



Harold M. Lyons  
Chief Financial Officer  
(650) 340-1888

### **AeroCentury Corp. Announces Update Regarding Loan Facility**

BURLINGAME, California, November 12, 2020 -- AeroCentury Corp. (NYSE American: ACY) (the "Company"), an independent aircraft leasing company, released information relating to its indebtedness under its loan facility with MUFG Union Bank, N.A., as Agent.

On October 30, 2020, Drake Asset Management Jersey Limited ("Drake"), purchased all of the indebtedness of AeroCentury Corp. (the "Company") held by the lenders (the "MUFG Lenders") under the Fourth Amended and Restated Loan and Security Agreement dated as of May 1, 2020 (the "Loan Agreement"), totalling approximately \$87.9 million, as well as all of the Company's indebtedness to MUFG Bank, Ltd. (approximately \$3.1 million) that arose from the termination of interest rate swaps entered into with respect to such Loan Agreement indebtedness. The purchase and sale was consented to by the Company pursuant to a Consent and Release Agreement of Borrower Parties, entered into by the Company and its subsidiaries (the "Consent"). The closing of this debt purchase transaction satisfied the requirement under the Loan Agreement for the Company to execute a strategic alternative ("Strategic Alternative") with respect to the MUFG Loan indebtedness satisfactory to the MUFG Lenders.

On the same day, the Company entered into Amendment No. 1 to the Loan Agreement ("Amendment No. 1") with Drake and UMB Bank, N.A., the replacement Administrative Agent under the Loan Agreement, to amend the Loan Agreement as follows:

- Deferral of the cash component of the interest payments due under the Loan Agreement, commencing with the payments due for March 2020, and continuing on each consecutive month thereafter, which deferred interest is to be capitalized and added to the principal balance of the indebtedness on each respective interest payment due date, until such time as the indebtedness is repaid.
- Deletion of the requirement for the Company's execution of a Strategic Alternative and of the milestones therefor;
- Deletion of the requirement for the Company's maintenance of a restricted account held with an MUFG Lender to hold aircraft sales proceeds pending application toward the Loan Agreement indebtedness;
- Replacement of references to "MUFG Union Bank, N.A.," with "UMB, Bank, N.A.", the new Administrative Agent under the Loan Agreement;
- Requirement of approval by Drake for any "Material Amendments" to leases for the collateral, defined as any amendment of, or waiver or consent under, any lease involving a modification of lease payments, any reduction in, or waiver or deferral of, Rent, a modification to any residual value guaranty, any modification that adversely affects the collateral or the rights and interests of the lender and/or administrative agent in the collateral, any reduction of any amounts payable to any lender or Agent under any indemnity, or any change to the state of registration of aircraft collateral; and
- Deletion of certain financial reporting requirements and changes to required frequency of certain other surviving reporting requirements.

The full text of each of Consent and the Amendment No. 1 are included as exhibits to a Current Report on Form 8-K report regarding these agreements that was filed on November 2, 2020 (the November 2 8-K”) by the Company with the U.S. Securities and Exchange Commission ("SEC"), and available on the SEC’s Edgar website as well as the Company’s website. The foregoing description of the Amendment No. 1 is intended to be a summary and is qualified in its entirety by the copy of Amendment No. 1 filed as Exhibit 10.2 to the November 2 8-K.

The Company and Drake are currently engaged in discussions regarding the satisfaction and discharge of the Loan Agreement indebtedness. There can be no assurance that the Company and Drake will be able to reach a mutual agreement regarding satisfaction and discharge, or that these discussions will result in any particular outcome.

**About Drake:** Drake is a specialist investment business focused on the regional aviation sector. Drake has investments across a wide range of regional aircraft types. Falko Regional Aircraft Limited (“Falko”) acts as the servicer to Drake and Falko is engaged in discussions with the Company on behalf of Drake regarding the indebtedness.

**About AeroCentury:** AeroCentury is an independent global aircraft operating lessor and finance company specializing in leasing regional jet and turboprop aircraft and related engines. The Company's aircraft and engines are leased to regional airlines and commercial users worldwide.

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