29 May 2020

DP AIRCRAFT I LIMITED (the "Company")

QUARTERLY UPDATE

The Company is issuing this report for the period from 1 November 2019 to 30 April 2020 as an investor update. It should not be relied on by Shareholders, or any other party, as the basis for an investment in the Company or for any other purpose.

Overview

DP Aircraft I Limited, a Guernsey based company, was launched in October 2013. To date the Company has acquired four Boeing 787-8 aircraft, with two leased to Norwegian Air Shuttle ASA and two leased to Thai Airways International PCL. The Company took over the Norwegian aircraft, LN-LNA (previously EI-LNA) and LN-LNB (previously EI-LNB), on 9 October 2013 and the Thai aircraft, HS-TQC and HS-TQD, on 18 June 2015. Due to the global COVID-19 outbreak, Norwegian and Thai had approached the Company to request relief and restructuring of the lease rental amounts. Extensive discussions took place and the outcome of those discussions is detailed in the market announcements released by the Company during the year. An update on the current status of the aircraft is noted in the update below.

To date the Company has, paid out 25 dividends of 2.25 cents each. The Company pays out dividends on a quarterly basis and targets a yearly distribution of 9 per cent, with dividends targeted for February, May, August and November in each year. The last interim dividend payment was paid on 14 February 2020. The Company declared on 3 April 2020 that it had suspended the payment of dividends with immediate effect and until further notice, to help preserve liquidity during COVID-19.

Company Information

Ticker	DPA
Company Number	56941
ISIN Number	GG00BBP6HP33
SEDOL Number	BBP6HP3
Traded	SFS
SFS Admission Date	4 October 2013
Share Price	USD 0.14 (26 May 2020)
Country of Incorporation	Guernsey
Current Shares in Issue	209,333,333 Ordinary Shares
Administrator and Company Secretary	Aztec Financial Services (Guernsey) Limited
Asset Manager	DS Aviation GmbH & Co. KG
Auditor and Reporting Accountant	KPMG
Corporate Broker	Investec Bank Plc
Aircraft Registration (Date of Delivery)	LN-LNA (28 June 2013) LN-LNB (23 August 2013) HS-TQC (29 October 2014) HS-TQD (9 December 2014)
Manufacturer Serial Number	MSN 35304 MSN 35305 MSN 36110 MSN 35320
Aircraft Type and Model	B787-8
Lessees	Norwegian Air Shuttle ASA Thai Airways International PCL
Website	www.dpaircraft.com

THE AIRLINE MARKET

Covid-19 Pandemic

The Covid-19 virus was first identified at Wuhan in China at the end of December 2019 but then continued to spread to neighbouring countries. As the virus arrived in Europe and all other continents, the Covid-19 outbreak turned into a global pandemic with significant impact on the airline industry. At the outset, Chinese and Asian carriers were assumed to be the most affected but currently the negative impact on European Airlines is greater, although airlines worldwide are facing challenging and potentially existential times.

The number of stored aircraft worldwide is increasing rapidly; by way of example the number went up by over 1,000 aircraft within a single day (31st March to 1st April 2020). Many airlines have completely grounded their fleet, in particular those carriers with no freighter business. The demand for cargo flights itself is strong as the volume of belly freight opportunities falls away with the decrease of passenger flights. Some airlines, amongst others Lufthansa and Aegean, are using passenger aircraft to transport cargo and urgently required medical equipment and protective clothing.

The further development and duration of the pandemic as well as any progress in research and development of a vaccination and effective testing will largely determine the total impact on the airline and aviation industries.

Global Airline Market

- Current Outlook
  - Airlines worldwide substantially impacted by the Covid-19 pandemic
  - The total impact of the Covid-19 pandemic cannot be assessed at the current stage
  - A significant number of airlines have completely grounded their fleets for an as yet undefined period
  - Up to 64% of passenger aircraft (more than 16,000) stored globally
  - Demand for cargo flights to increase as belly freight capacity of passenger jets falls away
  - The 2020 forecast of the chart below was provided late 2019 by IATA and will inevitably significantly change which becomes clear by the following current assumptions published by IATA:
    - Passenger demand to decrease by 60% in 2020
    - Return to 2019-level of passenger demand not before 2023
    - Passenger revenues to decrease by 55% in 2020

	2018	2019 (Expectation)	2020 (Forecast Pre-Covid-19)
Passengers [billion]	4.4	4.5	4.7
Capacity (ASK) [% YoY]	6.9	6.5	4.7
Demand (RPK) [% YoY]	7.4	4.2	4.1
Passenger Load Factor [%]	81.9	82.4	82.0
Passenger Yield [% YoY]	-2.1	-3.0	-1.5
Freight [million freight tonnes]	63.3	61.2	62.4
Cargo Yield [% YoY]	12.3	-5.0	-3.0
Overall Expenses [% YoY]	9.7	3.8	3.5
Overall Revenues [% YoY]	7.6	3.2	4.0
Net Profits [billion USD]	27.3	25.9	29.3

Source: IATA, December 2019

European Airline Market

- Estimated Covid-19 impact in 2020 by IATA
    - 55% decline in demand (RPK)
    - USD 89 billion decrease in passenger revenues
    - Strongest decline in demand amongst the regions

Asian Airline Market

- Asian airlines were amongst the first affected by the Covid-19 outbreak
- Estimated Covid-19 impact in 2020 by IATA
    - 50% decline in demand (RPK)
    - USD 113 billion decrease in passenger revenues
    - Strongest decrease in passenger revenues (total numbers) amongst the regions

Outlook & Conclusion

The airline business is a cyclical business and sensitive to external shocks, currently graphically reinforced by the Covid-19 pandemic. Previously burdens on airlines caused through the worldwide Boeing 737MAX fleet grounding and the Rolls Royce Trent 1000 issues will be trivial in 2020 by comparison as more than 60 per cent of the passenger fleet had already been considered as stored. Even if the level of coronavirus cases flattens and travel bans are gradually lifted, it is difficult to project when capacity and numbers of passenger aircraft will be on pre-Covid-19 levels.

Airlines operate in a very competitive environment, their profit margins are low and their operating costs significant. Fixed costs, semi-fixed costs and crew expenses amount for nearly 50% of total operating costs. Most of these costs cannot be avoided in the short-term and as revenue streams are currently marginal or non-existent, their financial puffer will be used up shortly. According to IATA, an average airline has an amount of cash and cash equivalents for about two months. This indicates that the industry will heavily rely on governmental support.

Not only current travel restrictions and closures of tourist related infrastructure but also the decrease in manufacturing and retail industries and the resulting lay-off of employees might contribute to an economic recession which in turn will impact the recovery of the airline industry. At the current stage, it is impossible to make any reliable or resilient statement on the total impact of the Covid-19 pandemic or its further development. However, from a historical point of view, the airline industry has proven to be resilient and has recovered from all previous crises. This time the recovery period will likely take longer than average to return to pre-Covid-19 levels and as long as the pandemic will last and most of the travel restrictions remain in place, the number of airlines dependent on governmental support or filing for bankruptcy will increase.

THE LESSEES

<u>Norwegian Air Shuttle ASA</u>

Norwegian Air Shuttle in brief – Pre-Covid-19

- Low-cost carrier; 3rd largest in Europe
- Short-, medium- and long-haul operations
- 37 Boeing 787s
- 36 million passengers in 2019

Current situation resulting from Covid-19 pandemic

- Existing liquidity risk further increased as costs cannot be reduced by the same amount as revenue streams fall away
- 95% of the fleet stored and 7,300 employees temporarily laid-off reducing monthly expenses
- Operation of repatriation flights and several routes in the Nordics, subsidised by the government to ensure connectivity to remote areas
- Joint venture with CCB and B737MAX deliveries on hold resulting in reduced CapEx

- o High exposure on transatlantic network and dependent on development of the pandemic in the U.S
- o Norwegian requested a forbearance period with its main creditors (lessors and banks) until the end of June 2020
- o Government offers support package in three tranches (NOK 300m, NOK 1.2bn, NOK 1.5bn) totalling NOK 3.0bn (USD 286m); each subject to certain conditions

  - Norwegian met requirements for the first tranche quickly which had been approved (raising additional NOK 30m (about USD 2.9m) funding through banks)
  - Norwegian could not fulfil conditions for the second tranche (required support from banks and lessors through forbearance) but this tranche is automatically unlocked if the conditions of tranche 3 were met…
  - …therefore Norwegian focused successfully on fulfilling the requirements of tranche 3 (equity ratio >8%) through debt-to-equity conversions

    - ▪ Conversion of NOK 3.6 billion from convertible bonds
    - ▪ Conversion of NOK 9.1 billion of lease obligations through the issue of shares or perpetual bonds
    - ▪ Oversubscribed public offering of NOK 400 million

  - o Norwegian announced 20th May that it had entered into a NOK 2.99 billion state supported term facility agreement

  - o DP Aircraft´s situation:
    - Restructuring provisions discussed and agreed
    - Outstanding and reduced amounts converted into equity (in the form of shares)

- o Potential benefit of increase in low-cost carriers´ overall market: passengers are historically more price-sensitive during economic downturns or recession
- o Restructuring – including debt-to-equity conversion and temporary power-by-the hour agreements for B787 aircraft - provides the airline with further financial headroom and flexibility on their flight schedules
- o Becoming the “New Norwegian” once the restructuring becomes operational.

The following information on the Lessee Norwegian summarise the previous events and strategies to give a full picture; however the situation pre-Covid-19 becomes less and less relevant with the continuing effects of the pandemic creating an unpredictable and market.. The “Comments & Conclusion” will then link the pre-and post-Covid-19 situation.

Financial & Operational Figures

[million NOK]	4Q2019	4Q2018***	Change	FY2019	FY2018***	Change	Link**
Operating Revenues	8,944	9,658	- 7 %	43,522	40,266	+ 8 %	a)
Operating Expenses*	10,222	13,251	- 23 %	42,666	44,117	- 3 %	b)
EBITDAR	357	-1,925	---	7,314	2,171	+ 237 %	c)
Operating Result	-1,278	-3,593	+ 64 %	856	-3,851	---	d) g)
Net Result	-1,873	-3,012	+ 38 %	-1,609	-1,454	- 11 %	e-h)
Unit Costs incl. fuel	0.48	0.44	+ 10 %	0.44	0.43	+ 0 %	
Unit Costs excl. fuel	0.35	0.31	+ 15 %	0.31	0.31	+ 0 %	
Unit Revenue	0.34	0.30	+ 16 %	0.35	0.33	+ 7 %	
Yield	0.40	0.37	+ 10 %	0.41	0.38	+ 6 %	
Ancillary Revenues per Passenger	182	169	+ 8 %	184	168	+ 10 %	
Capacity - ASK (million)	21,018	26,058	- 19 %	100,031	99,220	+ 1 %	
Demand - RPK (million)	17,835	21,068	- 15 %	86,616	85,124	+ 2 %	
Load Factor	84.9 %	80.9 %	+ 4.0 pp	86.6 %	85.8 %	+ 0.8 pp	
Passengers (million)	7.57	9.04	- 16 %	36.20	37.34	- 3 %	

Average Stage Length	1,805	1,872	- 4 %	1,876	1,843	+ 2 %	
Aircraft Utilisation [block hours]	11.7	12.5	- 6 %	---	---	---	
Number of Aircraft	---	---	---	156	164	- 5 %	
Cash & Cash Equivalents	---	---	---	3,096	1,922	+ 61%	
Equity Ratio	---	---	---	4.8 %	3.0 %	+ 1.8 pp	g)
Total Assets	---	---	---	85,343	55,985	+ 52 %	j)

* Calculated
**Please refer to Background Information
***FY2018 did not incorporate IFRS16

<u>Background Information</u>

a) Decreasing revenues in 4Q19 driven by capacity reductions;
   Strongest growth of revenue streams from travel originating in the U.S. in FY2019 (+19%)
b) Costs of NOK 300 million (NOK 1,000 million) in 4Q19 (FY2019) caused by the grounding of B737MAX aircraft
c) Improvement resulting from network optimisation and #Focus2019 cost reductions.
d) Loss of NOK 244 million from currency effects in 4Q19
e) Sale of 14.0 million Norwegian Finans Holding ASA (NOFI) shares in 4Q19
f) Gain of NOK 174 million in net profit in FY2019 from the sale of shares in Lilienthal to NOFI including brand-licensing
g) Impact of IFRS 16 (implemented on 1st January 2019) on 4Q19 (FY2019), e.g.:
   - Net cost reduction on depreciation and aircraft lease of NOK 255 million
   - Positive impact of NOK 342 million (NOK 981million) on operating profit
   - Negative impact of NOK 456 million (NOK 756 million) on net profit (net financial items)
   - Lease liabilities of (NOK 34,274) million included in net interest-bearing debt
   - Equity ratio of 4.8% but 9.1% without IFRS 16 as at 31st December 2019
h) Results of the previous year 2018 benefitted from a reclassification of the NOFI holding by NOK 1.9 billion
i) Receivables increased by NOK 4,438 million in FY2019; particularly due to holdbacks from credit card acquirers
j) IFRS 16 effect on Total Assets compared to 31st December 2018: increase by NOK 32,797 million
   Tangible fixed assets decreased by NOK 5,558 in 4Q19: No addition of aircraft and sale of five B737-800s
k) Implementation of IFRS 16 with negative impact on equity ratio in FY2019 (e.g. equity ratio 4Q19 without IFRS16 effects: 9.1%); please also refer to Comments & Conclusions

Strategic development

- In 2019 Norwegian´s focus turned from growth to profitability
  - Implementation of cost saving programme #Focus2019 with the target of reducing costs by NOK 2 bn in 2019
  - Objective outperformed: cost reduction of NOK 2.3 bn in 2019
- Norwegian had additionally put several measurements in place to increase liquidity and reduce capital commitments:
  - Joint venture with China Construction Bank Leasing (CCB)
  - Restructuring of order book and sale of 24 aircraft
  - Sale of shares in Norwegian Finans Holding ASA
  - Extension of two unsecured bonds by two years
  - Sale of Argentinian subsidiary to low-cost carrier JetSmart (Chile) early December 2019
  - Successful completed capital raise of NOK 2,500 million through a private placement and a convertible bond issue of USD 150 million; pre-Covid-19 intended to leave Norwegian fully funded throughout 2020

- Introduction of a new hand luggage policy to generate additional revenue end of January 2020

Comments & conclusions

2019 was once thought to be the year of changes and restructuring. The new strategy together with the earlier implemented measures went some way to demonstrate that the airline was aware of the risks and the urgent need to address them. Particularly, the completed extension of the two bonds and the capital raising were key to more financial headroom. The increase of the equity ratio in the third quarter 2019 seemed to indicate the beginning of an upward trend. Although the equity ratio in the fourth quarter was lower, reflecting the low season for European carriers, it was above 2018 fourth quarter levels (IFRS 16 further lowered the equity ratio in 2019 compared to the previous years). At year´s end, Norwegian Air Shuttle was in a significant stronger position than at the beginning 2019. Although the carrier stated a net loss in 2019, Norwegian succeeded at the operational level, of demonstrating that the strategy change was beginning to make a positive impact.

Before the first quarter ended, the airline was severely affected by this pandemic through no fault of its own and entered again a restructuring process. It is clear that the impact of Covid-19 is significant and the economic survival, not only for Norwegian but for a majority of the airlines worldwide, depends on governmental and stakeholders´ support. The commitment of the Norwegian government to offer support packages to Norwegian, SAS and Wideroe shows that Norway considers Norwegian Air Shuttle as an important player which warranted assistance. However, different from other governments, Norway linked its support packages to certain conditions. Following the restructuring in 2019, Norwegian was not in a position to meet all the stipulated financial conditions but with the support of Seabury - a well-known consulting company in the aviation industry – set-up a straightforward restructuring plan and successfully obtained stakeholders´ support to unlock the full package of governmental support. Although, Norwegian was amongst the first in need of governmental support, it is becoming evident that more and more airlines are requiring financial support, including formerly profitable airlines like Lufthansa.

<u>Thai Airways International Public Company Limited</u>

Thai Airways in brief – Pre-Covid-19

- Full-service and flag carrier; majority-owned by the Thai Government
- Short-, medium- and long-haul operations
- Eight Boeing 787 aircraft
- 80 destinations in more than 30 countries
- 24 million passengers in 2019

Current situation resulting from Covid-19 pandemic

- Thai Airways had been one of the first airlines significantly affected by the pandemic as the carrier (including Thai Smile) has an exposure of 95 weekly flights to nine Chinese destinations
- After Thailand declared a state of emergency starting 26th March, Thai Airways suspended all international flights
  - Temporary grounding of 69 aircraft to reduce expenses
  - Domestic flights transferred to Thai Smile with lower operating costs
  - Thai operates repatriation flights and cargo services
  - Majority of employees granted leave until end of May with salary cuts of 10 to 50 per cent
- Liquidity risk deriving from increasing debt to equity ratio and lack of profitability
- Aircraft retirement of older types in the fleet under consideration
- Thai´s request for governmental support was not approved resulting in a court-supervised rehabilitation process
- Rehabilitation process
  - 19 May 2020: Approval by the Thai Government to a restructuring under supervision of the local bankruptcy court

- o Thai Airways can continue to run its business and operations as usual
- o 22 May 2020: Thai Airways ceased to be a state-controlled company after government´s shareholding decreased under 50 per cent
- o Acceptance of Thai´s application by the bankruptcy court followed by an automatic stay
- o After making the rehabilitation order, the positions of the “plan preparer” and “plan administrator” (responsible for the implementation of the rehabilitation plan) need to be filled either by the same or by different candidates
- o Detailed schedule, process and measurements are not clearly communicated yet by the airline or the respective governmental authorities – this being the first case an airline in Thailand has chosen this kind of rehabilitation protection
- o DP Aircraft´s situation
  - Lease rent deferrals agreed with Thai but due to the rehabilitation not yet signed
  - Outcome of rehabilitation process unknown and pending clarification

- Successful restructuring of Thai Airways including the implementation of an approved business plan could turn Thai in an efficient and profitable airline
- Tourism stimulation measures initiated by the government (e.g. waived visa on arrival fees) might support Thai in future post-Covid-19 times

The following information on the Lessee Thai Airways summarise the previous events and strategies to give a full picture; however the situation pre-Covid-19 becomes less and less relevant with the pandemic further continuing and the development of the market being very dynamic. The “Comments & Conclusion” will then link the pre-and post-Covid-19 situation.

Financial & Operational Key Figures

[billion THB]	4Q2019	4Q2018	Change	FY 2019	FY 2018	Change	Link**
Operating Revenues	46.7	50.8	- 8 %	184.1	199.5	- 8 %	a)
Operating Expenses	48.4	57.0	- 15 %	196.5	208.6	- 6 %	b)
EBITDA	3.7	2.0	+78%	8.8	14.5	- 39 %	
Operating Result	- 1.6	- 6.2	+ 74 %	- 12.4	- 9.1	- 37 %	
Net Result	- 0.9	- 7.5	+ 88 %	- 12.0	- 11.6	- 4 %	c)
Unit Costs incl. fuel*	2.03	2.02	+ 0 %	2.17	2.24	- 3 %	
Unit Costs excl. fuel*	---	---	---	1.52	1.55	- 2 %	
Unit Revenue*	2.00	2.17	- 8%	2.03	2.14	- 5 %	
Passenger Yield [THB/RPK]	1.97	2.25	- 12 %	2.04	2.19	- 7 %	d)
Freight Yield [THB/RFTK[1]]	---	---	---	7.84	8.51	- 8 %	e)
Capacity - ASK (million)	23,325	23,402	- 0 %	90,622	93,131	- 3 %	f)
Demand - RPK (million)	18,962	17,943	+ 6 %	71,695	72,315	- 1 %	
Load Factor	81.3 %	76.7 %	+ 4.6 pp	79.1 %	77.6 %	+ 1.5 pp	
Passengers (million)	6.44	6.16	+ 5 %	24.51	24.32	+ 1 %	
Aircraft Utilisation [block hours]	12.1	12.6	- 4%	11.9	12.0	- 1 %	
Number of Aircraft	---	---	---	103	103	---	
Cash & Cash Equivalents	---	---	---	21.66	13.69	+ 58 %	g)
Total Assets	---	---	---	256.67	268.72	- 5 %	
Equity Ratio*	---	---	---	5 %	8%	- 3 pp	

* Calculated
**Please refer to Background Information

[1] Revenue per Freight Ton Kilometre

Background Information

a) THB 149.04bn in passenger & access baggage revenues (-7%)
THB 17.78bn in freight & mail revenues (-20%)
THB 13.45bn in revenues from other activities (+1%)
THB 3.77bn in other income (+7%)
b) Increase of 11% (THB 612 million) in crew expenses in FY2019 due to introduction of a new pilot compensation system to align with industry standards
Decrease of 8.2% in average fuel prices in FY2019
Decrease of 12% (THB 2,258 million) in depreciation and amortisation expenses due to change in residual value recognition in FY2019
    - Adoption of Thai Financial Reporting Standard No. 15 as at 1st January 2019 (Revenue recognition in passenger patents and mileage rights)
c) Net result FY19 influenced by one-time expenses:
    - THB 2,689 million estimated service compensation due to a change in the severance payment conditions
    - THB 4,439 million gain on foreign currency exchange
    - THB 634 million impairment loss of assets and aircraft
    - THB 273 million gain in ownership interest (dilution of shareholding in NOK Airlines)
d) Decrease in passenger yield mainly driven by the appreciation of the Thai Baht and the fierce competition; decrease excluding currency effects would be 2.7%
e) Significant drop in freight volume (-13.7%) and yield
    - U.S.-China trade war
    - Protests in Hong Kong
    - Weaker economy
    - Pakistan airspace closure resulted in trading off belly freight against fuel due to longer flight routes to Europe
f) Decrease in capacity particularly due to Trent 1000 engine issues and temporary closure of Pakistan Airspace
g) Increase in cash due to debenture issue in November 2019
h) The debt to equity ratio (leverage) significantly increases over the last quarters

Strategic development

- "Brother & Sister Model": Integration of Thai Smile into Thai Airways to generate synergies
- New Transformation 2020 Plan launched at the end of 2019 after having not met the targets of the first half of 2019 – included three guidelines:
    - Increasing revenue (supported by the Mantra project and acceleration of digital marketing operations)
    - Cost control and reduction through a cost management programme
    - Increase in operational efficiency by taking actions in parallel (e.g. effective fleet management, decrease of debt to equity ratio)
- Further measurements:
    - November 2019: Unsecured debenture issue on 13th November 2019
        - Successful issue of THB 8.8 billion with institutional and high net worth investors
        - Rated category "A" by TRIS Rating
        - Divided in five tranches with maturities between one and 15 years
        - Coupon rates between 2.32 per cent to 3.98 per cent
    - Memorandum of Understanding (4Q19) with the Toyota Tsusho [Thailand] company on travel activities: Thai Airways will become the exclusive and preferred airline for company members´ business travel
    - Sale of six decommissioned aircraft in 2019
- Changes in management
    - January: 2020: vice-chairman Chaiyapruk Didyasarin takes over the role as chairman permanently after Ekniti Nitithanprapas resigned in November

    - March 2020: second-vice president Chakkrit Parapuntakul became acting president after Sumeth Damrongchaitham resigned
- Changes in shareholding:
    - 22nd May 2020: The shareholding by Thailand´s finance ministry had been reduced by about 3 % from 51.03% to 47.86%
    - Thai Airways is no longer classified a state enterprise under the relevant laws.

Comments & conclusions

Thai Airways has struggled to return to profitability after low-cost competition increased. For the financial year 2019, the carrier reported an operating and net loss with no improvement compared to the previous year. However, the fourth quarter showed some significant improvement compared to the comparable quarter in 2018 before being hit by the negative impact of the Covid-19 pandemic beginning of 2020.

The airline is dependent on the tourism sector, particularly on the in-bound tourism and vulnerable to external shocks such as epidemics, riots, natural disasters or the downturn of originating passengers´ economies. Chinese tourists count for the biggest share of foreign tourists travelling to Thailand, and both the US-China trade war and the unrest in Hong Kong had a negative impact on Thai´s performance in 2019. As another consequence of this correlation, Thai Airways had been affected from the beginning by the outbreak of Covid-19 in China. After it turned into a global pandemic, Thai Airways grounded most of its fleet at the end of March 2020. As the first quarter is high season for Asian carriers, these flight cancellations will strongly affect Thai´s revenue streams and operating results for the financial year 2020. The ongoing Rolls Royce Trent 1000 issues limiting Thai Airways´ capacity growth in 2019 might currently be trivial until operational levels return to pre-Covid-19 levels.

Thai Airways needs to prepare itself for the post-Covid-19 period. It is essential for the carrier re-adopting and implementing measurements to at least stabilise the leverage as well as to increase revenue streams which had already been weak before the pandemic. Restructuring is a necessary move with a strict focus on a rehabilitation plan. However, as long as the rehabilitation plan and process under the bankruptcy court are not outlined in detail, it remains to be seen if this more drastic process will be more successful than any restructuring from own sources would have been.

THE ASSETS

Key Facts B787

- 61 operators (Airlines) on all continents
- 73 customers (Airlines and Lessors)
- Aeroflot cancelled its order of 22 B787s in 4Q19
- Emirates and Malaysian lessor CALC became new customers in November 2019
- Reduction of production rate to 10 aircraft monthly by 2021
- B787 production temporarily suspended due to Covid-19 pandemic

Assets & Operations

<u>Trent 1000 issues</u>
The availability of Rolls-Royce Trent 1000 spare engines and the bottleneck of shop visit slots have impacted airlines´ Boeing 787 fleets as some of their aircraft had been temporarily stored, including aircraft of Thai Airways and Norwegian Air Shuttle:

- Aircraft TQC stored since 29th September 2019 at Bangkok Suvarnabhumi Airport (Thailand)
- Aircraft TQD stored since 6th December 2019 at Bangkok Suvarnabhumi Airport (Thailand)
- Aircraft LNA stored since 27th May 2019 at Glasgow-Prestwick Airport (United Kingdom)
- Aircraft LNB stored since 17th September 2019 at Glasgow-Prestwick Airport (United Kingdom)

Although for some of the above aircraft in-service dates were scheduled in accordance with Trent 1000 spare engine availability, it is very likely that all four aircraft will remain stored at least throughout the Covid-19 pandemic related travel restrictions.

Asset Overview

AIRCRAFT OPERATIONS	Norwegian Air Shuttle				Thai Airways			
	LN-LNA		LN-LNB		HS-TQC		HS-TQD	
Cabin Layout	32 Premium Economy Class Seats 259 Economy Class Seats				24 Business Class Seats 240 Economy Class Seats			
PHYSICAL INSPECTION (by DS Aviation)								
Date	27.02.2020		27.02.2020		03.12.2019		03.12.2019	
Place	Prestwick Airport				Bangkok Airport			
Aircraft & Technical Records condition	Aircraft/Technical records in good condition with no significant defects or airworthiness related issues (Storage inspection)				Aircraft/Technical records in good condition with no significant defects or airworthiness related issues			
AIRFRAME STATUS (30th April 2020)								
Total Flight Hours	29,177		30,925		16,873		15,536	
Total Flight Cycles	3,386		3,652		3,814		3,598	
Average Monthly Utilisation since Delivery	355 hours 41 cycles		385 hours 45 cycles		255 hours 58 cycles		240 hours 56 cycles	
Hours/cycles ratio since delivery	8.62		8.47		4.42		4.32	
ENGINE DATA (30th April 2020)	Engine Serial Number				Engine Serial Number			
	10118	10119	10130	10135	10239	10240	10244	10248
Total Time [Flight Hours]	23,984	26,357	21,802	24,868	15,292	10,518	11,081	16,805
Total Flight Cycles	2,818	3,101	2,422	2,864	3,433	2,583	2,681	3,690
Location	Spare	LNF	LNC	Shop	TQB	Shop	TQA	TQA

Comments and Conclusions

The order and delivery numbers emphasise that the Dreamliner Boeing 787 aircraft is favoured by many airlines from different regions and different business strategies. As new customers placed orders in 2019 and Lufthansa even decided for Trent 1000 engines, it seems there is confidence in Rolls-Royce to fix the known problems and the capacity bottleneck. However, it cannot be assessed yet, how the Covid-19 pandemic will have any impact on the number of aircraft orders or conversions within the B787 family. In a difficult economic environment, it is possible that there might be a temporary preference towards the smaller types within an aircraft family. This may lead, once the recovery period starts, to greater interest in the B787-8 series compared to the larger 9 and 10 series variants. Moreover, the temporarily suspension of B787 production will set back the B787 delivery timetable for 2020 and thereafter.

Material Events since November 2019

November 2019

Interim Update (7 November 2019)
The interim investor update report for the period 1 May to 31 October was published.

January 2020

Dividend Declaration (15 January 2020)
The Company declared a quarterly dividend in respect of the quarter ended 31 December 2019, of 2.25 cents per Share, to holders of shares on the register at 24 January 2020, and payment was made on 14 February 2020.

March 2020

Company Update (23 March 2020)
The Company announced that lease payments had not been received for the aircraft leased to Norwegian Air Shuttle, due to the COVID-19 global outbreak.

April 2020

Company Update – Suspension of Dividends (3 April 2020)
The Company declared that dividends would be suspended with immediate effect and until further notice to put the Company in the best possible position in its discussions with the lending banks providing debt financing in respect of the two aircraft leased to Norwegian Air Shuttle.

Company Update (9 April 2020)
The Company announced that, in response to a written request received, it was considering affording Thai Airways a temporary relaxation of its lease payment obligations, in light of the ongoing COVID-19 crisis.

Annual Report and Audited Consolidated Financial Statements (29 April 2020)
The Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2019 were published.

May 2020

Company Update (13 May 2020)
The Company released an update regarding its discussions with its two lessees, Norwegian Air Shuttle and Thai Airways, and its lending banks.

Shareholding in Norwegian Air Shuttle (21 May 2020)
The Company announced that the equity allotment in Norwegian Air Shuttle had been received. DP Aircraft Ireland Limited (a wholly owned subsidiary of the Company) had been allotted 154,189,712 shares, representing 5.02% of Norwegian Air Shuttle's issued share capital and voting rights at the date of the announcement.

Enquiries:
Kellie Blondel / Laura Dunning
Aztec Financial Services (Guernsey) Limited
As Company Secretary to DP Aircraft I Limited
Tel: + 44 (0) 1481 748833