



2021 Year-in-Review

Global All-Hands
December 16th, 2021



Agenda

Intro - Robert
PM & Eng - Robert
Operations - Thane
Q & A
Closing Words - Robert

What's Happening at Enconnex?

News



New hires

Danny Wu - Engineering - Shanghai

Big Wins!
New EU partner, Ensono, 70 PDUs, more coming
NASA - 4 custom DefenseShield cabinets
MCFI - Full HAC solution with 54 cabinets
Oracle - more DefenseShield
Nova - more Cabinets



Notices

Additional internal peer to peer recognition program coming in January. More details at the end of this presentation

Celebrate!

Holiday in US 12/24, 12/27, 12/31, 1/3



Daniel
Downer

Gary
Miller

Jason
Weber

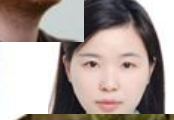
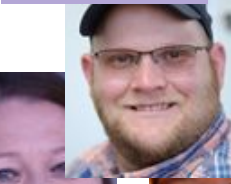
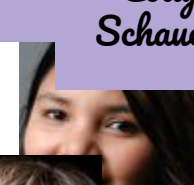
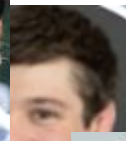
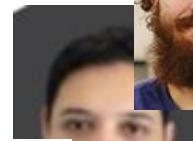
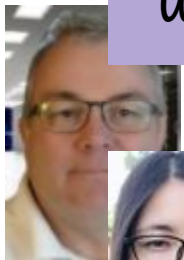
The Enconnex Team (Last Year-54)

Duane
Coder

Wally
Ogden

Cody
Schauer

Stephanie
Fu Yang



Encore Team (Today-55)



Recognition

2021



Leader of the Year

This person was already a top performer and a strong leader, but this year took on even more responsibility and never dropped the ball.



Stepping Forward Award

With Fancy taking on new responsibilities, many in her team needed to step up. This person exemplifies what it means to step forward and take Individual Accountability to make sure designs are successful.



Dirty Job Award

With ISO 9001 being a top priority for 2021, this person had the task of going back through all previous designs and getting them properly documented. This is very much a time consuming, tedious, and sometimes boring job.



Innovator of the Year

Innovation is not just in design, as we have focused on all year. This person delivered a tremendous amount of innovative content on a tight budget working through changes in the team and making us believe we are a Lion.

2021 High-Level OKR Performance

Sales

- Hit the key result of growing the business quarter over quarter
- Missed the original target revenues
- Challenge - the pandemic barely let up, among other things

Marketing

- Hit the key result of increasing web traffic, social engagement, and leads generated
- Hit the key result of continual push of new content
- Challenge - personnel turnover

Product Management

- Hit the key result of successful product launches with new collateral
- Missed the product margin targets
- Challenge - spread thin

2021 High-Level OKR Performance

Engineering

- Hit the key result of growing the product line
- Missed the target for IP
- Challenge – rising costs and supply chain disruption

Operations

- Hit the key result of building new manufacturing started in Reno
- Missed the target for improving non-Reno logistics
- Challenge – out of balance between sales volume and overall costs

Quality

- Hit the key result of becoming ISO 9001 certified
- Hit the key result of keeping everyone engaged in Quality
- Missed the target of fully integrating non-Reno sites
- Challenge – procedures and training need improvement

PM and Engineering

Power - Roadmap

AC6000 next generation (no change from November)

- New battery selected for better safety factor and supply chain
- New controller design for much more features and space for future updates
- Expandable design for AC10K and for longer run battery
- Estimated Availability - Q3 2022
- Outsourcing some portions of the design to speed up the development

TAA PDU (no change from November)

- **3 models sent to CSA for UL testing**
- 10 models being developed to cover the wide range of North American circuits
- General availability Q1 2022

Power Cords (no change from November)

- Standard PVC available now
- TPE available in US now
- **W-lock now available**
- **P-lock now available (US only)**

Real Device Testing - Roadmap

Fandoor for standard cabinets (no change from September)

- V5 to integrate the power cutoff switch into the door
- Estimated availability Q2 2022

DefenseShield 5G (no change from September)

- Covers to 40 GHz (Ka band)
- Replaces standard design
- Estimated available end of Q4 2021

Mini Shield box (Update)

- 6U, 12U available for sale now
- 9U and 13U available Q1 2022

Connectivity - Roadmap

Reno manufacturing

- Reno addressing some orders while refining production line process and efficiency.

MPO patch cord option

- Cost effective version of MTP now available for the US and EU

High-Speed Transceivers

- QSFP-DD technology supporting up to 400G available now.
- Qualifications of multiple high-speed SKUs in process with a tier one customer

Fiber-to-the-home (FTTH)

- Working on EU business strategy
- FTTH product matrix ETA next week for EU team review

Pricing adjustment for fiber cables released in December

- Applied to US and EU, updated in Odoo
- Mostly minor increase, but also some discounts.
- Tariffs reduction impacts pending

Metal - Roadmap

Fully welded cabinet (no change from Nov)

- High static / dynamic loading (5000/4000 lbs)
- Seismic design to NEBS GR63, 1500 lbs
- Paypal cabinet release and launch for the region out of US. General availability Q2 2022
- US region supports customize, no standard offer.

Accessories cleanup (no change from Nov)

- New standard shelves (EOL old designs)
- Universal standard cable management (EOL old designs)
- General availability Q1 2022

Containment (No change from Nov.)

- HAC/CAC marketing launch Q4 2021
- Control box and lighting system launch Q2 2022
- Automatic door with access system launch Q3 2022

EdgeRack - Roadmap

EdgeRack 5M (UPDATE)

- New replacement design for EdgeRack 5M with optimized design and better supply chain.
- Already started the 5kW cooling design
- Plan to finish 3D design on Dec and launch Q3 2022.

EdgeRack 3P (UPDATE)

- New GUI updation completed while continue verifying
- Marketing launched and Sales training end of Q3 2021
- General availability Q4 2021

Industrial EdgeRack 7kW(UPDATE)

- New platform, 900mm x 45U Cabinet, 7kW all-in-one Cooling, IP54.
- Updating 3D design after simulation
- Plan to produce on Feb and launch Q2 2022.

PM & Engineering

Success

2% Inspiration

98% Perspiration

24 PRDs Written

Only half of the count from 2020. Mostly due to heavy project workload

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Growth: Up from 16 engineers to 17

Several openings in China to increase throughput.

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Continual Adjustments

2021 was much like 2020 and we rose to the occasion at all levels.

Thank You!

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Thank You!

27 Design Projects Completed (down from 30 in 2020)

Key projects included the custom cabinets for ATOS and Paypal, the finalization of the DC series cabinet, a couple custom PDUs, the 2-post rack, expansion of the connectivity line, EdgeRack 3P, and expansion of the CAC and HAC systems.

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\$2.7M in new product revenue

The key result in any development is the revenue. Some winners and some duds, but a net success.



Operations

(Operations / Logistics / Manufacturing)

Operations

2021 - Growth and Process

Building on a year of initial growth and development in 2020, the past year has been a whirlwind of process improvement and business growth. The following items were our key targets for improvement this year:



ISO 9001 Certification

Meet all requirements to become ISO 9001 certified



Process Development

Identify inefficiencies, and ways to work smarter / not harder



Expand the Business - Grow Sales

Leverage the tools, processes, and teamwork to enable sales growth

Operations

2021 Accomplishments

These are the achievements we have hit during the 2021 year:

New Additions to the Ops Team!

- Deanna Wild - Operations
- Alicia Dayton - Finance, but still part of the family!



Deanna
Wild



Alicia
Dayton

ODOO - Business as usual

- Scrambling to get functional -> Maturing the product and modules
- Manu., QA, ECO, HR, Expenses

Crowning Achievements for 2021

- ISO 9001 Compliance - Achieved!
- Inventory and Finance Audit - Passed!

What were the outcomes of these efforts?

- Exposed gaps or missing processes - areas for improvement
- Forced us to create new, efficient processes
- Amazing collaboration across all groups

THANK YOU TO EVERYONE !!!



Sales Enablement

2021 Accomplishments

These are the achievements we have hit during the 2021 year:

US + EU Sales + Operations had an incredible year of growth and performance!



Some stats about what we accomplished this year...

- **Total orders processed: 722**
- **Total booked revenue: \$9.15M**
- **Invoices sent to customers: 812**
- **Invoiced revenue: \$6.86M**
- **Total quotes: 1211**
- **Backlog of ~ \$3M (booked, not shipped)**

Booked Revenue By Quarter:

Q1: \$969K
Q2: \$2.88M
Q3: \$2M
Q4: \$3.3M

And we ain't done yet!

Logistics and Warehouse

2021 - Efficiency and Accuracy

Our Logistics team and the warehouse activities are the backbone of our order processing. This year we focused heavily on identifying efficiencies and driving for improved accuracy.



Inventory Accuracy

Ensuring that we know what we have and where it is at all times.



Automation and Workflow

Leverage the necessary tools and develop the proper workflow to ensure smoother operations and traceability



Reduce Operational Costs

Identify areas for efficiency and improvement to lower total operating costs

Logistics and Warehouse

2021 Accomplishments

These are the achievements we have hit during the 2021 year:

New processes to help workflow:

- Work Order process for approving and checking material and finished goods builds
- Inventory Management process - captures receipt of products, QA, inventory placement, and system registration
- Tight integrations with QA to ensure product quality and customer satisfaction

Achievements for 2021:

- Complete inventory overhaul in Reno
- Expanded to then pulled back from Hayward
- New perimeter racking to meet growth
- Scaled available space with flexible containers
- Scrapping effort netted us \$3254.63
- Smash my Trash - \$480/month savings

Logistics and Warehouse

2021 Accomplishments

These are the achievements we have hit during the 2021 year:



NEW RACKING



NEW RACKING



ECX RENO - FULL CAPACITY

Manufacturing

2021 - Expand our In-House Capabilities

For Enconnex, manufacturing has become a major part of who we are as a business. Being able to design, build, and manufacture our own products in-house allows Enconnex to meet the needs of our customers:



Build Out the Facility - Identify the Resources

Building the physical spaces, setting up the production equipment, and hiring the right people to get the job done



Prove Out Our Capability

Writing out procedures, testing and re-testing the processes, building our first units



Meet the Initial Demand

With pending sales in the books, we had to deliver to meet initial demand

Manufacturing

2021 Accomplishments

Our ability to manufacture in-house is a major competitive edge for Enconnex

Manufacturing and Special Projects

- 508 Work orders processed
- AC6000s: 73 units
- Cabinets built: 303
- ~ 500 Cat6 network cables
- Labeled thousands of cables for various Rahi customers
- Google AV Project (Phase 1)
 - 200 lecterns
 - 100 AV racks
 - 470 CFM trays

New Capabilities for 2021

- Assigned a dedicated QC / QC hold area
- Connectivity manufacturing line for copper network cables (Cat6, Cat6A)
- Containment manufacturing and assembly area
- PDU line

Special Thanks To:
Cody Schauer our resident
Dwight Schrute



Manufacturing

2021 Accomplishments

Our ability to manufacture in-house is a major competitive edge for Enconnex



CABLE MANUFACTURING



QC TEST AREA



CONTAINMENT BUILD

 ENCONNEX

Born to Innovate

Q & A

A message from Tarun

Closing Words

You Deserve a TOAST!

Introducing TOAST! Our new Employee Rewards Program!

Objectives:

- . Introduce a simple program to “instantly” reward employees for exemplifying Enconnex core values
- . Recognize and thank employees (or one’s teammates) for going out of their way, and above and beyond in their job responsibilities
- . Create more engagement and unify us better as a team
- . Continue our culture of recognition and appreciation throughout the company

How it will work

Rewards will be a cash award or gift card

- . Managers can reward individuals or their team for superior performance
- . Employees can reward their peers for significant accomplishments.

How can managers and employees access TOAST!?

We will create a “branded” Google doc form with a unique URL.

You’ll see an introductory email from Robert, posters and flyers, and reminders to TOAST! others from your manager.



 ENCONNEX®



Born to Innovate

Thank You!