

PRESS RELEASE

Using artificial intelligence to optimise manufacturing processes: High-Tech Gründerfonds and Bayern Kapital invest in Erium

Landshut / Munich, Germany, 29 April 2020. High-Tech Gründerfonds (HTGF), Germany's largest seed investor, together with Bayern Kapital, the venture capital organisation of the German State of Bavaria, has invested a seven-figure sum in Munich-based IT start-up Erium as part of a seed financing round. SAR Elektronik GmbH is also on board as a co-investor. Erium's software solution HALerium is used to model and optimise highly complex production and assembly processes using small volumes of data in a transparent and comprehensible way.

Industrial manufacturing processes are becoming increasingly complex. In terms of production, this growing level of complexity is leading to erroneous machine settings, rising error rates, extra work and an increased use of resources. Machine learning models and artificial intelligence can help to counter this trend, but they often lack a sufficient database and adequate data quality in practice. Processes are also frequently non-transparent and incomprehensible for employees. Furthermore, the creation of such models by data scientists is often a lengthy and costly process.

Erium, an IT company based in Garching, Germany, has now developed HALerium, an innovative IT solution that helps process owners (e.g. engineers or production managers) to create these machine-learning models themselves based on their domain knowledge and to then train these models using a fraction of the data that would otherwise be required. Artificial intelligence can thus be systematically linked up with in-house process and expert knowledge. To this end, HALerium helps employees understand existing, complex processes, making them objectively comprehensible for all involved. HALerium is integrated into a company's existing software products and can thus predict the outcome of individual management decisions as well as undesired end results (e.g. material waste quantities). HALerium is subsequently able to give concrete recommendations for action in real time in terms of how to optimise relevant processes. By using HALerium, companies can increase production quality, reduce the wear and tear of manufacturing equipment, save resources and minimise the amount of extra work required. At the same time, employees can benefit from the solution without requiring any prior knowledge of how artificial intelligence can offer assistance.

Erium has already secured a number of renowned clients. BMW, for instance, is already using HALerium at one of its production lines. Erium is also currently in talks with another renowned car manufacturer. The Munich-based company's software is also successfully being used by Festo SE (control and automation technology) and Meissner AG (tool manufacturing). With the funds raised from the latest financing round, Erium is planning to take on additional staff and invest in the continued development of its products.

Dr. Theo Steininger, CEO of Erium, explains: "Young IT companies don't always have it easy on the market, particularly during the initial phase. We're convinced that our AI solution can provide huge support for many industrial companies. We're therefore very grateful to our three investors for helping to ensure that we are ideally positioned for growth in the coming years, despite the challenging financial environment at present."

Gregor Haidl, Investment Manager at High-Tech Gründerfonds, adds: "We're delighted to be able to support Erium together with two experienced investors from the fields of venture capital and industry. Data-driven processes for the prediction and optimisation of processes are in high demand against the backdrop of Industry 4.0. Despite this, clients often lack successful optimisation processes, or do not use them productively, due to the often complex and highly dynamic nature of production environments. It is here that Erium, as a young company, can already boast a number of promising client successes."

Roman Huber, Managing Director of Bayern Kapital, says: "On the path to Industry 4.0, new technologies such as machine learning are being used for highly complex fields of application. With its software solution, Erium has impressively demonstrated that while process modelling and process optimisation still remain challenging, they can be made transparent, easier to understand, and manageable. For Bavaria as a hub for industry and high-tech, and also beyond, investments in young innovators like Erium are becoming increasingly important, with companies and employees alike profiting from their solutions."

About Erium GmbH:

Erium GmbH was founded in 2019 and is based at the "gate" technology and start-up centre in Garching near Munich. The company currently has 10 employees and is a leader in technology for the optimisation of complex processes using AI. With its software solution HALerium, Erium is helping people from various disciplines to create their own AI models without needing to be data scientists. Erium is thus making machine learning accessible for all and helping people to overcome complexities.

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About High-Tech Gründerfonds

High-Tech Gründerfonds (HTGF) is a seed investor that finances high-potential, tech-driven start-ups. With around EUR 900 million in total investment volume across three funds and an international network of partners, HTGF has already helped forge almost 600 start-ups since 2005. Driven by their expertise, entrepreneurial spirit and passion, its team of experienced investment managers and startup experts help guide the development of young companies. HTGF's focus is on high-tech start-ups in the fields of digital business models, industrial technology, life sciences, chemistry and related business areas. To date, external investors have injected over EUR 2.5 billion into the HTGF portfolio via more than 1,600 follow-on financing rounds. HTGF has also successfully sold interests in more than 100 companies.

Investors in the public-private partnership include the Federal Ministry of Economics and Energy, KfW Capital, the Fraunhofer-Gesellschaft and 32 companies. Our Fund Investors

<https://www.htgf.de/en>

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About Bayern Kapital:

Bayern Kapital GmbH, based in Landshut, was founded on the initiative of the Bavarian government in 1995. It is a wholly-owned subsidiary of the Bavarian LfA Förderbank. As the venture capital organisation of the State of Bavaria, Bayern Kapital provides equity capital financing for the founders of young innovative technology companies in Bavaria. Presently Bayern Kapital manages eleven investment funds with a total volume of around €385m. So far, it has invested roughly €310m in more than 275 innovative companies in the fields of technology in various sectors including life science, software & IT, materials and new materials, nanotechnology and environmental technology. In this way, more than 7,500 long-term jobs in sustainable companies have been created in Bavaria.

<https://bayernkapital.de/financing-innovation/>

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