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By Scott Henderson |

Disrupting domestic air cargo

The new CEO of Drone Delivery Canada on executing commercial plans

When Drone Delivery Canada announced this June that its Edmonton International Airport project was now commercially operational most people did not grasp the significance. The very first drone delivery project at a Canadian international airport is now generating revenues for a company that has yet to produce significant returns.

Revenues from the project will be reflected in Drone Delivery Canada's (DDC) 2022 Q2 financial results. In October last year, DDC's University of British Columbia drone delivery project also started producing revenues from the UBC-led Remote Communities Drone Transportation Initiative which is now also operational.

With two more projects producing revenues but a stock price down 50 per cent from this time last year, I thought it was a good time to interview DDC's new CEO, Steve Magirias, to see what we can expect from the company under his helm.

Magirias joined DDC this February and brings more than 20 years of experience in a variety of industries, including aerospace and defense, capital equipment and medical devices.

Having previously worked for Husky Injection Molding Systems, Curtiss Wright Corporation and Orthotic Holdings, his background includes manufacturing, engineering, product development, and operations in wholesale, retail and direct to consumer markets.

I asked Magirias about DDC's priorities moving ahead now that he's settled into the top job. "Number one is advancing the technology. Number two is streamlining operations – working efficiently in a highly regulated industry and making routes more economically viable. Focusing on the first two objectives will lead us to our third objective: Increasing revenues."

The drone delivery sector in Canada is undergoing a massive strategic and regulatory shift as it moves toward Beyond Visual Line of Site (BVLOS) operations. The ability for unmanned drones to fly long distances outside of the normal visible range of the operator is critical. Currently a Special Flight Operations Certificate from Transport Canada is required to do this.



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"The Holy Grail, if you will, is detect-and-avoid technology," says Magirias, "At the end of the day, [Transport Canada] wants to ensure safety, first and foremost, but they do not want to hinder innovation either."

DDC's Edmonton International project enables defined-route deliveries from the airport to off-airport properties utilizing the company's Sparrow drone, its DroneSpot takeoff and landing zones, and proprietary FLYTE software.

The project will be used to transport a wide variety of cargo for the benefit of Zing Final Mile and Apple Express, located in the industrial park in Leduc County, Alberta. This is DDC's first international airport drone solution, formed through the assistance of its sales agent Air Canada.

DDC received an upfront fee for drone route deployment and will receive a monthly fee for its managed services. Flights will be remotely monitored hundreds of kilometres away at DDC's Operations Control Centre in Vaughan, Ontario.

While its early successes are in healthcare (remote deliveries) and airport last mile services, DDC is also targeting industrials. "Our focus is the smaller drone

operations servicing remote areas, healthcare, and then the industrials, the oil and gas and mining sectors. There are some big opportunities for us that to date that

we have not captured," says Magirias.

As the drone delivery industry grows so do the jobs. According to Magirias, "The job growth is in engineering roles and operational roles in the control centre. You are always going to need to have people working that control centre."

Focusing efforts on improving its technology platform is paying off for DDC as the company recently won first place in the Innovation Category of the XCELLENCE Awards by the Association for Uncrewed Vehicles Systems International (AUVSI). DDC was recognized for its work in uncrewed systems technology.

The award acknowledges DDC's world-leading innovative project of integrating cargo drones into the controlled airspace at Edmonton International Airport. As innovation and commercially operational projects increase at the company, CEO Magirias is betting revenues will soon follow.

One thing is certain, however: 2022 will be a pivotal year for Drone Delivery Canada as it works to move through its early revenue generating phase. | **W**

Scott Henderson focuses on technologies disrupting aviation and industry.