

## KEY INFORMATION DOCUMENT

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, cost, potential gains and losses of this product and help you compare it with other products.

### Product

The product is Ordinary Preference Shares ("**Shares**") issued by Doric Nimrod Air Three Limited (the "**Company**"). The Company is the manufacturer. The ISIN of the Shares is: GG00B92LHN58

Please visit <http://www.dnairthree.com> or contact Nimrod Capital LLP on +44 (0) 20 7382 4565 and/or [info@nimrodcapital.com](mailto:info@nimrodcapital.com) for more information.

The Company is not supervised or authorised by any EU competent authority.

**Release Date:** 15 December 2023.

**You are about to purchase a product that is not simple and may be difficult to understand.**

### What is this product?

**Type:** Shares issued by the Company which is a Guernsey domiciled non-cellular company limited by shares, incorporated on 29 March 2012, having its shares traded on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "**SFS**").

**Investment Objective:** 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 seeks to achieve its objective by using the net proceeds of placings and other equity capital raisings, together with debt facilities (or instruments), to purchase aircraft which the Company leases to Emirate Airlines ("**Emirates**"), the national carrier owned by The Investment Corporation of Dubai based in Dubai, United Arab Emirates

The Company invests substantially all its capital through its wholly-owned subsidiary, DNA Alpha Limited, which holds the assets for the Company. The Company therefore has an indirect exposure to the underlying aircraft assets. The investment returns of the Company are principally determined by the capital value of the aircraft and the lease payments by Emirates during the life of the Company. The returns for investors will typically be determined by reference to any distributions made, the price at which the Shares can be sold on the market and/or the value of the Company's investments at the time of winding-up. The investment objective is intended to be achieved over the long term.

The Company has borrowed to purchase assets. This will magnify any gains or losses made by the Company.

**Bid-offer spread:** Shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a Share will be higher than the price at which you could sell it.

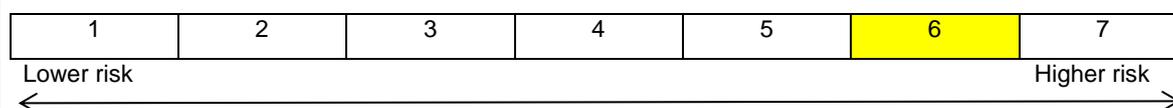
**Intended Retail Investor:** The Company is intended for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts who wish to invest for the long term, have experience in investing in financial markets and collective investment undertakings, who understand the risks involved in investing in the Company (and/or those who have received advice from their fund manager, adviser or broker regarding investment in the Company and who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the Shares). Investors should familiarise themselves with the risks involved and must evaluate the Company's objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. No investment in the Company is intended as a complete investment plan.

**Maturity Date:** The Company does not have a fixed life. However, the Company's articles require that the directors convene a general meeting in November 2026, at which an ordinary resolution will be proposed that the Company proceed to an orderly wind-up at the end of the term of the last aircraft leases (the "**Liquidation Resolution**"). In the event that the Liquidation Resolution is not passed, the directors will consider alternatives for the Company and shall propose such alternatives at a general meeting of the shareholders, including re-leasing the assets, or selling the assets and applying the capital received from the sale of those assets in other aircraft.

### What are the risks and what could I get in return?

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you.

#### Risk Indicator





The risk indicator assumes you keep the product for three years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

We have classified this product as 6 out of 7, which is the second-high risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you.

The following are some of the other types of risks materially relevant to the Shares which are not taken into account in the summary risk indicator: Operational risk in managing the Company; investment risks and technical faults related to the asset; borrowing and financing risks; default by Emirates; residual value of the asset on re-sale/lease.

See further the annual financial report for the Company as cited in the section "Other relevant information" below.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

### Performance Information

The main factors that will affect the performance of the Shares are:

- The Board's ability to manage the Company and carry out the operational facets of performance; including cash management, asset management, regulatory and listing obligations.
- The condition and market demand of the aircraft assets and the ability of the Board to accurately assess the useful life and residual value of each aircraft asset on re-sale/lease, and,
- The global market conditions: in particular, the Company may be exposed to fluctuations in market interest rates and foreign exchange rates due to the borrowings made to finance the asset purchases.

Since the Shares began trading in July 2013, they have had an annualised total return of 4.5% per annum with an annualised volatility of 21.0% up to 3 October 2023.

The volatility of the Shares will vary, the average one-year rolling volatility of the Shares was 16.5%, however, during Covid-19 between 23 January 2020 and 23 January 2021, the volatility rose to 45.0%. For comparison over the same period, the broader UK equity market, the FTSE All Share, had an average rolling one-year volatility of 14.7% which rose to 28.8% during Covid-19.

To examine the potential longer-term characteristics of the Company, we backfilled the total return index of the Shares with a blend of the total return indexes of Doric Nimrod Air One Limited and Doric Nimrod Air Two Limited. This gave a representative daily performance history going back to 10 December 2010 (the "Proxy").

The moderate performance scenario gives a return of -4.0% p.a. over a three-year horizon, this is used to calculate the reduction in yield calculations, in the 'What are the Costs?' section below.

### What could affect my return positively?

Specific factors that affect returns positively would be efficient operation of the Company; an increase in the market valuations of the four airbus assets; and the ability of the Board to negotiate favourable sale prices for the assets once their leases expire. Broad factors that would likely contribute to positive returns would be overall good trading conditions for the UK equity markets and an increase in global demand for second hand aircraft - especially during the second half of 2025 as all four leases expire then and this would likely allow the assets to be sold at a greater price. In addition, external factors such as improvements in the valuation of UK small cap equities, European financial markets and UK REITs is also likely to positively impact on the market valuation of the Company. These factors have been positively correlated to the proxy's performance, with stronger correlation during larger market movements. Over the recommended holding period of three-years, we identified the most favourable rolling three-year performance of the Shares to be 44.52% per annum, which occurred between June 2020 and 1 June 2023 following inception.

### What could affect my return negatively?

Specific factors that affect returns negatively would be poor operational and regulatory management of the Company; technical faults with the assets; default by Emirates - the sole lessee of the assets; and, the Company selling the assets at a lower-than-expected price after their leases expire, or a delay in the resale of the assets which could require the Company to utilise financial resources to cover storage costs, preservation of the aircraft whilst in storage, and maintain insurance on the aircraft. In addition, external factors that would likely affect returns negatively would be a period of global recession and a decrease in the demand for second hand aircraft of the type owned by the Company, through either a reduction in the number of airlines operating the aircraft type or an increasing trend for airlines to operate newer generation aircraft that produce lower emissions - especially once the leases expire and the aircraft are on sale. The Company's most unfavourable shareholder return over a rolling three-year period was -26.6% per annum, between May 2017 and May 2020 in the period ending with the Covid-19 market shock.

### What could happen in severely adverse market conditions?

An example of severely adverse market conditions was Covid-19, where the Shares lost, at most, 66.9% of their value, between 8 February 2019 and 26 March 2020. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

### What happens if Doric Nimrod Air Three Limited is unable to pay out?

Investors may suffer loss if the Company is unable to pay out. Investors do not have protection from an investor compensation or guarantee scheme.

### What are the costs?

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest GBP10,000. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of GBP 10,000	If you cash in after 1 year	If you cash in after 3 years <i>Recommended Holding Period</i>
Total costs	£ 790	£ 2,489
Reduction in Yield (RIY) per year	7.9 %	8.3 %

### Composition of costs

The table below shows:

- the impact over the recommended holding period of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

#### This table shows the impact on over the recommended holding period of 3 years

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less).
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	8.3%	The impact of the costs that we take each year for managing your investments and other ongoing costs. 2.7% is paid to the manager for managing your investment and includes expenses and management fees, and 5.6% is paid in interest on debt finance.
Incidental costs	Performance fees	0.00%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests.

### How long should I hold it and can I take money out early?

#### Recommended holding period: 3 years

The Company's investment in aircraft and lease receivables is designed to be long term; you should be prepared to stay invested for at least three years. The recommended holding period has been selected taking into account the scheduled expiry of the leases and the circumstances surrounding those events. As the Company's Shares are admitted to trading on the SFS, you should be able to sell your Shares through your bank, stockbroker or other similar adviser. If you choose to sell your Shares, you may be subject to dealing costs that your adviser charges for this service. The sale of Shares may be at a discount to the Company's net asset value. The Share price, discount and net asset value are available on our website.

### How can I complain?

As a shareholder of the Company you do not have a right to complain to the UK's Financial Ombudsman Service about the management of the Company. Complaints about the Company or the key information document can be made via email to the address given on the Company's website at <http://www.dnairthree.com> or should be directed to either Nimrod Capital LLP on +44 (0) 20 7382 4565 and/or [info@nimrodcapital.com](mailto:info@nimrodcapital.com) with registered office New Derwent House, 69-73 Theobalds Road, London, WC1X 8TA or the Board of directors via its Secretary, JTC Fund Solutions (Guernsey) Limited on +44 1481 702 400 and/or [DNA.Cosec@jtcgroup.com](mailto:DNA.Cosec@jtcgroup.com) at the Company's registered office address Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT.

### Other relevant information

The disclosures in this KID, including the cost, performance and risk calculations follow the methodology prescribed by EU rules. Performance figures have been calculated based on the Company's Share price total return with dividends reinvested. The Company's Share price and documents such as the Company's factsheets, unaudited interim financial report and annual financial

reports, are available on the Company's website at <http://www.dnairthree.com> or can be obtained on request from [info@nimrodcapital.com](mailto:info@nimrodcapital.com).