### Airbatch

# TRADE WAR TARIFFS AND FACTORY RELOCATION



## SUPPLY CHAIN DISRUPTION FORCES CHANGE

96% of US brands import from China

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Political tensions and trade imbalances rise

2015

2010

COVID exposes supply chain vulnerabilities

2020

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Trade war tariffs force factory relocation

Today

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## DIGITAL ADAPTATION WILL PRODUCE WINNERS

"In 2021 only 1% of organizations had the necessary competence and knowledge to transform to a digital supply chain."

Source: McKinsey & Company

"Transforming the supply chain digitally can lead to a 50% reduction in process costs and increase revenue by 20%."

Source: MIT Digital Supply Chain Lab

## WINNERS FROM COVID SUPPLY CHAIN DISRUPTION

Growth for brands with digital supply chains











### WHAT IS THE COMMON THREAD?



## DIGITAL SUPPLY CHAINS CAPITIALIZE ON DISRUPTION

React faster with technology



Connected Data



Platform Processes



Agentic Workflows



Real-time Analytics

## LOWER COSTS BY 30%

### Airbatch sourcing and quality control platform

### OLD

#### Sourcing

Broker and agent markups, messy email threads and communication.

#### **Quality Control**

Taxing factory visits, random 3rd party inspectors and reporting.

#### Analytics

Reactionary offline reports, no real-time visibility and understanding.

VS

### NEW

#### Sourcing

Automated factory vetting, bill of materials creation and product quoting.

#### **Quality Control**

Real-time data visibility into inspection results and quality levels.

#### Analytics

Ai agents run detailed reports and predictions from machine learning

Dust Moto and Airbatch share common values of relentlessly pursuing technological innovation and continued improvement. With the solutions we've built together, our supply chain is now a value chain.

Colin Godby, CEO Dust Moto

### THE DIGITAL SUPPLY CHAIN IS HERE

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Airbatch	qb	Search or jump to	жК
Dashboard	Super liner 255		
POs	Value Add filter No filter applied		
Products	Inspections	Stage	Defects
Inspections Free product sourcing	Durability #1001	Pre	0 0%
	Performance #1002	Pre	0 0%
	Functionality inspectioning #1003	Start	4 2% Rework
	Durability #1004	Start	4 47% Fail
	Performance #1005	Middle	21 80% Fail
	Durability #1004	Middle	5 8% Rework
	Functionality inspectioning #1006	Final	10 5% Pass
	Performance #1008	Final	1 2% Pass
	Functionality inspectioning #1009	Final	21 80% Fail
Connect with factory	Durability #1010	Final	0 0% Pass
	Functionality inspectioning #1009	Final	0 0% Pass
Ming Yuan	Durability	Final	0 0% Pass

The way we work with factories has fundamentally changed.

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Dashboard	Super Line	r 235 BoM					
POs	V Add filter	o filter applied			\$9.23 quote	Changelog	Add BOM
Products	Part name	Price	UoM	Materials	MoQ	Lead time	
Inspections	Laces # 2114	\$45.00	pcs	Cotton	50	20 days	
	Outsole # 2113	\$18.00	pcs	Polyurethane	30	15 days	
	<b>Torbox</b> # 2112	\$12.33	pcs	Cardboard	100	5 days	
	<b>Padding</b> # 2111	\$15,02	m	Klingersil	10	3 days	
	<b>Cuff</b> # 2110	\$34.15	m	Knitwear	10	10 days	
	<b>Tongue</b> # 2109	\$68.00	m	Synthetic leather	5	20 days	
	<b>Shell</b> # 2108	\$159.00	m	Leather	20	20 days	
	<b>Insole</b> # 2107	\$15.00	m	Eva	20	10 days	
Free product sourcing	<b>Element</b> # 2106	\$5.15	pcs	Metal	100	25 days	
onnect with factory	<b>Pulls</b> # 2104	\$75.40	m	Synthetic leather	5	8 days	