

PICO MES Connected Supply Chain

Software solutions empowering all factories to eliminate mistakes and rapidly improve operational efficiency

Pico's Customers

Our client's range from SMB owner/operator facilities, technology startups, and the Global multi-national Enterprise.

Industries Served:

- Commercial Equipment OEMs
- Automotive Suppliers (Tier 1-3)
- EV Battery Packs & Vehicles
- eVTOL & Aerospace
- Industrial Sensors & Controls

Sample of Pico's publicly traded customers











Pico's Purpose

To solve today's supply chain challenge of - "death by a thousand cuts"

The vast majority of factories **do not** suffer from one or two large issues. They are held back by dozens of small issues that add up to 30%+ in lost output

People



"Hiring, training & retaining employees is a constant challenge"

Equipment



"We lost hours in rework because my supplier did not torque a fastener correctly"

Data



"My supplier found a last minute assembly error on their end that delayed a critical shipment, this forced me to pause my assembly line"

Pico's Record

"11 out of 10. It's a pretty compact / adaptive system which does all the things many multi million dollar systems still can't figure out."

Sr. Manufacturing Engineer San Rafael, CA

"That was one of the smoothest installs I've done"

System Administrator Team Lead Chillicothe, OH

"Even though we weren't utilizing Pico across our full production line, [my company] saw a <u>3x-4x</u> increase in output within the first quarter of Pico's rollout within the factory."

Production Engineer San Francisco, CA

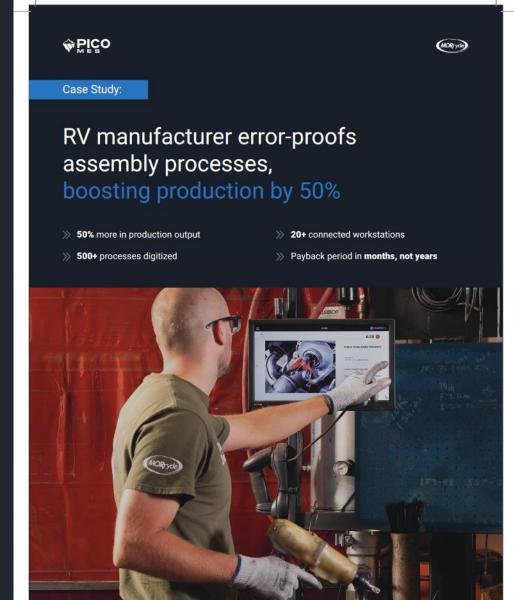
"Pico makes it easier to integrate an MES system into an organization that does not understand systems."

Sr. Manufacturing Engineer
Hayward, CA

"For the first time in my career, I don't feel held hostage by my MES"

Head of Operations

Burlingame, CA





What is Pico Connected Supply Chain?

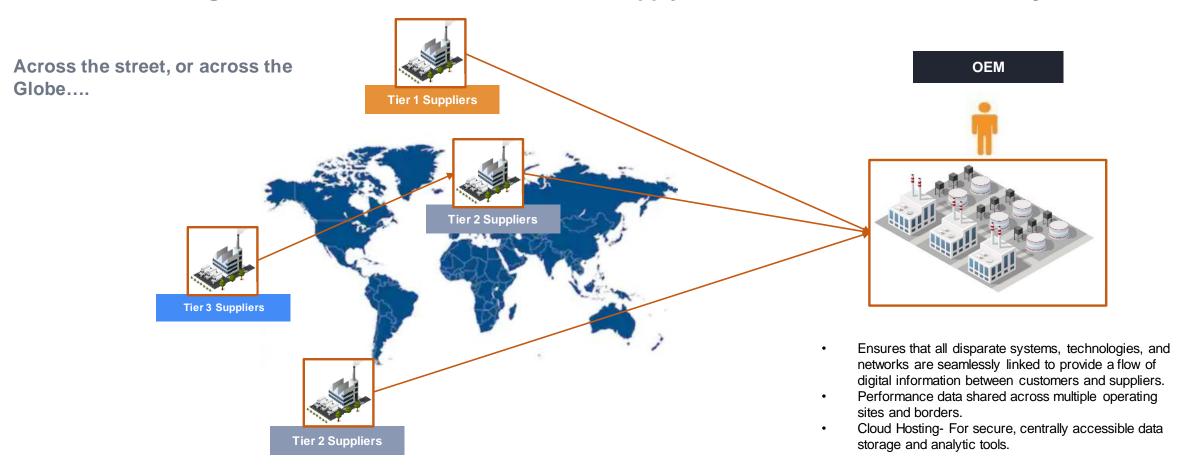
Enables seamless integration of supplier product/process visibility into the Digital Ecosystem

Promotes efficiencies throughout the entire supply chain



PICO MES Connected Supply Chain

Leverage IIoT to Monitor and Error-Proof Your Supply Chain In Real Time- Wherever They Are...





Supply chain challenges:

- Parts may be delivered "on-time" but if they aren't to spec, it will still impact:
 - On time starts -> your customer deliveries
 - Utilization (direct labor with no work)
 - Indirect labor (having to rapidly re-plan the shop)
 - Increased costs, decreased profits when having to expedite replacement parts for the defective units

 We are fundamentally missing the opportunity to have production and inspection data transparency at their point of creation.

Pico's Connected Supply Chain Differentiator:

Provides Complete Visibility of Your Supply Chain

Competitor supply chain solutions may tell you if parts have shipped, they can't tell you if the parts you'll receive are good. Pico can....

You'll have live data from the supplier process- and know they are to spec.

Create a proactive plan and collaborate with suppliers to Prevent Poor quality from impacting you and your production on-time starts.

Increases supplier capacity

Error proof supplier's factory by digitizing the shop floor into a single platform and enabling **higher KPI performance**.

Improve the Supplier Relationship

Cost of Disruption: Create a **proactive plan and collaborate** with suppliers to **Prevent Poor quality from impacting your own production on-time starts.**

With a connected supply chain and data at your finger tips, you can stop being reactive and become proactive and predictive.

This enables you to partner with your existing suppliers rather than constantly investing in the onboarding of new ones.

Real Time Supply Chain Monitoring Improves Supplier Visibility and Predictability

Increasing Digital Connectivity from Suppliers to OEM Improves Visibility and Predictability
Along the Whole Supply Chain

Shared Across all Tiers of Suppliers

- Delivery Timelines within the entire chain
- Quality Product Reviews
- Improved Digital Manufacturing Processes for Suppliers
- Real-time process data access and error awareness and escalation





Real Time Data Visibility











"Virtually monitor supplier processes and product health like you are there"



Connected Supply Chain OPX Focus Areas and Benefits



Real time material

and components

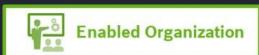




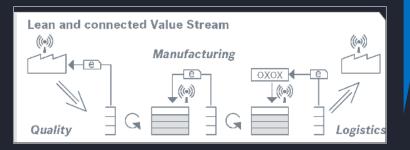
analysis







process control



Cost Savings	Average overall operating cost savings	10-20%
	Annual CapEx savings	5-20%
	Labor cost reductions	Up to 20%
	Indirect headcount reduction	10-20%
Efficiency	Average productivity improvement	5-10%
	Typical volume increase through OEE	5-10%
	Reduced energy consumption	Up to 50%
Agility	■ Improved plant capacity	Up to 30%
	Inventory reductions	5-20%
Quality	Improved finished product quality	Industry dependent
	■ Defect cost / scrap reduction	Up to 30%

What you measure, you can control....

With PICO you can identify and improve the weakest links in your supply chain, providing cascading results....





What you measure, you can control....



Tier 2 Small

Business

Tier 1 Medium Business



Factory 1 implements Pico MES

- Improves finished good yield and deliveries by 15%
- Achieves:
- Improved delivery performance to next supplier in the chain
- Overall op savings
- Energy reduction
- Labor efficiencies
- CapX/OpX efficiencies

Factory 2 benefits from operational improvement from Factory 1- implements its own Pico MES Solution and Connected Supply Chain Solution

- Also improves finished good yield by 15%
- Achieves
- Inventory reduction
- Overall op savings
- Energy reduction
- Labor efficiencies
- CapX/OpX efficiencies

OEM Enterprise Multi National



OEM implements Pico MES and the Connected Supply Chain Solution

- Improves internal operating efficiencies and financial returns
- Achieves compounded operating and financial gains due to the CSC solution
- Improved efficiencies and confidence in JIT logistic models

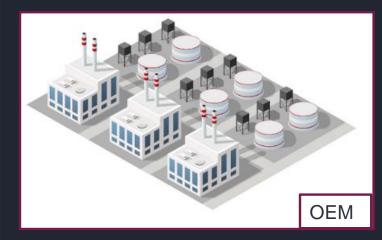
Cascading Exponential Rewards



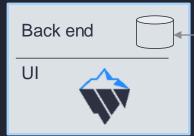
Pico Cloud Architecture

Orchestrator

- Triggers ETL
- Data transferred is configured in Supplier Uls

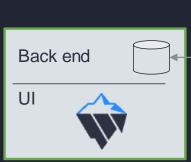


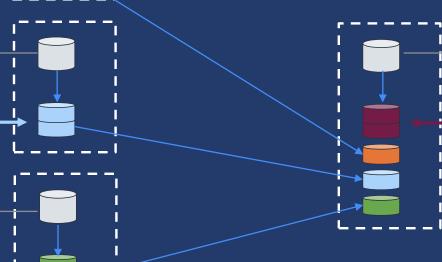




Back end

UI







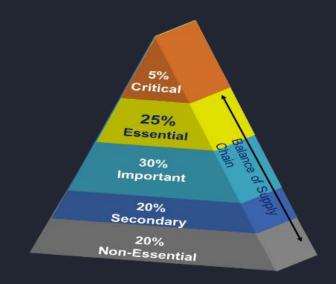


- → ETL process
- Replication process
- Customer data access 11





PICO Onboarding



STEP ONE | Identify priority areas and suppliers

STEP TWO | Pico works directly with your supplier to implement the right solution(s)

STEP THREE | Error Proof, Increase Predictability and Reliability with your supplier

REPEAT | SCALE

Connected Supply Chain Deployment Categories



- Specific to your operating environment
- Simple, flexible pricing model

Deployment Type 1: Control plans / work instructions / documentation & version control

- This type is for suppliers where how they build something is the most important, as opposed to measuring details with connected tools. This is also a lightweight and easy to get started with solution. It includes support via email or shared Teams/Slack channels.
- Standard pricing is \$24,000 per year per factory

Deployment Type 2: Critical processes but a small footprint

- This type is for suppliers who perform critical operations with data collection that is desired, and may be implementing serialization for assigning data back to each build. It includes our full IoT package + all of the base package above. This tier has up to 15 stations associated with it. (10 is the average)
- Standard pricing is \$42,000 per year per factory

Deployment Type 3: Large Deployment

- This type is for those suppliers who use the majority of the factory to create the products of interest. It is effectively an SMB unlimited plan. We assume up to 50 stations for this model, and can adjust as desired. Typically these deployments have some conversation ahead of time and may require integration with other business systems (ex: ERP) to be successful.
- Standard pricing is \$84,000 per year per factory

Connected Supply Chain Deployment Categories

- Specific to your operating environment
- Simple, flexible discounting model

Pricing Discounts:

Discount Bracket 1: 1-5 Deployments

- This is the getting started tier, effectively covering a pilot / emerging issues and enabling tactical/rapid deployments without a paperwork issue
- Up to 25%

Discount Bracket 2: 6-30 Deployments

- This tier is designed to cover the critical suppliers within a given company. The numbers for the size of the tier and the associated discount would be developed together
- Up to 35%

Discount Bracket 3: 31+ Deployments

- We know most OEMs are approaching this as a strategic initiative for supply chain visibility and will have an upper tier to meet them at scale
- Up to 50%

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The Pico Foundation- What's at the Supplier...

Speed and simplicity are critical for an agile and sustainable supply chain

- **Station Edge:** Non-networked devices are integrated using Pico's microcontroller-based Hubs, providing a low-cost method for integration.
- Factory Edge: For on-prem deployments, the Pico Server hosts the application and aggregates all station data to one location for secure transfer to the cloud.
- The Cloud: Used for off-prem hosting, data backup + analytics, and remote support + updates. All the benefits of the cloud without the latency.
- Connect Tools and Machines in minutes: Plug and Play collection of tools enables deployments in hours instead of weeks.

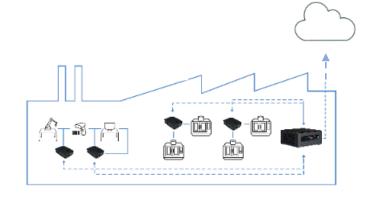
Rapid Rol...



Station Edge



Factory Edge



Quick Setup

(On Premise Example)

Kit Arrives

System Setup (Hours 1-2)



(\$600 in Hardware)





Create a process (Hour 3)

Test at a Station (Hour 4)





Release to Production

Continuous Improvement

The Pico Foundation- What's at the Supplier

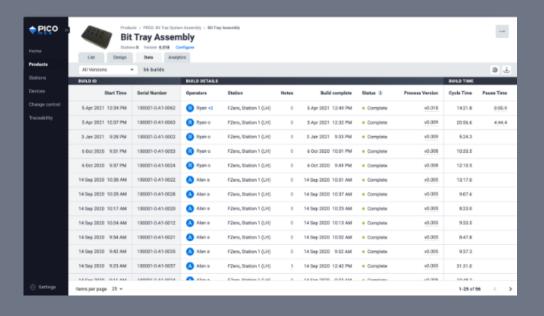
A Treasure Trove of Data Captured Automatically

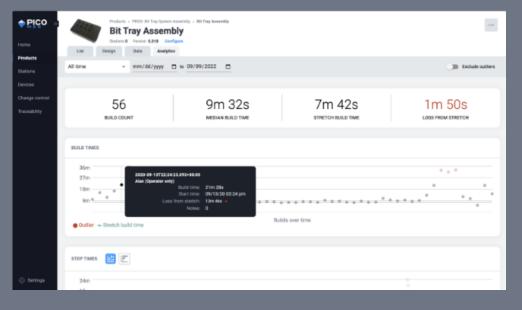
Data flows seamlessly from operators & tools, fully traceable for every product produced. **No programming or setup required.**

An integrated suite of analytics tools then reports answers to the questions every factory team asks.

Build data is replicated to the cloud for additional analytics & reporting by the customer using the BI tool of their choice.

Readily available data streams can also drastically shorten "first article" approval processes.





Follow our stories:











Thank You

Take an interactive tour of Pico MES: https://hello.picomes.com/tp/manufacturingexecutionsystem

The value of a Connected Shop Floor (filmed at MORryde):

https://www.youtube.com/watch?v=mgWJCCN6PUA