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CO** | building  
brands  
people  
love

Shareholder Update  
November 2020



# November Update: Overview

## Sales Orders & Revenues

- €5.3m in Sales Orders surpassing PY YTD, of which €3.4m has been invoiced as revenues
- The results are a function of on-the-mark product & positioning matched with patient, steady direct sales relationships throughout the C-19 impacted period in all key markets
- We've had strong results from experienced sales hires in Switzerland and North America in both the US (Rockies / California, East Coast / Midwest) and Canada (BC/Alberta, Ontario, Montreal)
- Revenues are tracking at €0.5m / week after slight C-19-related production delays and more material C-19 related logistics delays for North America, acceptable for this unique year

## C-19 Measures, Eager skiers, domestic first

- Many of our retail partners capitalized on summer outdoors trend which saw a major boom in bike / watersport and stock-outs; ski resorts were able to test at full capacity for bike & eBike all summer
- Similar eagerness exists, albeit potential travel restrictions put focus on touring & domestic skiers
- EU lockdowns in Nov in FR, AT & CH with the intention of enabling a robust holiday season
- Season pass and day pass sales in the open Swiss and Austrian resorts so far reflect strong demand
- Domestic skiing will be important in 20/21 season; Swedish ski bookings up 130%

## eComm / Direct

- North America D2C sales orders +22% YoY
- 17-23x return on ad spend demonstrates further opportunity; Instagram Shopping in-app success

## Media / Content

- Saas Fee release 78k views in 1<sup>st</sup> week tracking to a top-ever; Matej Instagram Reels clip 1m views
- Zermatt to Verbier release to air on Swiss channel RTS 13 Nov before 23 Nov YouTube release
- La Grave 987k views on YouTube demonstrating lasting impact of Faction media content

## FW Apparel Strong Growth

- FW apparel revenues +71% YoY
- Fresh 21/22 product lines showcased at GSM

## Touring / backcountry sales surge

- Agent series perfectly positioned to capitalize on expected backcountry/touring boom in 20/21

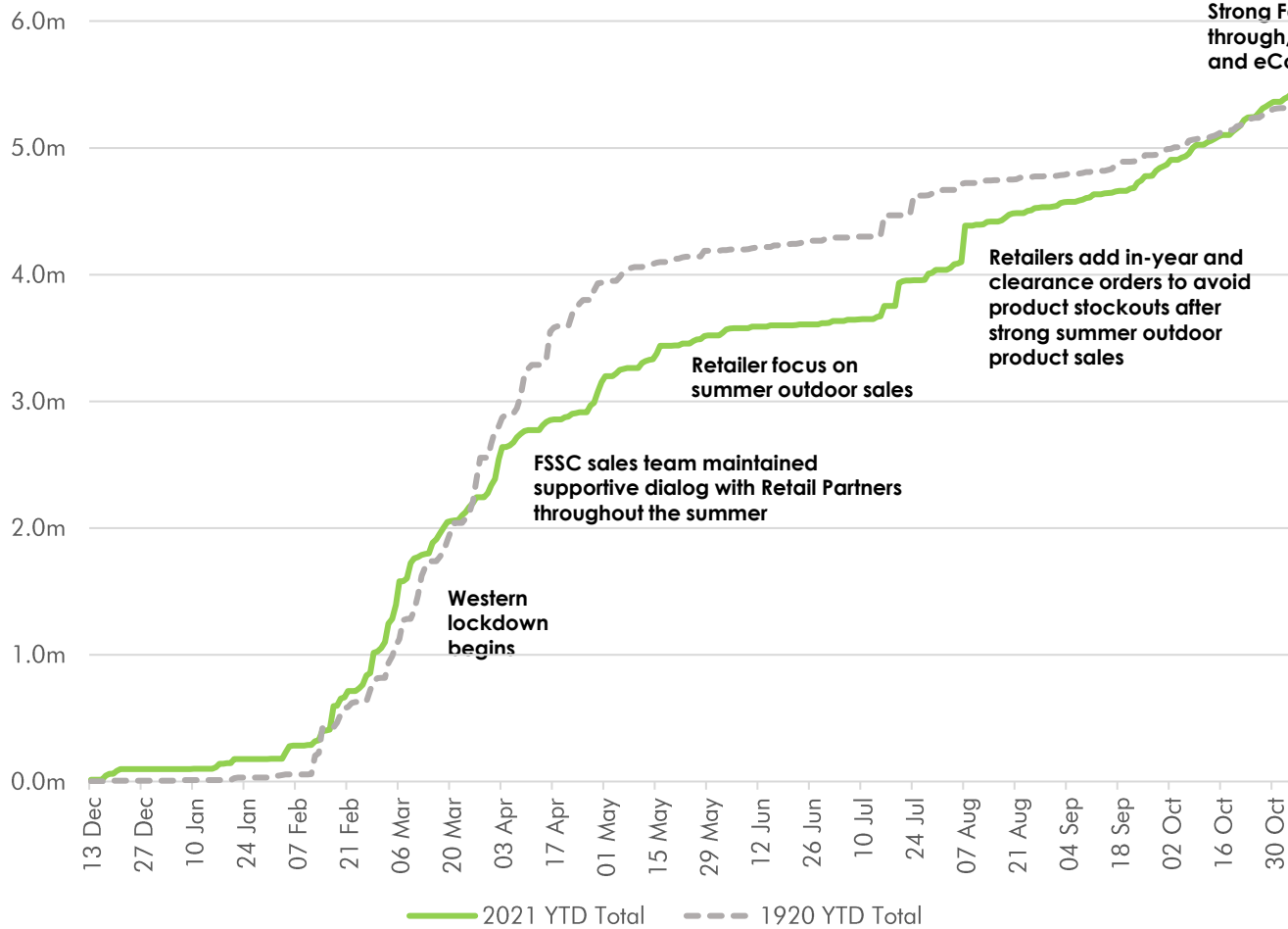
## Media Test Awards

- 39 coveted media awards for the 2020/21 range; Agent 3.0 model scoops numerous awards, including 2 out of 5 spots on Powder Magazine's backcountry gear guide

# Sales Order Development

FSSC Cumulative Sales Orders vs. PY

Excluding Roxy



Strong Faction early season sell-through, late-season retailer orders and eCommerce overtake PY

- Strong sell through on shelf**  
 Retail Partners indicate very strong Faction sell-through in EU (top 2 brands in two major retailers), strong anticipation in NA
- Sales team delivered**  
 Strengthened by key hires in North America and Switzerland, our Sales team patiently nurtured relationships in the summer
- Sales on track**  
 €5.3m in sales orders and €3.3m of invoiced revenues
- Retailers double down**  
 Strong orders after a sell-out summer in cycling/ outdoors products
- Correct position**  
 While retailers anticipate a challenging market, an inventory of premium product with strong marketing to support sell-through is key

**Strengthened sales team expertise combined with retailers' strong summer sales and our marketing impact saw us steadily gain ground YoY after initial C-19 shock**

# Foundations for 20/21 Season



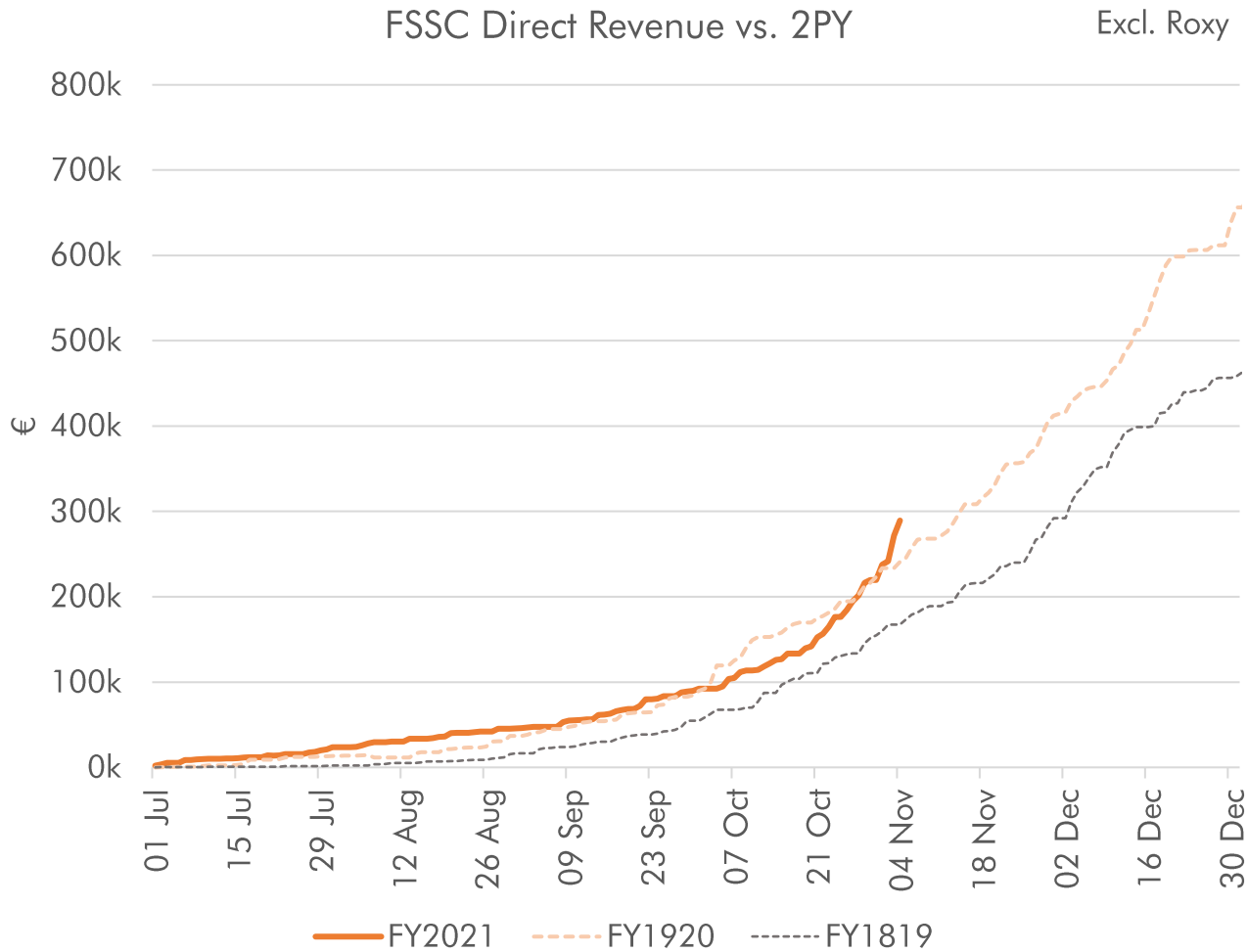
Jubilant skiers celebrate Verbier's official opening (and yes, Faction employees were in the midst over the weekend)

## C-19 measures & resort openings

- EU lockdowns take effect in FR, CH and AT for November with the intention of enabling a robust holiday season
- With effective C-19 measures in place in all French resorts, the majority do not intend to reduce lift capacities<sup>1</sup>
- 10 Swiss resorts including our home resort of Verbier were open on the weekend 30 Oct
- Vail Resorts announced full opening through the 20/21 season with C-19 modifications and updates, pleasing retailers<sup>2</sup>
- FIS World Cups expected to go ahead, restricting spectators if required
- A successful winter for NZ retailers despite a lack of snow; full steam ahead for 21/22 buying season
- Swedes are already capitalizing on their home mountains, where holiday bookings are up 130%

**Undeniably a more domestic season, some remote resorts may suffer, yet home-soil destinations in key markets will deliver**

# eComm/Direct Sales



- **FY2021 ahead on shipped orders**  
We expect a robust direct sales outcome for the year  
Our Click & Collective program has been designed to support and engage with Retail Partners and is set for launch by December
- **North America**  
YTD Direct sales orders are up 42% YoY in North America
- **The Pro Collective**  
A focus on making our Pro Program more than a 'discount club' but rather something to be proud of and engage with  
Of note we have left a key Pro Partner program which Retail Partners did not respect due to a wider scope of sales, e.g., Boy Scouts, which will handicap YoY revenues, but we are making strong progress
- **17x return on ad spend**  
The metric indicative of ad efficiency; It's important to leave 'some money on the table' to maintain our content strategy

**Revenues tracking very strongly in October / November with acceleration expected as the season gets closer**

# eComm Marketing

## Paid Social

- October results supported growth
- A careful balance required between eComm and an enjoyable fan experience to ensure long term media strategy

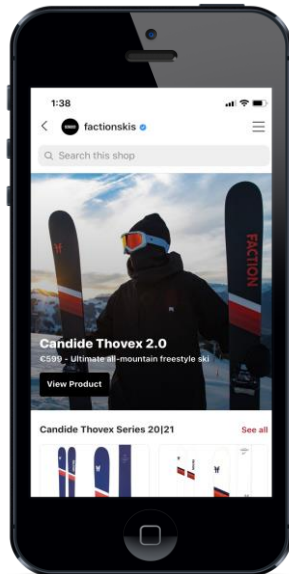
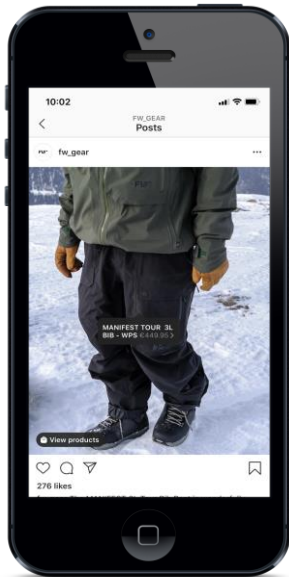
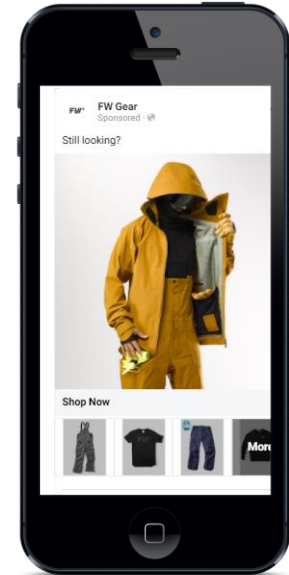
Return On Ad Spend  
Indicative of ad  
efficiency  
Benchmark: 10

**FACTION**

**17**

**FW//°**

**23**



## Instagram Shopping

- New feature this year for IG
- FSSC marketing initiated in October generating in-app browsing, wishlisting and revenues
- Particularly smaller items like the balaclava sold through well
- Working with softgoods product development to match media and social going forward
- Similar capabilities in China

**Social media creates brand awareness and increasingly product awareness and sales  
This must not become a digital sales stall, but is powerful in the correct measure**

# Media / Content

## Saas Fee content edit generated

- Film edit hit 80k views in two weeks tracking amongst top 3 in Faction history as we build a legacy and has strong engagement
- Results included ski and balaclava sales, 1.5k new IG followers, 1k new YouTube subscribers

## New media: Instagram Reels (IG's TikTok)

- Faction's Instagram Reels video of athlete Matej's quad cork punched through 948k views in a week
- And yes, we have a Tiktok account as well as WeChat, Weibo, etc.

## Zermatt to Verbier Edit Media Distribution

- The team's journey will be aired on Swiss TV channel RTS 13 Nov
- Full YouTube release 13 Nov

## 'La Grave'

The film will break the 1m view mark in a matter of weeks

THE FACTION COLLECTIVE PRESENTS  
**LA GRAVE**

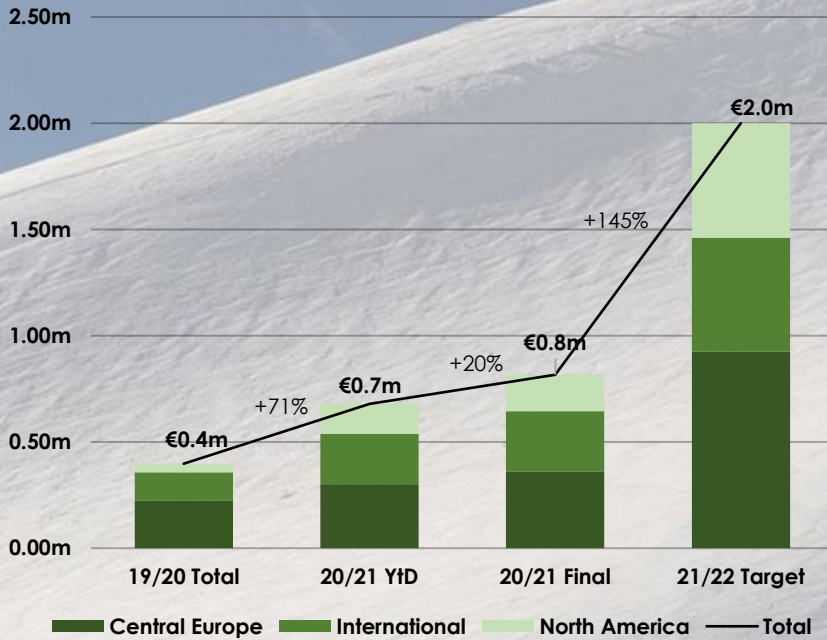
**SAAS  
FEE**

**ZERMATT  
TO VERBIER**

**On-brand, high-calibre releases continue to boost our fan base and provide exposure**



FW Apparel Revenue Development to 21/22



- The FW Apparel brand continues its strong growth, with +71% overall YtD revenues vs. FY1920
- Powerful response to FW's unique Performance x Style position, the new 2020/21 women's range and intricate details
- In October we hosted our annual FW Apparel GSM, showcasing the impressive range we have on offer for the 21/22 season
- The 21/22 range includes superior fabrics, more ergonomic designs and a more comprehensive range of leisurewear

**FW's premium outdoor positioning is working well in a market seeking high performance with edge**



# Agent Series

The increase in snowsports participation is expected to be +31% year-over-year.<sup>1</sup> Of those who plan to ski in 20|21, 59% said they will venture into the backcountry and 47% say they'll ski uphill at a resort.

New models in our free-touring Agent Series are winning media awards galore. They're easy on the uphill & bomber on the downhill.



- **POWDER MAG** The 20|21 Agent 3.0 and 3.0 X models take 2 out of 5 spots in the buyer's guide for Powder Magazine, the most prestigious backcountry and all-mountain publication



The Faction touring offering is highly-praised and more relevant than ever

## Touring

Life is an uphill battle. Skiing out of the gate doesn't have to be with these lightweight options.



**FACTION**  
Agent 3.0

**\$849**  
D: 134-106-124mm  
R: 20m

**FACTION**   
Agent 3.0 X

**\$849**  
D: 134-106-124mm  
R: 18m

**ATOMIC**   
Backland 107 W

**\$850**  
D: 136-107-123mm  
R: 17.4m

**J SKIS**  
Slacker

**\$729**  
D: 136-110-128mm  
R: 20m

**ARMADA**  
Whitewalker

**\$799**  
D: 139-116-135mm  
R: 18m

<sup>1</sup>Snowsports Industries America

# 20/21 Media Awards

Every ski series in the 20/21 collection received media awards, with a particularly strong haul for the Agent 3.0



- **ÅKA SKIDOR MAGAZINE, "TESTFAVORIT"**
  - AGENT 3.0
  - DICTATOR 3.0X
- **BACKCOUNTRY MAGAZINE, "GEAR GUIDE SELECT"**
  - AGENT 3.0X
- **BLISTER GEAR REVIEW, "BUYER'S GUIDE SELECT"**
  - CT5.0
  - AGENT 3.0
- **ESCAPE / LE BON**
  - AGENT 1.0
  - AGENT 2.0
  - DICTATOR 1.0
  - DICTATOR 2.0
  - DICTATOR 2.0X
  - DICTATOR 3.0
  - DICTATOR 4.0
  - PRODIGY 3.0 COLLAB
- **FALL LINE SKIING, "EDITOR'S PICK AWARDS"**
  - AGENT 3.0
  - AGENT 3.0X
  - CT2.0X
  - CT1.0
  - DICTATOR 3.0X
  - DICTATOR 4.0
- **FREESKIER MAGAZINE, "EDITOR'S PICK AWARD"**
  - CT2.0
  - DICTATOR 2.0
  - PRODIGY 4.0
  - AGENT 2.0X
  - AGENT 3.0
  - AGENT 3.0X
  - AGENT 4.0
- **GEAR PATROL, "TOP 10 MOST EXCITING PIECES OF NEW WINTER GEAR"**
  - AGENT 3.0
- **MONTAGNE MAGAZINE**
  - AGENT 3.0
- **SKIEUR MAGAZINE**
  - AGENT 1.0X
  - AGENT 2.0X
  - DICTATOR 1.0
- **POWDER MAGAZINE, "SKIER'S CHOICE AWARD"**
  - AGENT 3.0
  - AGENT 3.0X
  - PRODIGY 4.0
- **SBC SKIER MAGAZINE, "EDITOR'S PICK"**
  - AGENT 3.0
- **SKI CANADA MAGAZINE, "SKI TEST SELECT"**
  - AGENT 3.0
  - PRODIGY 2.0X
- **SKI MAGAZINE, "BUYER'S GUIDE OFFICIAL SELECTION"**
  - AGENT 3.0
  - AGENT 3.0X

Every Faction ski has either been updated or is new in the past two years with strong craftsmanship & modern shapes and style; No other brand has such a fresh and on-point range



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