



Insights

AVP Investment thesis Basetwo

February 2025

New York - London - Paris

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AVP is excited to announce our lead investment in Basetwo's \$11.5M Series A round, alongside co-investors Glasswing, Global Brain, Deloitte Ventures, SHIMADZU and Chiyoda. After spending considerable time exploring the potential of software solutions in the manufacturing space, we are thrilled to support Basetwo's innovative AI co-pilot for manufacturing processes. When we first met the Basetwo team over a year ago, we were impressed by their visionary solution to a clear and pressing market need. Below, we highlight the key reasons behind our enthusiasm for Basetwo:

1. The Manufacturing Market is Massive - and Technology is Outdated

Basetwo is at the forefront of AI-driven manufacturing optimization, entering the market at a time where AI technology is feasible, and companies are eager to adopt. The manufacturing industry is massive, contributing to ~16% of GDP¹, but it remains disproportionately reliant on outdated technology. Despite its size and impact, many manufacturers still rely on legacy tools and desktop simulation software—some dating back to the Windows 95 era. Our calculations estimate Basetwo's TAM to be approximately \$20 billion, primarily focused on chemicals, and around \$60 billion when expanded to include other underserved verticals.

At AVP, we seek opportunities in industries primed for disruption, and believe this gap in manufacturing represents a significant opportunity. The industry is grappling with rising costs, labor shortages, nearshoring trends, and increasing competition, all of which are driving demand for greater operational efficiency. We believe Basetwo is uniquely positioned to fill this gap. In verticals such as pharmaceuticals, there is a distinct lack of advanced process optimization solutions, and Basetwo's technology addresses this need, unlocking substantial value by improving operational efficiency.

2. Basetwo's Technology is Cutting-Edge

Basetwo has a unique value proposition, providing a low-code, user-friendly platform enabling operators to efficiently perform process optimization with quick setup and time to value. The platform leverages best-in-class physics AI models to accurately simulate complex processes and recommend optimization strategies.

What truly sets Basetwo apart is not just the use of advanced AI, but also modern MLOps tools they have architected - creating a comprehensive, end-to-end solution for process optimization. The combination of technical excellence and usability positions Basetwo to drive significant operation improvements across manufacturing.

3. Basetwo's Solution Delivers Strong ROI

The ROI potential for process optimization in manufacturing is significant. Even small inefficiencies can compound at scale, leading to millions of dollars in lost productivity. Basetwo's platform has already demonstrated its value by helping customers identify and eliminate inefficiencies, generating millions in cost savings. As a result, Basetwo has been able to secure early contracts with large Fortune 500 companies—an endorsement of the platform's effectiveness and real-world value.

4. Basetwo Has an Exceptional Management Team

At AVP, we prioritize investing in companies with strong leadership, and Basetwo's management team of three brothers exceeds our expectations. CEO Thouheed and COO Thamjeeth previously co-founded an AI-driven water infrastructure company, which was acquired by Innovyze and later by Autodesk; Thouheed then went on to lead Autodesk's AI initiatives. Head of Engineering Tawfeeq brings experience from high-growth tech companies like Lyft, Uber, and Databricks. Their combined expertise gives us confidence in management's ability to scale and grow Basetwo into a market leader.

Since its founding in 2022, Basetwo has made impressive strides with its cutting-edge platform addressing the significant gap in the manufacturing sector. We at AVP are excited to partner with Basetwo to help manufacturers across the globe unlock millions in cost savings and shape the future of process optimization.

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1. <https://ourworldindata.org/grapher/manufacturing-value-added-to-gdp?tab=table>

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