

CONFIDENTIAL

FULL  
STACK  
SUPPLY  
CO | building  
brands  
people  
love

Shareholder Update  
April 2021

FV<sup>o</sup>

FACTION

# Performance: 20|21 & 21|22 Ahead

FY21 22 11 May	%VAR vs. 20 21 PSO (full year)
<b>Total</b>	<b>+67%</b>
USA	+82%
France	+22%
Switzerland	+92%
Canada	+204%
Austria	+89%
Germany	+41%
Japan	-28%
Norway	+277%
China	+318%

## 20|21 Flash YTD Financials (Mar close)

	€m	YoY var
· Total revenue	7.8	+ 1%
· eComm Revs	1.5	+32%
· GM	42%	steady
· Opex	4.2	16% improved
· Fwd year revs.	11.7	+46%

## 21|22 YTD Pre-Season Orders (30 Apr)

- €6.1m, 2.1x PY year-to-date
- 46% sales growth forecast

## Comp results

- Matej crowned FIS Junior World Champ
- Matej & Sarah 'Rulers of the Week' at Audi Nines in Crans Montana

## 21|22 Market Opportunity: strong bounce-back, favoring Faction / FW

- Estimated \$5.4tn additional savings amassed during pandemic
- Events of 2020 supercharge interest in outdoors
- FSSC brands well positioned with premium performance products, inspiring media marketing and global reach
- China represents massive opportunity for ski industry and is FSSC's fastest-growing market

## High-impact eComm Performance

- FY20|21 targets met, FY21|22 aim: €2.25m / +50%
- Pandemic boosted shift to online; FSSC is ready
- Head of eComm driving omnichannel & website enhancement

## New, Improved Hardgoods

- Every Faction model enhanced in past 3 years
- Inspiring additions to the flat-tail and touring ranges that resonate with Faction ESG values
- Prodigy Junior: playful youth twin-tip

## FW Apparel Growth & Spring Launch

- Orders doubled through Covid
- Source launch 03 May represents beginnings of year-round revenue
- FW accelerated using FSSC foundations; the brand exemplifies the possibilities of our M&A strategy

## Robust Supply Chain

- Management proactive to mitigate C-19 aftermath
- New, more strategically positioned third-party logistics
- Leading through communication

# VERBIER INVESTOR EXPERIENCE DAY

## 17 April 2021

We were thrilled to once again welcome shareholders to Faction's home of Verbier for a (Covid-compliant) day of alpine and uphill skiing, plus strategy and a preview of next year's gear.

This year, 41 investors & their families made the trip, demoing skis of their choice from the 2122 collection, lunching at the iconic Cabane Mont Fort before regrouping in the afternoon for our annual 'earnings call' over drinks and canapés.

We greatly look forward to seeing you next time.



**C-19 limitations met, the team hosted an excellent event for our investors and their families**

# FSSC 2021 Equity Round

## FSSC 2021 Equity Round

- 2021 raise will cover opex for year ahead, with potential for tuck-in acquisitions
- Investors include Board, CEO & top-20
- Round open to new investors, total now €4.9m
- Post-money valuation €39.7m (3.4x 21|22 revenue)
- Expectation for later 2021 valuation ~CHF 2.50-2.75 / share (€47.3m-€52.0m valuation, 4.0-4.4x multiple) given 67% YoY pre-season order growth
- Secondary planned FY22|23
- Growth capital driving product and geographic opportunities in motion to drive €100m+ valuation on horizon

## Share Value Creation

### Market

- C-19 accelerated shift from standard Alpine / racing brands to freeski, innovation, sustainability, edge

### Strategy

- Platform: Revenues exceeding costs with a modern global infrastructure
- Product: Innovation & sustainability
- Supply Chain: Premium & global
- Marketing: In-house media
- Direct to Retailer Sales
- eComm: Direct engagement
- Finance: Experienced & global
- Team: Experienced & committed

## Shareholder Roadmap

Illustrative (subject to market conditions)

- 2020 Resilience >> Breakthrough** ~+40% market share growth with +5% revenue growth; Operating Loss reduced €0.8m, team strengthened  
2020 Equity capitalization strengthened balance sheet  
Inbound interest from direct 'retail' investors, family offices, private equity as brands, outdoor and performance brands capture market sentiment
- 2021 Share price growth** 21|22 season with +46% revenue growth (YTD Pre-Season Orders at 2.1x YoY, strong growth locked in), costs flat, losses <€1m  
€8m raise supporting investment in Direct to Retailer Sales Team, R&D, eComm & China; Working capital through equity, no additional debt
- 2022 Liquidity & Growth** 2H 2022 Secondary with €20m+ 22|23 revenue & profit  
22|23 2x ski model launches, 4-season FW and further improvement on media and marketing ROI
- 2023 Potential IPO** Official target is 2H 2023  
23|24 strategic hardgoods sales building on geographic and existing products

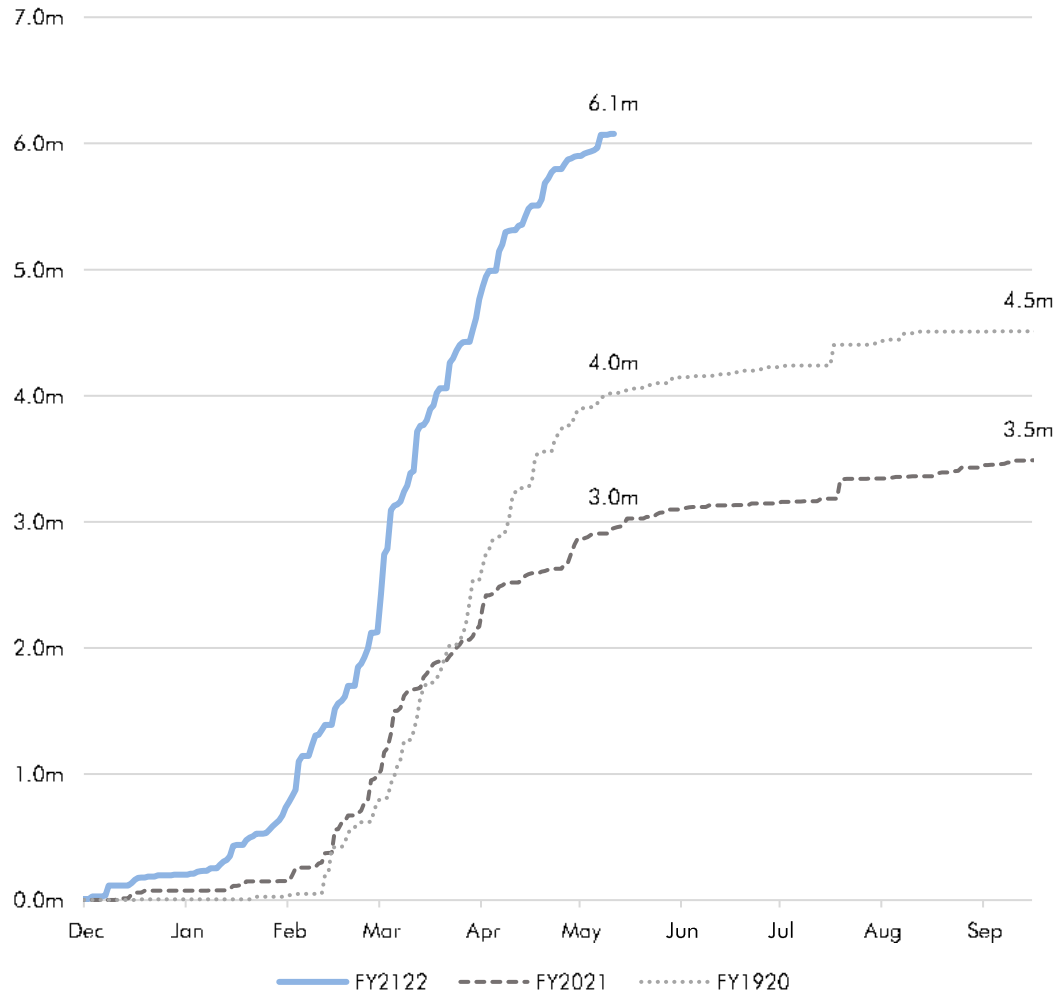
## Potential accelerants

- M&A** We have built the Full Stack Platform, which our success with FW has demonstrated can deliver global impact with our expert team  
CEO managed acquisition of 9 companies into a global market-leading company before co-founding FSSC
- SPAC** The company is value-driven and would not consider a structure that does not meet the shareholder value goals of our shareholders, but CEO listed the first company he co-founded with a SPAC and spent 2.5 years on a NASDAQ listed SPAC acquisition

# FY21|22 Pre-Season Orders (PSOs)

11 May 2021

FY21|22 Pre-Season Orders vs. 2PY



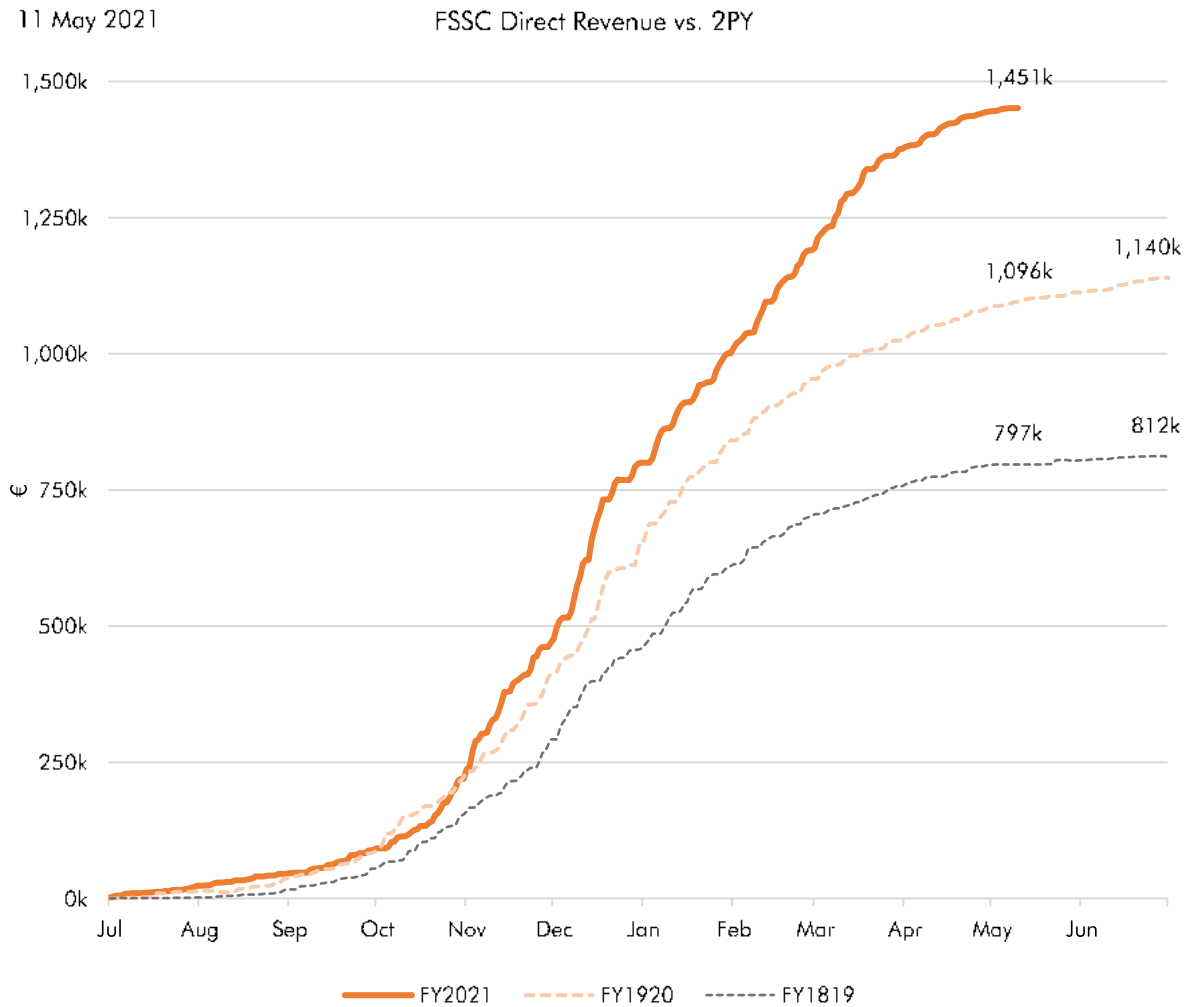
## FY21|22 Pre-Season Orders at €6.1m

- Pre-season sales data continue to track at 2.1x PY levels
- For 21|22, retailers saw what was selling in the downturn and have doubled down
- PSO growth secured in France despite winter-long lift closures
- 46% sales growth forecast for FSSC for 21|22
- USA & Canada have already exceeded 19|20 and 20|21 full-year totals

FY21 22 11 May	€m YTD	%VAR vs. 20 21 PSO (full year)
<b>Total</b>	<b>6.1</b>	<b>+67%</b>
USA	1.7	+82%
France	1.2	+22%
Switzerland	0.8	+92%
Canada	0.6	+204%
Austria	0.4	+89%
Germany	0.3	+41%
Japan	0.2	-28%
Norway	0.2	+277%
China	0.1	+318%

**21|22 retailer orders now materially ahead of all previous year totals**

# FY20|21 Direct Revenue



**There's no such thing as off season.**

FW Spring Collection

- **New development agency onboarded** Website UX and functionality to be enhanced ahead of next season
- **33% revenue growth** Pace maintained, remainder of orders in hand for €1.5m revenue
- **Conversion rate improving** The conversion rate for website traffic in March was +25%, with growth throughout the shopping funnel

**DTC €1.5m; final orders and Source launch will boost to €1.5m**

# WHAT'S NEW FOR 21/22

## HARDGOODS

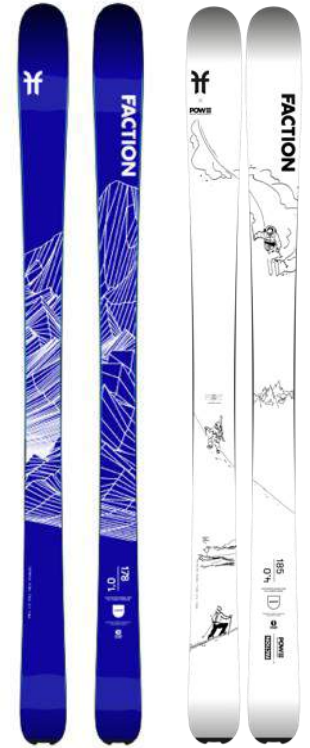
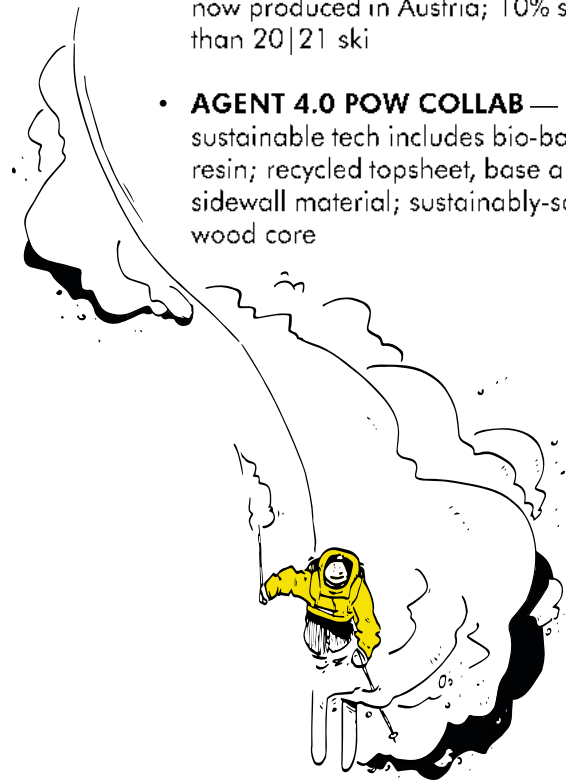
### We continue to refine our all-mtn twin tips

- **Prodigy 0.0 & 0.0X** — brand new models; 85mm waist; directional Twin-Tip; 113-171cm
- **Prodigy 1.0 & 1.0X** — redesigned construction; mimics best-selling 2.0; new sizes available
- **Prodigy 1.0 LTD** — redesigned construction; limited-edition graphic graces ski and merchandise;
- **Prodigy 1.0 JR & 2.0YTH** — brand new; improved quality & durability
- **CT 2.0 & 2.0X** — new construction; 400g lighter; locally-source wood core; new carbon weave; lighter & stronger; now made in Austria
- **CT 3.0 & 3.0X** — new construction; 150g lighter; locally-source wood core; new carbon weave; lighter & stronger; now made in Austria
- **CT 1.0 JR & 2.0 YTH**— redesigned; improved quality & durability



### Updates to award-winning flat-tails

- **AGENT 1.0** — redesigned construction; 80g lighter; less layers of fiberglass = a more forgiving flex; new topsheet color
- **AGENT 4.0** — same shape as 20|21; now produced in Austria; 10% stiffer than 20|21 ski
- **AGENT 4.0 POW COLLAB** — new, sustainable tech includes bio-based resin; recycled topsheet, base and sidewall material; sustainably-sourced wood core



The entire Faction hardgoods collection has been improved in the last 3 years



\_source

FW spring collection launched 03 May



# Global Supply Chain Management



**Our production cycle is on time in the midst of an historic global supply chain shock**

**The FSSC team has planned conscientiously to ensure punctuality & stock availability**

# China Focus

## “A Dragon Amongst People”

Premium Ltd. edition collection to launch alongside ski series As part of ‘A DRAGON AMONGST PEOPLE’ campaign



FW's premium positioning is well received

- **Pre-season order growth** +318%, multiple new retail partners across geographies
- **Infrastructure** Beijing office supports local subsidiary, new China 3PL enables smooth logistics
- **New addition to team** Nicole, our new China Multi-Channel Sales Lead, adds deep apparel & eCommerce experience to our marketing and operations team
- **T-Mall Flagship Store** Faction obtained special exemption for a flagship store on T-Mall, China's most visited online retailer
- **ISPO Shanghai** Trade event generated PSOs and exposure



Eileen & quality Swiss products make FSSC a hit at regional trade shows



...enamoured fans on Faction's WeChat group have eternalized their brand loyalty

China is our fastest-growing market for 21/22, sales growing from a small base

FSSC has built the sales & infrastructure to be a leader in the market

# Athletes: Competition & Film 3



**FIS World Champs:** Eileen double gold;  
Matej Junior Champ

**Audi Nines 2021:** Sarah Hoefflin & Matej Svancer crowned Rulers of the Week at the annual competition in Crans Montana



## Film tour

- Shooting complete 3 months earlier than last film
- Screenings locked in 21 EU & NA locations, World Premiere early Oct
- Teaser coming soon

Interested in hosting a Faction film event in your local community?

Please get in touch with Becky, Communications & Content Lead [becky@fullstacksupply.co](mailto:becky@fullstacksupply.co)

**Faction's squad finished the season on a high, with sweep at Audi Nines**

**Film 3 now wrapped up, the Marketing team prepare for film tour in Oct**