Press Release

Digital boost for construction sites: specter automation receives €2.7 million in seed funding

- **(Construction) assistance system automates construction processes**
- **40 percent less organizational effort for site managers and foremen**

Cologne, Germany, January 31, 2023 – Cologne-based construction tech startup specter automation has received a €2.7 million seed investment led by TechVision Fund (TVF). With the new funds, specter automation intends to further develop its model-based assistance system for planning and coordinating construction sites and accelerate its market launch. Co-investors are LBBW Venture Capital and xdeck VC as well as experienced and industry-related business angels from Germany and the US.

Automation saves 40 percent in organizational effort

specter's mission is to make construction sites data-driven and to optimize processes on and off the construction site. The innovative SaaS solution from specter automation is based on the latest cloud technology and places 3D models at the center of the construction site. By clicking on any component in the 3D model, site managers and foremen are provided with all relevant information – work steps, material quantities as well as time and cost information – to control the construction site based on data. Instead of time-consuming planning by feel, the construction team now coordinates almost completely digitally when which work step is to be completed. Based on this, specter automation automates time-consuming and error-prone processes. Users save up to 40 percent of the weekly organizational effort. "We have succeeded in having site managers and foremen work digitally on the 3D model of the construction site," says Co-Founder and Chief Product Officer (CPO) Moritz Cremer. „This allows us to successively break open the ‘black box’ construction site and collect process data in a structured way to drastically increase efficiency together with our partners.”

Germany's leading construction companies are customers

With its intuitive construction progress visualization in the 3D model, specter increases transparency for all stakeholders involved. Time and cost deviations are thus detected at an early stage and project members can quickly take

countermeasures. In this way, not only the construction site team benefits from the live status of a construction site, but also the entire construction ecosystem consisting of clients, project developers, architects, structural engineers, subcontractors or even suppliers. By now, more than ten of Germany's largest construction companies are among the startup's customers, including general contractors in infrastructure construction.

Construction sector needs digitization boost

According to a study by McKinsey from 2021, the construction industry is the second largest, but at the same time the second least digitized industry in the world. Major construction projects are planned and managed digitally today, but execution and progress tracking are almost exclusively analog. The lack of data transfer between the office and the construction site – overall, 96 percent of all data remains unused – makes data-based decisions on the construction site impossible. In addition, the absence of a constant and clear target-actual comparison between planning and execution leads to a lack of transparency for all project participants. The result: construction projects usually take 20 percent longer than planned and are up to 80 percent over budget.

"Many industries and sectors are digitalized by now," says Dr. Ansgar Schleicher, Managing Director of TVF. „In the construction industry, however, there is still a lot of room for improvement, despite the fact that this industry is heavily dependent on efficient coordination processes. specter automation is digitizing the construction industry at the point of action – namely, at the construction site itself. More quality and better adherence to construction schedules while automatically documenting what's happening on site will be the result."

Expansion of marketing and sales

The startup can already claim its first successes: As one of the first pilot projects, the software was used for the construction of a logistics and production hall. This was followed by prestigious projects such as "Le Quartier Central" in Düsseldorf, which is one of the largest newly constructed building projects in North Rhine-Westphalia, as well as the renovation and new construction of the Dreikönigsgymnasium, the oldest school in the city of Cologne. "So far, we have grown exclusively organically – our customers actively approached us because they were urgently looking for a solution for a data-driven management of construction sites. With the financing, we can now significantly expand our marketing and sales activities to become the leading software for the control and optimization of

construction processes," says Co-Founder and CEO of specter, Oliver Eischet. To this end, specter also plans to tackle expansion out of the German market in the coming months.

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About TVF
TechVision Fund (TVF) is the leading early-stage VC fund in the western Rhineland area in Germany. TVF is the third venture fund managed by the S-UBG Group team and invests regionally in technology startups with a fund volume of € 55 million. As one of the most experienced investors, TVF supports founders with proximity, network, expertise and paves the way to becoming the next international category leader. In addition, TVF offers unique access to the "old economy" via the S-UBG Group, giving young startups access to their first potential customers in the crucial early phase. The network includes over 150 successful portfolio companies resulting from 30 years of investment experience.

TVF – Brain | Cash | Proximity

About specter automation
Construction tech startup specter automation was founded in 2021 by engineers and economists from RWTH Aachen University and WHU – Otto Beisheim School of Management. The software of the now nearly 20-member team enables data-driven construction site management based on the 3D model of the construction site. Today, construction projects are extensively planned and managed digitally, but they are usually executed exclusively in analog form. The startup resolves this data gap between planning and execution by linking existing data and making it available to the construction site team as a model-based assistance system.

About LLBW VC
LBBW Venture Capital (LBBW VC) is the venture capital subsidiary of State Bank Baden-Wuerttemberg (LBBW). It has been investing in early-stage technology startups (seed to Series A) since 1998 and is active throughout the DACH region. LBBW VC has a broad technology focus with an emphasis on digitalization, deep tech and life sciences. In association with LBBW, it provides startups with access to a cross-industry customer network and is a partner in the further scale-up process with the help of later-stage financing, IPOs, and M&A.

About xdeck VC
xdeck ventures is an early-stage venture capital investor focusing on tech companies with superior solutions in process automation, applied big data / AI, and sustainability tech. xdeck ventures invests in inspiring teams with deep domain expertise and a distinctive understanding of the problem they are trying to solve. Moreover, they are looking for differentiated products or services that solve a real pain point for customers and teams who are building something significant with the spirit to walk the extra mile. As investor on eye level, xdeck ventures empower founders to constantly challenge their status quo by being their biggest critic and close sparring partner at the same time.

Image:

Founding team (from left to right): Oliver Eischet, Max Gier, Niklas Beese, Moritz Cremer, Emanuel Groh