

DP Aircraft I Limited ("the Company")

Company Update: Signing of the Second Amendment and Restatement to the Loan Agreement

As previously announced, the lessee of the Company's two Boeing 787/8 aircraft, THAI Airways International ("THAI"), was placed into a Rehabilitation Program to ensure its commercial viability following the unprecedented market disruption caused by the global COVID pandemic.

As part of the cost saving measures agreed under the Program, THAI has been operating its aircraft fleet under a Power by the Hour ("PbH") agreement with its lessors which enabled the airline to pay solely for hours actually flown. The lease rental income generated under the PbH period by the Company's aircraft exceeded expectations. Ongoing costs and interest on scheduled and deferred loan amounts were paid when due, with the effect that an increase in the debt burden was avoided, and a cash reserve was instead built up. The PbH period negotiated between the Company and THAI ended, as agreed, on 31 December 2022 and is now being replaced with new fixed lease rentals of USD 510k per aircraft per month for the remaining lease period.

Under the debt arrangements in place between the Company and its lending banks, modified terms and conditions for the total loan amount outstanding as at 31 December 2022 have to be negotiated for the period commencing 1 January 2023 until loan maturity in December 2026. The Company has now negotiated revised terms with its lenders, including the postponement of certain principal payments, to align the respective loan agreements with the terms of the amended lease agreements with THAI.

In a Second Amendment and Restatement to the Loan Agreement signed on 7 February 2023, the parties agreed on the following main terms:

- the total loan amount outstanding of USD 97.9m will be split into two tranches:
 - Tranche 1 of USD 62.4m (amortizing to a balloon which is dependent on the fixed interest rate and still has to be determined) represents the scheduled debt
 - Tranche 2 of USD 35.5m (non-amortizing) represents the deferred debt
- USD 2.36m of surplus cash generated under the PbH period will be used to repay debt on the amortizing Tranche 1, while an agreed cash reserve of USD 500k per aircraft will be retained to cover unforeseen costs going forward
- the interest rate swap currently in place for the scheduled debt will be dissolved at no net gain or loss
- Tranche 1 and Tranche 2 will each bear fixed interest rates to establish reliable and transparent payment schedules and to eliminate the risk of increasing interest rates. Further details will be provided once both have been fixed
- from the monthly lease rental of USD 510k/aircraft, USD 35k per aircraft will be retained by the Company to contribute to ongoing fixed costs

Due to the limited liquidity position of the Company, the lenders have refrained at this stage from charging the restructuring fees which are typically associated with the process; instead the lenders will be paid a fee after the eventual remarketing of the aircraft, subject to surplus sales proceeds being realized.

For further information, please contact:

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