



Flexibility. Integrity. Innovation.

Autumn News

SEPTEMBER 2022

Dear colleagues,

As we move through the third quarter of 2022, we continue to see a resurgence in business aviation activity. Aircraft movements are holding pre-pandemic numbers and access to business aviation flights remains stretched.

This renewed interest coincides with a commercial aviation sector struggling to meet the demands of pent-up travel interest. The increased traffic has caused intense disruption across the entire industry, with airlines, airports, governments, and suppliers struggling to meet the overwhelming demand. Returning to the pre-pandemic status isn't proving easy; consequently, airlines are resizing and rethinking their offerings. Routes that were thin on customers have been cancelled, and the aircraft that served them retired. This is where we come in.

We're seeing new customers entering the market to provide solutions to meet the demands of a new and growing number of business aviation users. One such customer is generating work for us by signing for reconfigurations of regional airliners. The concept is not unique to us; we've converted and completed north of 35 of these aircraft types and hold countless Supplemental Type Certificates. This is a great benefit to our customers as it means that once our work is completed, we can return them to service in compelling time frames.

Investors and charter brokers are seeing it as an opportunity to acquire the CRJ200 model. For airlines, the commercial deal injects ready cash into their business, and for the business aviation market newly transformed aircraft expand the global fleet. We are effectively recycling these former commercial airframes into business jets with multiple purposes. A deal is confirmed for a new mixed-cabin corporate shuttle and another is being finalized for two more that will become VIP aircraft.

It's also encouraging to see that we have received confirmation for two more GlobalEye interior projects. Intelligence, surveillance, and reconnaissance (ISR) platforms are vital for supporting the safety and security of peaceful nations across the globe. The ongoing geo-political uncertainty is stimulating interest in these types of aircraft. In addition, many aging platforms are on the cusp of a replacement cycle, which will inevitably bring more work to our hangars. Expect to see more of this impressive aircraft pass through our hangars.

The summer season has seen a few challenges, with violent storms resulting in electricity outages at both our Peterborough and St. Louis facilities. Thank you to all that continued to work with limited energy. These same forces of nature are wreaking havoc worldwide with wild fires becoming a familiar news item. It is with great pride that we delivered our sixth and final aircraft to Conair to support European firefighting initiatives and life-saving missions. This concludes this particular suite of aircraft, but we are already in discussion for more.

Reflecting on the last six months, I'm proud to see that our work continues to retain its high-quality standards, and our teams remain committed to delivering meticulously maintained and carefully crafted aircraft interiors and exteriors. What we do at each of our facilities is certainly distant from each aircraft's final mission. However we should all take pride in knowing that our work supports life-saving and peacekeeping missions as well as contributing to keeping the global economy turning.

Thank you for all you do to make these things possible.

Sincerely,

John



GETTING TO Know You

Employee's favourite project: My favourite project is my next project. I always look forward to anything new and exciting. I remember being around for milestones in aircraft technology, like when we introduced VLF Omega and then GPS to aircraft navigation. Working on a DC-3 in Tulsa, Oklahoma that had the very first Lear (yes, developed by Bill Lear of Learjet) tape player on it. Cabin systems have come a long way since then, and it's amazing to look back at all

the innovative projects, yet I am always most excited about what lies ahead.

Employee's favourite memory: I would say that my favourite memory would be the people I have worked with over the years. Aviation is a small world, and you always run into someone you might know from past experiences. I have kept in touch with former coworkers to get updates on their lives and talk about old times.

Employee's hobbies: I love reading science fiction books. Andy Wier is a favourite. I am a proud leader in the Boy Scouts of America. I got active with my son and followed on with my two grandsons; all three are Eagle Scouts. I'm a Merit Badge Counselor for the Aviation, Electricity (of course!) and Citizenship in the Community badges. I just attended a camp in August to Space Jam at the former Chanute Air Force Base, where I was stationed for technical school while in the US Air Force.



Gary Dickman
Start date: September 2017
Facility: St. Louis
Department: IEngineering
Title: Lead, Electrical Engineer

Quote from manager: "Gary has multiple passions besides aircraft that keep him excited about his work; he spends much time with his family and continues to support the Boy Scouts. Great person!" – Chip Fichtner, Director of Engineering, St. Louis.



Chris Morton
Start date: December 2018
Facility: Peterborough
Department: Paint
Title: Paint Technician

Employee's favourite project: I would have to say my favourite project would also be

my favourite memory. I had been employed at FCC for about two years and had just begun feeling fully confident in spraying the aircraft and knowing the paint prep process from start to finish. Except for one process. One project stood out because I started shadowing Steve Walke, who marked out the stripes on the plane. This is all done by hand, and it was the process I had yet to learn.

Employee's favourite memory: I always wanted to learn how the lining out of stripes was done, and shadowing Steve for this project made it very special to me. It was the first time I had a hand in every step of the paint process, from the beginning of the prep work to the last finishing touches, including helping lay the lines for the stripes and painting them. We even finished the plane ahead of schedule!

Employee's hobbies: Outside work, I enjoy a wide variety of hobbies, from fishing to skateboarding, golfing or just going on a hike or kayaking. Before Covid hit, I was helping local business owners and volunteers in the skate community here in Peterborough put on events and contests for the younger generation. This is something I would like to find the time to get back to.

Quote from manager: "A highly regarded team member of the paint department. Chris always approaches his tasks with positivity and pride." - Jamie Williams, Crew Lead.



Liew Wei Chuan
Start date: November 2016
Facility: Singapore
Department: Installation
Title: Aircraft Interior Technician

Employee's favourite project: My most memorable project during my time here

was working on a full cabin refurbishment for a Bombardier Learjet. After stripping the interior, we worked on the monuments and reinstalled everything. The cabin interior looked brand new, and I was very satisfied with the result.

Employee's favourite memory: FCC has provided me with an opportunity to hone my technical and soft skills. At the same time, it has been an excellent opportunity to work and interact with people from different backgrounds. I enjoy engaging with my colleagues and learning, sharing, and growing together as a team.

Employee's hobbies: I like to give back to the community by volunteering for different causes. I believe that it is important to

be proactive and maintain fitness too. As such, I like to cycle or go hiking with my family and friends during my leisure time.

Quote from manager: "Liew Wei Chuan has been with FCC Singapore since Nov 2016, working at Singapore Airline Engineering Company's Cabin interior Section. With more than 20 years of aircraft cabin interior maintenance experience, Liew's vast experience is an excellent asset to the company. His valuable feedback and suggestions have constantly kept his team productive and efficient. Thank you," Liew for being a wonderful co-worker. - Too Hin Wee, General Manager



Joe Thurman joins us in St. Louis

We are pleased to see Joe Thurman promoted to General Manager of our St. Louis, location. Joe is working closely with the FCCS and FCCN leadership teams to ensure we're optimizing our communal talent and supporting the executive leaders in achieving uniformity of operations across our North American facilities. It is essential that our clients have the same exceptional service and receive the highest quality work whenever and wherever

they work with Flying Colours. With a career spanning more than 40 years in business aviation, including operations management, program leadership and completions engineering roles, Joe's experience positions him well to take on this challenge.

Tony Barrett retires

We said farewell to one of our longest-serving colleagues in early July when Tony Barrett, Sr. VP Technical Services retired. Tony has been a pillar of the company and integral in its success, having worked with John from the very early days, even before we were called Flying Colours Corp.; always calm, ready with a solution, and a mentor for many that have joined the business, his expertise, knowledge, and ability to resolve whatever challenge was given to him, will be missed by all of us. We wish Tony the very best retirement; he has certainly earned it.



Conair number six flies away

Our sixth and final Conair multi-purpose aircraft left the hangars in St. Louis in mid-August. The re-delivery of the aircraft represents the last in this series of aircraft for our partners at Conair. It has been an intense task to re-engineer the Dash 8-400 type to enable a diverse set of interiors to be switched in and out within two hours. We also had to contend with a change of ownership a year into the project when Bombardier sold the program to De Havilland. The project has been equally daunting, frustrating, and challenging, but it has highlighted our incredible skills, impressive tenacity, and effective project management.

The Conair customer is already using the aircraft. They are invaluable assets in aerial firefighting, which play a key role in keeping wildland fires at bay. "While the aircraft are not next-generation models, the owners can optimize the interior to fulfil diverse missions," says Sean Gillespie. It's a fantastic achievement to design engineer and then install an interior that can be used for firefighting. In addition, this aircraft can be transformed to transport essential personnel and equipment to fire sites, evacuate citizens

in the danger zone, provide crucial supplies and transfer injured patients to critical health centers. "What we have done will save lives in the future, and we should be extremely proud of that achievement. Each one got a little bit easier to work on, and we are now primed for more," adds Sean. The sales team is already discussing with several potential new customers, so we anticipate seeing more of these airframes very soon.

Company News

For more news, visit our website www.flyingcolourscorp.com



Conair in Medevac configuration

Resurging CRJ conversions

The Bombardier CRJ200 airframe gives owners a cabin interior that matches that of a Global in size, which is why we've perfected the art of creating VIP and corporate shuttle interiors. We've completed about thirty of these interior conversions from airliner to executive formats and have recently seen a revival in interest for this work. Demand is being driven by reduced airline routes and increased stake from corporations, brokers and individuals seeking new ways of travelling from point to point. Eric Gillespie says, "Business aviation needs an influx of available aircraft, and the regional jet conversion provides an excellent choice for owners seeking a fully customized aircraft. We have seen more inquiries in the last six months than the last few years." This interest is validated by the signing and ongoing conversion project for a charter broker from the U.S. who understands the value of these aircraft.



Resorts World Malaysia corporate shuttle

The corporate shuttle interior will feature 29 seats, Gogo Avance connectivity to support productivity and communications, and multiple stowage options. FCCN will also be revamping the fuselage with a new paint job. The CRJ conversion work will be performed at Flying Colours' St. Louis, MO. and Peterborough, ON. Facilities.

The new client anticipates using the aircraft to satisfy rising charter demand from corporate customers, sports teams, and music group tours – just think the next time you watch a game or listen to live music, it could be this aircraft that transported the players.



Our cabinetry team will be busy

A new home for cabinetry

Our newly configured cabinetry workshop is up and running at our YPO facility. Located in what was previously a paint hangar, the newly laid out workflow, will support interior refurbishments at both of our North American locations. Monument design and manufacturing, custom galleys, bespoke credenzas, veneer production, furniture accents, and woodwork touch-ups will be conducted in the shop.

With the current rise in biz jet refurbishments, our revived CRJ conversion program and the latest order for two GlobalEyes, we imagine the expert team will be busy, and to then have the aircraft painted is attractive to owners as it reduces aircraft down time.



Executive Chefs

Executive Chef BBQ at HQ

FCC North has continued to expand over the last five years and is spread out over the airport footprint, so we don't always have the opportunity for everyone to get together. This past June, however, we held a company BBQ to bring everyone together in the same space. A request was made for the executives to take charge of the grill, so they all became executive chefs for the day – cooking up a traditional BBQ with burgers and sausages. The leadership team took the opportunity to conduct a town hall afterwards to share news of our busy pipeline and hear directly from all the teams.

Celebrating together in Singapore

Our Singapore facility joined the rest of the country to celebrate National Singapore Day on 9th August, when the country commemorates independence from Malaysia. Aviation plays a vital role during The National Day Parade with free fall parachuting by the Singapore Armed Forces, an aerial show, and fighter planes displaying. As a finale, breathtaking fireworks decorate the night sky. Our team joined in by coming together and proudly waving the national flag.



Singapore National Day



NASA Super Guppy cargo freighter

Fabulous family day at Spirit of St Louis airport

The Flying Colours St. Louis Facility celebrated a family day with the team members in June. Taking advantage of an airshow organized by the KSUS Airport, the Senior Leadership, their spouses, and the administrative team opened the hangar for a full day of food, games, and some unique aircraft sightings. One hundred thirty guests, including team members, friends and family, including some very talented children artists, attended. A highlight of the event was the NASA Super Guppy air-freighter.

It was a wonderful opportunity to sit back, relax, enjoy each other's company, and celebrate our shared love for family and aviation.

For more news,
visit our website
flyingcolourscorp.com

Bear with us

A recent notice from the Peterborough Airport management company advises that there have been sightings of an American Black Bear around the airport perimeter. It has been moved on once but clearly is an aviation fan and returned. We ask you to be diligent, do not drop anything that the bear may consider as nourishment, and exercise caution. If you do see the bear, please let Darryl Armstrong know.

For guidelines on bear encounters in Ontario visit <https://rb.gy/qacppn>



Flying Colours – the sequel

As we forge ahead with our recruitment drive to attract talent to join us, our St. Louis team stepped into the limelight to generate a recruitment video highlighting what makes it a great place to work. See what they say here. In Peterborough, we've created five videos from our day of shooting, with the final one listing one-word reasons why Flying Colours is a great place to work.

Check it out here: <https://rb.gy/zazyag>

It is not easy to stand in front of a camera and be filmed, so thanks to all those that starred, we appreciate your input.



Disciplines: Refurbishments

Updating older aircraft with refurbishment projects sparks new life into an airframe, it increases its value and prolongs its useful life. For many customers refurbishment may even be a better option than purchasing new, as it allows customers to personalize configurations, materials, colours and technology. For Flying Colours refurbishments reflect the full range of disciplines that we deliver under one roof, a

key point in distinguishing us from many other MRO companies.

Refurbishments also require tight project management, technical expertise, maintenance know-how and a complete set of interior skills. We know where to source every material be it the familiar veneer, avionics, or paint, along with unusual materials such

as carbon fiber, stone flooring or sting-ray leathers. Our reputation for bringing challenging concept design to reality is global, which is why we regularly set interior design trends for executive aircraft, new and old.

Our familiarity with these projects and our ability to perform all the necessary upgrades

Disciplines Cont'd on next page...



...Disciplines Cont'd

at a single location is extremely attractive to prospective clients. Refurbishment projects require a varied skills collection including everything from cabinetry, upholstery, soft goods and custom paint jobs to cabin reconfigurations and avionics upgrades. Having the capability to work simultaneously on different aspects, is an immense benefit to clients. It limits expensive downtime and increases valuable airtime.

A great example illustrating how a refurbishment can transform a jet is exemplified by a recent Bombardier Challenger

850 upgrade conducted at our Peterborough facility. The twenty-year-old aircraft came to us in desperate need of a facelift including interior modifications, avionics upgrades and exterior paintwork. The mission was to create a modern yet elegant interior, with a genuinely unique style, to elevate the aircraft's appeal as a charter jet.

An intricate diamond theme showcases the talent of our teams. Twelve seats were reupholstered transforming dated, dull dark brown leather, to a contemporary grey, white and black palette. Each seat back featured a quilted diamond pattern, individually hand-

stitched by our upholstery team. To ensure consistency and complementary elegance even the carpet required ultimate attention to detail. The layout necessitated appropriate spacing and required accurate measuring for continuity. Although the design looks simple and elegant, the meticulous execution required careful organization and planning. Once finalized the carpet was custom-made to meet the exacting specification.

The Challenger 850 refurbishment is a superb example of the genius of our complete team and confirms that our watchwords of flexibility, innovation and integrity, structure all we do.

Perspectives Series

Kevin J. Kliethermes, our very experienced Director of Sales, shares his perspectives on selling Flying Colours' services in a competitive market.



European clients don't typically pop over the pond (Atlantic Ocean) for small checks, so international projects tend to be much larger, requiring higher investment and taking longer to close.

How do we win customers – what attracts them to FCC?

Each client has their decision-making criteria. Some look at pure cost, or slot availability and downtimes, while others rely on referrals to help them select. The regional sales managers uncover the client's wants and develop a (hopefully) winning proposal. Our expertise is in understanding our customers' priorities and delivering the best possible service. Our quality, innovative skills, and ability to conduct most of the work in-house leaves customers with a positive impression.

What kind of projects are most requested – any unusual requests we have seen?

Our most popular requests are for maintenance events. Clients don't have the luxury of putting those requirements off, so they will typically couple them with other items like interior and avionics upgrades as the aircraft is already in the hangar.

A more unusual project was requested by a Mauritian owner that purchased an LR35A because he liked the look of it and then spent approximately \$1.3M completing a heavy maintenance check and making several customizations and upgrades. It was unexpected for someone to pay double the price of buying the airframe to upgrade it, but that is just one example of what Flying Colours is capable of.

How do we go about sourcing customers, and what does the sales process look like?

Contrary to what we'd like, most of our customers do not contact us directly, it is a competitive market, and it is up to us to find and win the business. Our sales team spends a tremendous amount of time identifying clients and uncovering opportunities for maintenance and other modifications. We attend industry events regularly and are members of industry associations, which helps further our reach through networking. This is important as it raises and maintains our industry profile.

Once we've developed a relationship, the potential customer requests the work needed. We respond to the initial requests and often suggest taking advantage of the airframe's downtime to make other upgrades. This helps maintain or increase the asset's overall value, which always interests many owners and brings larger projects to Flying Colours Corp.

What is the competition like – is there a lot of it?

Competition is unbelievably intense right now. New aircraft availability is stretched, so our services are in high demand as owners look to update their aircraft. Some major players, such as Westar, provide similar services but without a global presence. Duncan Aviation is another big name with services branching out to broader areas. Both are well known, and we are often bidding against them. And more recently, the OEMs are focusing on aftermarket work as a significant revenue stream. Our competitors are working just as hard as we are to fill their hangars.

How does sales activity vary regionally – Where do most of the customers come from?

Most of our business still comes from North America despite our global presence. We are making inroads into Europe with the work of our sales manager Andrew in the region.

Horizons

In-person events are happening, and we were pleased to attend EBACE 2022 in Geneva for the first time in three years this May. The show was smaller than previously, but the mood was upbeat as the industry pulled together to discuss supply chain issues, human resource challenges, and the burgeoning topic of sustainability. There is a collective aviation goal to be carbon neutral as a sector by 2050, so for the first time, several eVTOL OEMs also promoted their new battery-powered aircraft.

We also attended the Canadian Business Aviation Association AGM and Exhibition, where environmental stewardship and the labour market was top of the agenda at the meeting's first outing since 2018. Gary Wood represented FCC, saying, "The level of enthusiasm at being able to get together as an industry, in person, was electric. Traffic at our booth was high, resulting in many excellent meetings with customers, prospects and vendors wanting to discuss a wide range of projects and new opportunities.

In the US, our teams were present at the annual NBAA MRO show, where we interacted with many new and existing clients. The White

Plains regional forum in New York allowed us to meet customers at North America's busiest executive airport. The mood remains buoyant at all these events.

We look forward to exhibiting at the largest business aviation gathering in the Americas, NBAA-BACE 2022, when it takes place in October this year. Nothing replaces personal contact with our customers, partners, and colleagues, and we wish our teams well as they network with the industry.

We continue our drive to be featured in leading industry media, and articles have

recently featured in these outlets. On page 12 of [Business Jet Interiors](#), the leading title in its area, included one of our fabulous design and refurbishment projects in its Wheels Up section. This double-page spread on page 28 of [AIN Convention News](#) (published at EBACE) showcases what is involved in our CRJ conversions, and if you're interested to see more about how we manage these projects take a look at page 24 of the [EVA Summer](#) issue which recounts our skills in this field. Our news is also being regularly featured across the world in industry titles.



Final Word

The need for our capabilities is as important as ever. We should be proud of our contribution to an industry that keeps the global economy moving, governments connected, and the wheels of industry turning. Every individual plays a significant part, whether it be through applying technical expertise, sharing knowledge, or doing what you do best. As Igor Sikorsky, the great pioneer of rotary and fixed-wing aircraft, succinctly puts it:

"The work of the individual still remains the spark that moves mankind forward."

We thank you for keeping those sparks firing.

Take five to read up on what's happening around our international business.

Flying Colours Corp.