

*Azorra and DMS partnered to part-out ex-EgyptAir A220-300 airframes to alleviate parts shortages related to global supply chain challenges and reduce maintenance-related aircraft downtime*

## Background

- Azorra acquired EgyptAir's fleet of twelve young A220-300 aircraft in 2024 as part of a unique four-party deal between EgyptAir, Airbus, Pratt & Whitney and Azorra
- The young age and freshly overhauled PW1500 engines made these aircraft ready for placement with airline customers
- Early in the project, engagement with the OEMs and operator feedback revealed growing concerns around global parts shortages and PW1500G engine availability, prompting Azorra to assess the economics of parting out airframes and leasing engines separately versus leasing the whole aircraft
- Through engine lease discussions, Delta and Azorra identified an opportunity to part-out select A220 aircraft and lease the engines independently, maximizing economic value while proactively supporting the market with much-needed critical components amid ongoing material shortages.
- The initial part out agreement with Delta Material Services (DMS) was signed in late 2024, originally covering one airframe, but rapidly upsized to four as demand for airframe parts and engines continued to be strong
- This pivot was executed within months requiring cross-jurisdictional coordination, logistics planning, and navigating geopolitical events ultimately positioning Azorra as the first lessor to part out an Airbus A220 aircraft

## Transaction Highlights

- **First A220 part-out** of its kind, demonstrating Azorra's creativity and ability to act early amid global supply-chain constraints
- **Strategic alignment with Delta and DMS**, leveraging the world's largest A220 operator with deep in-house MRO capabilities, including Delta's pre-purchase of a significant portion of the parts, reducing execution risk and enhancing return predictability while ensuring immediate utilization of engines and components
- **Supports broader A220 operator base** providing critical components to airlines such as Air Canada, Air France, Breeze, jetBlue, Korean Air and others during periods of elevated AOG risk
- **Maximized metal value extraction** with in-demand A220 parts, and leased PW1500G engines generating a strong financial return
- Scalable framework **validated by the market**: other lessors are now pursuing similar part-out opportunities, reinforcing the credibility of the strategy and Azorra's first-mover advantage

## About Delta Material Services

- Delta Material Services (DMS) is a wholly owned subsidiary of Delta Air Lines, serving as the airline's dedicated platform for acquisition, distribution and management of aircraft materials, engines, and components
- Servicing one of the world's largest and most operationally sophisticated airlines, DMS combines deep technical expertise, in-house MRO capabilities, and global logistics reach to support Delta's fleet requirements while also supplying in-demand material to the broader commercial aviation market.

