USD 6.7 billion) compared to the previous financial year. Fuel now accounts for 28% of operating costs, compared to 25% in the 2016/17 financial year, and it remains the largest cost category for the airline.

As of 31 March 2018, Emirates' balance sheet amounted to AED 127.6 billion (USD 34.8 billion), an increase of 5% compared to the previous financial year. Total equity increased by 5.6% to AED 37.0 billion (USD 10.1 billion) due to higher profit which was partially offset by dividend payments to the owners amounting to AED 1.0 billion (USD 272 million). The equity ratio remained stable at nearly 29%. The airline's cash balance amounted to AED 20.4 billion (USD 5.6 billion) at the end of the period, up by AED 4.7 billion (USD 1.3 billion) compared to the previous financial year. Proceeds from the Sukuk financing of AED 2.2 billion (USD 600 million) issued in the last quarter of the financial year have been invested in short term bank deposits and will be used to finance aircraft deliveries in 2018/19.The current ratio stood at 0.84, meaning the airline would be able to meet over 80% of its current liabilities by liquidating all its current assets. Changes on the liabilities' side of the balance sheet included the financing of seven new aircraft and the Sukuk issue, which were offset by repayments of finance lease liabilities, bonds and term loans.

Maintaining its strategy to operate a young and efficient fleet, Emirates received 17 new aircraft, comprising of eight A380s and nine Boeing 777-300ERs. During this time, eight older aircraft were phased out, leading to a total fleet count of 268 at the end of March. This fleet roll-over resulted in an average fleet age of 5.7 years. Due to the more moderate fleet renewal pace compared to the previous year, the figure increased by around 6 months. Funding has come from the Japanese structured finance market in conjunction with debt from a wide-ranging group of institutions in China, France, the United Kingdom, and Japan. Emirates raised over AED 3.7 billion (USD 1 billion) during the year from this source. Emirates has also refinanced a commercial bridge facility (due to non-availability of ECA cover) of AED 3.8 billion (USD 1.0 billion) using a finance lease structure for five A380 aircraft, accessing an institutional investor and bank market base from Korea, Germany, the United Kingdom, and the Middle East. In total, Emirates raised AED 17.9 billion (USD 4.9 billion) using a variety of financing structures.

In July 2018 Emirates and JetBlue announced the expansion of their codeshare on flights to Mexico City with new flights from both Boston and New York JFK. The announcement followed the close of a years-long dispute between the Gulf carriers and the US mainline carriers over open skies agreements. According to FlightGlobal, Emirates markets more than 3,200 flights weekly operated by Alaska Airlines and JetBlue under existing codeshare agreements. Emirates also plans to extend its partnership with Qantas-affiliated Jetstar Group through a codeshare covering domestic services in Vietnam as well as flights from Ho Chi Minh City to Singapore, Bangkok, and Australia.

As of 1 October 2018 Emirates will resume a daily service to Edinburgh, the second most visited city by tourists in the United Kingdom (UK) and the capital of Scotland. This will bring the number of destinations serviced in the UK to eight.

Source: ch-aviation, CNN, Emirates, FlightGlobal

4. Aircraft — A380

As of mid-September 2018, Emirates operated a fleet of 105 A380s, which currently serve 47 destinations within its global network via its hub in Dubai. A380 destinations include: Amsterdam, Auckland, Bangkok, Barcelona, Beijing, Birmingham, Brisbane, Casablanca, Christchurch, Copenhagen, Dusseldorf, Frankfurt, Guangzhou, Hong Kong, Houston, Johannesburg, Kuala Lumpur, Kuwait, London Gatwick, London Heathrow, Los Angeles, Madrid, Manchester, Mauritius, Melbourne, Milan, Moscow, Mumbai, Munich, New York JFK, Nice, Paris, Perth, Prague, Rome, San Francisco, Sao Paulo, Seoul, Shanghai, Singapore, Sydney, Taipei, Tokyo Narita, Toronto, Vienna, Washington, and Zurich. In October 2018 Emirates will add Hamburg and Osaka to its A380 network.

As of mid-September 2018, the global A380 fleet consisted of 226 commercially operated planes in service. The fourteen operators are Emirates (105), Singapore Airlines (19), Deutsche Lufthansa (14), Qantas (12), British Airways (12), Korean Air Lines (10), Etihad Airways (10), Air France (10), Qatar Airways (10), Malaysia Airlines (6), Thai Airways (6), Asiana Airlines (6), China Southern Airlines (5) and Hi Fly (1). Another two are listed as in storage. In addition, two A380s are earmarked for part-out after the owners of the aircraft voted for such a solution. The number of undelivered A380 orders stood at 101.

In July 2018 the Portuguese wet-lease operator Hi Fly showcased its A380 at the Farnborough International Airshow. After being in service with Singapore Airlines for more than ten years, this is the first A380 ever to be placed through the secondary market. Since then it has been flying for carriers such as Thomas Cook Airlines Scandinavia, Norwegian and Air Austral to destinations in Europe, North America, and the Indian Ocean. The said aircraft is managed by Doric, the asset manager of the Company.

August 2018 marked the tenth anniversary of Emirates' first ever A380 flight. Over the last decade the airline has carried more than 105 million passengers on 115,000 A380 flights, clocking the equivalent to 39,000 trips around the globe. While constantly adding new A380s to its fleet, the Dubai-based operator counts more than 80 daily departures from its hub, including the world's shortest and the world's longest A380 non-stop route.

Emirates has announced it will operate the A380 between Dubai and St. Petersburg for a limited period in October this year. The decision was made in response to increased demand for travel during the autumn school holidays and marks the first time an A380 has operated to St. Petersburg.

Source: Emirates, FlightGlobal, Hi Fly

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