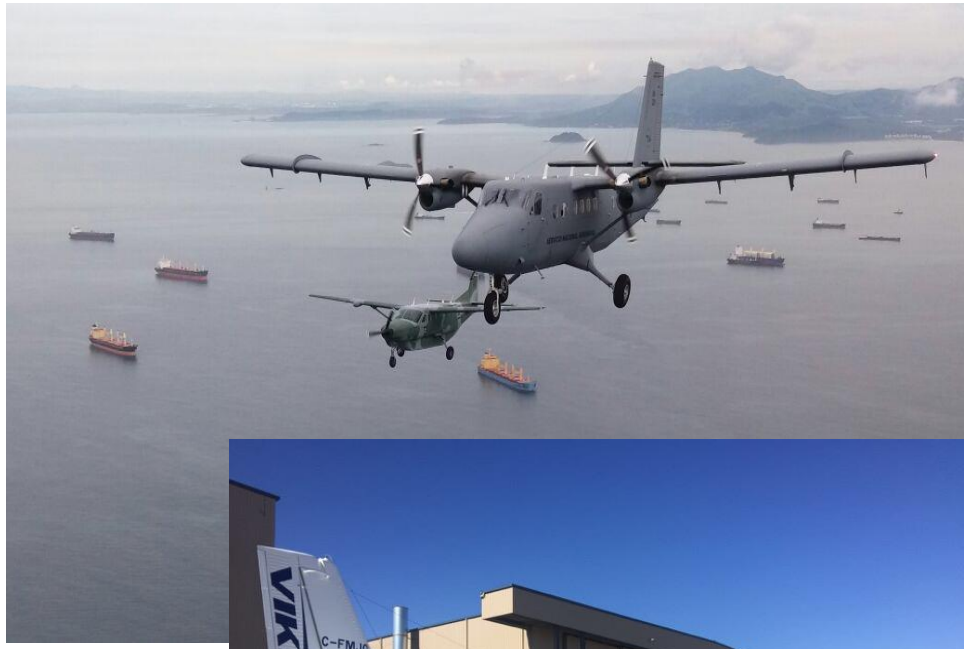
Developing the Western Canadian Aerospace Supply Chain

February 2018

Program Status

- Viking has delivered 130+ new Twin Otter aircraft from its Victoria and Calgary facilities in the past 8 years
- Demand continues to be strong and sales globally are expected to continue for many years to come
- In October 2016 Viking acquired the type design of the CL 215/415 amphibious fire fighting aircraft
- During 2017 a full customer service and parts distribution centre was established in Calgary
- Globally customers have resoundingly called this a success with better service and better parts availability



VIKING
VERSATILITY THAT WORKS

Next Phase in the Evolution

- Global demand for aerial fire fighting is growing
- The CL 415 is universally considered ’Best in Class’ by operators
- Viking has mapped out a 2 Phase approach to satisfying this demand

Phase 1: CL415 EAF (Enhanced Aerial Fire Fighter)

- Turbine conversion of CL 215 piston aircraft – 11 aircraft purchased
- Obsolescence of unique components
- Modernization of the systems and avionics
- First delivery in 2020

Phase 2: CL 515

- Further enhancements to the avionics for night ops
- Further design changes to overcome operational limitations (icing, max landing weight)
- Deliveries in 2023

Viking's Supply Chain Innovation Agenda

- Challenge current assumptions about product lead-time and batch production in view of low volume, high mix production
- Beat traditional assumptions of product learning curve through the practical application of technology
- Reduce non-value added time through contextual information sharing
- Improve quality through improved training and assistive technology
- Real time synchronization of supply and demand
- Exploration into smart contracts and improved information sharing

Supply Chain Requirements

Traditional Requirements

- Sheet metal details, assembly
- Heat treatment, process and paint
- Wire harness
- Certification, STC engineering

Product and Process Innovation

- Support of Factory 4.0 constructs
- Additive manufacturing
- Composites and integration of structures
- Assistive automation
- Augmented reality / Machine Inspections
- Virtual Reality (VR) training systems
- Digital factory / Supply Chain

Next Steps

- Identification of partners
- Relationships with training institutions
- Development of ‘best in class’ methods
- Deployment of operational plan
- Execution that beats business plan

Questions??