

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In Re. AeroCentury Corp.

§  
§  
§  
§

Case No. 21-10636

Debtor(s)

Lead Case No. 21-10636

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 08/31/2021

Petition Date: 03/29/2021

Months Pending: 5

Industry Classification: 

|   |   |   |   |
|---|---|---|---|
| 5 | 3 | 2 | 4 |
|---|---|---|---|

Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Joseph M. Mulvihill

Signature of Responsible Party

09/27/2021

Date

Joseph M. Mulvihill, Young Conaway Stargatt & Taylor, LLP

Printed Name of Responsible Party

Rodney Square

1000 North King Street, Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



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Debtor's Name AeroCentury Corp.

Case No. 21-10636

| Part 1: Cash Receipts and Disbursements                            | Current Month | Cumulative   |
|--|---------------|--------------|
| a. Cash balance beginning of month                                 | \$1,787,806   |              |
| b. Total receipts (net of transfers between accounts)              | \$898,046     | \$0          |
| c. Total disbursements (net of transfers between accounts)         | \$1,395,324   | \$6,934,928  |
| d. Cash balance end of month (a+b-c)                               | \$1,290,528   |              |
| e. Disbursements made by third party for the benefit of the estate | \$-230,000    | \$-1,060,000 |
| f. Total disbursements for quarterly fee calculation (c+e)         | \$1,165,324   | \$5,874,928  |

| Part 2: Asset and Liability Status<br>(Not generally applicable to Individual Debtors. See Instructions.)                          | Current Month |
|--|---------------|
| a. Accounts receivable (total net of allowance)  | \$493,491     |
| b. Accounts receivable over 90 days outstanding (net of allowance)   | \$53,738      |
| c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation)) | \$0           |
| d. Total current assets  | \$1,530,306   |
| e. Total assets  | \$54,724,068  |
| f. Postpetition payables (excluding taxes)   | \$3,387,868   |
| g. Postpetition payables past due (excluding taxes)  | \$0           |
| h. Postpetition taxes payable  | \$17,832,703  |
| i. Postpetition taxes past due   | \$0           |
| j. Total postpetition debt (f+h)   | \$21,220,571  |
| k. Prepetition secured debt  | \$39,072,934  |
| l. Prepetition priority debt   | \$0           |
| m. Prepetition unsecured debt  | \$3,167,020   |
| n. Total liabilities (debt) (j+k+l+m)  | \$63,460,525  |
| o. Ending equity/net worth (e-n)   | \$-8,736,457  |

| Part 3: Assets Sold or Transferred   | Current Month | Cumulative |
|--|---------------|------------|
| a. Total cash sales price for assets sold/transferred outside the ordinary course of business                        | \$0           | \$0        |
| b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business | \$0           | \$0        |
| c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)                      | \$0           | \$0        |

| Part 4: Income Statement (Statement of Operations)<br>(Not generally applicable to Individual Debtors. See Instructions.) | Current Month | Cumulative   |
|---|---------------|--------------|
| a. Gross income/sales (net of returns and allowances)   | \$18,341,076  |              |
| b. Cost of goods sold (inclusive of depreciation, if applicable)  | \$0           |              |
| c. Gross profit (a-b)   | \$18,341,076  |              |
| d. Selling expenses   | \$0           |              |
| e. General and administrative expenses  | \$292,272     |              |
| f. Other expenses   | \$5,853       |              |
| g. Depreciation and/or amortization (not included in 4b)  | \$0           |              |
| h. Interest   | \$86          |              |
| i. Taxes (local, state, and federal)  | \$0           |              |
| j. Reorganization items   | \$617,040     |              |
| k. Profit (loss)  | \$17,425,826  | \$14,290,379 |

Debtor's Name AeroCentury Corp.

Case No. 21-10636

**Part 5: Professional Fees and Expenses**

|     |  | Approved<br>Current Month | Approved<br>Cumulative | Paid Current<br>Month | Paid<br>Cumulative |
|-----|--|---------------------------|------------------------|-----------------------|--------------------|
| a.  | Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>    |                           |                        | \$368,015             | \$906,248          |
|     | <i>Itemized Breakdown by Firm</i>  |                           |                        |                       |                    |
|     | Firm Name  | Role                      |                        |                       |                    |
| i   | Morrison & Foerster  | Co-Counsel                |                        | \$99,025              | \$161,027          |
| ii  | Young Conaway Stargatt & Taylor  | Lead Counsel              |                        | \$154,687             | \$289,228          |
| iii | Kurtzman Carson Consultants  | Financial Professional    |                        | \$14,303              | \$247,943          |
| iv  | B. Riley Securities, Inc.  | Financial Professional    |                        | \$100,000             | \$208,050          |
| b.  | Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i> |                           |                        | \$31,481              | \$52,138           |
|     | <i>Itemized Breakdown by Firm</i>  |                           |                        |                       |                    |
|     | Firm Name  | Role                      |                        |                       |                    |
| i   | Chamberlain, Hrdlicka, White, & Wood   | Special Counsel           |                        | \$30,910              | \$34,069           |
| ii  | Miller Advertising Agency  | Financial Professional    |                        | \$0                   | \$17,498           |
| iii | McAfee & Taft  | Other                     |                        | \$571                 | \$571              |
| c.  | All professional fees and expenses (debtor & committees)                     | \$0                       |                        |                       |                    |

**Part 6: Postpetition Taxes**

|  | Current Month | Cumulative |
|--|---------------|------------|
| a. Postpetition income taxes accrued (local, state, and federal) | \$0           | \$0        |
| b. Postpetition income taxes paid (local, state, and federal)    | \$0           | \$0        |
| c. Postpetition employer payroll taxes accrued                   | \$0           | \$0        |
| d. Postpetition employer payroll taxes paid                      | \$0           | \$0        |
| e. Postpetition property taxes paid                              | \$0           | \$0        |
| f. Postpetition other taxes accrued (local, state, and federal)  | \$8,518       | \$42,590   |
| g. Postpetition other taxes paid (local, state, and federal)     | \$20,433      | \$61,299   |

**Part 7: Questionnaire - During this reporting period:**

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐

Debtor's Name AeroCentury Corp.

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- i. Do you have:      Worker's compensation insurance?      Yes ☐ No ☒
- If yes, are your premiums current?      Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
- Casualty/property insurance?      Yes ☒ No ☐
- If yes, are your premiums current?      Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance?      Yes ☒ No ☐
- If yes, are your premiums current?      Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court?      Yes ☒ No ☐
- k. Has a disclosure statement been filed with the court?      Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930?      Yes ☒ No ☐

**Part 8: Individual Chapter 11 Debtors (Only)**

- |  |   |
|--|---|
| a. Gross income (receipts) from salary and wages   | \$0   |
| b. Gross income (receipts) from self-employment  | \$0   |
| c. Gross income from all other sources   | \$0   |
| d. Total income in the reporting period (a+b+c)  | \$0   |
| e. Payroll deductions  | \$0   |
| f. Self-employment related expenses  | \$0   |
| g. Living expenses   | \$0   |
| h. All other expenses  | \$0   |
| i. Total expenses in the reporting period (e+f+g+h)  | \$0   |
| j. Difference between total income and total expenses (d-i)                                    | \$0   |
| k. List the total amount of all postpetition debts that are past due                           | \$0   |
| l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? | Yes <input type="radio"/> No <input checked="" type="radio"/>                           |
| m. If yes, have you made all Domestic Support Obligation payments?                             | Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/> |

Debtor's Name AeroCentury Corp.

Case No. 21-10636

**Privacy Act Statement**

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http://www.justice.gov/ust/eo/rules\\_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

**I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.**

/s/ Harold M. Lyons

Signature of Responsible Party

Authorized Signatory

Title

Harold M. Lyons

Printed Name of Responsible Party

09/27/2021

Date

**AeroCentury Corp.**  
1440 Chapin Ave. Suite 310  
Burlingame, CA. 94010

**Balance Sheet**

**As of August 2021**

**9/23/2021**  
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**Assets**

|                                  |                  |                        |
|----------------------------------|------------------|------------------------|
| Cash                             |                  |                        |
| CB&T checking                    | \$1,290,529.02   |                        |
| Total Cash                       |                  | \$1,290,529.02         |
| Receivables                      |                  |                        |
| Receivable-19002 Limited         | \$176,392.96     |                        |
| Receivable-19003 Limited         | \$174,506.00     |                        |
| Finance leases                   |                  |                        |
| Finance leases receivable        | \$1,640,000.00   |                        |
| Total Finance leases             | \$1,640,000.00   |                        |
| Reserves Receivable              | \$97,228.78      |                        |
| Allowance for doubtful accts.    | (\$1,190,000.00) |                        |
| Total Receivables                |                  | \$898,127.74           |
| Investment in subsidiaries       |                  |                        |
| Investment in ACY SN 19002       | \$1,866,605.79   |                        |
| Investment in ACY SN 19003       | \$1,839,999.58   |                        |
| Investment in JHC                | (\$333,367.72)   |                        |
| Total Investment in subsidiaries |                  | \$3,373,237.65         |
| Assets held for sale             |                  | \$31,096,464.00        |
| Inventory                        |                  | \$53,040.70            |
| Prepaid Expenses                 |                  |                        |
| Prepaid insurance-D&O            | \$150,000.00     |                        |
| Prepaid expenses-other           | \$25,708.19      |                        |
| Prepaid expenses-restructuring   | \$64,068.87      |                        |
| Total Prepaid Expenses           |                  | \$239,777.06           |
| Other Assets                     |                  |                        |
| Deferred taxes                   | \$26,249,791.00  |                        |
| Deferred tax valuation allow.    | (\$8,476,900.00) |                        |
| Total Other Assets               |                  | \$17,772,891.00        |
| Total Assets                     |                  | <u>\$54,724,067.17</u> |

**Liabilities**

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| Accounts payable            | \$951,099.31    |                 |
| Payable-ACY 19002           | \$1,169,198.93  |                 |
| Payable-ACY 19003           | \$1,177,067.34  |                 |
| Senior debt notes payable   | \$38,960,340.82 |                 |
| Equipment security deposits | \$466,000.00    |                 |
| Prepaid rents               | \$789,222.34    |                 |
| Maintenance Reserves        |                 |                 |
| Reserves-Silverstone #406   | \$53,737.71     |                 |
| Reserves-Croatia #4205      | \$989,961.86    |                 |
| Reserves-Croatia #4211      | \$1,068,199.25  |                 |
| Total Maintenance Reserves  |                 | \$2,111,898.82  |
| Interest payable-reserves   | \$2,995.00      |                 |
| Deferred taxes              | \$17,830,551.61 |                 |
| Taxes payable-U.S.          | \$2,151.00      |                 |
| Total Liabilities           |                 | \$63,460,525.17 |

**Equity**

|                            |                   |                        |
|----------------------------|-------------------|------------------------|
| Common stock               | \$1,758.79        |                        |
| Paid in capital            | \$15,823,933.94   |                        |
| Paid in capital - warrants | \$958,875.00      |                        |
| Treasury stock             | (\$3,037,257.81)  |                        |
| Retained earnings          | (\$31,361,650.06) |                        |
| Current earnings           | \$8,877,882.14    |                        |
| Total Equity               |                   | (\$8,736,458.00)       |
| Total Liability & Equity   |                   | <u>\$54,724,067.17</u> |

**AeroCentury Corp,  
Bank Account Report  
8/31/21**

| <u>Name on account</u> | <u>Bank</u>             | <u>Type</u> | <u>Account no.</u> | <u>Balance</u> |
|------------------------|-------------------------|-------------|--------------------|----------------|
| AeroCentury Corp.      | California Bank & Trust | Checking    | xxxxxx0381         | 1,290,529      |

**AeroCentury Corp.**  
1440 Chapin Ave. Suite 310  
Burlingame, CA. 94010

**Profit & Loss Statement**

**August 2021**

**9/23/2021**  
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|                              |                        |                               |
|------------------------------|------------------------|-------------------------------|
| Income                       |                        |                               |
| Rent income                  | \$505,486.10           |                               |
| Cancellation of debt         | <u>\$17,811,296.27</u> |                               |
| Total Income                 |                        | \$18,316,782.37               |
| Expenses                     |                        |                               |
| JMC G&A reimbursement        | \$230,000.00           |                               |
| Maintenance expense-reserves | \$5,852.55             |                               |
| Interest exp.-other          | \$86.00                |                               |
| Bank fees-checking           | \$777.25               |                               |
| Accounting expense           | \$4,350.00             |                               |
| Legal expense                | \$1,590.31             |                               |
| Restructuring costs          | \$617,040.35           |                               |
| Public relations expense     | \$400.00               |                               |
| Transfer agent fees          | \$562.26               |                               |
| Exchange fees                | \$4,166.67             |                               |
| Franchise taxes              | \$8,518.00             |                               |
| Misc. expenses               | \$1,958.33             |                               |
| Insurance - D&O              | \$37,500.00            |                               |
| Insurance - aircraft         | <u>\$2,449.09</u>      |                               |
| Total Expenses               |                        | \$915,250.81                  |
| Operating Profit             |                        | <u>\$17,401,531.56</u>        |
| Other Income                 |                        |                               |
| Equity in ACY 19002          | (\$1,869.01)           |                               |
| Equity in ACY 19003          | (\$1,879.55)           |                               |
| Equity in JHC                | <u>\$28,042.14</u>     |                               |
| Total Other Income           |                        | \$24,293.58                   |
| Other Expenses               |                        |                               |
| Net Profit/(Loss)            |                        | <u><u>\$17,425,825.14</u></u> |



**AeroCentury Corp., JetFleet Holding Corp., JetFleet Management Corp.**  
**Consolidated Balance Sheet**  
**August 31, 2021**

|                                      | <u>AeroCentury Corp.</u> | <u>JetFleet Holding Corp.</u> | <u>JetFleet Management Corp.</u> | <u>Total before eliminations</u> | <u>Eliminations/ adjustments</u> | <u>Total after eliminations</u> |
|--------------------------------------|--------------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
| <b>Assets</b>                        |                          |                               |                                  |                                  |                                  |                                 |
| Cash                                 | 1,290,500                | -                             | 44,900                           | 1,335,400                        |                                  | 1,335,400                       |
| Accounts receivable                  | 97,300                   | -                             | -                                | 97,300                           |                                  | 97,300                          |
| Receivable-ACY 19002                 | 176,400                  | -                             | -                                | 176,400                          |                                  | 176,400                         |
| Receivable-ACY 19003                 | 174,500                  | -                             | -                                | 174,500                          |                                  | 174,500                         |
| Receivable-JMC                       | -                        | -                             | -                                | -                                | -                                | -                               |
| Receivable-ACY                       | -                        | -                             | -                                | -                                |                                  | -                               |
| Finance leases receivable            | 1,640,000                | -                             | -                                | 1,640,000                        |                                  | 1,640,000                       |
| Allowance for doubtful accounts      | (1,190,000)              | -                             | -                                | (1,190,000)                      |                                  | (1,190,000)                     |
| Assets held for sale                 | 31,149,500               | -                             | -                                | 31,149,500                       |                                  | 31,149,500                      |
| Off lease right of use               | -                        | -                             | 98,000                           | 98,000                           |                                  | 98,000                          |
| Equipment                            | -                        | -                             | 24,000                           | 24,000                           |                                  | 24,000                          |
| Accumulated depreciation-equipment   | -                        | -                             | (14,700)                         | (14,700)                         |                                  | (14,700)                        |
| Prepaid insurance                    | 175,700                  | -                             | -                                | 175,700                          |                                  | 175,700                         |
| Prepaid expenses                     | 64,100                   | -                             | 55,500                           | 119,600                          |                                  | 119,600                         |
| Leasehold improvements               | -                        | -                             | 10,500                           | 10,500                           |                                  | 10,500                          |
| Accum amort-leasehold improvements   | -                        | -                             | (10,500)                         | (10,500)                         |                                  | (10,500)                        |
| Investment in ACY 19002              | 1,866,600                | -                             | -                                | 1,866,600                        |                                  | 1,866,600                       |
| Investment in ACY 19003              | 1,840,000                | -                             | -                                | 1,840,000                        |                                  | 1,840,000                       |
| Investment in JHC                    | (333,400)                | -                             | -                                | (333,400)                        | 333,400                          | -                               |
| Investment in JMC                    | -                        | (333,600)                     | -                                | (333,600)                        | 333,600                          | -                               |
| Investment in JFC                    | -                        | -                             | 8,800                            | 8,800                            |                                  | 8,800                           |
| Deferred taxes                       | 17,772,900               | 200                           | 82,500                           | 17,855,600                       | (1,733,300)                      | 16,122,300                      |
| <b>Total assets</b>                  | <b>54,724,100</b>        | <b>(333,400)</b>              | <b>299,000</b>                   | <b>54,689,700</b>                | <b>(1,066,300)</b>               | <b>53,623,400</b>               |
| <b>Liabilities</b>                   |                          |                               |                                  |                                  |                                  |                                 |
| Accounts payable                     | 951,100                  | -                             | 9,500                            | 960,600                          | (73,500)                         | 887,100                         |
| Payable ACY 19002                    | 1,169,200                | -                             | -                                | 1,169,200                        |                                  | 1,169,200                       |
| Payable ACY 19003                    | 1,177,100                | -                             | -                                | 1,177,100                        |                                  | 1,177,100                       |
| Payable JMC                          | -                        | -                             | -                                | -                                |                                  | -                               |
| Accrued vacation                     | -                        | -                             | 225,200                          | 225,200                          |                                  | 225,200                         |
| Payable-parent                       | -                        | -                             | -                                | -                                | -                                | -                               |
| Intercompany payable                 | -                        | -                             | 78,700                           | 78,700                           |                                  | 78,700                          |
| Notes payable                        | 38,960,300               | -                             | 170,000                          | 39,130,300                       |                                  | 39,130,300                      |
| Interest payable on notes            | -                        | -                             | 900                              | 900                              |                                  | 900                             |
| Swap termination liability           | -                        | -                             | -                                | -                                |                                  | -                               |
| Office lease liability               | -                        | -                             | 123,200                          | 123,200                          |                                  | 123,200                         |
| Equipment security deposits          | 466,000                  | -                             | -                                | 466,000                          |                                  | 466,000                         |
| Prepaid rent                         | 789,200                  | -                             | -                                | 789,200                          |                                  | 789,200                         |
| Maintenance reserves                 | 2,114,900                | -                             | -                                | 2,114,900                        |                                  | 2,114,900                       |
| ACY maintenance payable/first events | -                        | -                             | -                                | -                                | 73,500                           | 73,500                          |
| Deferred taxes                       | 17,830,500               | -                             | 25,000                           | 17,855,500                       | (1,733,200)                      | 16,122,300                      |
| Taxes payable                        | 2,200                    | -                             | -                                | 2,200                            |                                  | 2,200                           |
| <b>Total liabilities</b>             | <b>63,460,500</b>        | <b>-</b>                      | <b>632,500</b>                   | <b>64,093,000</b>                | <b>(1,733,200)</b>               | <b>62,359,800</b>               |
| <b>Equity</b>                        |                          |                               |                                  |                                  |                                  |                                 |
| Common stock                         | 1,800                    | 1,000                         | 1,000                            | 3,800                            | (2,000)                          | 1,800                           |
| Paid in capital                      | 15,823,900               | 627,000                       | 1,454,700                        | 17,905,600                       | (2,081,700)                      | 15,823,900                      |
| Paid in capital-warrants             | 958,900                  | -                             | -                                | 958,900                          | -                                | 958,900                         |
| Retained earnings/(deficit)          | (22,483,700)             | (961,400)                     | (1,789,200)                      | (25,234,300)                     | 2,750,600                        | (22,483,700)                    |
|                                      | (5,699,100)              | (333,400)                     | (333,500)                        | (6,366,000)                      | 666,900                          | (5,699,100)                     |
| Treasury stock                       | (3,037,300)              | -                             | -                                | (3,037,300)                      | -                                | (3,037,300)                     |
| <b>Total equity</b>                  | <b>(8,736,400)</b>       | <b>(333,400)</b>              | <b>(333,500)</b>                 | <b>(9,403,300)</b>               | <b>666,900</b>                   | <b>(8,736,400)</b>              |
| <b>Total liabilities and equity</b>  | <b>54,724,100</b>        | <b>(333,400)</b>              | <b>299,000</b>                   | <b>54,689,700</b>                | <b>(1,066,300)</b>               | <b>53,623,400</b>               |

**AeroCentury Corp., JetFleet Holding Corp., JetFleet Management Corp.**  
**Consolidated Statement of Operations**  
**August 31, 2021**

|                                 | <u>ACY</u> | <u>JHC</u> | <u>JMC</u> | <u>Total before<br/>eliminations</u> | <u>Eliminations/<br/>adjustments</u> | <u>Total after<br/>eliminations</u> |
|---------------------------------|------------|------------|------------|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Income</b>                   |            |            |            |                                      |                                      |                                     |
| Operating lease revenue         | 505,500    | -          | -          | 505,500                              |                                      | 505,500                             |
| Maintenance reserves revenue    | -          | -          | -          | -                                    |                                      | -                                   |
| Finance lease interest          | -          | -          | -          | -                                    |                                      | -                                   |
| Recovery of bad debt            | -          | -          | -          | -                                    |                                      | -                                   |
| Gain/(loss) on sale of aircraft | -          | -          | -          | -                                    |                                      | -                                   |
| Gain/(loss) on finance leases   | -          | -          | -          | -                                    |                                      | -                                   |
| Dividends and interest income   | -          | -          | -          | -                                    |                                      | -                                   |
| Other income                    | -          | -          | -          | -                                    |                                      | -                                   |
| PPP loan forgiveness            | -          | -          | -          | -                                    |                                      | -                                   |
| Cancellation of debt            | 17,811,300 |            |            | 17,811,300                           |                                      | 17,811,300                          |
| G&A reimbursement               | -          | -          | 230,000    | 230,000                              | (230,000)                            | -                                   |
| Fee income                      | -          | -          | -          | -                                    |                                      | -                                   |
| Total income                    | 18,316,800 | -          | 230,000    | 18,546,800                           | (230,000)                            | 18,316,800                          |
| <b>Expenses</b>                 |            |            |            |                                      |                                      |                                     |
| JMC G&A reimbursement           | 230,000    | -          | -          | 230,000                              | (230,000)                            | -                                   |
| Salaries and employee benefits  | -          | -          | 140,300    | 140,300                              |                                      | 140,300                             |
| Depreciation                    | -          | -          | 500        | 500                                  |                                      | 500                                 |
| Provision for impairment        | -          | -          | -          | -                                    |                                      | -                                   |
| Interest                        | 100        | -          | 100        | 200                                  |                                      | 200                                 |
| Debt costs amort                | -          | -          | -          | -                                    |                                      | -                                   |
| Interest-derivatives            | -          | -          | -          | -                                    |                                      | -                                   |
| Derivative MTM                  | -          | -          | -          | -                                    |                                      | -                                   |
| Maintenance-ACY                 | -          | -          | -          | -                                    |                                      | -                                   |
| Maintenance-reserves            | 5,900      | -          | -          | 5,900                                |                                      | 5,900                               |
| Rent                            | -          | -          | 8,500      | 8,500                                |                                      | 8,500                               |
| Loss on lease amendment         | -          | -          | -          | -                                    |                                      | -                                   |
| Consulting fees                 | -          | -          | 22,900     | 22,900                               |                                      | 22,900                              |
| Travel, meals and entertainment | -          | -          | 900        | 900                                  |                                      | 900                                 |
| G&A                             | 13,800     | -          | 6,700      | 20,500                               |                                      | 20,500                              |
| Restructuring costs             | 617,000    | -          | -          | 617,000                              |                                      | 617,000                             |
| Other taxes                     | 8,500      | -          | -          | 8,500                                |                                      | 8,500                               |
| Insurance                       | 39,900     | -          | 23,000     | 62,900                               |                                      | 62,900                              |
| Bad debt expense                | -          | -          | -          | -                                    |                                      | -                                   |
| Total expenses                  | 915,200    | -          | 202,900    | 1,118,100                            | (230,000)                            | 888,100                             |
| Operating profit/(loss)         | 17,401,600 | -          | 27,100     | 17,428,700                           | -                                    | 17,428,700                          |
| <b>Equity in subsidiaries:</b>  |            |            |            |                                      |                                      |                                     |
| Equity in ACY 19002             | (1,900)    |            |            | (1,900)                              |                                      | (1,900)                             |
| Equity in ACY 19003             | (1,900)    |            |            | (1,900)                              |                                      | (1,900)                             |
| Equity in JHC                   | 28,000     |            |            | 28,000                               | (28,000)                             | -                                   |
| Equity in JMC                   |            | 28,000     |            | 28,000                               | (28,000)                             | -                                   |
| Equity in JFC                   |            |            | 900        | 900                                  |                                      | 900                                 |
| Total equity in subsidiaries    | 24,200     | 28,000     | 900        | 53,100                               | (56,000)                             | (2,900)                             |
| Tax expense/(benefit)           | -          | -          | -          | -                                    |                                      | -                                   |
| Net income/(loss)               | 17,425,800 | 28,000     | 28,000     | 17,481,800                           | (56,000)                             | 17,425,800                          |

| <b>Consolidated Cash Flow</b><br><b>8/1/2021 To 8/31/2021</b> | <u>AeroCentury</u><br><u>Corp.</u> | <u>JetFleet</u><br><u>Holding Corp.</u> | <u>JetFleet</u><br><u>Management</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|------------------------------------|---|--------------------------------------|---------------------|---------------------|
| Rent  | 604,816                            | -                                       |                                      |                     | 604,816             |
| Reserves  | 43,230                             | -                                       |                                      |                     | 43,230              |
| Sale proceeds   | 250,000                            | -                                       |                                      |                     | 250,000             |
| Payments from debtor  | -                                  | -                                       | 230,000                              | (230,000)           | -                   |
| Adequate protection payments                                  | (648,046)                          | -                                       |                                      |                     | (648,046)           |
| Professional fees-bankruptcy                                  | (368,015)                          | -                                       |                                      |                     | (368,015)           |
| Professional fees-non bankruptcy                              | (31,057)                           | -                                       |                                      |                     | (31,057)            |
| G&A   | (20,036)                           | -                                       | (14,164)                             |                     | (34,200)            |
| Maintenance   | (32,584)                           | -                                       |                                      |                     | (32,584)            |
| Payments to debtor  | (230,000)                          | -                                       |                                      | 230,000             | -                   |
| Net payroll   | -                                  | -                                       | (102,481)                            |                     | (102,481)           |
| Payroll taxes   | -                                  | -                                       | (50,603)                             |                     | (50,603)            |
| Secured/rental/leases   | -                                  | -                                       | (9,548)                              |                     | (9,548)             |
| Insurance   | -                                  | -                                       | (30,815)                             |                     | (30,815)            |
| Transfers to non-debtor affiliate                             | -                                  | -                                       | (14,000)                             |                     | (14,000)            |
| Postpetition other taxes                                      | (20,433)                           | -                                       |                                      |                     | (20,433)            |
| Trustee fees  | (45,153)                           | -                                       |                                      |                     | (45,153)            |
| Net cash flow   | (497,278)                          | -                                       | 8,389                                | -                   | (488,889)           |
| Total receipts  | 898,046                            | -                                       | 230,000                              | (230,000)           | 898,046             |
| Total disbursements   | (1,395,324)                        | -                                       | (221,611)                            | 230,000             | (1,386,935)         |
|   | (497,278)                          | -                                       | 8,389                                | -                   | (488,889)           |