

**FULL  
STACK  
SUPPLY  
CO** | building  
brands  
people  
love

Shareholder Update  
December 2020



# Performance Overview

## CHALLENGES

### C-19

- **Logistics** issues impacted us at every stage, transport availability, travel times, slower packing and check-in, warehouse systems adjustments added up to a tense for weeks, particularly in North America
- **Lockdowns** led by France & Austria, challenges mountain retailers



European shipments were largely on time  
US shipments faced material delays but are now on shelves

US sales +8% YTD and the global market leader  
Canada +46% YTD

### Factory Fire

- A factory producing 25% of our skis was destroyed by fire in October



All but 300 pairs of 20|21 skis had already been shipped

Alternate production for 21|22+ product 100% secured with improved technology, lighter weight & higher margin

## PERFORMANCE

### Nov 30 Close Financials YoY

- Revenue +1%
- Gross margin +0.5%
- eComm +29%
- Opex -13%

### Strong Faction Retailer Sell-Through

- Feedback on sell-through by key EU retailers is strong vs other brands for both Faction & FW brands
- New award-winning lightweight Agent series largely sold out across geographies

### Our Content is (also) on Fire

- Two features filmed in our backyard due to lockdown setting records (admittedly a great backyard)
- Zermatt to Verbier (Agent, Dictator flat tail) our best content launch ever with 179k views in 3 weeks
- Saas Fee (Prodigy/twin tip) a core hit; Instagram Reels 1.3m views in a week Matej (Youth Olympic Games gold)

### 21|22 Sell-In

- Studio-quality product videos receive superb feedback enabling sales in a C-19 environment & eComm assets
- Travel and trade show costs -€0.4m, 75% permanently

### Cash Collections

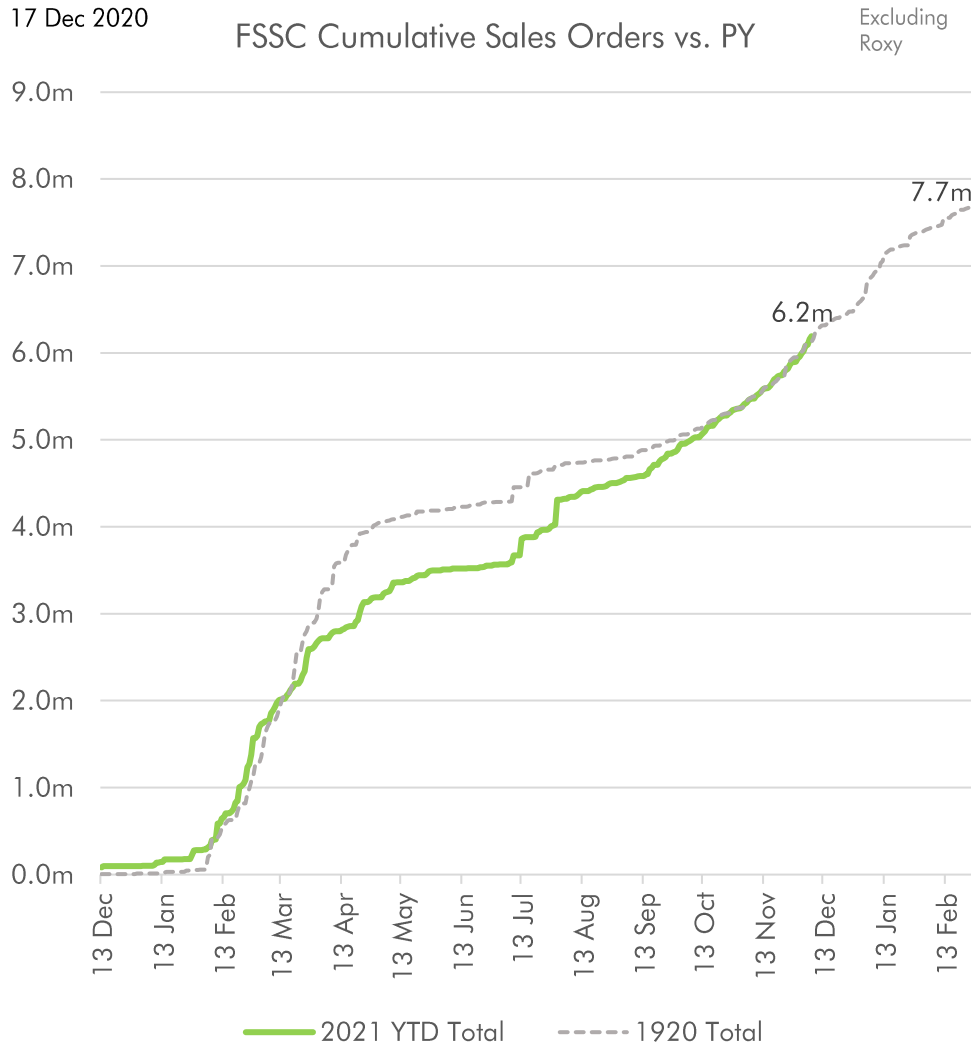
- Key, experienced hires in accounts collections in Europe, North America and Japan, collections on track

Considerable challenges were overcome and Faction's C-19 resilience continues to manifest

Revenue was at +1% at November month end and material market share gains are expected in FY2021



# Total Sales Orders



- **Sale orders +1% vs. PY at €6.2m** Despite strict lockdowns over the Christmas period; Standout YTD performances in North America: US +8%, Canada +46%
- **ASAP re-order channel delivering** In-season business is strong globally: Swiss and Canadian B2B sales are particularly positive, plus strong performance in US & France
- **21/22 Season PSOs – retailer orders in early** 160k of FW Pre-Season Orders already booked for next season, weeks ahead of PY



Agent-themed shopfront at Snowleader, Lyon

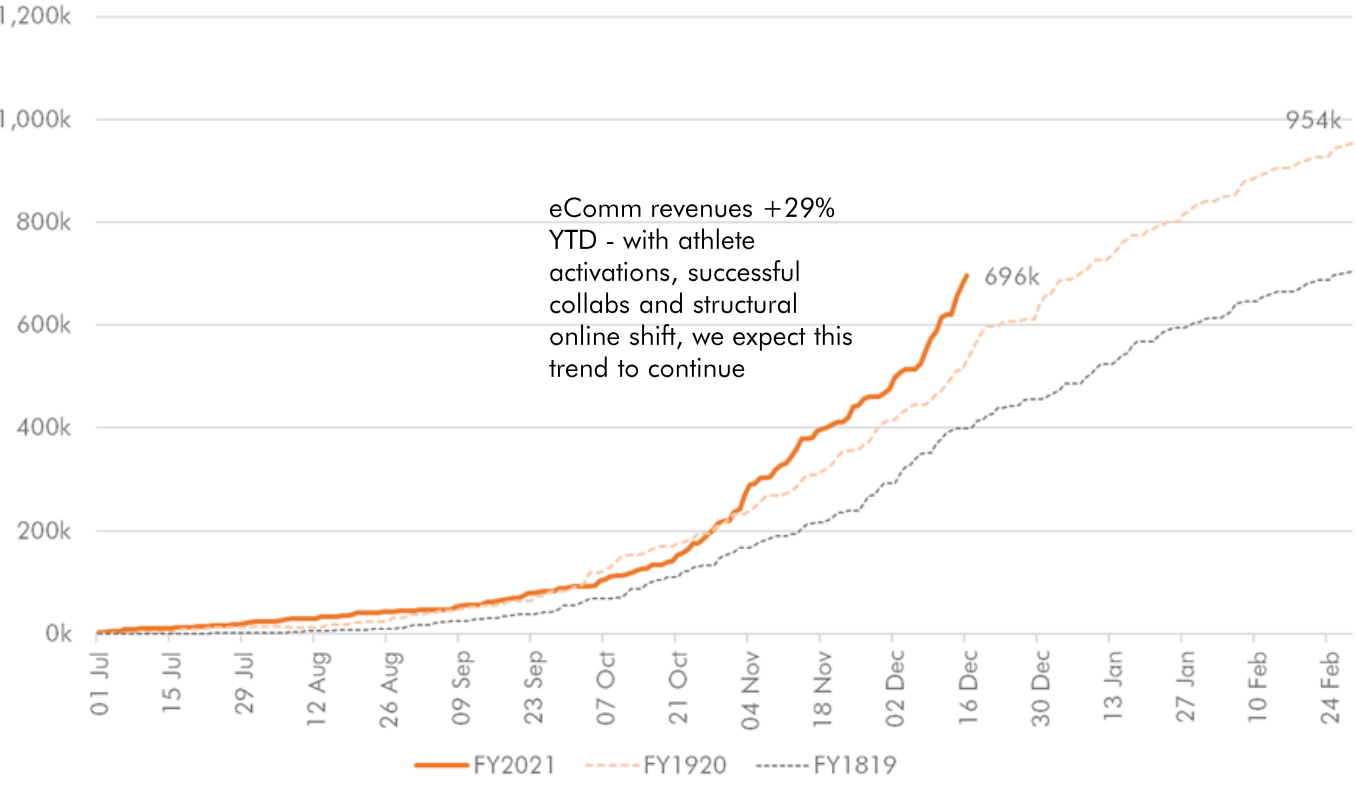
**Retailer in-season orders and D2C performance sustain our positive order growth**  
**The global sales team is delivering, with strong FW sell-in and a sound start to 21/22**

# Direct Revenues

17 Dec 2020

FSSC Direct Revenue vs. 2PY

Excl. Roxy



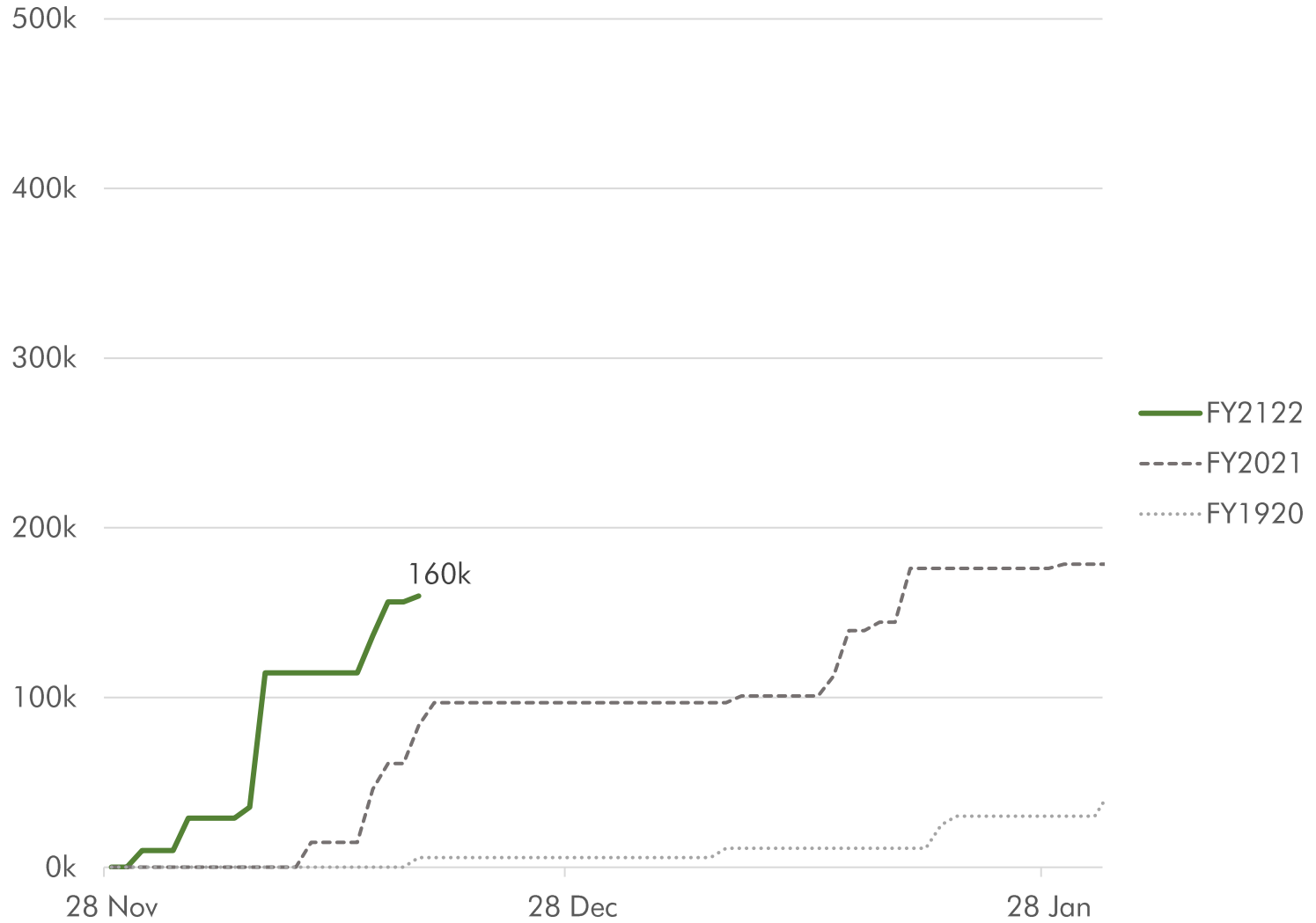
- **Direct revenue +29%** Comfortably ahead of PY YTD, with an additional 65k primed to ship before Christmas
- **D2C orders highest ever** €80.4k of direct orders were placed in week 49, which is Faction’s best week so far
- **eComm Touring Setup Promotion broadens our outreach** We saw a very positive response to the ‘Win a Touring Setup’ promotion on social platforms. An additional 12k contacts have now signed up to our email marketing, offering an additional, more product-focused touchpoint with fans of the brand
- **Harnessing the backcountry boom** To capitalize on the noteworthy increase in uphill skiing, the eComm team plan to offer curated ski + touring binding offers in the New Year to boost revenue

**Expected acceleration begins as the season begins**  
**The eComm team continue to expand and connect with Faction’s online audience**

# FY2122 Pre-Season Orders

18 Dec 2020

FY2122 PSOs vs. 2PY



**Prompt start to 21 | 22 orders supports strong bounceback expectations for next season**

# Capitalization and IR Summary

## 2020

- The business rounded the 'J-curve\*' in FY1920, reducing losses by keeping operating expenses flat while growing revenues +30%
- FY2021 demonstrating 20-30% market share growth with stable sales, solid margins and reduced costs
- Reduced annual working capital debt in 2020 focusing on balance-sheet strengthening equity; Debtholders including the board are converting debt to equity
- €4.3m 2020 Equity Round cash investment with further over-subscription expected to reach €5m

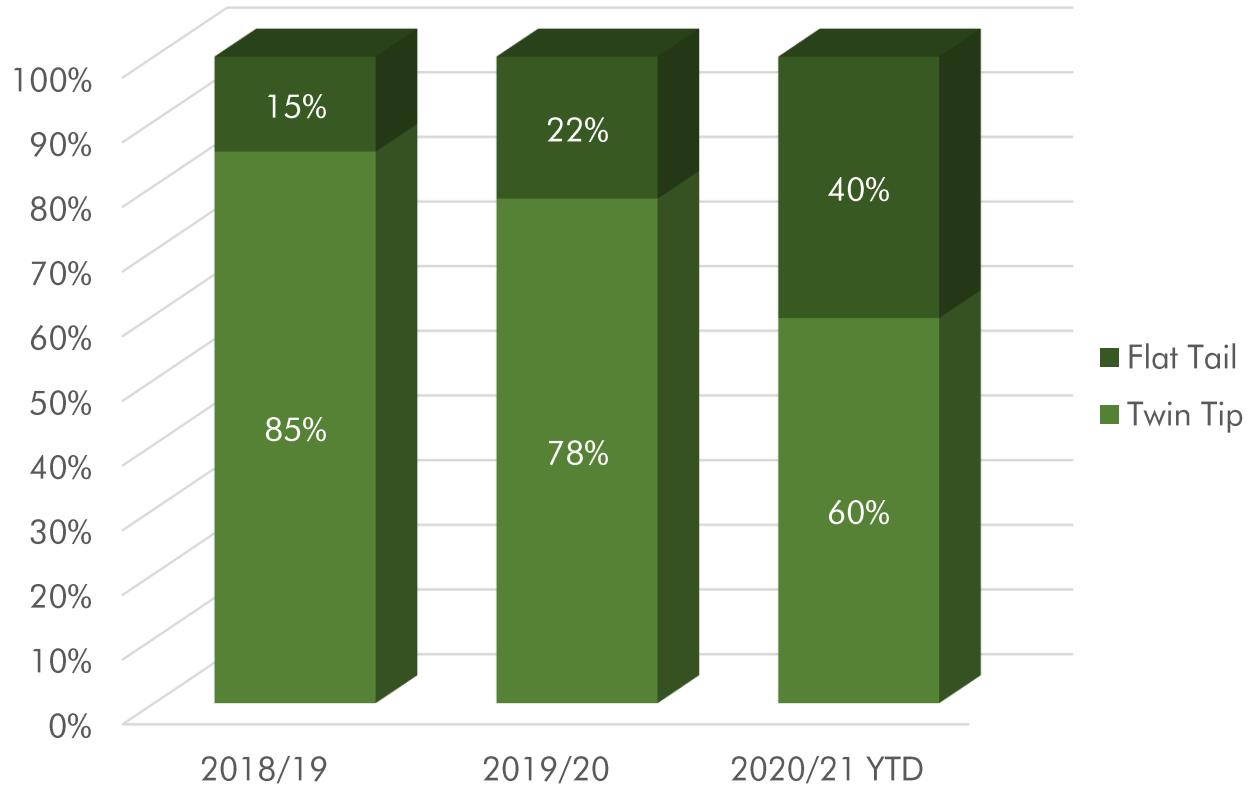
## 2021 And Beyond

- Revenue growth expected to rebound in 2021 with steady-to-reduced costs yielding profitability for FY2223 (one year after pre C-19 Plan)
- Multiple approaches by Family Office and PE firms seeking high-growth private businesses with global reach, digital strength and solid management in the outdoor segment
- Management has maintained conversations but anticipates material shareholder valuation growth in the coming 2-3 years and is focusing on a 2022 secondary round

\* A venture phrase describing the curve from when a start-up stops generating increasing losses and trends upward to profitability

# Ski Choice for the 20/21 Season

Faction Ski Unit Orders by Type



- **Flat tail Strength**  
Traditional flat tail skis address a 8x larger market than Faction's traditional twin-tip focus – particularly in key markets like Austria, Germany and Switzerland
- **Touring boom**  
YTD 2x orders vs. PY for the lightweight Agent series
- **Core lines performing**  
The Dictator and Prodigy series also show YoY order growth of 50-100%

**Boosted by the popularity of the Dictator series and relevance of our Agent touring offering, we have seen a noteworthy shift in the flat-tail/twin-tip split year to date**

**Our aim is to develop both styles in tandem, targeting a 50/50 split**

# Apparel

## FW CATALOGUE PHOTOSHOOT & 21/22 GSM

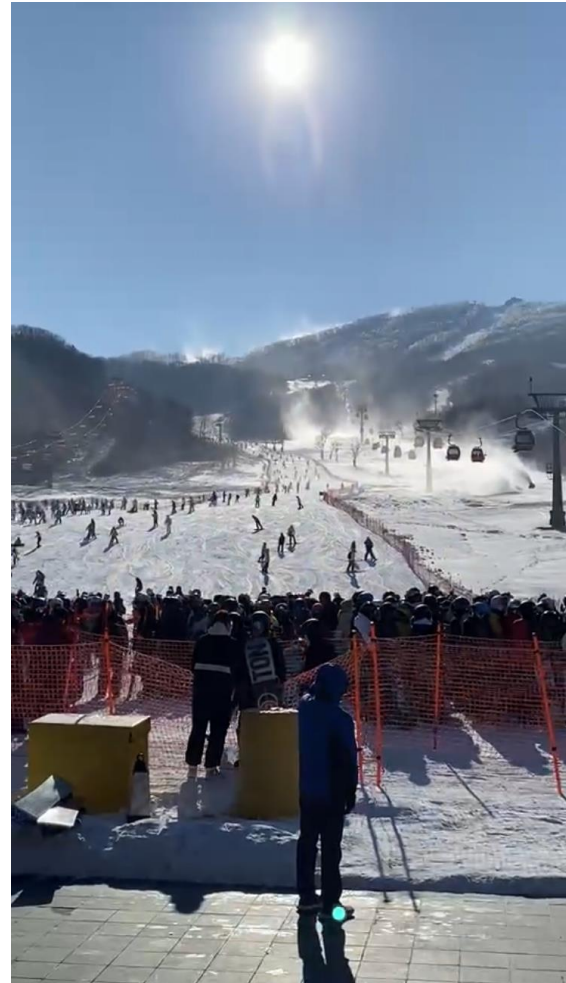
Apparel Director Olivier Gouby & Head of Apparel, Marion Charpenet drive the FW Apparel brand's development as we showcase our fresh 21|22 range.

Our best range to-date will continue to nail the sweet spot of newschool outdoor culture with exceptional comfort and performance – this combination is what defines FW's market position, sets it apart from competitors and drives its potent YoY growth.





# China Continues to Boom



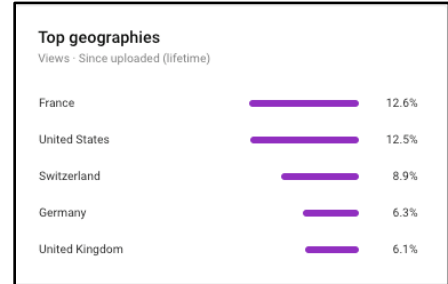
- **Selling in-store and online**  
Both FSSC brands are on sale in store and with WeChat Commerce
- **Chinese ski resorts are packed**  
Thaiwoo and Lake Songhua are busier than ever in the run up to the 2022 Winter Olympics (top-left and right respectively, Nov 2020)
- **China Olympic team** Leading team and athletes are riding Faction skis
- **Brand visibility – demo tour** Sales push continues – Eileen Gu Prodigy demo tour tent in Wanda Changbaishan
- **Eileen World Cup Podium**  
A bronze in the in Stubai and over 8m views on her latest post
- **ISPO Beijing trade show**  
Our sales team will attend the leading trade show in Asia in mid-January to exhibit the brand
- **Operationalization**  
A local subsidiary in place, Finance, Logistics and Sales processes enabling efficient operations and DTC for the future

**Massive ski and snowboard uptake in 2020 continues in China  
Faction continues to build its retailer and direct sales & marketing execution as Beijing  
2022 energizes snowsports**

# Zermatt to Verbier: Statistics



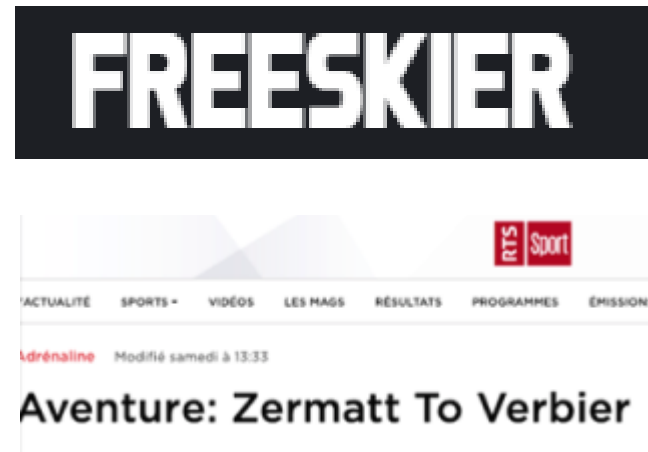
Views after 3 weeks	
Zermatt to Verbier	179k
This is Home	174k
La Grave	162k



- **Rapid launch** Zermatt to Verbier is our fastest-growing release to date
- **Global appeal** The digital content appeals across geographies
- **Subscriber growth** Win a Touring Setup Comp launched with the film has generated 10k new contacts and effective, product-centric comms

Our most recent film's impressive stats are indicative of our powerful in-house filming capability and strong fan engagement in content filmed during lockdown matching the times

# Zermatt to Verbier: Press & Comms



- Total news articles: 30+
- Mainstream press: 3 publications, 1 TV broadcast
- Endemic ski press: 25+ publications

**Ample press coverage: Zermatt to Verbier was featured in over 30 news articles, including 3 mainstream news sources, and was broadcast on Swiss channel RTS**