PRESS RELEASE

Arch Systems secures $15M in new funding led by Two Bear Capital

PALO ALTO, Calif.— July 15 2022 – Arch® Systems today announced $15M in new funding led by Two Bear Capital and joined by new and existing investors including seed lead investor Uncork Capital.

Arch, founded by Stanford engineering PhDs, provides leading electronics and discrete manufacturers with an advanced analytics platform for factory-wide and multi-factory operations. On the manufacturing floor, the technology provides best-in-class operational guidance to improve productivity, quality, and maintenance. Across multiple factories, Arch automates global KPI alignment and delivers enterprises tools to drive data-driven action management both at in-house and contracted factories to maximize overall manufacturing performance.

Arch Systems CEO Andrew Scheuermann explained the company's position and traction: "Today our product, ArchFX, is in use in more than 15 countries, analyzing hundreds of unique products with the continuous rich data from well over 5,000 smart factory machines. Arch's enterprise customers are unlocking in the $10 millions, even $100 millions of untapped factory capacity. This is made possible by identifying and solving significant factory-based bottlenecks across enterprise-wide systems that were previously invisible– while enabling factory by factory front-line operations with best-in-class, standardized productivity, and quality process control."

About the new financing, the Arch CEO said, "This new funding will accelerate our go-to-market motion both in our core area, electronics manufacturing, and in the adjacent area of high-tech manufacturing including defense and medical manufacturing. Two Bear Capital brings incredible expertise and insight into company building in the deep tech and networking space as well as our domain manufacturing markets. This is a rare and exceptional combination of expertise. We are excited to be partnering with them on this next phase."

Two Bear Capital's investment was led by partner Ida Khodami. "I am beyond excited about our investment in Arch," said Khodami. "Having held engineering and operations leadership roles in the biotech industry for over a decade, I have seen first-hand the tremendous value of factory-wide analytics and the investment required to integrate equipment (smart and legacy machines) in all factories, even in the most sophisticated ones, Arch is changing the integration game for new and existing factory machines by providing accessible, unprecedented analytics tools. We invested in Arch to help fuel their further expansion into biotech, medical devices, electronics and other areas of high-tech and discrete manufacturing.

The funding comes on the heels of significant growth at Arch with more than 300 percent year-over-year growth in business both in active analytics users and connected machines. The company is currently in an active hiring phase and launching two major products in the coming months – **Action Management System**, an enterprise control room designed around machine data signals and corrective actions for top floor to shopfloor rapid decision making, as well as **Production Insights**, an ArchFX Core offering that will make a subset of Arch's analytics developed on large enterprise data sets available to individual factories for the first time.

About Two Bear Capital

Two Bear Capital (TBC) was founded and is led by veteran Silicon Valley venture capitalist and philanthropist Michael Goguen. Two Bear Capital seeks to invest in the most promising early-stage companies solving some of today's most urgent problems at the intersections of healthcare, biotechnology, bioinformatics, artificial intelligence/machine learning, cybersecurity, and software infrastructure for enterprise. Two Bear Capital's investment team is based in Whitefish, Montana, the San Francisco Bay area, San Diego, and Boston. To learn more, visit www.twobearcapital.com and follow Two Bear Capital on LinkedIn.

About Arch Systems

Arch® works with top-tier global electronics manufacturers to extract data from any machine, both new and legacy, to unlock data governance and drive uniform metrics for enhanced productivity and predictive analytics. Arch has built the largest collaboration of industry domain experts working hand-in-hand with data scientists to constantly map new signals in the data, adding them to the ever-growing library of operational analytics and recommendations. These signals and recommendations are changing how manufacturers tackle their most complex problems, allowing them to simplify and align actions both on the shop floor and the top floor.

Arch is a recipient of the 2021 Global Technology and Mexico Technology Awards, and a 2022 NPI Award. The ArchFX Platform provides the machine connectivity, data management, and advanced insights needed to achieve digital transformation across the manufacturing organization. For more information, visit archsys.io,or follow us on LinkedIn or Twitter.

This release is intended for informational purposes only and should not be relied upon to make any investment decision, as it was prepared without regard to any specific objectives, or financial circumstances. This is not a solicitation to buy or sell any securities. This release is not intended to provide, and should not be relied upon for tax, legal, accounting, or investment advice. The forward-looking statements herein constitute an expression of opinion, which may or may not prove to be accurate.

Contact
Arch Systems
 Jennifer Davis
+1 435-764-4766
media@archsys.io