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27 March 2025

DP Aircraft I Limited

New Lease Agreements with LOT Polish Airlines

The Board of Directors of DP Aircraft I Limited (the "Group") is pleased to announce that its two new subsidiaries DP Aircraft Ireland MSN 35320 Limited and DP Aircraft Ireland MSN 36110 Limited (the "New Subsidiaries") have entered into new 12-year lease agreements with LOT Polish Airlines ("LOT"), Poland's state-owned airline, for the Group's two Boeing 787-8 aircraft. As a result, the Group's UK subsidiary intends to exercise its right to cancel any extension of its existing lease arrangements with Thai Airways ("Thai") beyond the existing scheduled lease term which ends in 2026.

Background

In April 2022, a Letter of Intent with Thai was signed to amend the existing lease terms. Under the revised terms, the lease was structured as a power-by-the-hour arrangement until 31 December 2022, followed by fixed monthly lease payments thereafter until October 2026 for aircraft MSN 36110 and December 2026 for aircraft MSN 35320.

The leases also contained possible extensions for an additional three years to October and December 2029, at reduced monthly payments starting in November 2026 and January 2027. However, with the consent of the Lenders, an option was retained to early-terminate the extended leases with effect from October and December 2026 without any extension.

New Lease Agreements

Following an extended period of negotiation, the Group is pleased to announce that its New Subsidiaries have entered into new lease agreements with LOT, Poland's state-owned airline, for its two Boeing 787-8 aircraft. The leases each have a 12-year term, commencing on 29 October 2026 (MSN 36110) and 9 December 2026 (MSN 35320).

Lease rental payments are structured over the 12-year term, with a fixed monthly rate for the first eight years, followed by a reduced fixed monthly rate for the final four years, providing rental payments of approximately US\$168m in aggregate over the full term.

As a result of entering into these new agreements, the Group's UK subsidiary will shortly confirm to Thai its intention to exercise its right to cancel any extension of the existing leases beyond 2026. Under the terms of the current lease, Thai will be required to return the aircraft in full-life condition at the end of the respective lease periods in October and December 2026.

LOT Polish Airlines

LOT Polish Airlines is Poland's flag carrier and one of the world's oldest airlines still in operation. LOT is wholly owned by Polish Aviation Group, a Polish state-owned holding company and is a member of the International Air Transport Association.

Based at Warsaw Chopin Airport, LOT operates an extensive network, connecting passengers to approximately 100 destinations across Europe, Asia, and North America. In 2024, LOT achieved a record-breaking year by transporting over 10 million passengers, operating 107,926 flights, and covering a total of 148 million kilometres. As of August 2024, the airline's fleet comprised 80 aircraft, making it the 18th largest operator in Europe.

LOT is a member of the Star Alliance, having joined in October 2003, which allows it to offer passengers a wide range of global connections. The airline also has codeshare agreements with various carriers, including Aegean Airlines, Air Canada, and Singapore Airlines, further expanding its network.

Throughout its history, LOT has been recognized for its service quality, receiving accolades such as the "Business Traveller" award for the Best Eastern European Airline multiple times.

Debt Financing Position

The existing debt financing arrangements with the current lenders are set to expire in October and December 2026, coinciding with the expiration of the Thai leases. The Group is actively exploring all refinancing options, including potential agreements with new lenders, and has already received several indicative proposals. The Board will be evaluating these proposals as a top priority in the coming weeks.

As at 28 February 2025, the Group had approximately US\$81.24 million in outstanding debt. The total outstanding debt at loan maturity on 31 December 2026 is expected to be US\$70 million.

Aircraft Valuation

The aircraft valuations included in the interim results for the six months ended 30 June 2024, as disclosed in the announcement of 11 November 2024, were calculated on a lease-unencumbered basis. The independent valuation process for the annual results to 31 December 2024 is ongoing, and the Board plans to provide further insight into the potential impact of the new lease arrangements in the annual report, scheduled for release in April.

Strategy

Following expiration of the Thai leases in October and December 2026, the aircraft will be approximately 12 years old, and Thai are required to return the aircraft in a full-life condition. The Board and the Asset Manager believe that these assets, as well as Boeing 787s in general, remain highly attractive. Boeing 787 wide body production continues to lag historical levels, and delays in new aircraft deliveries are further strengthening demand.

The Board and the Asset Manager remain fully committed to maximising shareholder value and will continue to evaluate all available options.

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