



Supplementary Documentation to the financial report for the fiscal year ending March 2022

May 13, 2022

Eyes to the all machines

— Revenue recovery and business progress continue as expected

- Revenue for FY22, adjusted for the impact of the change in accounting standards, were in line with the forecast (296 million yen)
- Continued business growth resulting in **+130%** year-on-year revenue growth, and is expected to continue to grow significantly in FY23

— Accelerated acquisition of Artisense for the purpose of growth acceleration and earning structure improvement (Moved up from Jan. 2023 to Dec. 2021)

- Full-scale R&D integration has begun to realize smart-SLAM, a hybrid technology of Kudan and Artisense and a technology that can solve a wider range of market challenges
- Achieve significant cost synergies from technology integration by FY23/4Q (cost **-18%** compared to 4Q of prior fiscal year) and significantly mitigate loss-making structure to ensure profitable earning structure

— Ongoing projects for customers' commercialization are increasing and we are moving forward from the preparation phase to the harvest phase

- As a result of consistent project progress, we expect to launch several customers' commercialized products in FY23
- Aim to increase software license revenue as customers' products become more widely used and to dramatically increase revenue in the mid to long term
- In May 2022, we borrowed 200 million yen from a bank to further strengthen our financial base

— With the demand for Metaverse as a tailwind, the market further expands

- Stimulate demand for our technology for the next generation Metaverse extending not only to AR/VR but also to robotics
- Continued expansion of partners on a global scale (Intel, Texas Instruments, ADLINK, more)

Performance overview



- Increased profit due to the expansion of projects in a wide range of application areas and progress in the phases of development projects towards customers' commercialization contributed to our revenue growth
- After adjusting for the impact of the change in accounting standards^(*), substantial revenue (revenue for projects actually delivered in the current fiscal year) were 296 million yen, and our business has progressed mostly in line with the forecast (300-350 million yen)
- Selling, general and administrative expenses increased due to the effect of Artisense becoming a consolidated subsidiary from January 2022
- Impairment losses, as R&D investment, were recorded all at once as a one-time integration cost due to early acquisition of Artisense in the current fiscal year. No cash payment or decrease in shareholders' equity due to this acquisition, as the impairment losses were recorded at the same time as the issuance of new shares (capital increase).
- As a result, the burden of future goodwill amortization expenses will be eliminated and this will enable us to quickly turn profitable

(Unit: million yen)	Performance for FY2020	Performance for FY2021	Performance for FY2022
Net Sales (Prior to accounting standards change)	456	127	271 (296)
Operating Profit	9	△451	△433
Ordinary Profit	△12	△1,575 (incl. "share of loss of entities accounted for using equity method"(1,232))	△681 (incl. "share of loss of entities accounted for using equity method"(403))
Profit Attributable to Owners of Parent	△29	△1,608	△2,237 (incl. impairment losses of (1,474))

(*) This is a special adjustment caused by the inconsistency between the old and new accounting standards (revenue recognition standard), "under the old standard, it is recorded in the current period" and "under the new standard, it is recorded in the previous period," and will not occur in the next period and thereafter.

R&D and Business Development Highlights: Robotics and autonomous driving/ADAS

- Robotics: Launch and progress further development projects by leveraging partners
- Autonomous driving • ADAS (Driving assistance): Continued and expanded large-scale projects

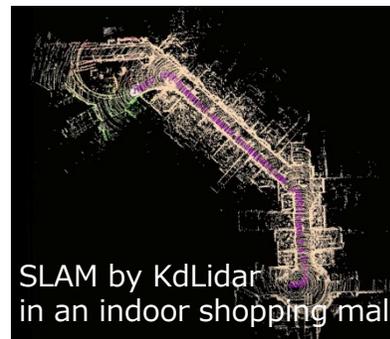
Robotics

R&D

- Visual: Improved stability against environmental changes
- Visual: Improved performance on the integration of wheel odometry
- Visual: Improved processing speed and load reduction for specific processors
- Lidar: Improved performance when integrating IMUs

Business Development

- Launched and progress in development with multiple autonomous mobile robot OEMs
- Visual SLAM optimization progress with major semiconductor OEM
- Acquired projects through trial version distribution with Ouster
- Joint marketing with technology trading companies, Intel, NVIDIA, etc. to raise awareness and acquire projects



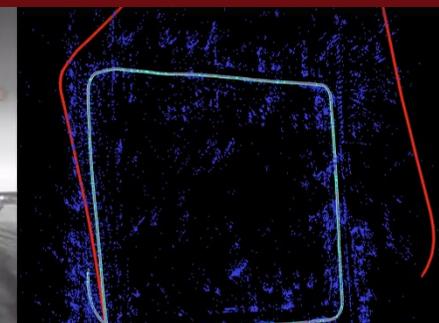
Autonomous Driving/ADAS

R&D

- Visual: Improved performance on fisheye type cameras
- Visual: Improved performance on the integration of wheel odometry
- Lidar: Added map integration and map streaming functions

Business Development

- Progress on autonomous driving projects with automotive OEMs
- Progress on ADAS project with automotive Tier 1 supplier
- Collaboration with automated driving-related companies in China



Achieved high accuracy of localization by integrating fisheye monocular lens and wheel odometry
(Red line: Wheel odometry only, Blue line: SLAM trajectory)

R&D and Business Development Highlights: Mapping and Metaverse (AR/VR)

- Mapping: Progress on existing projects towards commercialization and launched several new development projects of simple mapping devices
- Metaverse (AR/VR): Progress in development projects with camera-related OEMs and expanded in the areas of indoor localization and industrial AR

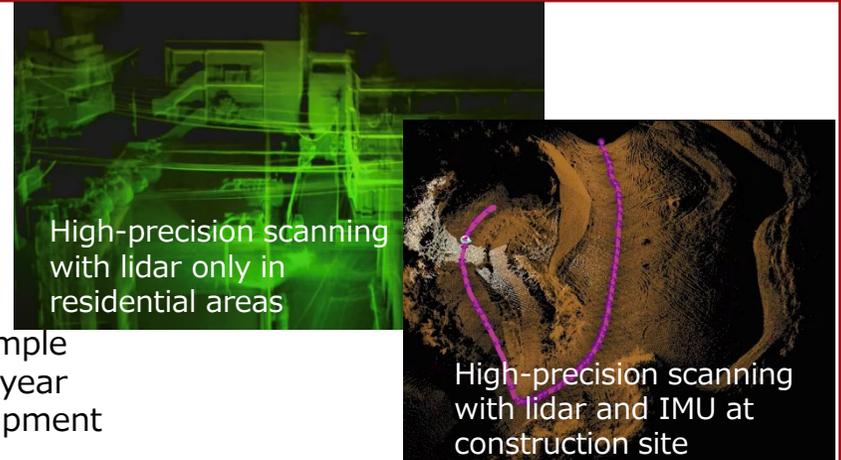
Mapping

R&D

- Lidar: Added SLAM functionality using multiple lidars
- Lidar: Improved accuracy by correcting point cloud distortion
- Lidar: Improved performance on the integration of wheel odometry

Business Development

- Progress on integration with US mapping solution players toward commercialization
- Progress on the development toward commercialization of a simple mapping device using KdLidar in both Japan and overseas this year
- Launched and progress multiple construction/construction equipment development projects in Japan



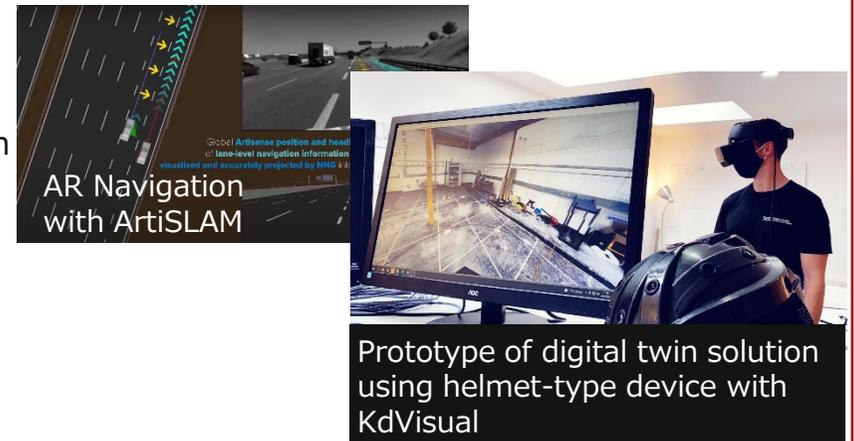
Metaverse (AR/VR)

R&D

- Visual: Improved stability of localization against landscape changes outdoors
- Visual: Localization on point cloud map and its implementation on the cloud

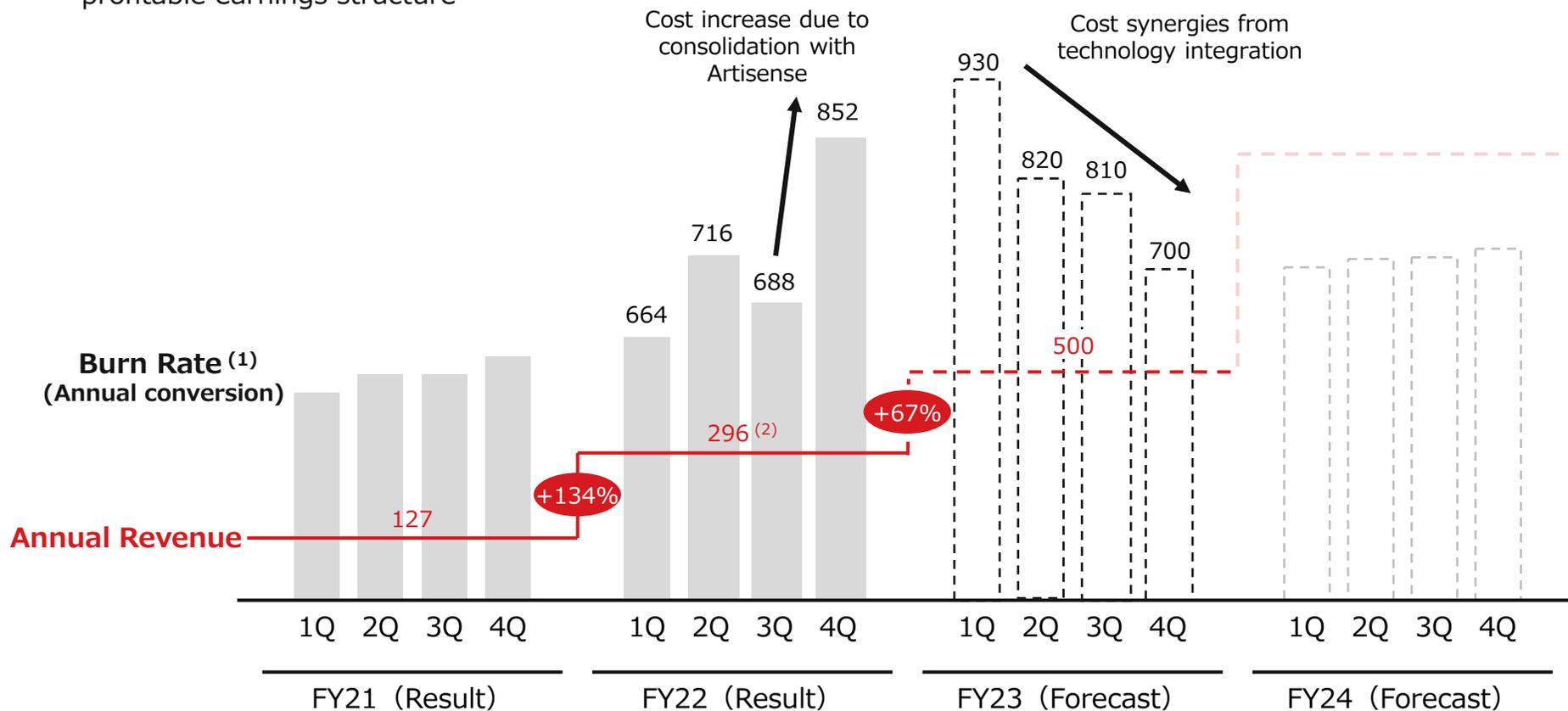
Business Development

- Progress on evaluation and development with several major camera/camera sensor OEMs
- Progress on development for medical headsets
- Progress on multiple projects in indoor localization and industrial AR



About performance forecast for FY2023

- Continued business growth resulting in +130% (+170 million yen) year-on-year revenue growth, and projected to grow significantly by +60% (+200 million yen) in FY23
- In addition, cost synergies from the technology integration with Artisense (significant efficiency in development through sharing of architecture, modules, etc.) will significantly improve the loss-making structure by FY23/4Q, ensuring profitable earnings structure



(1) Annual costs required for business activities, calculated by each quarterly cost times four. Calculated by deducting R&D subsidy income from total cost of sales, SG&A expenses, non-operating expenses, extraordinary losses, income taxes, etc. (adjusted for seasonal variations, foreign exchange losses and other transitory costs). Prior to FY22/3Q before Artisense was consolidated, Artisense-related costs such as impairment losses and share of loss (income) of entities accounted for using equity method were deducted and only Kudan's costs were totaled. (2) Revenue adjusted for the impact due to accounting standards change

Performance forecast for FY2023



- Continuous significant revenue growth is expected due to increasing of evaluation and development projects and scaling of projects
- Cost of sales and SG&A expenses are expected to increase from the previous year due to the full-year consolidation effect of Artisense (consolidated only for 3 months in the previous year), but cost structure will be improved by 4Q
- Non-operating profit is expected to include subsidy income from R&D in the U.K. and Germany

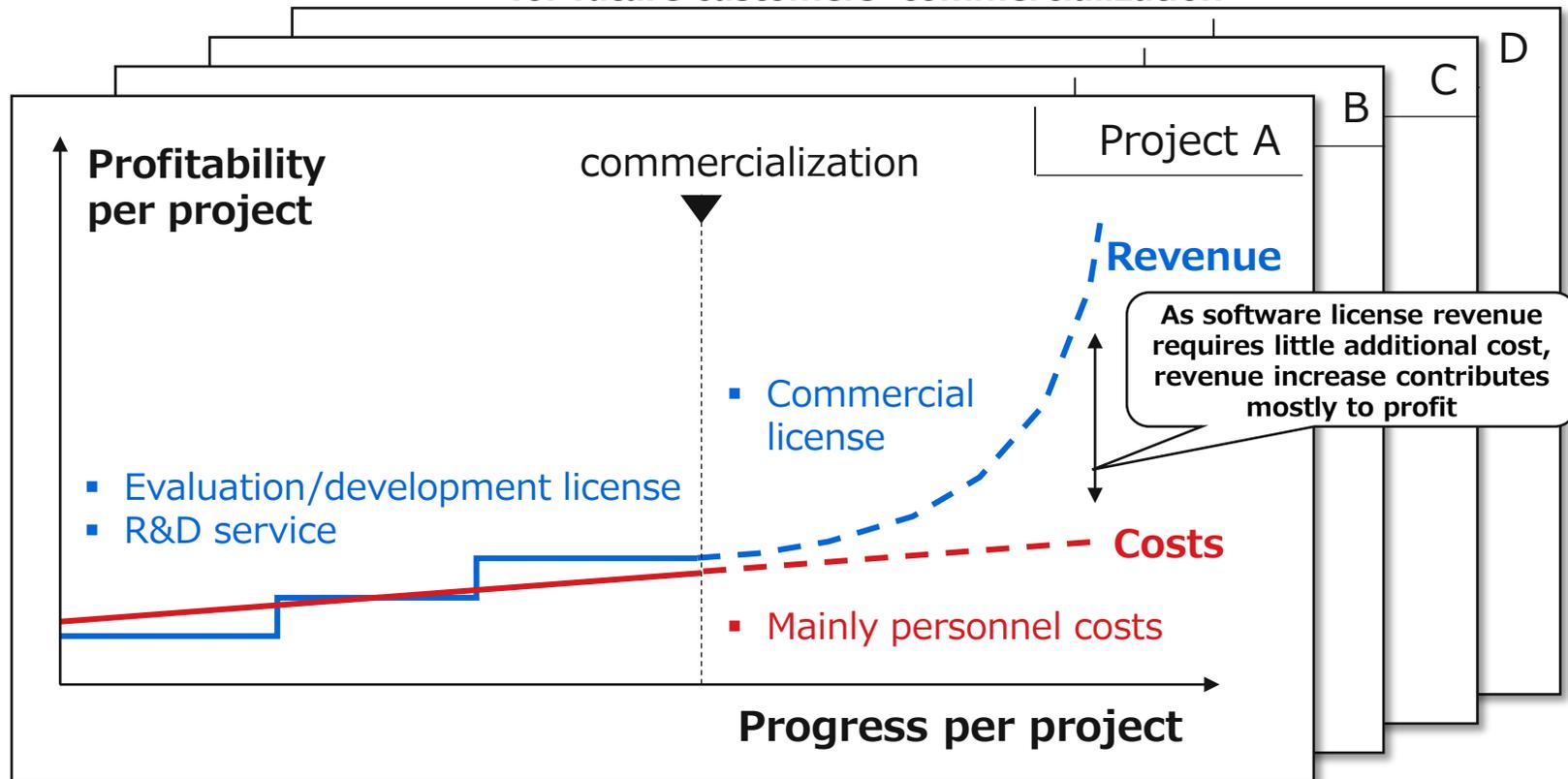
(Unit : million yen)

	Performance for FY2020	Performance for FY2021	Performance for FY2022	Forecast for FY2023
Net Sales (Prior to accounting standards change)	456	127	271 (296)	500
Operating Profit	9	△451	△433	△350
Ordinary Profit	△12	△1,575 (incl. "share of loss of entities accounted for using equity method"(1,232))	△681 (incl. "share of loss of entities accounted for using equity method"(403))	△300
Profit Attributable to Owners of Parent	△29	△1,608	△2,237 (incl. impairment losses of (1,474))	△315

Further progress of business phase

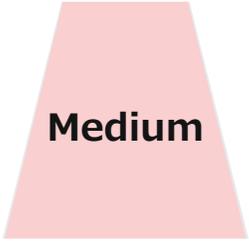
- Almost all of customers' projects are in the evaluation or development phase, and we have focused on acquiring and continuing **high-quality projects that are expected to achieve customers' commercialization and expand the scale of sales in the future**
- Although stable growth can be expected in revenue based on evaluation/development licenses in the evaluation or development phase and customer development support, **we will promote the shift to the "harvest phase" to achieve a dramatic increase in revenue through the penetration of various products by customers' commercialization and the resulting commercial license revenues**

Aim to shift to the harvest phase by ensuring the "quality of project portfolio" for future customers' commercialization



Accumulation of projects toward customers' commercialization

- Compared to 2Q (six months ago), the overall pipeline has expanded, and in particular, we have succeeded in raising the number of "low/medium" projects to "medium/high" in terms of certainty
- Currently three projects in FY2023 and two projects in FY2024 are highly certain to be commercialized, and projects are actively progressing

Certainty	Characteristics of projects	Number of projects		Commercialization schedule
		Sep. 2021	Mar. 2022	
 <p>High</p>	<ul style="list-style-type: none"> Clearly defined functions and performance required for commercialization, and there is sufficient potential for Kudan SLAM to meet them 	<p>4</p>	<p>5</p> <p>3</p> <p>2</p>	<p>FY2023</p> <p>FY2024</p> <ul style="list-style-type: none"> Robotics Autonomous Driving Mapping
 <p>Medium</p>	<ul style="list-style-type: none"> Evaluation and development projects that have already passed performance verification Limited risk to commercialization (competition, performance, price, etc.) Specific timeline for commercialization is clear 	<p>17</p>	<p>22</p>	
 <p>Low</p>	<ul style="list-style-type: none"> Evaluation and development projects that have already passed performance verification Specific timeline for commercialization is unclear 	<p>23</p>	<p>26</p>	

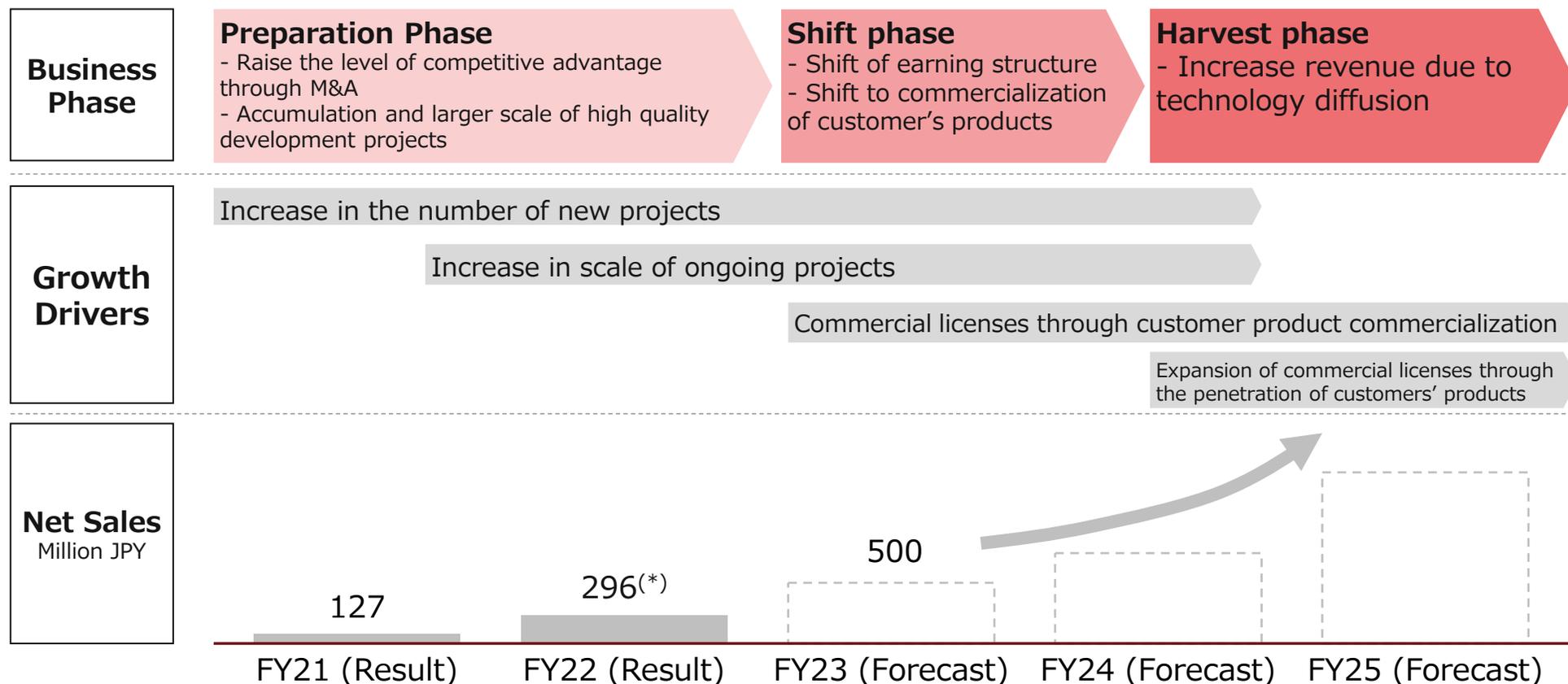
Highlights of projects accumulated for customers' commercialization

Market	New·Ongoing (Comparison at the end of 2Q)	Company	Algorithm	Overview
Robotics	Ongoing	 Major telecommunication	Visual SLAM	A platform that enables the cooperative use of various robots
	New	 Major semiconductor	Visual SLAM	Visual SLAM optimization and SLAM packaging for specific processors
Autonomous driving· ADAS	Ongoing	 TOP5 automotive OEM	Lidar SLAM	Autonomous driving project for general passenger cars
	Ongoing	 Major automotive Tier1	Visual SLAM	Development of driver assistance functions with cameras installed in commercial vehicles
Metaverse (AR/VR)	Ongoing	 Major camera OEM	Visual SLAM	Development of Mixed Reality headset for medical applications
	Ongoing	 UK engineering company	Visual SLAM	Development of digital twin solutions for industrial facilities
Mapping	Ongoing	 Mapping provider	Lidar SLAM	Mapping solutions in non-GPS environments
	New	 Construction Solution Provider	Lidar SLAM	Development of simple mapping device for construction and civil engineering

Future growth potential (FY23~Short-term)



- In FY23, while maintaining project portfolio centered on evaluation and development, we will achieve revenue growth by accumulating and scaling projects, and along with cost synergies from M&A, achieve a shift to earning structure aiming for profitability
- Accelerate revenue growth from all directions: regions (Asia and overseas), products (development support and product packages directly linked to customers' commercialization), and channels (sales partners)
- In addition, we will promote to shift our revenue model by achieving commercialization of customers' products and realize the foundation for revenue growth from the fiscal year ending March 31, 2024 onward

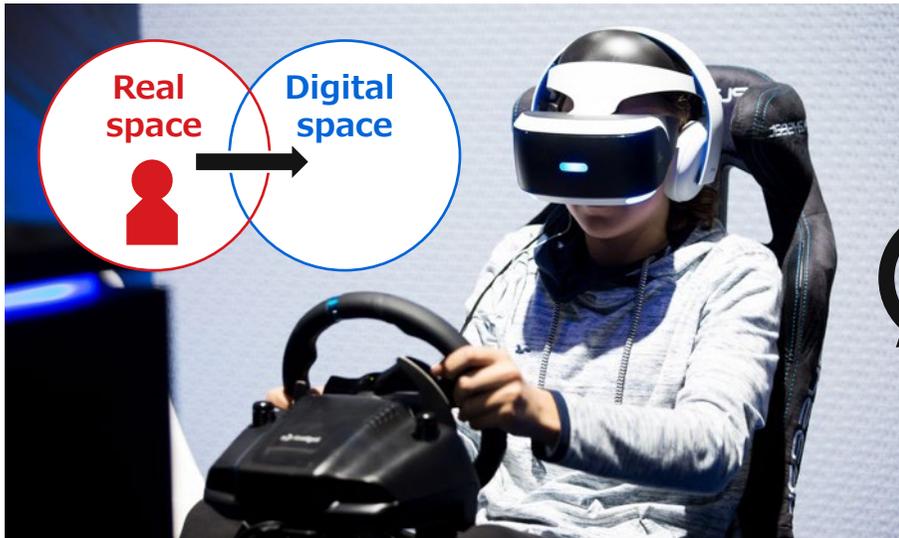


(*) Revenue adjusted for the impact due to accounting standards change

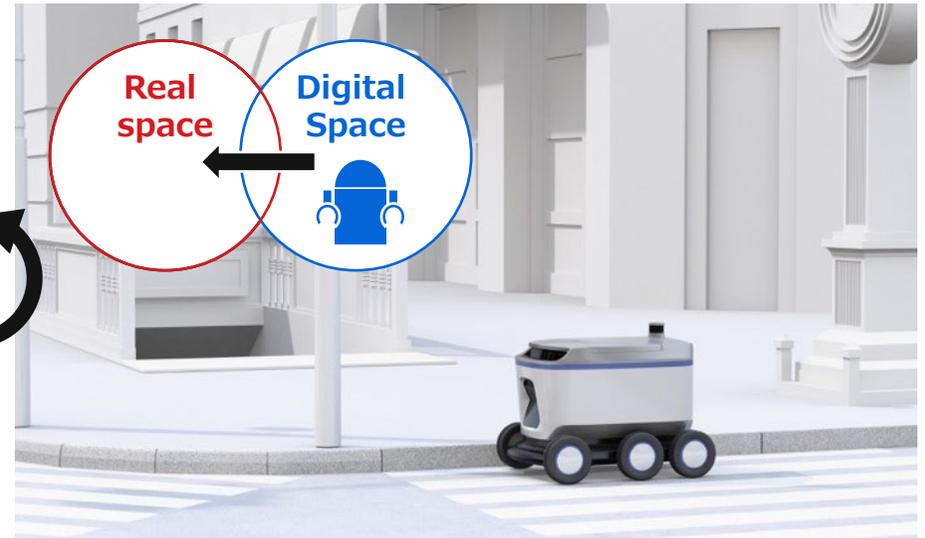
Metaverse demand pushes us forward

- With the demand for Metaverse as a tailwind, Kudan's Artificial Perception/SLAM technology is the core technology of the Metaverse, which realizes the "coupling of real space and digital space," and further extends the Metaverse to integrate with robotics
- Capture the ongoing evolution of Metaverse demand for growth by providing versatile-purpose technology for both Metaverses

Metaverse (AR/VR)



Extended Metaverse (Robotics)

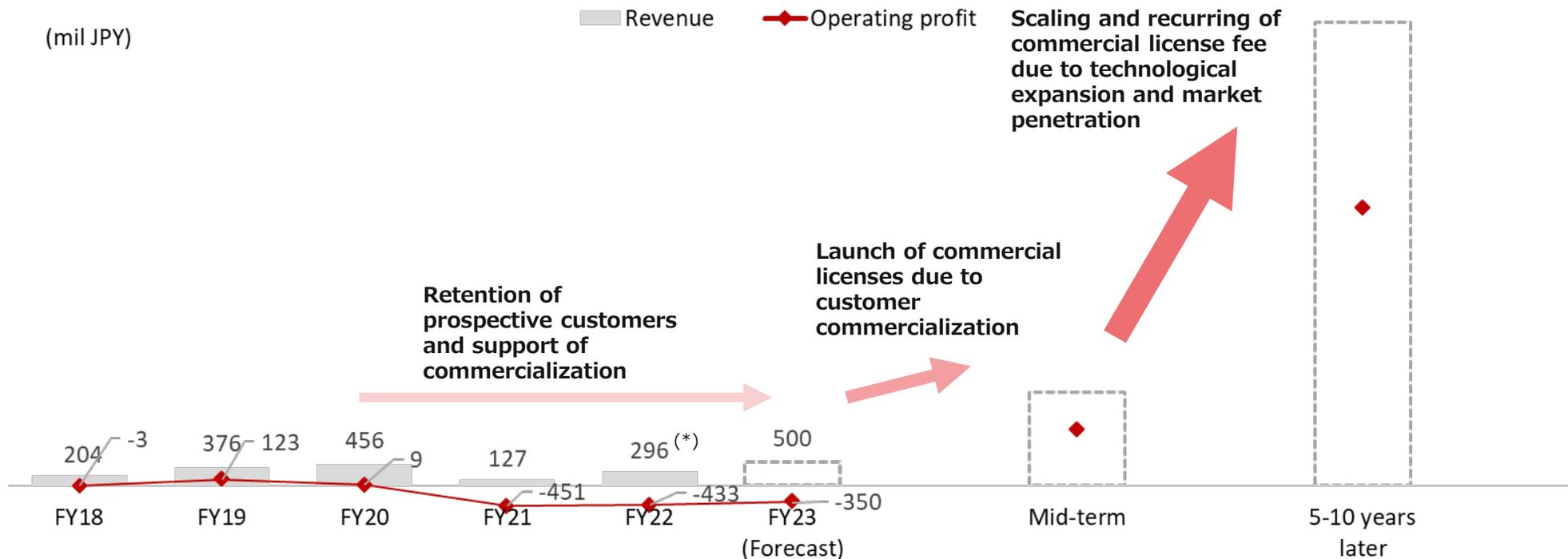


Metaverse evolves as real and digital spaces are more highly connected, such as robot operations via the Metaverse

Future growth potential (Mid- to Long-term)

- Stable commercialization from the cumulative customer projects creates technological penetration to the market, leading to recurring revenue from commercial licenses and significant growth in profit

Mid- to Long-term estimate



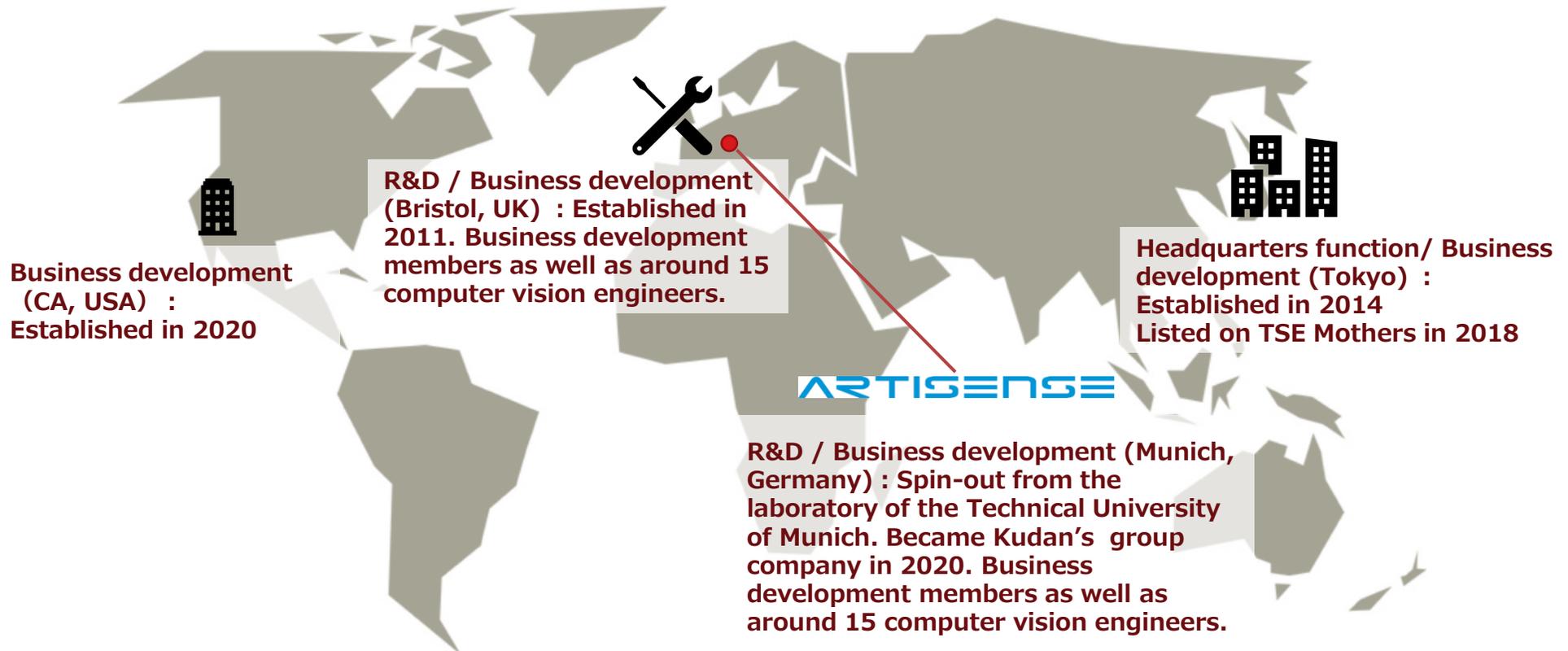
(*) Revenue adjusted for the impact due to accounting standards change

Appendix

Company Overview

Company overview

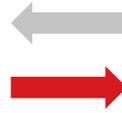
- **Kudan is a research and development company that provides AP (Artificial Perception) algorithms and embedded elemental technologies**, specializing in SLAM as the core, which give vision to computers and robots
- Established in the UK in 2011, and with a R&D team of about 30 people in the UK and Germany, Kudan has developed partnerships and customer projects with top global companies. Promoting business for social implementation of AP technology in all next-generation industries including AR, robotics, and autonomous driving



AP will be the basis for broad range of industries alongside AI

- The artificial perception technology provided by Kudan (providing machines with “eyes”) both complements and operates in unison with artificial intelligence (providing machines with “brains”) to allow a range of machinery (robots and computers) to move and function autonomously

Artificial Perception



Artificial Intelligence

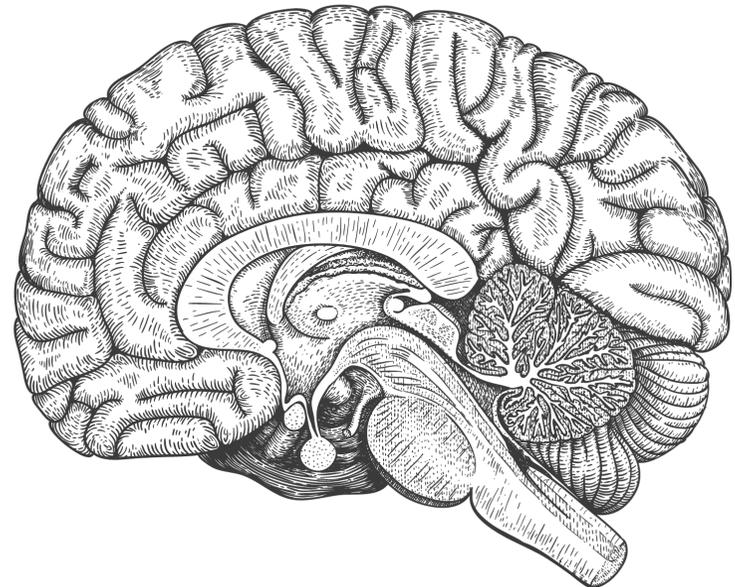
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**The “eyes” of machines,
allowing them to perceive and
understand their environment**



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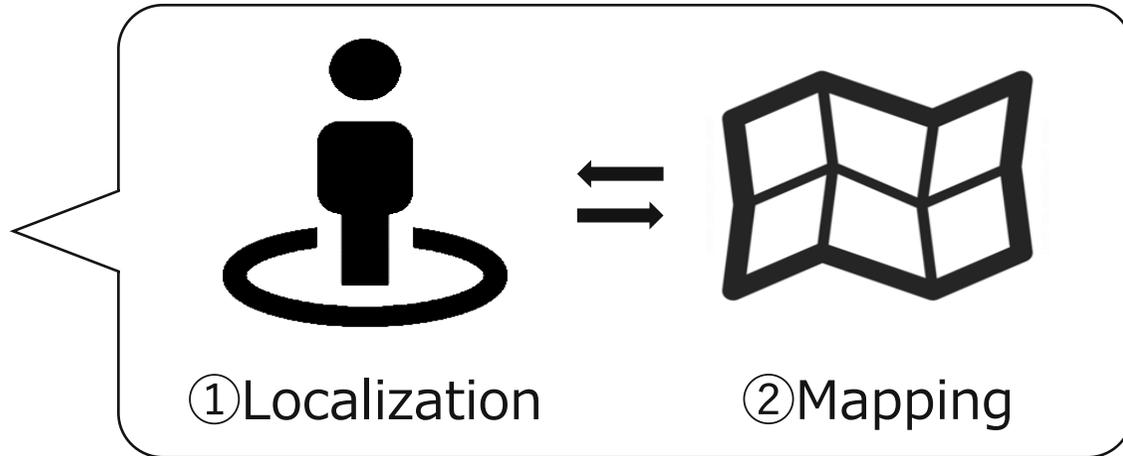
**The “brains” of machines,
allowing them to make
appropriate decisions**



SLAM (Simultaneous Localization and Mapping) as the core of AP technology

- AP technology is a group of Deep Tech centered on SLAM (Simultaneous Localization and Mapping)

SLAM technology (Simultaneous Localization and Mapping)



Re-localization technology

Tight-coupling technology

⋮

What is SLAM (Simultaneous Localization and Mapping)?

- Technology that simultaneously determines where we are (Localization) and what our surroundings look like (Mapping) based on input from sensors such as cameras and Lidars
- We can keep a track of how we move while creating a map in a new environment (tracking), and recognize where we are based on a map we created beforehand (re-localization)
- Unlike GPS and beacons, which use external radio waves to detect location, SLAM can recognize its own location as a stand-alone software and can be used in a wider range of environments, situations, and use cases



<https://www.youtube.com/watch?v=011V9rZNjX0>

Kudan is one of the world's largest SLAM development company groups



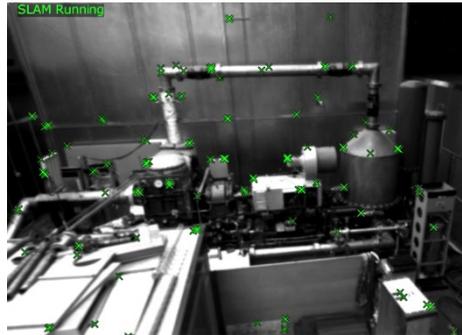
- Company solidification by securing a world-class technical team and the IP (Intellectual Property) of future technology. Achievement of a dominant position in the field
 - Aim for successful breakthroughs via industry-leading technology commercialization
- ⇒ Accelerated integrations of each technology, such as SLAM and Deep Learning, Lidar SLAM and Visual SLAM, Direct SLAM and Indirect SLAM



Strength in turning technology into business, with leading, unique methods of implementing technology, and a global track record.

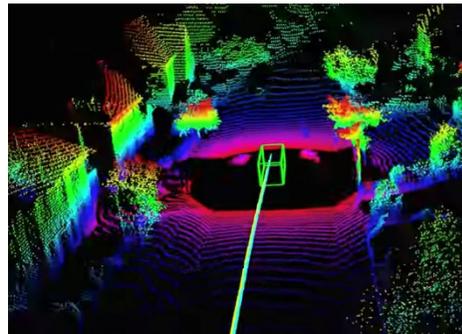
Indirect SLAM

- Camera image (visual) processing
- Capable of high-speed recognition
- High versatility



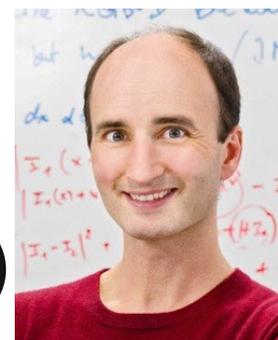
Lidar SLAM

- Lidar data processing
- Strong in recognizing fast movements
- High stability



ARTISENSE

Headed by a global leader in self-driving automotive research, Prof. Daniel Cremers, technical experts including Ph.Ds from TUM



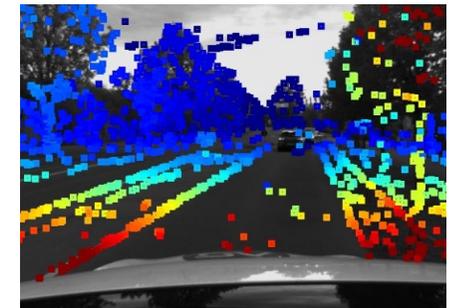
Prof. Daniel Cremers

Artisense founder and CSO

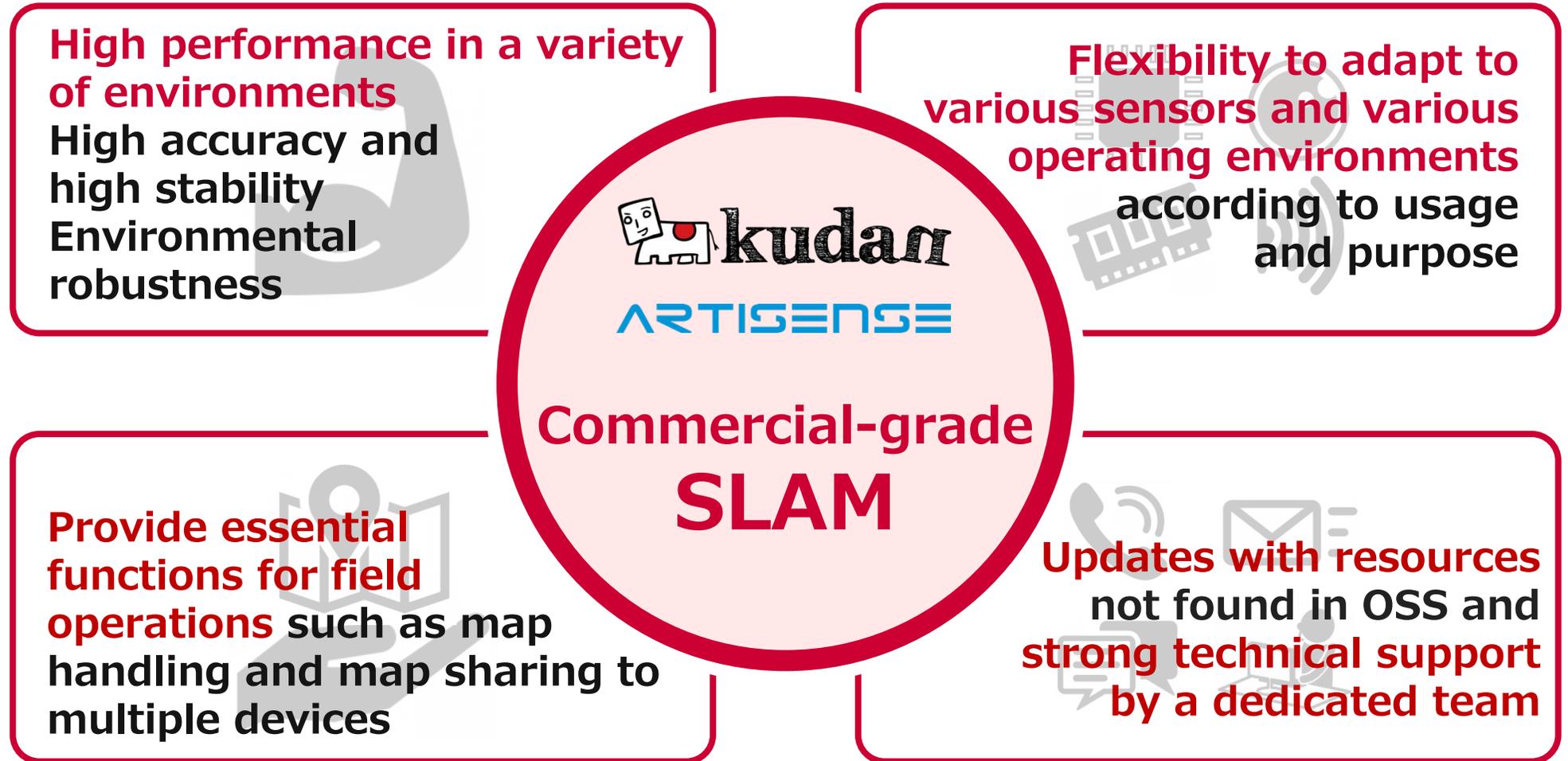
- Over 52,000 citations of his work in academic papers, h-index 107 (Nobel laureates average 45.1)
- 2016 Leibniz Prize Winner (Germany's most prestigious academic award)
- More than 10 years of joint research with European OEMs, including Daimler, in autonomous driving research

Direct SLAM

- Camera image (visual) processing
- Capable of detailed recognition
- High stability
- Integration with deep learning models

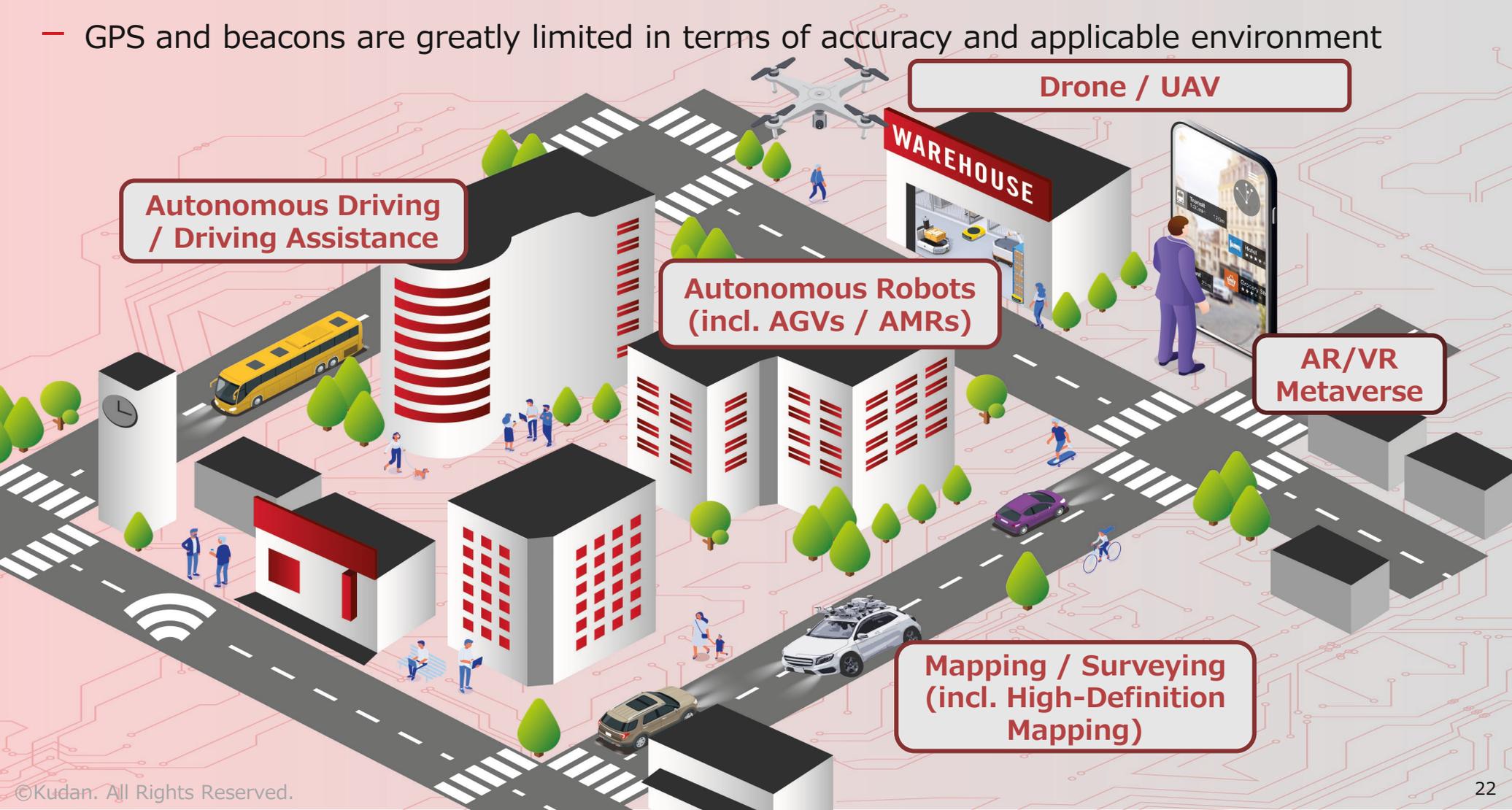


Unique algorithms refined to overcome the "hurdle to commercialization"
many customers who are developing on an OSS (open source) basis are sure to face



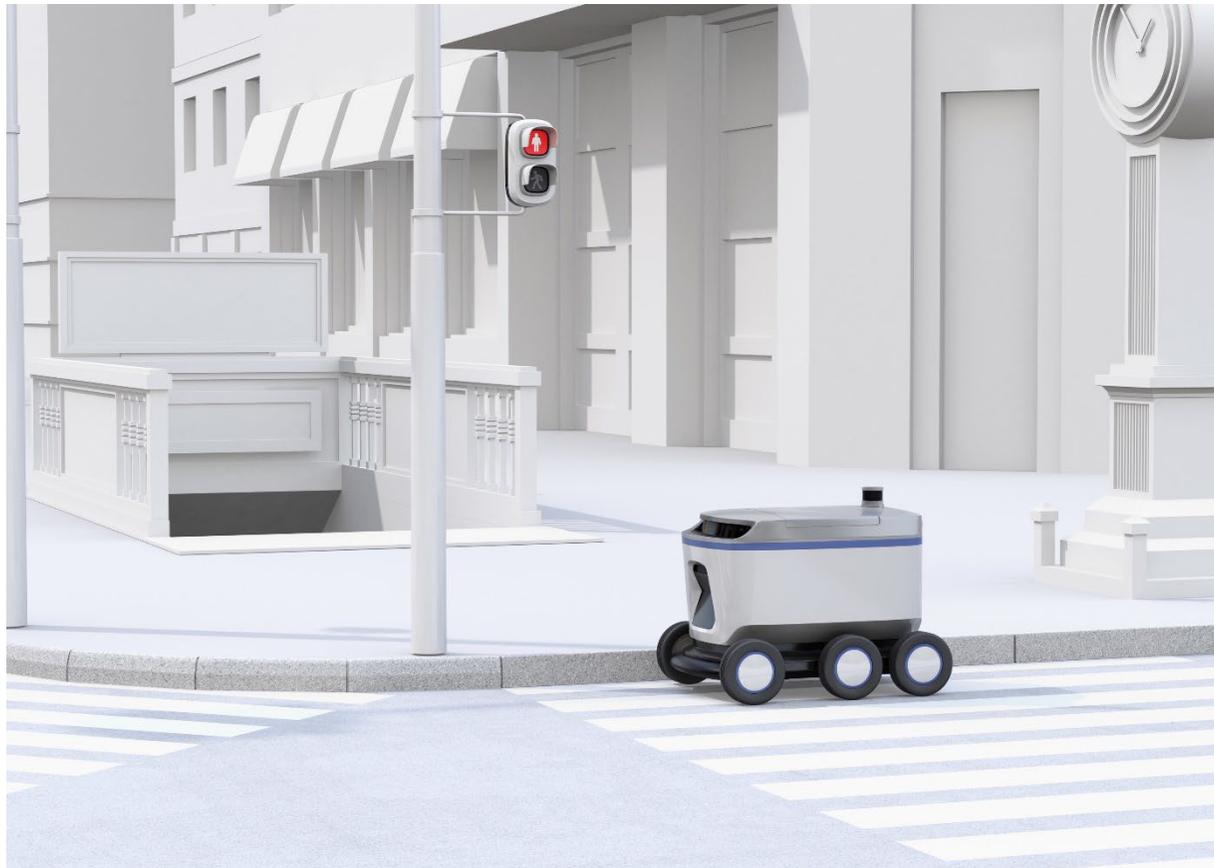
Broad range of SLAM application areas including AR, Robotics and Autonomous Driving

- Localization & Mapping technology centered SLAM is necessary in cases where moving machines and equipment need to change their subsequent movements and outputs depending on their positions and movements
- GPS and beacons are greatly limited in terms of accuracy and applicable environment



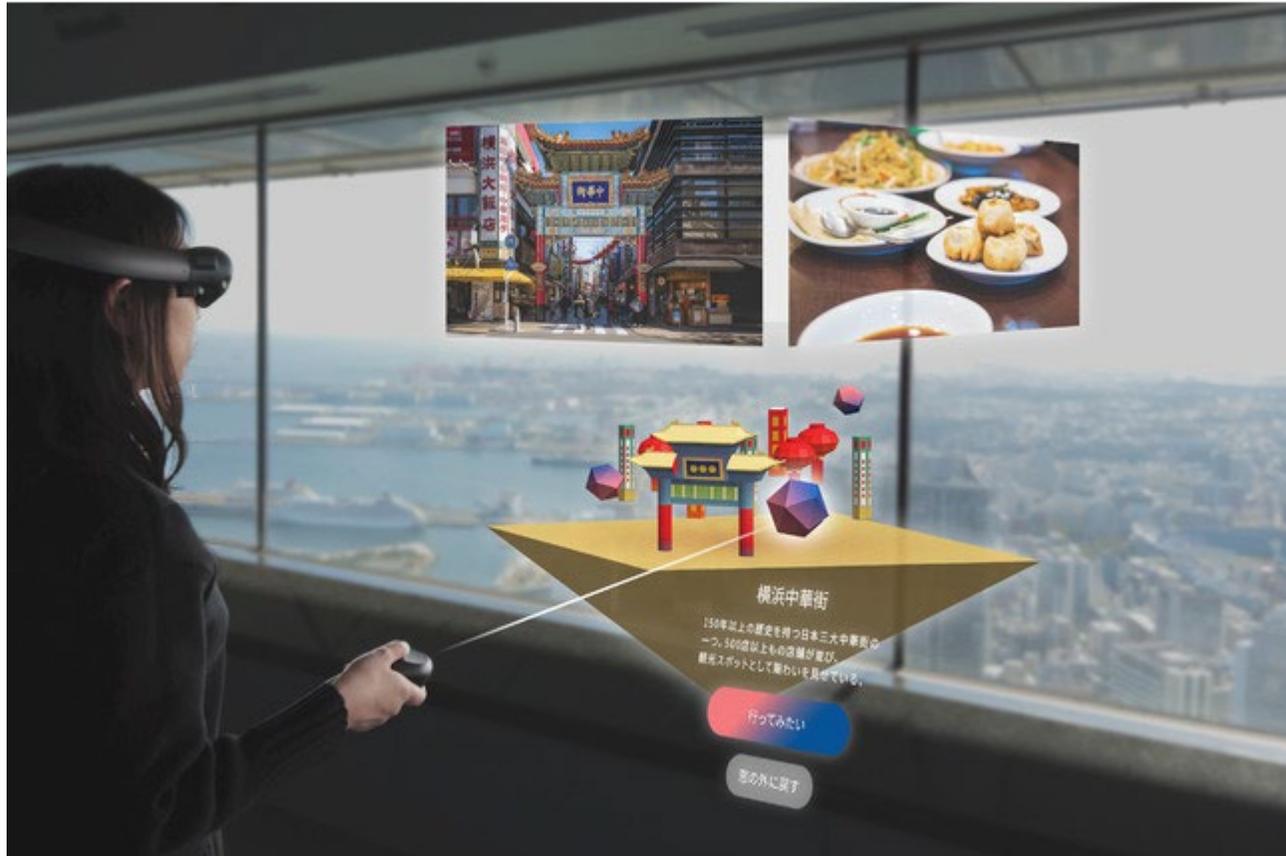
SLAM application (Project Highlights) : Autonomous mobile robots

- **Japanese leading telecommunication company** : Progress toward commercialization of a platform that enables the cooperative use of various robots
- Several other projects including **European robot manufacturer, Japanese leading auto parts supplier**



SLAM application (Project Highlights) : Implementation in technology infrastructure (AR/General)

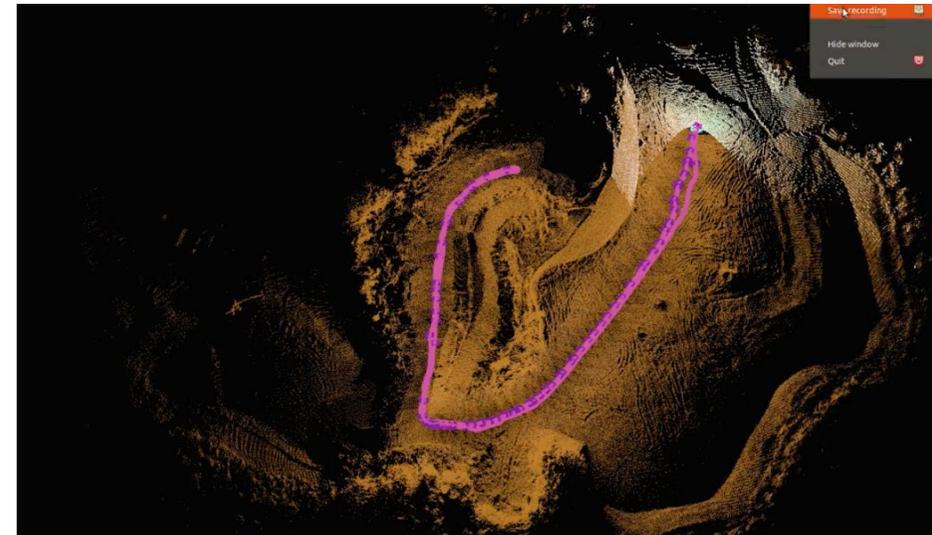
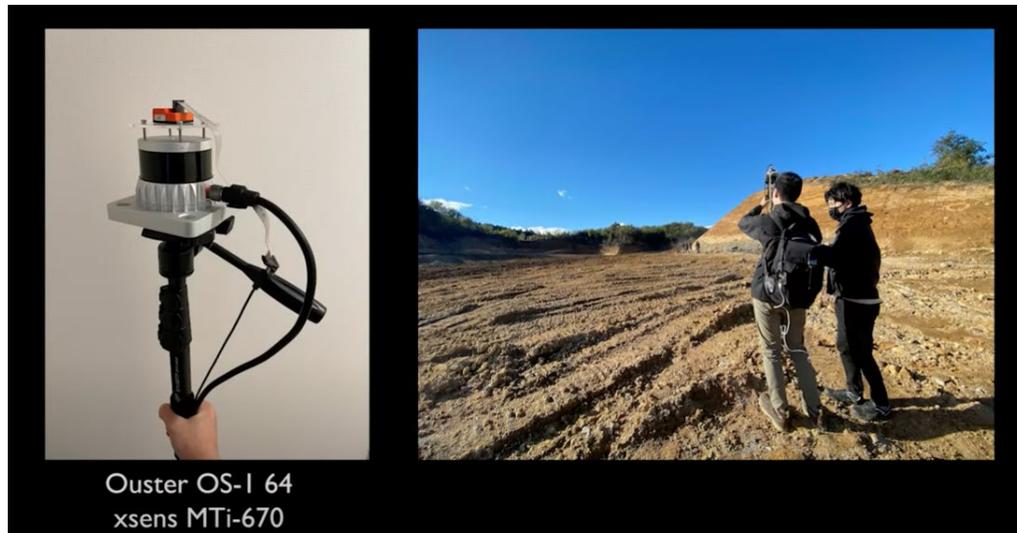
- **NTT DOCOMO** : Developing an AR cloud application and released publicly in April 2021
- Several other projects including **leading telecom companies** (three of the top seven global companies), **leading telecom equipment manufacturer** (top global company)



AR cloud with NTT DOCOMO

SLAM application (Project Highlights) : Next-generation map

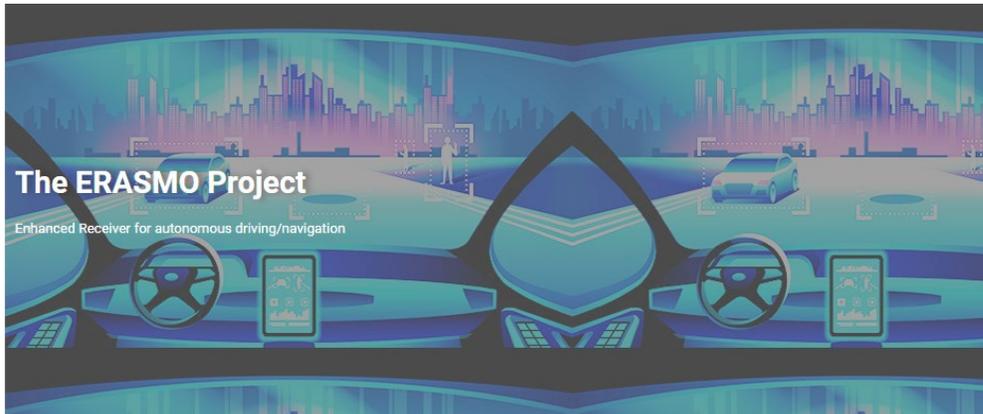
- **Atos** : Succeeded in technology validation of handheld mapping, and promote joint development for commercialization
- **US mapping solution provider** : Signed a commercial license agreement and is undergoing final development for commercialization



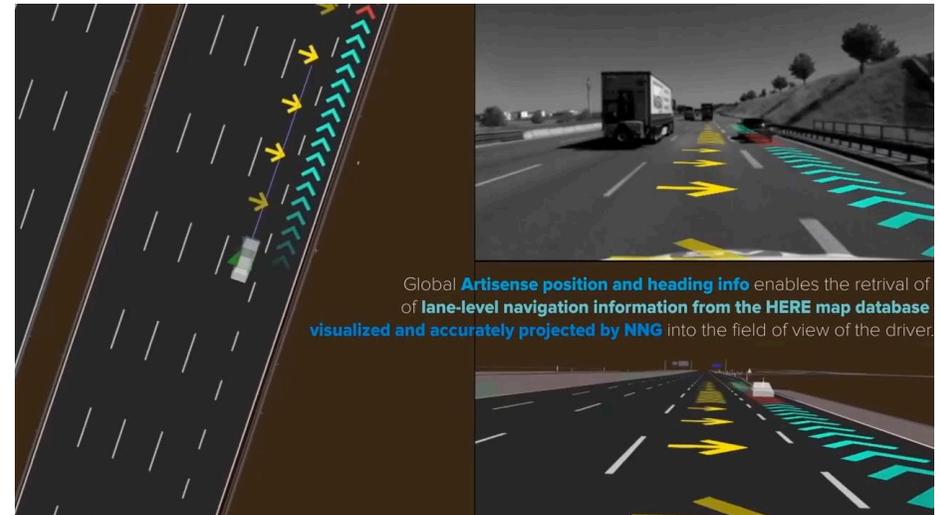
“Construction DX” (= i-Construction* project) with Atos

*i-Construction is an initiative by the Ministry of Land, Infrastructure, Transport and Tourism to improve the productivity of the entire construction production system and make construction sites more appealing.

- **“ERASMO”, a multi-year autonomous driving research project funded by an EU research institute** : Participation on this project with other EU companies including Renault and the development of an on-board positioning device enabling fully autonomous driving is in progress (<https://erasmo-gnss.eu/>)
- Not only autonomous driving, but also a wide variety of applications such as driving support and traffic management including **AR navigation development with HERE / NNG**
- Several other projects including **two of the top three global automotive OEMs** and **four major sensor companies**



ERASMO project

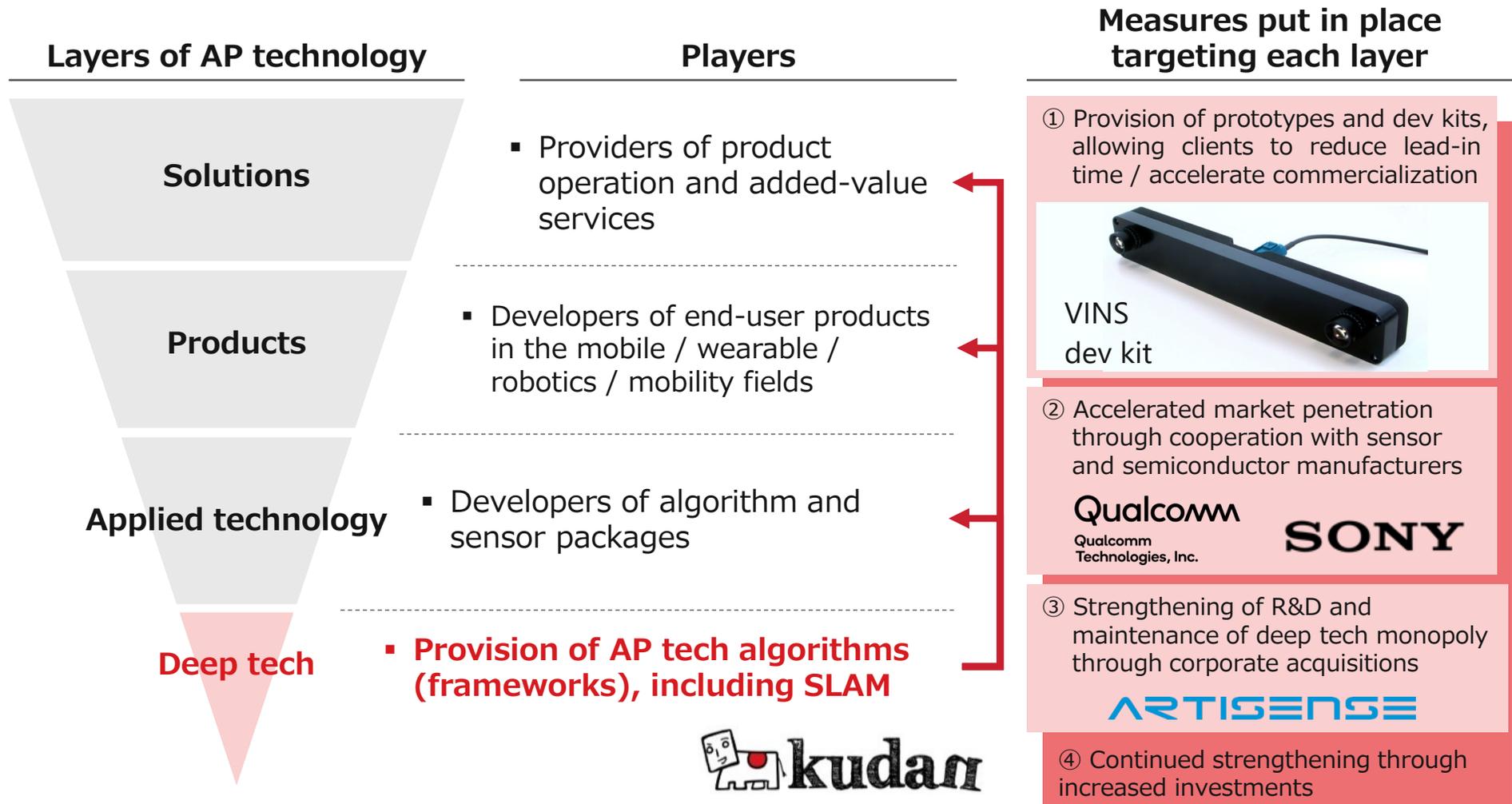


AR navigation with HERE / NNG

Business Strategy

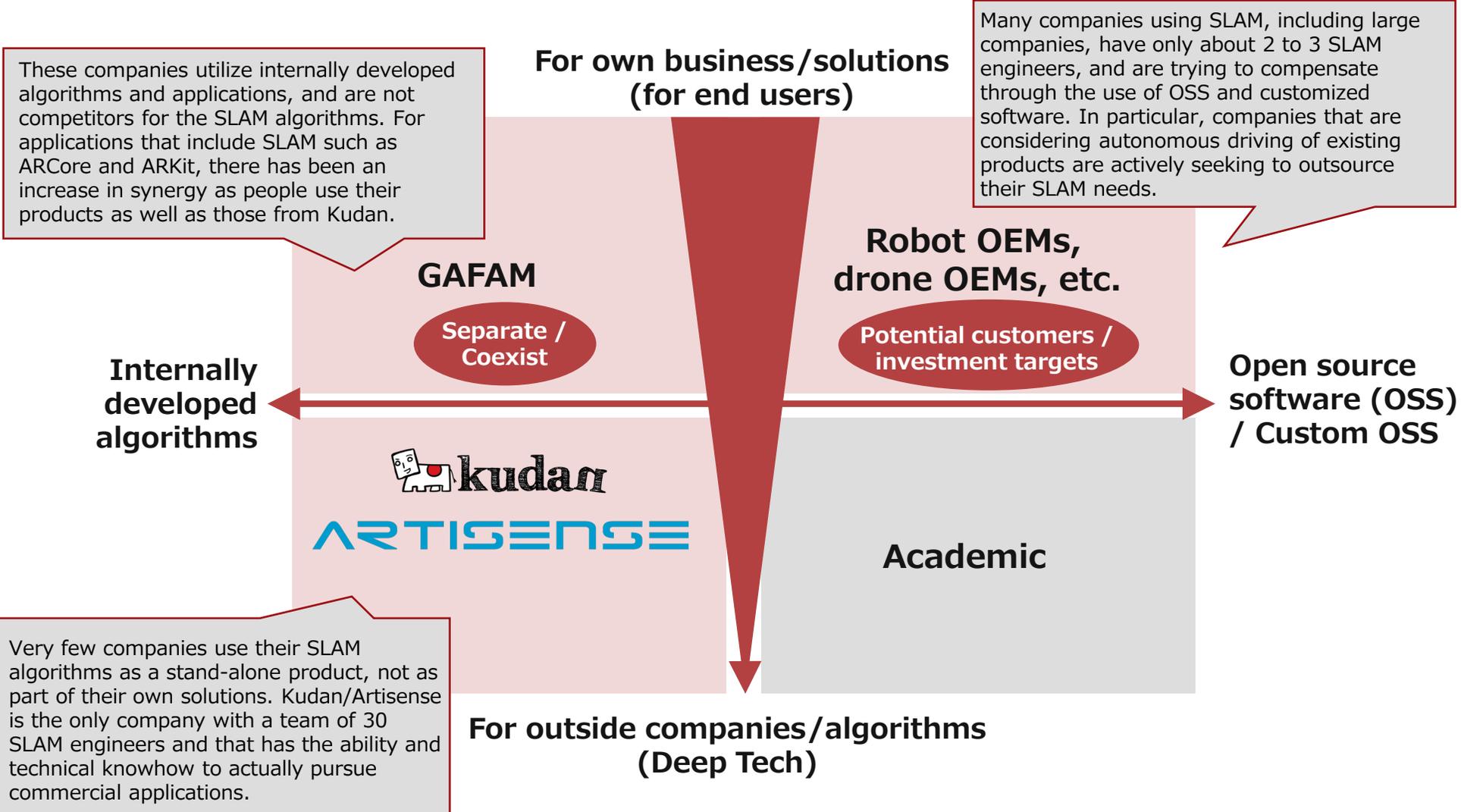
Leader in the Deep Tech layer with strategic positioning

- While maintaining a fundamental focus on the establishment and maintenance of leading position on the low-volatility deep tech layer, measures are being implemented to accelerate the creation and cultivation of markets for Kudan's products in the higher layers of the AP technology pyramid



Expansion of potential customers or investment targets through strategic positioning

Kudan/Artisense enjoys an exclusive position in the area of commercial SLAM algorithms while avoiding direct competition with GAFAM, and many companies that use SLAM technology are also potential customers or investment targets.

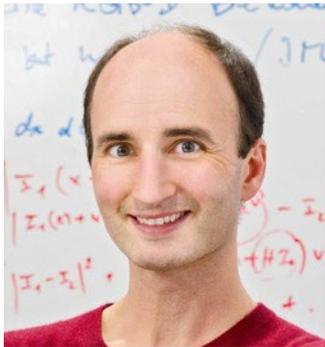


Research & Development



Kudan founder & CTO John Williams

- Implemented SLAM technology for smartphones ahead of Apple / Google



Artisense founder & CSO Professor Daniel Cremers

- The most influential SLAM/robotics expert in the world
(The head professor at the Technical University of Munich, about 52,000 citations of his work in academic papers, h-index 107)

Other management members (previous employments)



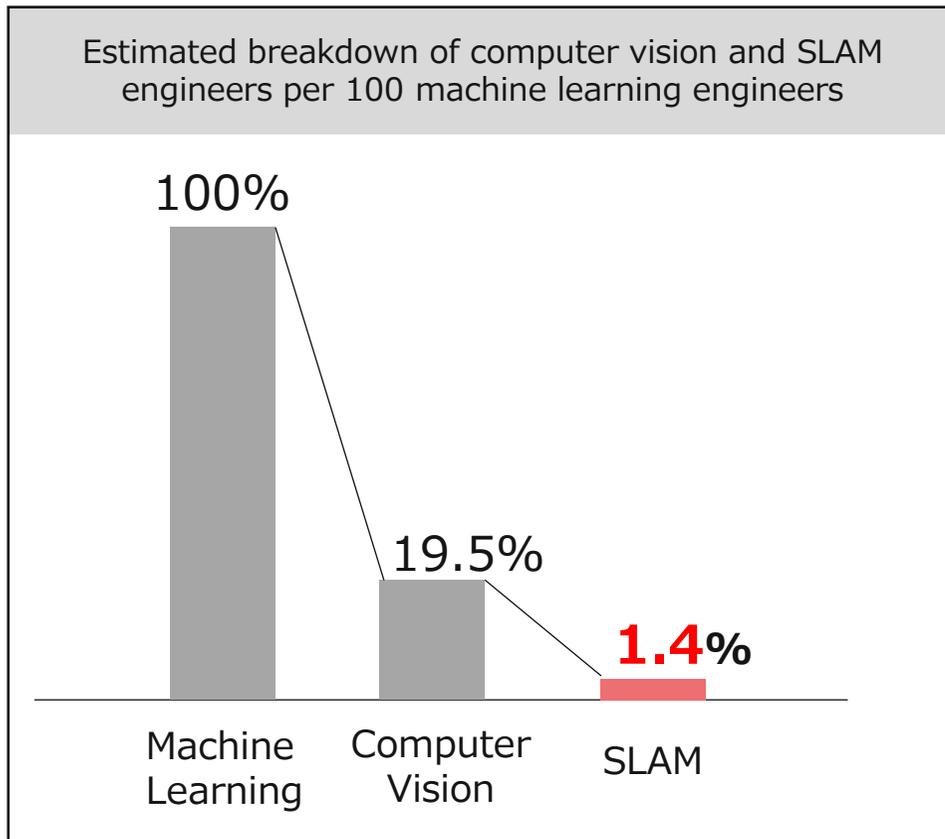
Acquired world-class technical team to support R&D



Researchers and engineers specializing in SLAM technology are extremely rare, even in the field of computer vision. Despite this, Kudan and Artisense employ many world-class professionals with PhDs in the field. The partnership with industry leaders such as Professor Daniel Cremers and the Technical University of Munich will ensure continued access and expand further to top talent and cutting-edge research.



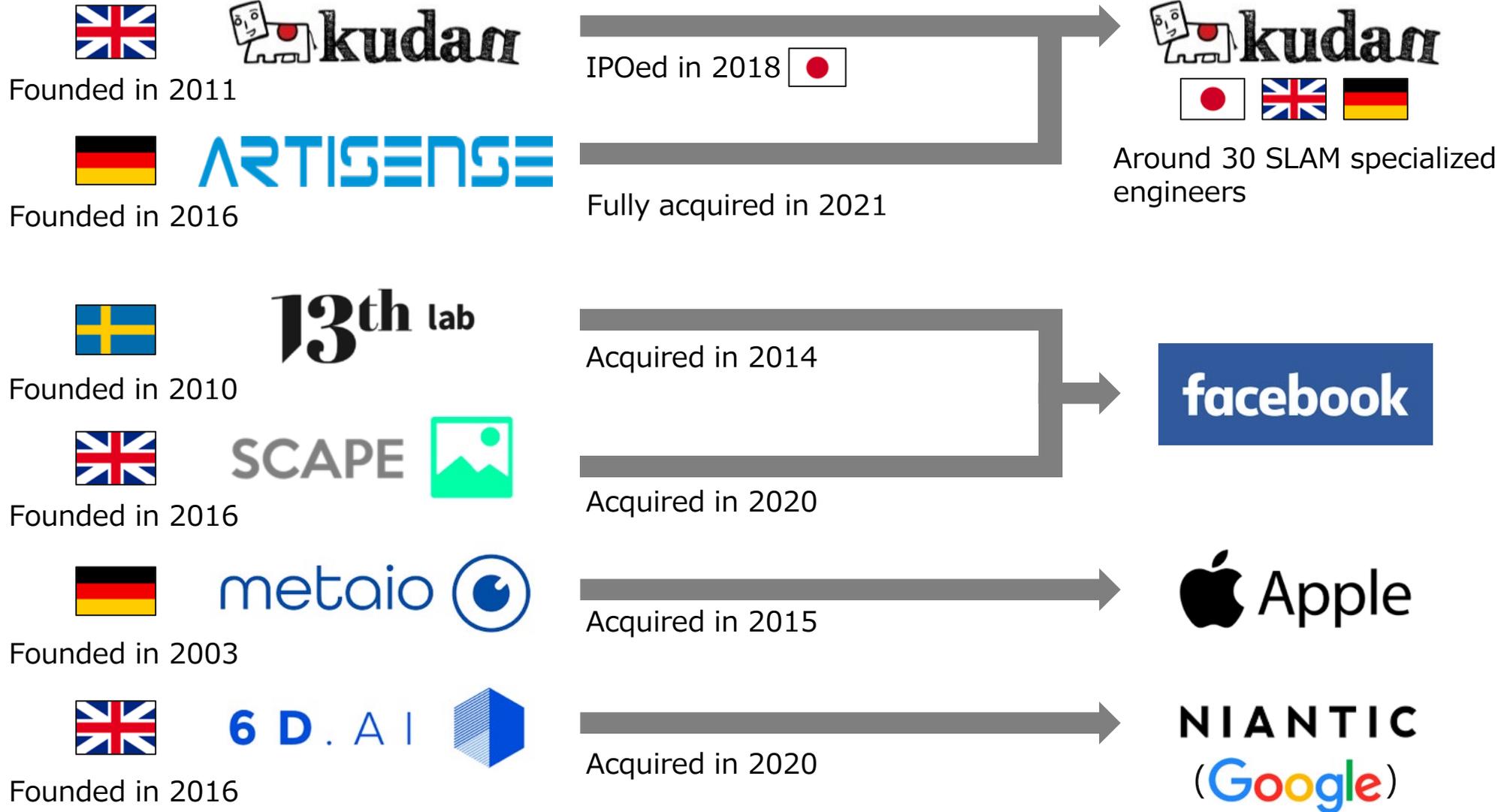
There is Professor Cremers, a founder & CSO at Artisense



Other companies trying to organize SLAM engineer teams of the same level and scale will require large investments in both recruitment and labor costs

*Based on a LinkedIn search

Related technologies are acquired in the world, only a few independent SLAM development companies left



Founded in 2011



IPOed in 2018 



Around 30 SLAM specialized engineers

Founded in 2016



Fully acquired in 2021

Founded in 2010



Acquired in 2014



Founded in 2016



Acquired in 2020

Founded in 2003



Acquired in 2015



Founded in 2016



Acquired in 2020



While the increase of acquisitions of the related technologies, Kudan and Artisense leads the market in track record and awareness



- More limited numbers of SLAM-focus / SLAM-feature software companies due to acquisitions by larger technology companies
- Kudan and Artisense have been in a leading position in terms of breadth of offering, track record and awareness in the market

SLAM-focus / SLAM-feature software player



- Offers Indirect & Direct Visual SLAM and Lidar-SLAM
- Flexible sensor options
- Track records in various applications such as AR, robotics and autonomous driving

SLAMCORE

- Only Indirect Visual SLAM
- Optimized for limited camera models



- Focus on very specific medical application

outsight

- Only Lidar-SLAM
- Optimize for their own hardware kit

Development projects and partnership with global leading players have been increasing



Timing	Main target applications and project overview		
FY20	May.	Robotics) Partnership with Thales group for next-gen tracking system development	
	Aug.	Robotics) Alliance with SEAOS for warehouse automation with Autonomous robots with capital tie-up	
		Mobility) Signed with Japan Unisys to collaborate as Business Scaling Partner	
	Sep.	Mobility) Partnership with Macnica to develop new value-added solutions for mobility business	
		Robotics, Mapping) Partnership with Ouster	
	Nov.	AR) Develop RGB-D SLAM on smartphones with ToF sensor with Sony Semiconductor Solutions	
	Dec.	AR/VR, Mobility) Partnership with Fixstars to offer accelerated high-performing SLAM	
Jan.	Robotics, Mapping) Partnership with Cepton on Lidar-SLAM and joint exhibition demo		
	Robotics, Mapping) Partnership with Velodyne on Lidar-SLAM		
FY21	May	Robotics) Launch SLAM library for Qualcomm® Robotics RB3 Platform with their technical support	
		Robotics) Joint development of 3D SLAM demo application with Analog Devices	
	Nov.	Robotics) Partnership with Vecow to jointly offer integrated solution for autonomous mobile robots	
		AR, Mobility) Artisense released Automotive AR navigation demo with HERE technologies and NNG	
	Dec.	General) Achieved 40% image process acceleration with Synopsys ARC EV processor IP on Kudan SLAM	
	Feb.	Mobility) Provide Lidar SLAM to IIT Bombay autonomous vehicle project team	
Mar.	General) Joined NVIDIA Inception Partner Network		
FY22	Apr.	AR) Released utilization of Kudan SLAM in NTT docomo's developing AR cloud	
	May.	Robotics) Partnership with robotics developer UGO to integrate Kudan SLAM into robotics and joint sales	
	July.	Mapping) Signed a Developing License General Agreement with BIMEXPERTS and develop joint solutions	
		Robotics) Partnership with ADLINK, development of AMR, integration of Kudan SLAM into robotics, joint sales	
	Aug.	General) Joined Texas Instrument's partnership network in robotics	
		General) Become official SLAM partner with Ouster, a leading Lidar provider, and start offering tools on Website	
	Oct.	Autonomous Driving) Participation with Renault and other companies in ERASMO, an autonomous driving project by an EU research institute	
	Mar.	Robotics) Exhibited at Intel-sponsored event "Intel IoT Planet ~ Robotics Week"	

(Reference: Repost of 3Q results documentation)
Acquisition of Artisense

Accounting impacts of the acquisition of Artisense in Dec 2021: No cash payment or change of shareholders' equity at acquisition



(Valuation of additionally acquired shares)

- The full amount of impairment was recorded based on the conservative business outlook same as FY21 (moving forward the future goodwill amortization expenses)
- Due to the acquisition of additional shares in exchange for the issuance of new shares of Kudan, an increase in shareholders' equity and a decrease due to impairment occurred simultaneously, and there are no change in shareholders' equity as a result of this transaction
- As a result, although we have recorded a lump-sum expense for R&D investment in the current fiscal year, we were able to reduce future cost burdens while achieving full management integration. The contribution to profitability when revenue expand in the future will be more effective

(Inclusion of Artisense's profit/loss in consolidated financial statements)

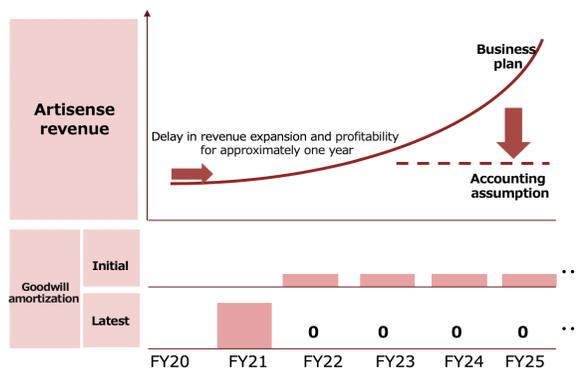
- Upon full acquisition, Artisense's July-December 2021 periodic profit/loss inclusion, including loan impairment from Kudan and purchase of Artisense employees' stock options, was recorded as an "Share of loss of entities accounted for using equity method". No further expense in this line item will be incurred in the future.
- Initially, Artisense was expected to become a wholly owned subsidiary in October 2021 in accounting, but as a result of discussions with the auditors, the full acquisition was made in December 2021. All revenue and expenses of Artisense starts to be recorded in Kudan's consolidated financial statements from January 2022.

(For reference) Supplementary Documentation for FY21 Financial Report

Artisense: Share of loss of entities accounted for using equity method (Write-Down in accounting)



- Improvement in future cost structure by moving forward the amortization of goodwill
- Estimated profitability timeline will be pushed back by approximately one year due to the impact of the COVID-19 pandemic and delay in launching a new product (VINS).
- With regards to accounting valuation, an appraised loss of approximately 1.1 billion yen was recorded with the adjustment to a conservative business outlook



- In the business plan, continuous growth from FY23 onward is expected
- Meanwhile, the accounting assumption is based on the conservative scenario of zero growth from FY23 onward.
- As a result, the entire amount of investment was written off and the amount of negative net worth was written down to the loans, resulting in a valuation loss of approximately 1.1 billion yen.
- Goodwill amortization will not be recorded from FY22 onward, meaning contribution for profitability due to the synergies from the expansion of revenue will be more effective

Delays in the past business plan due to the impact of the COVID-19 pandemic, etc. will not hinder mid- to long-term growth potential, but the conservative accounting treatment is maintained for this acquisition as it is immediately after the FY21 financial reporting

(Repost of 3Q results documentation) Mid- to long-term corporate value of Artisense

- Regardless of the accounting valuation, the acquisition's objectives of "secure world-class experts, including a leading authority" and "secure complementary next-generation technologies" have been achieved as expected
- In addition, Artisense has achieved accumulation of multiple customer and partner projects, mainly in Europe, including a large-scale project supported by the EU government
- Due to the business progress up to date and favorable market conditions, the mid- to long-term growth potential and intrinsic corporate value remain unchanged. With the full integration of the management, we will strengthen our position, which is already the world's largest firm in the field of Artificial Perception and SLAM, and further increase our competitive advantage and growth potential in mid- to long-term.

Main objectives of the acquisition

Secure world-class experts



- Professor Daniel Cremers, a world-class authority in AI and autonomous driving research
- Professor Cremers' team of around 20 technical experts

Secure next-generation technologies



- Direct SLAM, which is closer to human perception
- Integration of deep learning and SLAM required for practical use in final products

Results



- Successful retention of existing personnel
- Achieved continuous acquisition of engineers from the top talent pool at the Technical University of Munich (TUM)
- Successful commercialization and market launch of next generation technology (Arisense VINS)
- Multiple PoC projects have demonstrated technology effectiveness in the market

Steady business progress beyond initial expectations

- Obtained multiple customer projects and partners across industry, academia and government
- Progress of projects for customers' commercialization and establishment of position in the industry

Examples of Artisense's projects

- With the world's highest level of technology, Artisense has continued to acquire numerous projects and partnerships on a global scale

SIEMENS

BOMBARDIER

DB

ECARX



RENAULT
Passion for life

NNG

here



NVIDIA

GERMAN ACCELERATOR



Autonomous electric truck OEM



Outdoor delivery robot for a general electronics manufacturer



Autonomous delivery robot OEM



Tier 1 automotive supplier



Mobile mapping system



Automotive autonomous valet parking



Indoor factory robot



Autonomous mobile robot

BOMBARDIER : Canadian industrial transportation equipment OEM, mainly aircraft, and sales of \$6.5 billion (2020)

DB (Deutsche Bahn) : Germany's largest railroad company, and sales ~€40 billion (2020)

ECARX : Chinese autonomous intelligent solutions provider, which received investment from Baidu and Geely and has signed a partnership agreement with Volvo.

NNG: Hungary's Tier 1 automotive supplier. More than 30 automotive brands have adopted its solution, and seven of the top 10 OEMs have adopted it.

HERE: The world's leading HD map provider from the Netherlands. Provide map information for 200 countries/regions around the world, and has an 80% share of the European and U.S. car navigation map markets.

- This document contains Kudan’s plans, estimates and expectations for the future based on its current business situation and industry trends.
- All such projections for the future inherently involve uncertainty and a wide variety of risks.
- It is conceivable that risks both understood and unforeseen, uncertainties and other factors may cause actual results to differ from the projections contained within this document.
- Kudan offers no guarantee of the accuracy of its projections for the future and accepts that they may differ significantly from actual results.
- All projections for the future included in this document are based upon information available to Kudan as of May 13th, 2022, and may not be updated or changed to reflect future developments or changes in status.