

**FULL
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SUPPLY
CO**

building
brands
people
love

CONFIDENTIAL

Shareholder Update
Summer 2021

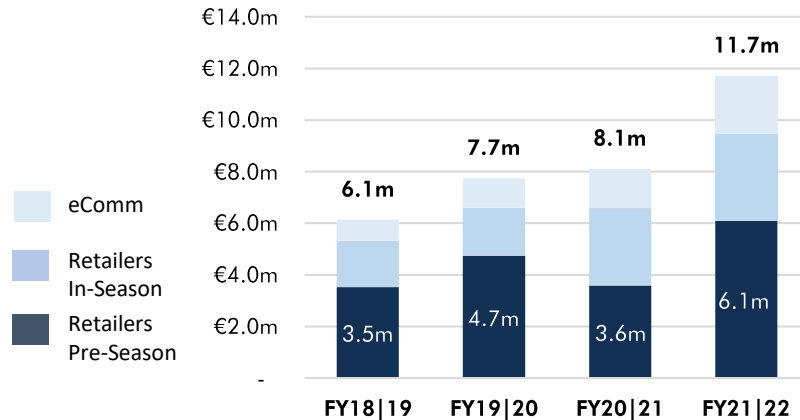
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FACTION**



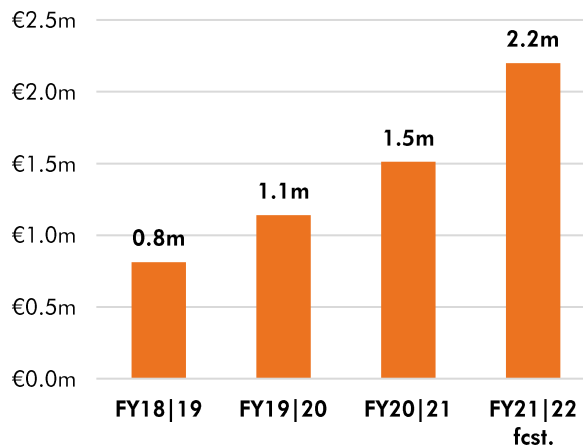
Performance: 20|21 >> 21|22

FSSC Revenues & Orders by Channel

Record orders signal 40%+ Revenue Growth



Omnichannel driving DTC trajectory



Overview

21|22: Strong Market

- Consensus for a strong winter season in FY21|22; Outdoor sports expected to exceed pre-Covid the next two years¹; Summer stockouts leading to mid-summer winter orders
- Pre-season orders of our Agent series have tripled since FY20|21

Operations: Faction's Earliest Shipments

- Careful planning and working capital planning mean the majority of North American stock is landing this week with a second shipment following weeks ahead of prior year
- 3 new or upgraded 3rd-party logistics warehouses

Quality and ESG Initiatives

- Warranty rates improved by a factor of 2.7
- Shareholder approval of ESG & B Corp initiatives
- 1% For The Planet, Protect Our Winters reflecting values for shareholders, employees & fans

Athletes

- Vasu completes first disabled Denali ski descent
- Faction Signature Session underway at Mt Hood, riders preparing for a big 2022 including the Olympics

The Investor Collective:

- €7.7m received in 2021 round nearing €8m target
- 2022 Investor Day event is set for Sat 26 Mar
- Investor Pre-Public website launch for 21|22 products – FW 3 Aug, Faction 5 Aug

Supply Chain Update

Production & Shipping

- First 21 | 22 bulk ski shipments ex-factory end of June; these will land in North America 16 July
- Apparel followed on 02 July and will land shortly afterwards
- These are FSSC's earliest shipments ever, in a year where mitigation of supply chain issues will be a major success factor

Warehousing

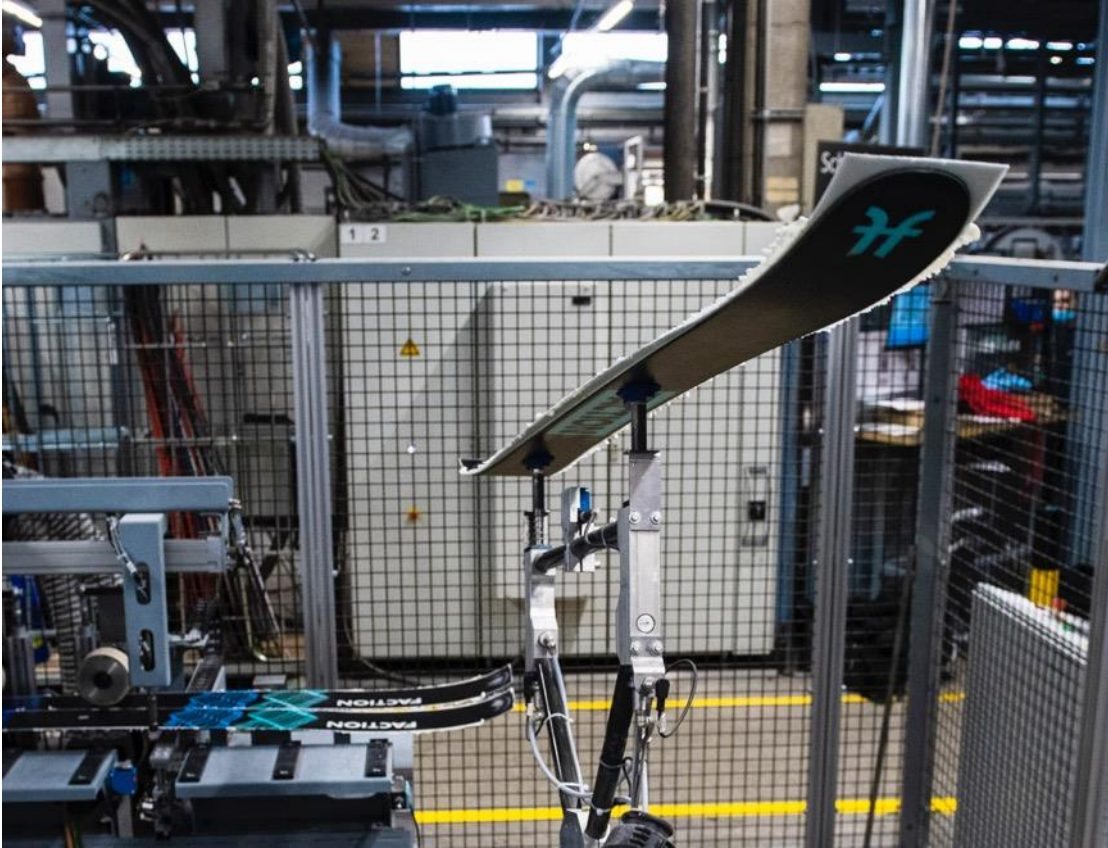
- In Japan, we upgraded to a superior logistics partner in late June; operations will re-commence 12 July
- We will also be shifting our Canadian logistics operations to a more strategic location prior to the start of the season
- We moved into an expanded US warehouse facility

Punctual shipping will be a key determinant of success this year

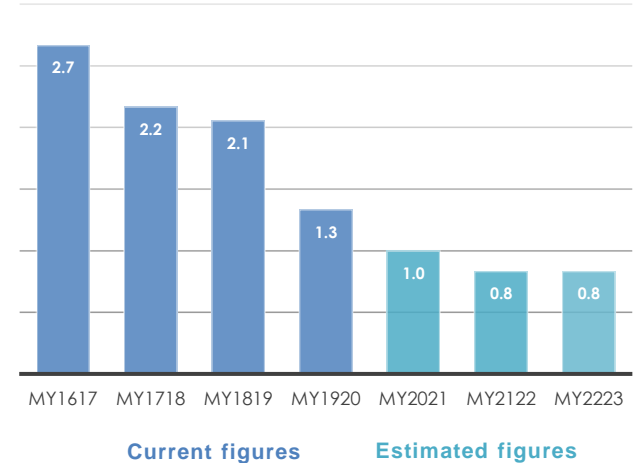
Faction has started strongly, with early shipments into technically-improved warehouses



Product Quality & Warranties



Warranty rates per model year
Base year = MY2021



- Experienced hardgoods team, shift to high-quality factories and tighter quality control methods have yielded step-change reductions in warranty rates
- Improved design and materials have significantly add to performance as well
- We expect our warranty index to continue improve by another 20% for the coming season

Experienced hardgoods expertise additions and a shift to Austrian manufacturers has reduced warranties 2.7x since MY16 | 17 with further improvements expected for MY21 | 22

ESG Initiatives



- B-Corporations are committed to maintaining the highest environmental and social governance standards, making a positive impact on society
- Faction amended its Articles of Association during the June AGM to align with B-Corp criteria
- Once our final certification requirements are met over the next year, the company will achieve B-Corp status



- We partner with and support Protect Our Winters, 1% For The Planet and other NGOs actively working to combat climate change
- A 10% of sales for our bioresin collab with POW
- Our expanded revenue base is increasing our impact each year

We are reducing the environmental impact of our logistics operations

- Faction's shipping impact in tonne/km reduced in FY20|21, relative to revenues
- We are dedicated to improvements throughout the supply chain and the business



Sustainable business practices are a part of Faction's DNA
The company continues to support organizations working towards sustainable skiing

Athlete Content

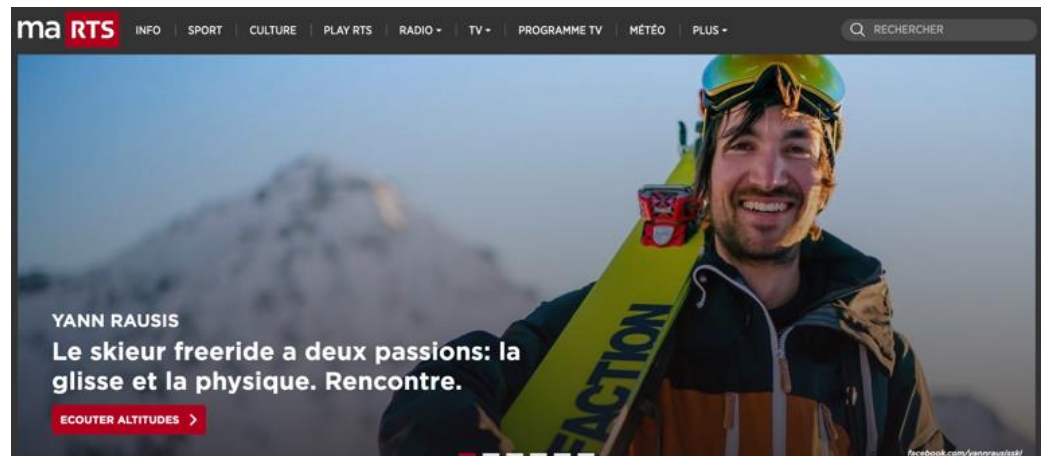


Vasu - historic adaptive skiing feat

- Faction athlete Vasu Sojitra summited and descended Denali, the tallest mountain in North America at 6,190m in June
- Captioning his post 'Hold My Leg and Watch This' the skier sought to demonstrate the power that disabled people have when given access to opportunities and resources in an equitable manner

Yann Rausis

- In early July, Yann featured on Swiss channel RTS' Altitude and correspondingly had national media exposure
- The Valaisan skier made a significant contribution to Faction's third film, which will premiere this autumn
- Yann is also working on more of his own content, having released a short on YouTube in 2019

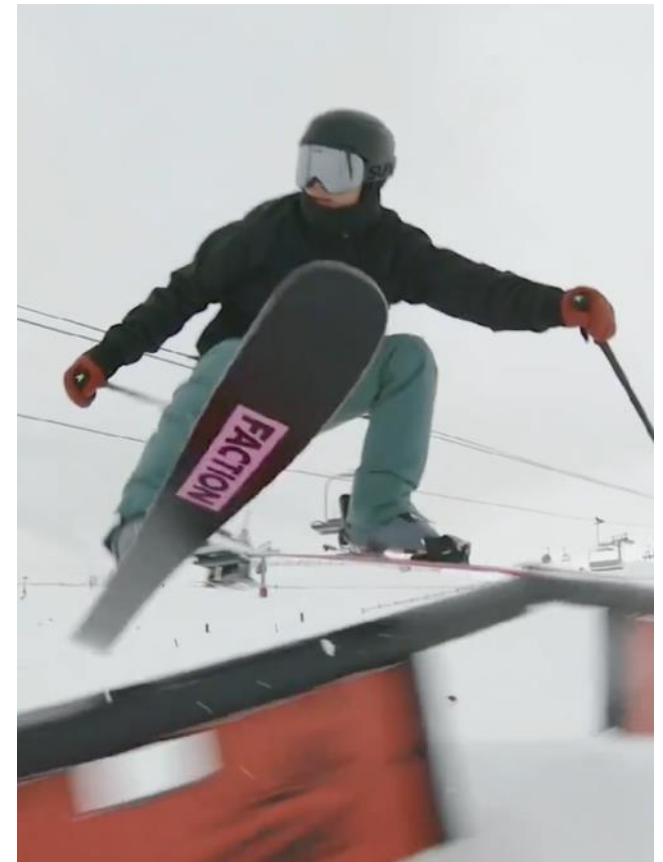


Summer Vibes



Cody Cirrillo demonstrates the ultimate bike-to-ski style (NB: Emulated and proven by at least two TIC investors this spring!)

And of course if you are in NZ like **Margaux Hackett**, the season is in full swing



Mount Hood / Windell's Takeover

- Faction will run their signature session between 11 and 18 July at Windell's Ski Camp
- Demos & events
- Caroline Claire, Corey Jackson, Tim McChesney, Bella Bacon & Blake Wilson

Summer Ranges in Action

Source Powerair SS Hoodie



Source Powerair SS Hoodie

The perfect piece to layer on top of technical base wear for outdoor training in cold weather. Made with Polartec® Power Air™ fabric, a new fabric made from 50% post-consumer waste.

Available in Slate Black and Deep Teal

half zip provides additional temperature control

made from 92% recycled fabric

FW°

_future wild

MEN'S WOMEN'S STORY AMBASSADORS

Vous souhaitez recevoir nos e-mails en français ? Mettez à jour vos préférences [ici](#).
Newsletter lieber auf Deutsch? Aktualisieren Sie einfach [hier](#) Ihre Einstellungen.

The 4-seasons pants

Lightweight and sleek, these pants are your go-to for every activity. The 4-seasons pants sport a unisex cut and are available in a Slate Black colourway.

waistband with belt loops secured with button & draw cord

two hand pockets

snap pockets on side with extra zipped pocket

Cuff features ribbed back & zip to fit bulky boots

SHOP 4-SEASONS PANTS



hidden secured pocket in side seam

SHOP POWERAIR SS HOODIE



The FW 4-Seasons collection selling across channels this summer

FSSC 2021 Equity Round

FSSC 2021 Equity Round Progress

- Total at €7.7m closed since 1 Jan 2021
- Close in progress which will meet €8m target
- Investors include Board, CEO & top-20
- Post-money valuation €43.2m (3.7x 21|22 revs)
- Expectation for later 21|22 valuation ~CHF 2.50-2.75 / share (€47.3m-€52.0m valuation, 4.0-4.4x multiple) given strong YoY pre-season order growth and product pipeline
- Secondary planned late 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 +2-3% 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 structural 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

Listing

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 and served 2.5 years on a NASDAQ board fuelled by technology, organic growth and acquisition