



Willis Lease Finance Corporation
Power to Spare – Worldwide®

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NEWS RELEASE

WILLIS LEASE FINANCE CORPORATION AND KEY INDUSTRY PARTNERS LAUNCH MRO BLOCKCHAIN ALLIANCE

Use of blockchain to track aircraft parts could save the industry an estimated US\$3.5B

COCONUT CREEK, FL – February 4, 2020- Key industry partners have come together to launch the MRO Blockchain Alliance, the air transport sector’s first industry-wide investigation into the use of blockchain to trace, track and record aircraft parts.

The new alliance is made up of leading organizations covering every aspect of the commercial aviation maintenance, repair and overhaul (MRO) chain, from parts manufacturing and repairs to logistics and smart contracts. The alliance members so far include Bolloré Logistics, Cathay Pacific, FLYdocs, HAECO Group, Ramco Systems, SAFRAN, SITA and Willis Lease Finance Corporation, all supported by Clyde & Co.

“In order to build a valuable product utilizing blockchain technology, we will need the industry leaders, represented in this alliance, to lend their respective expertise and to build upon the work already completed by Willis Lease Finance Corporation and FLYdocs in this field,” explained Austin Willis, Senior Vice President, Business Development, Willis Lease Finance Corporation.”

In the coming months, the alliance will launch a proof of concept to explore how they can use blockchain to digitally track and record the movement and maintenance history of parts across a wide number of players. These include airlines, lessors, original equipment manufacturers (OEMs), logistics suppliers and maintenance providers.

This tracking information is vital in managing a complex logistics value chain that can span several stakeholders over the lifetime of each individual part. Today there is no global database, incomplete data sharing and only partial digitalization for commercial aviation parts. The MRO Blockchain Alliance believes that the use of blockchain will simplify and speed up the process of tracking parts and securely sharing information across the industry. PwC estimates that the use of blockchain could increase aerospace industry revenues by as much as 4% or US\$40 billion, while cutting MRO costs globally by around 5% or US\$3.5 billion. The savings will be derived from secure document storage, ensuring confidentiality and data privacy, improved insights for repair time and inventory, automated workflows and more efficient record reconciliation.

The MRO Blockchain Alliance will use blockchain technology to record and track two separate strands of information for each aircraft part: a digital thread and a digital passport. The digital thread provides the real-time status, chain of custody and back-to-birth tracing of the part over time. The digital passport – like a human passport – provides the indisputable identity of a part and contains other vital data to prove ownership.

SITA’s role, as a principal air transport community IT provider, will provide governance for the global alliance, support its working groups, deliver all required blockchain technology components compliant with international standards and ensure proper alignment and validation with applicable regulators.

Matthys Serfontein, President of Air Transport Solutions for SITA noted: “This initiative is part of SITA’s ongoing exploration of blockchain, a technology that we believe promises tremendous opportunity for streamlining the sharing and recording of information across the air transport industry. In an industry as interconnected as ours, the ability to share and record common data in a secure way without giving up control of that data is fundamental to driving new efficiencies in air travel. This is particularly true for the MRO sector.”

The MRO industry processes 25 billion parts every year, while adding three billion new parts each year. There are 20,000 suppliers, covering 144,000 flights every day for an overall industry market representing around \$100 billion per year.

The alliance will spend the next six months in a continued planning phase, with the aim of going live with the first proof of concept in the third quarter of 2020.

Willis Lease Finance Corporation

Willis Lease Finance Corporation leases large and regional spare commercial aircraft engines, auxiliary power units and aircraft to airlines, aircraft engine manufacturers and maintenance, repair and overhaul providers in 120 countries. These leasing activities are integrated with engine and aircraft trading, engine lease pools and asset management services supported by cutting edge technology through its subsidiary, Willis Asset Management Limited, as well as various end-of-life solutions for engines and aviation materials provided through its subsidiary, Willis Aeronautical Services, Inc.

Except for historical information, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties. Do not unduly rely on forward-looking statements, which give only expectations about the future and are not guarantees. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them. Our actual results may differ materially from the results discussed in forward-looking statements. Factors that might cause such a difference include, but are not limited to: the effects on the airline industry and the global economy of events such as terrorist activity; changes in oil prices and other disruptions to the world markets; trends in the airline industry and our ability to capitalize on those trends, including growth rates of markets and other economic factors; risks associated with owning and leasing jet engines and aircraft; our ability to successfully negotiate equipment purchases, sales and leases, to collect outstanding amounts due and to control costs and expenses; changes in interest rates and availability of capital, both to us and our customers; our ability to continue to meet changing customer demands; regulatory changes affecting airline operations, aircraft maintenance, accounting standards and taxes; the market value of engines and other assets in our portfolio; and risks detailed in the Company’s Annual Report on Form 10-K and other continuing reports filed with the Securities and Exchange Commission.