



Presentation Disclaimer

CONFIDENTIAL

THIS PRESENTATION IS FOR INFORMATIONAL PURPOSES ONLY AND SHALL BE MAINTAINED IN STRICT CONFIDENCE. ANY REPRODUCTION OR DISTRIBUTION OF THIS PRESENTATION, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND'S GENERAL PARTNER OR MANAGEMENT COMPANY, IS PROHIBITED. THIS PRESENTATION WILL BE RETURNED TO THE GENERAL PARTNER OR MANAGEMENT COMPANY UPON REQUEST. THE EXISTENCE AND NATURE OF ALL CONVERSATIONS REGARDING THE FUND MUST BE KEPT CONFIDENTIAL.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, AN INTEREST IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR FOREIGN AGENCY HAS APPROVED AN INVESTMENT IN THE FUND. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PRESENTATION. IT IS THE RESPONSIBILITY OF ANY PERSON OR ENTITY WISHING TO PURCHASE AN INTEREST TO SATISFY HIMSELF, HERSELF OR ITSELF AS TO THE FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS OR THE LAWS OF ANY FOREIGN JURISDICTION. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "COMPANY ACT"). CONSEQUENTLY, INVESTORS WILL NOT BE AFFORDED THE PROTECTIONS OF THE COMPANY ACT.

THE FUND'S INVESTMENTS WILL BE CHARACTERIZED BY A HIGH DEGREE OF RISK, VOLATILITY AND ILLIQUIDITY.

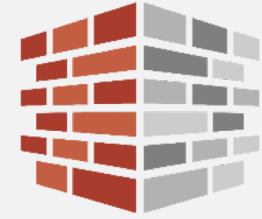
CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE FUND, THE GENERAL PARTNER, THE MANAGEMENT COMPANY, NOR THEIR RESPECTIVE AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION SET FORTH IN THIS PRESENTATION DOES NOT PURPORT TO BE COMPLETE AND NO OBLIGATION TO UPDATE OR OTHERWISE REVISE SUCH INFORMATION IS BEING ASSUMED. A PROSPECTIVE INVESTOR MUST RELY SOLELY ON THE TERMS OF, AND DISCLOSURE OF INFORMATION IN THE FUND'S GOVERNING DOCUMENTS; THE ONLY BASIS ON WHICH SUBSCRIPTIONS MAY BE MADE.

IN CONSIDERING THE PRIOR PERFORMANCE INFORMATION OF THE INDIVIDUAL INVESTMENTS OR PRIOR FUNDS CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS.

CERTAIN STATEMENTS IN THIS PRESENTATION CONSTITUTE FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS, INCLUDING THE INTENDED ACTIONS AND PERFORMANCE OBJECTIVES OF THE GENERAL PARTNER, THE MANAGEMENT COMPANY OR THE FUND REFERENCED HEREIN, INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS OF THE GENERAL PARTNER, THE MANAGEMENT COMPANY OR THE FUND TO DIFFER MATERIALLY FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

THE INVESTMENTS AND PORTFOLIO COMPANIES IDENTIFIED AND DISCUSSED HEREIN DO NOT REPRESENT ALL OF THE INVESTMENTS MADE BY THE PRIOR FUNDS AND MAY NOT BE REPRESENTATIVE OF ANY CURRENT OR FUTURE INVESTMENTS. THE PERFORMANCE OF THESE INVESTMENTS IS NOT NECESSARILY INDICATIVE OF THE PERFORMANCE OF ALL INVESTMENTS MADE. IT SHOULD NOT BE ASSUMED THAT ANY FUTURE INVESTMENTS WILL BE PROFITABLE OR WILL EQUAL THE PERFORMANCE OF THE COMPANIES IDENTIFIED HEREIN. NO GUARANTEE OF INVESTMENT PERFORMANCE IS BEING PROVIDED AND NO INFERENCE TO THE CONTRARY SHOULD BE MADE.



BRICK & MORTAR
VENTURES

The Current AEC Technology Venture Landscape

PREPARED FOR:

CitA | **TECHLIVE**
2020

CONFIDENTIAL AND PROPRIETARY

Any use of this material without specific permission of Brick & Mortar Ventures is strictly prohibited

- **Introduction to Brick & Mortar Ventures**
- **Construction Technology Startup Trends**
- **Funding Trends**



Brick & Mortar Ventures Team



Darren Bechtel
Managing
Director



**Curtis
Rodgers**
Principal



**Kaustubh
Pandya**
Principal



**Austin
Yount**
Sr. Associate



**Alice
Leung**
Associate





We are backed by leading players across the asset lifecycle - from design and construction to facility management across many sectors



Leading Building
Material Supplier



*Bechtel is not an LP in Brick & Mortar Ventures Fund I. Darren Bechtel made a capital contribution to Brick & Mortar Ventures Fund I and allocated the LP partnership benefits to Bechtel.



We are thrilled to be investors in the following active portfolio companies who have led the charge for disruption in the way we design, build, and maintain the world around us



MANUFACTON



FIELDWIRE

serious:labs®

VEERUM



Branch
TECHNOLOGY

CANVAS



connect-homes



Cumulus

ILLUMAGEAR™

SAFEAI

 safesite

Y N M I A

curbio®
Renovate Now, Pay When You Sell

 wingtra



TRADE HOUNDS



ADVANCED
NAVIGATION

 IFM



Why are we here?



The MGI Industry Digitization Index

2015 or latest available data

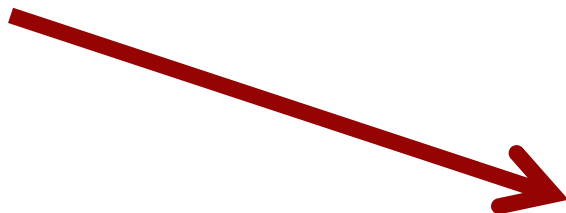
Relatively low
digitization



Relatively high
digitization

● Digital leaders within relatively undigitized sectors

Sector	Over-all digitization ¹	Assets		Usage			Labor			GDP share %	Em-employment share %	Productivity growth, 2005–14 ² %
		Digital spending	Digital asset stock	Transactions	Interactions	Business processes	Market making	Digital spending on workers	Digital capital deepening			
ICT										5	3	4.6
Media		1								2	1	3.6
Professional services										9	6	0.3
Finance and insurance										8	4	1.6
Wholesale trade					4					5	4	0.2
Advanced manufacturing										3	2	2.6
Oil and gas		2								2	0.1	2.9
Utilities										2	0.4	1.3
Chemicals and pharmaceuticals										2	1	1.8
Basic goods manufacturing										5	5	1.2
Mining										1	0.4	0.5
Real estate	●									5	1	2.3
Transportation and warehousing	●								5	3	3	1.4
Education	●			3						2	2	-0.5
Retail trade	●									5	11	-1.1
Entertainment and recreation										1	1	0.9
Personal and local services										6	11	0.5
Government	●									16	15	0.2
Health care		6								10	13	-0.1
Hospitality	●									4	8	-0.9
Construction										3	5	-1.4
Agriculture and hunting										1	1	-0.9

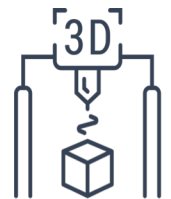
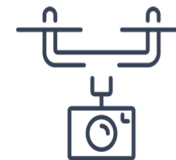




Investment Thesis | Past: we lived in a solution scarcity world for a long time in construction due to the unique challenges of a construction environment



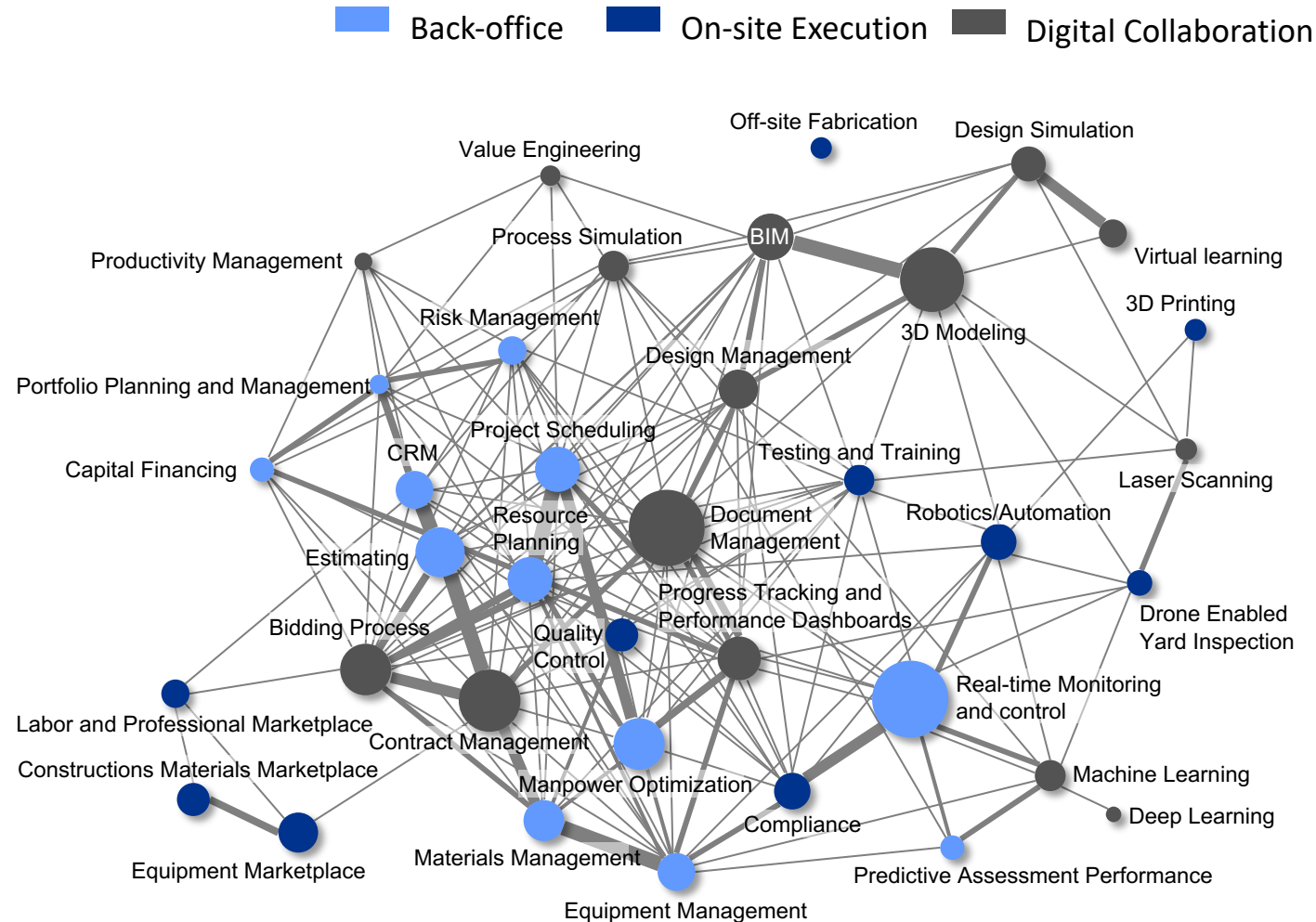
Only recently, we have seen the advent of underlying enabling technology for a GPS-denied, metallic, dynamic environment.





Investment Thesis | Present: today, we see solution abundance in the space

Investment stage-gate process:



2018

Firms



2400

Clusters



constellations

Investment



\$18B

Geo center of gravity



North America 85%

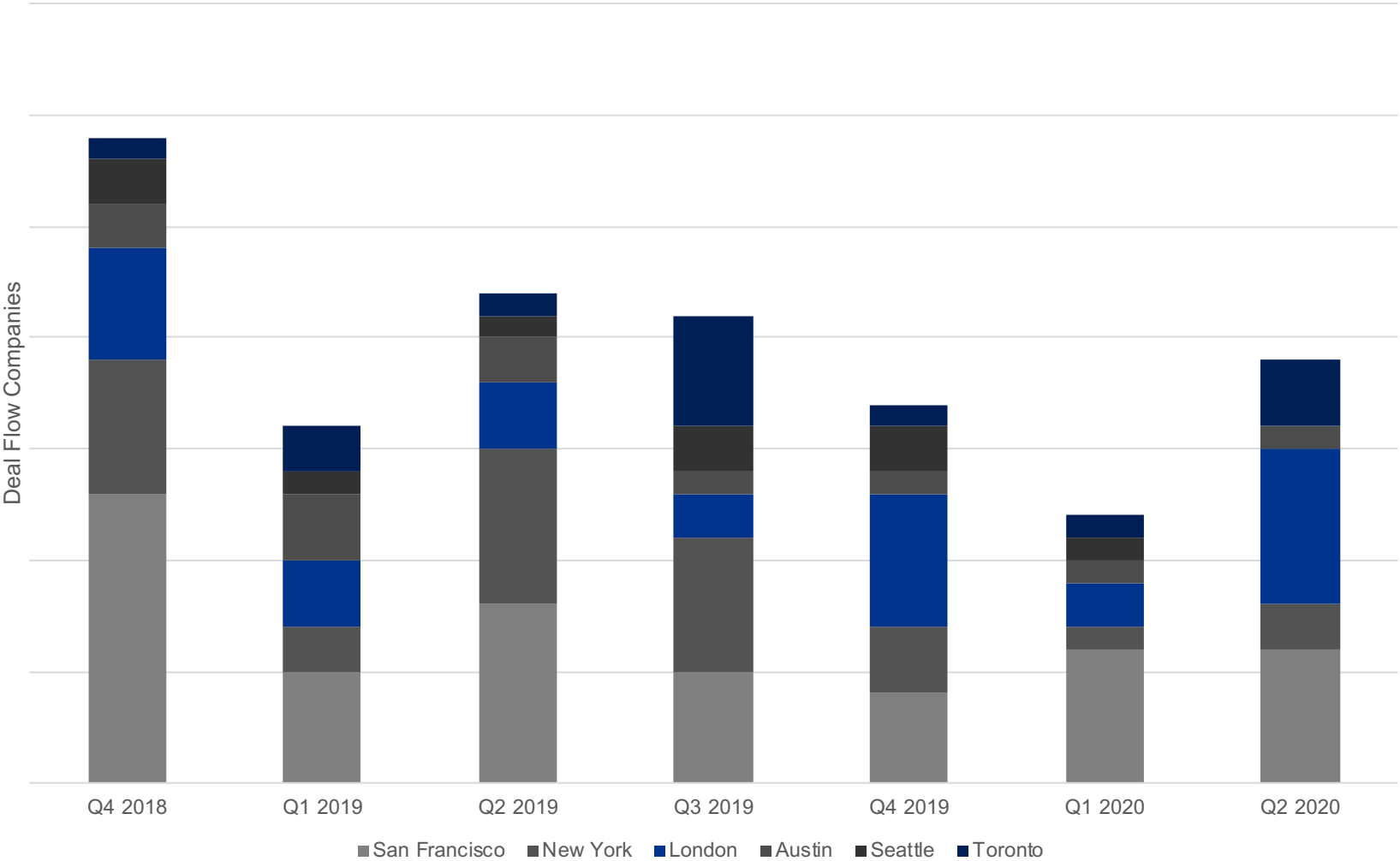
- **Introduction to Brick & Mortar Ventures**
- **Construction Technology Startup Trends**
- **Funding Trends**



Trend of ConTech Startups by Location

- Decline of ConTech startups based in **San Francisco** (not including entire Bay Area) and **New York City**
- Increase of ConTech startups based in **London**
- Steady growth of ConTech startups in Austin, Toronto, Calgary, Tel-Aviv
- Growth of ConTech startups from **Tel-Aviv** have grown drastically since last year

Deal Flow By Location Per Quarter (Top 6 Cities)

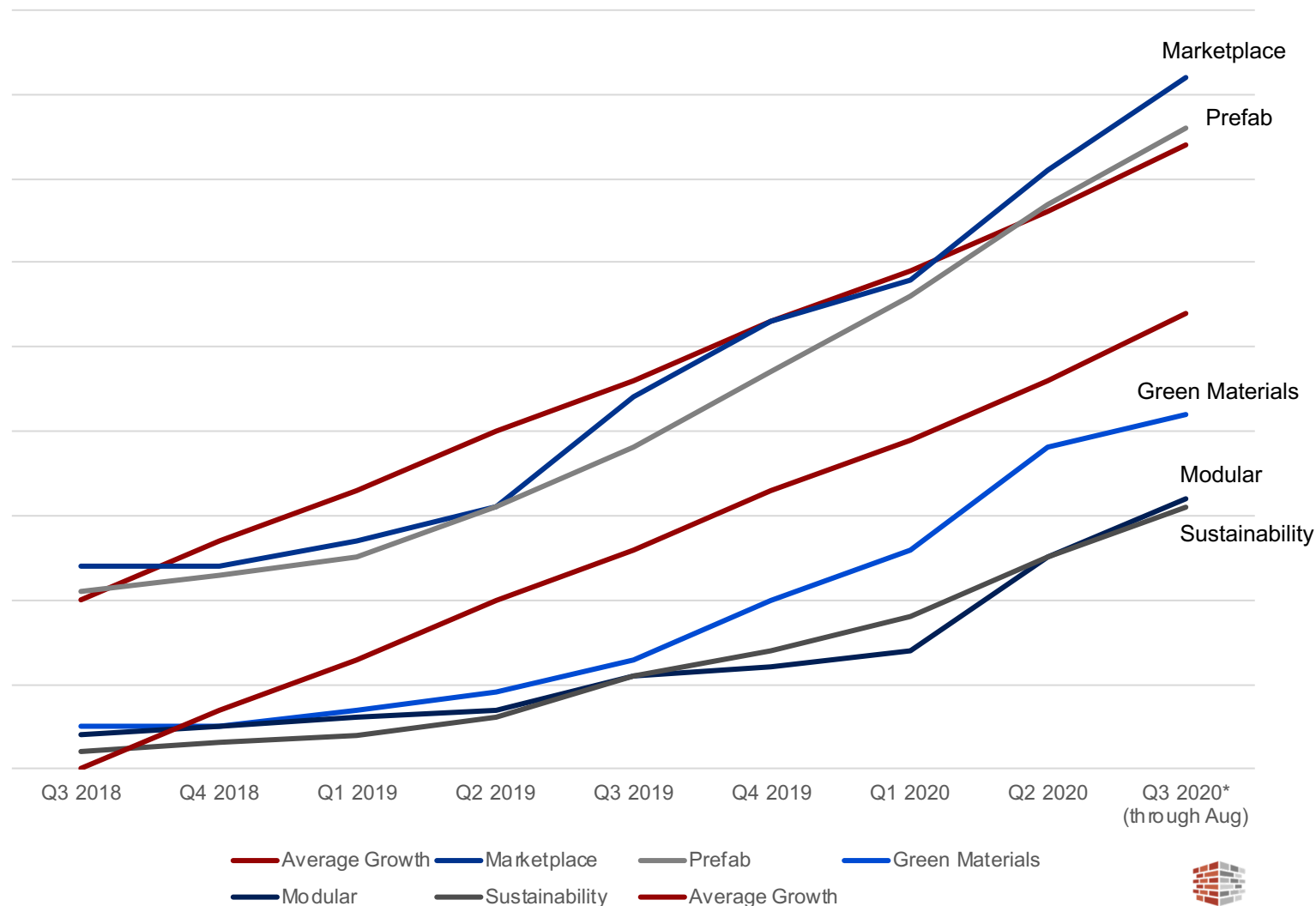




Trend of ConTech Startups by Category

- The highest number of ConTech startups are identified as a **marketplace**
- The second highest number of ConTech startups are in the **prefabrication** space (hardware, software, fabrication, etc.)
- The number of **green material** and **sustainability** ConTech startups grew by over 700% since 2018
- **Modular Construction** ConTech startups had the most growth in Q2 and Q3 of 2020

Growth of Deal Flow by Category Over Time



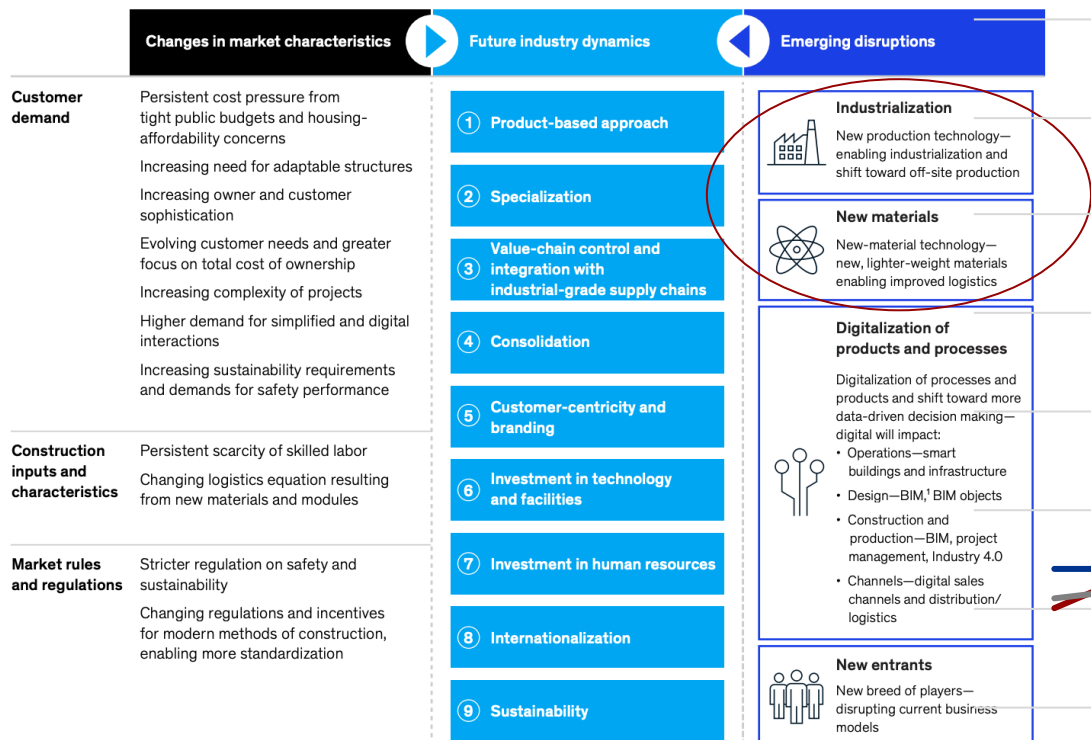
This data is from Brick & Mortar Ventures' deal flow tracking software.



Trend of ConTech Startups by Category

Exhibit A

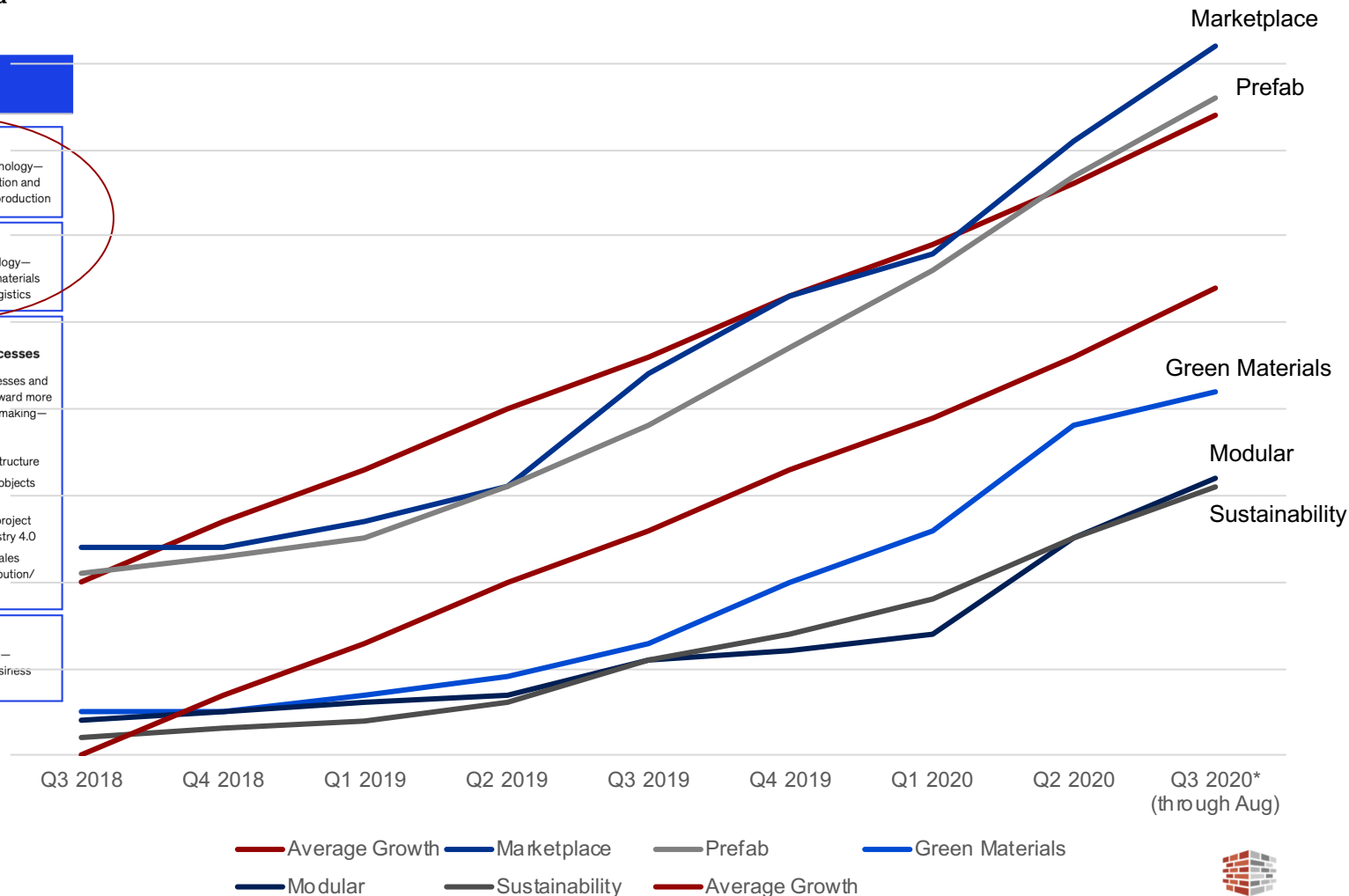
Changing characteristics and emerging disruptions will drive change in the industry and transform ways of working.



¹ Building-information modeling.

Source: McKinsey, The Next Normal in Construction

Growth of Deal Flow by Category Over Time



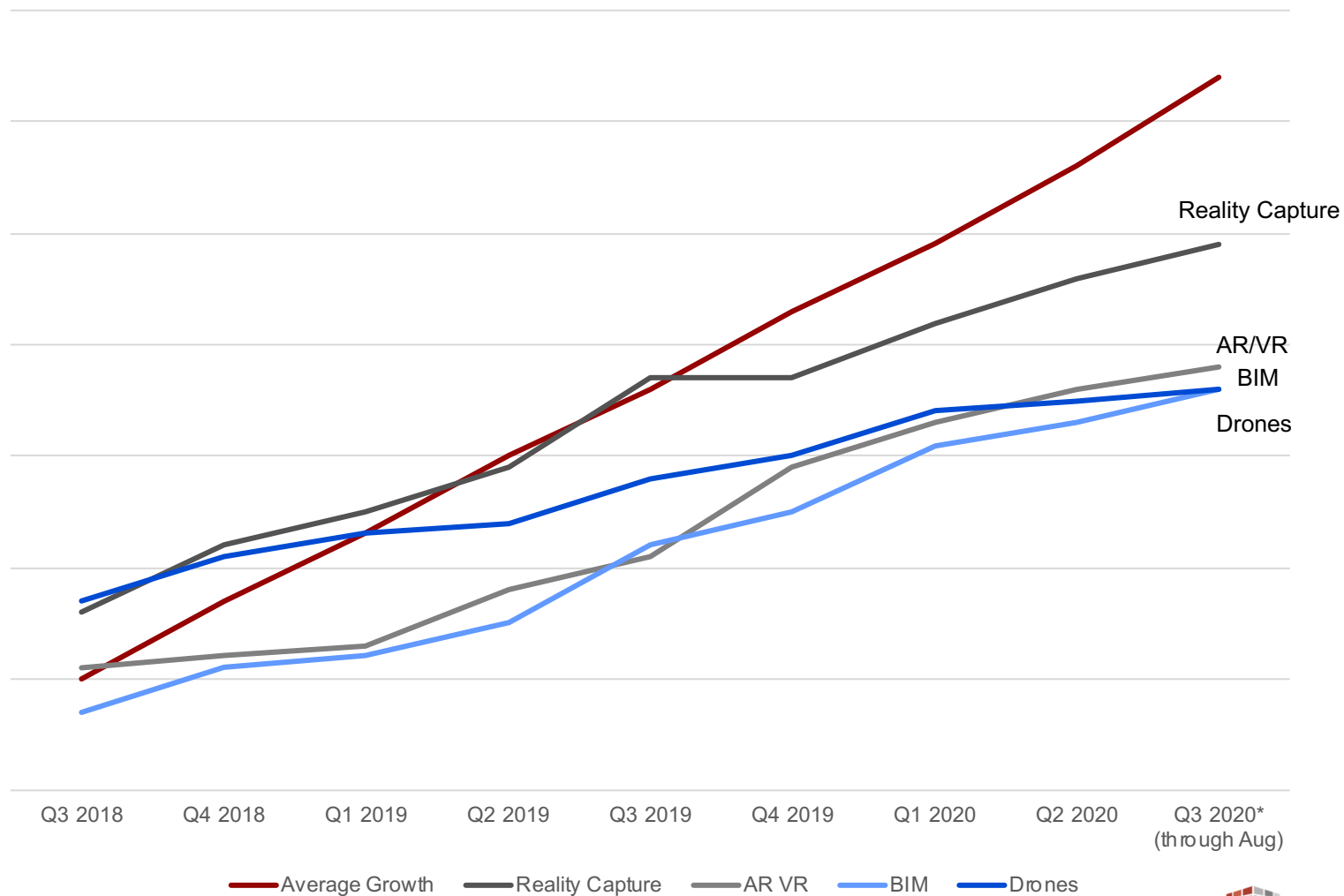
This data is from Brick & Mortar Ventures' deal flow tracking software.



Trend of ConTech Startups by Category

- Reality Capture, AR/VR, Drone and BIM related startups had slowed growth from 2018 to 2020

Growth of Deal Flow by Category Over Time



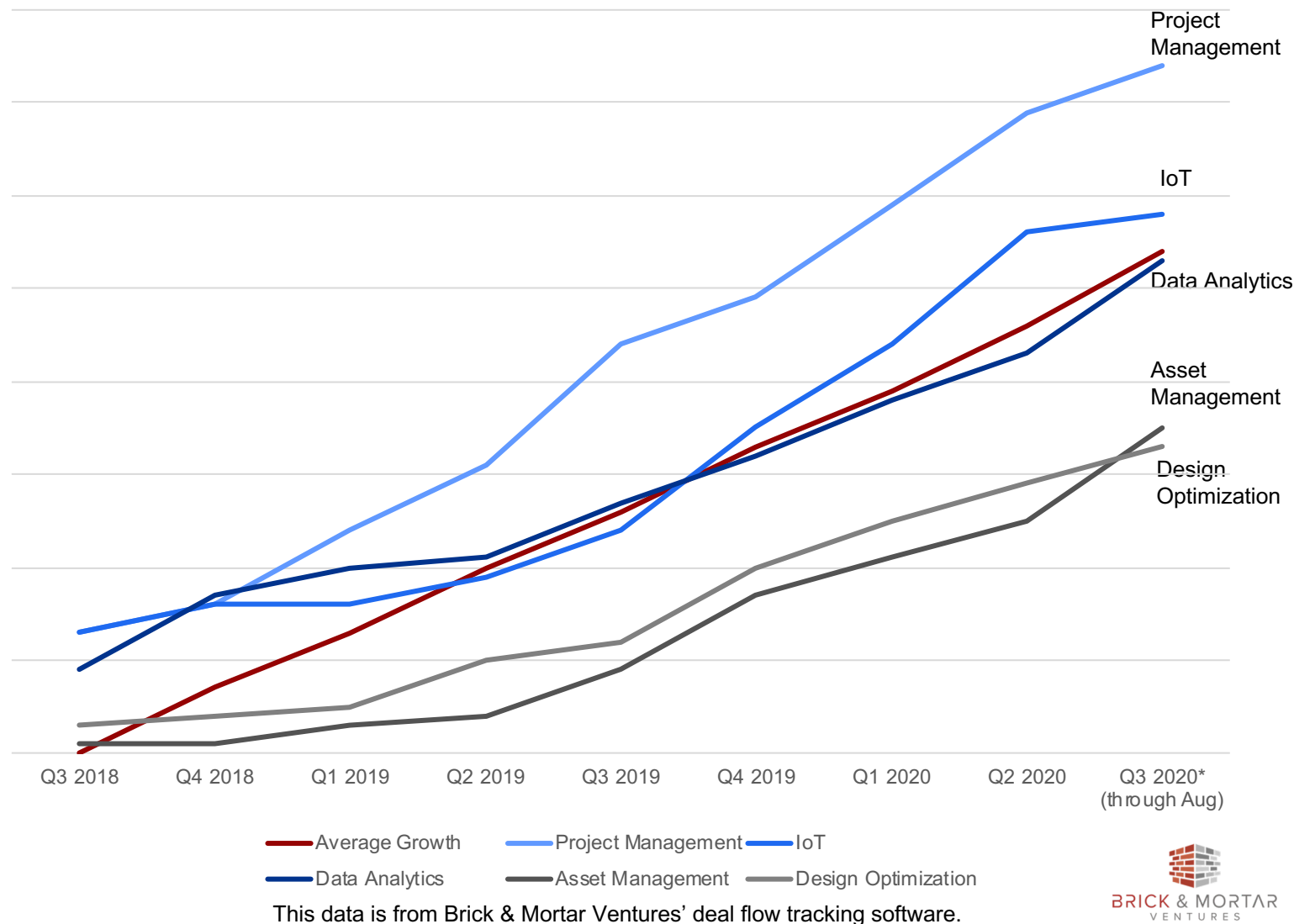
This data is from Brick & Mortar Ventures' deal flow tracking software.



Trend of ConTech Startups by Category

- The types of ConTech startups with consistent growth from 2018 to 2020 are: Marketplace, Project Management Tools, IoT/Sensors
- The highest rate of growth were ConTech startups in the **asset management** space (CRE, construction, tools, etc.)
- **Design optimization** tools grew over 1000% since 2018

Growth of Deal Flow by Category Over Time





COVID-19 Trends (Anecdotal)

- Increased adoption and usage of the following ConTech startup categories:

- Reality capture
- Change management
- Digital forms or T&M
- Location Tracking / positioning
- Safety Management
- Maintenance & Repairs



- Increased interest in current or future adoption of the following ConTech startup categories:

- Prefabrication of parts/pieces
- Modular Construction
- RTLS



- **Introduction to Brick & Mortar Ventures**
- **Construction Technology Startup Trends**
- **Funding Trends**



Some Headlines

THE WALL STREET JOURNAL.

English Edition ▾ | [Print Edition](#) | [Video](#) | [Podcasts](#) | [Latest Headlines](#)

[Home](#) [World](#) [U.S.](#) [Politics](#) [Economy](#) [Business](#) [Tech](#) [Markets](#) [Opinion](#) [Life & Arts](#) [Real Estate](#)

WSJ wants to hear from you. Take part in this short survey to help shape The Journal. [Take Survey](#)

[REAL ESTATE](#) | [PROPERTY REPORT](#)

Momentum Builds for Automation in Construction

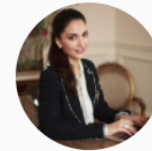
Goldman Sachs, venture investors pour money into startups to leverage technology

By [Konrad Putzier](#)

July 2, 2019 9:17 am ET

2,161 views | Nov 1, 2019, 03:01pm EDT

The Skyrocketing ConTech Sector Is Capturing New Market Segments



Angelica Krystle Donati Contributor ⓘ

[Consumer Tech](#)

I write about proptech and innovation in real estate and construction.

<propmodo>

Buildings · 6 min read

Move Over PropTech, Here Comes ConTech

Ryan Freedman, Daniel Fether, Shuni Liu and Tait Kaplan · November 19, 2019

As coronavirus necessitates technology usage, investors seem keen on contech

AUTHOR
[Kim Slowey](#)
[@kimslowey](#)

PUBLISHED
April 8, 2020

As the construction industry more rapidly adopts technology year by year, investors have also been increasingly backing current and future technologies in the space and the companies that fulfill them. [CREtech data](#) shows that venture capital investment in private contech companies was \$352 million in 2016 and more than \$6 billion in 2018. As of June 2019, contech investment hit \$4 billion. 2020 [promised to be another strong year](#) for contech investments, according to [TechCrunch](#).



Trends (Anecdotal)

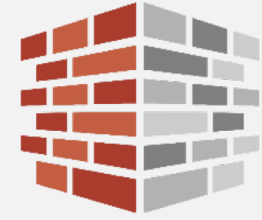
Anecdotal Trends:

- Increased generalist venture capital firms interested in construction technology startups



- Increased LP interest in built world focused funds
- Increased AECO companies interested in working with or investing in construction technology start





BRICK & MORTAR
VENTURES

Alice Leung – alice@brickmortar.vc

Thank you!
Questions?

PREPARED FOR:

CitA | **TECHLIVE**
2020

CONFIDENTIAL AND PROPRIETARY

Any use of this material without specific permission of Brick & Mortar Ventures is strictly prohibited