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Tekcapital plc
("Tekcapital" or the "Company")
Portfolio Company Update: Guident Ltd

Tekcapital Plc (AIM: TEK) the UK intellectual property investment group focused on creating valuable products that can improve people's lives, is pleased to provide updates on portfolio company Guident Ltd ("Guident").

Guident has made significant progress in the last few months as follows:

- Jacksonville Transportation Authority issued a contract extension for several Guident AV projects.
- Upcoming planned RMCC Deployments at Michigan State University and University at Buffalo are under negotiation.
- Proposal submitted for an Autonomous Vehicle, including RMCC for the City of Peachtree Corners, Georgia, USA.
- Three proposals were submitted for Guident's Autonomous Surveillance and Inspection Robot monitoring service
- Various Teleoperation proposals are being made in the USA, Asia, and Europe.
- Implemented Redundant Multi-Network connectivity between Private and public Mobile Networks based on 4G/5G, Satellite GEO, and LEO orbits.
- Enhanced User Interface (UI/UX) for Multi-Vehicle and Multi-AV Fleets
- Integrating advanced Safety with AI-Based Incident Risk Level (IRL) Algorithms
- Demonstrated cross-ocean low-latency remote operation of an AV in the US controlled by an RMCC in Europe.

The adoption of autonomous vehicles (AVs) across the United States is accelerating, and Guident welcomes the accompanying regulatory developments that put the safety of passengers and the public at the forefront of autonomous vehicle fleet rollouts.

Market Traction and Strategic Outlook

- The Total Addressable Market (TAM) for automotive active safety systems (which includes Driver Monitoring) is projected to exceed 25 billion by 2030 ^[1].
- Autonomous vehicles are expected to transition from embryonic to the beginning of mainstream adoption across global markets. Waymo LLC is now providing 150,000 paid AV trips a week ^[2] and Tesla, Inc. is planning to launch its robotaxi service in 2026 ^[3].
- Safety remains pivotal to the adoption of AVs for all stakeholders, including government bodies, manufacturers, consumers, technology developers, and AV fleet operators.
- Guident believe that in the future all autonomous vehicles are likely to be mandated to utilise remote monitoring and control. Many states including California, Florida, Michigan, Arizona, Nevada, and Louisiana already require remote monitoring and control of AVs, with additional states and federal legislation likely to follow suit.
- Guident believes that they are well positioned to play a significant role in the AV ecosystem and the safe scale-up of AVs with their first fully operational, ultra-low latency remote monitor and control teleoperations center with back-up low earth orbit satellite monitoring.

Clifford M. Gross, Ph.D., Executive Chairman of Tekcapital plc, commented:

"We are very excited about the recent progress of Guident and the performance of its leadership. We believe the timing for Guident's potential IPO next year is quite opportune considering the transformative capital market events in the AV industry during the past sixty days. We are looking forward to Guident realising its first mover advantage in the rapidly developing AV industry and the potential contribution it can make to saving lives."

Market Overview

- **AV landscape:** Key regions (North America, Europe, Asia-Pacific) are driving AV adoption due to technological advancements, supportive legislation, urbanization trends, improved safety measures, and enhanced mobile connectivity solutions. From passenger vehicles to fleets of AV shuttles, deployment is increasing at a rapid pace.
- **Growth drivers:** Urban mobility needs, increasing investment in AV infrastructure and technology, and regulatory mandates for enhanced safety measures.
- **Challenges:** Safety concerns remain at the forefront of regulatory and consumer perception. Incidents during AV testing have underscored the need for reliable human oversight and responsive control mechanisms ^[4]. Widespread understanding of need for "human in the loop" monitoring and remotely controlling a vehicle when edge cases occur.
- **Guident's Role:** Positioned to capitalise on a critical gap in the ecosystem by addressing remote monitoring and emergency intervention requirements.

The Need for Safety in AV Deployment

- **Regulatory Mandates:** a number of states in the USA already require remote monitoring and control AVs as a condition for allowing AVs on their roads. A major recent milestone with California passing such a requirement in September 2024 ^[5].
- **Liability Risk:** Manufacturers and AV fleet operators face legal and reputational risks due to accidents. Remote monitoring and control centers mitigate these risks by providing immediate human intervention capabilities, helping lower premium costs for insurance.
- **Public Trust:** Safety enhancements foster public confidence in AVs, accelerating adoption.

Guident: Addressing Critical Safety Gaps

- Guident provides competitive advantages for AV operators through AI-powered Remote Monitor and Control Centers (RMCC) - pictured below.

A group of people playing a video game Description automatically generated

- The patent-protected RMCC platform (patents listed below) monitors and controls AVs, delivery devices, and robots using secure, ultra-low-latency connectivity, backed by space satellite connectivity, to resolve unforeseen situations: deadlock situations, navigation errors, accidents.

A screenshot of a computer Description automatically generated

- AV operators benefit from a centralized monitoring system, reducing the need for costly in-vehicle redundancy systems. The solution also enables passenger communication with the RMCC.
- Cloud-native architecture supports rapid scaling across geographies and fleets. Led by an experienced management team with former Siemens, General Motors, Volkswagen, and Zipcar senior management experience.
- Guident deployed its first commercial RMCC placement in the USA, with Jacksonville Transportation Authority as its first customer.
- Guident has received two Space Florida grants.
- Guident will seek to rapidly scale customer adoption utilizing a VAR model with vehicle manufacturers offering the Guident service as a pre-installed option in their shuttles, buses, security robots and other vehicles. Two bus manufacturers already have signed agreements to incorporate Guident's software in the vehicles upon customer delivery.

AV Market Funding

There has been a recent increase in AV funding activity, including the first Nasdaq AV IPO of WeRide, which illustrates both the technological and capital markets traction in the AV space.

- WeRide IPO: The total proceeds from the public offering and the concurrent private placement are expected to amount to 458.5 million^[6]
- Waymo LLC Funding Round: Raised 5.6 billion from investors, its largest-ever funding round^[7]
- Pony.ai Public Filing: Plans to raise 200 million at a 4 billion valuation^[8]
- Tesla Robotaxi Launch: Major industry development^[9].

The valuation of Tesla, Inc. has increased in recent months as investors are encouraged about the potential of forthcoming federal approvals for autonomous vehicles.^[10]

Summary

The global rollout of autonomous vehicles represents a transformative milestone in transportation, with widespread deployment anticipated in next few year. The industry's growth is driven by technological advancements, urban mobility demands, and increasingly stringent safety regulations. However, the success of this transition hinges on addressing critical challenges, including public trust, safety concerns, and the need for reliable oversight mechanisms.

Tekcapital believe that Guident is well positioned to play a pivotal role in the evolving AV ecosystem by addressing these safety gaps through its patented Remote Monitor and Control Center (RMCC) platform. With its ultra-low-latency teleoperations solution and satellite backup, Guident not only enhances AV safety and public confidence but also provides a scalable, cost-effective solution for operators to meet regulatory mandates and mitigate liability risks.

Guident's investment thesis is simple: All autonomous vehicles will require accurate, low-cost remote monitoring and control to enhance occupant and pedestrian safety.

Guident's lean SaaS business model, strategic partnerships, and growing customer base underscore its readiness to capitalize on this opportunity.

As autonomous vehicles move closer to mainstream adoption, Tekcapital believes that Guident's innovations, focus and management experience will help to ensure the safety, reliability, and scalability necessary for this next phase of mobility, marking the company as a potential critical enabler of the AV revolution.

Tekcapital owns 100% of the share capital of Guident Ltd. Guident Ltd. owns approximately 91% of Guident Corp., its US subsidiary, and 100% of Revive Energy Solutions Ltd, its UK subsidiary.

About Tekcapital plc

Tekcapital creates value from investing in new, university-developed discoveries that can enhance people's lives. Tekcapital is quoted on the AIM market of the London Stock Exchange (AIM: symbol TEK) and is headquartered in the UK. For more information, please visit www.tekcapital.com.

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Tekcapital's mission is to create valuable products from university intellectual property that can improve people's lives. Therefore, our ability to compete in the market may be negatively affected if our portfolio companies lose some or all of their intellectual property rights, if patent rights that they rely on are invalidated, or if they are unable to obtain other intellectual property rights. Our success will depend on the ability of our portfolio companies to obtain and protect patents on their technology and products, to protect their trade secrets, and for them to maintain their rights to licensed intellectual property or technologies. Their patent applications or those of our licensors may not result in the issue of patents in the United States or other countries. Their patents or those of their licensors may not afford meaningful protection for our technology and products. Others may challenge their patents or those of their licensors by proceedings such as interference, oppositions and re-examinations or in litigation seeking to establish the invalidity of their patents. In the event that one or more of their patents are challenged, a court may invalidate the patent(s) or determine that the patent(s) is not enforceable, which could harm their competitive position and ours. If one or more of our portfolio company patents are invalidated or found to be unenforceable, or if the scope of the claims in any of these patents is limited by a court decision, our portfolio companies could lose certain market exclusivity afforded by patents owned or in-licensed by us and potential competitors could more easily bring products to the market that directly compete with our own. The uncertainties and costs surrounding the prosecution of their patent applications, and the cost of enforcement or defence of their issued patents could have a material adverse effect on our business and financial condition.

To protect or enforce their patent rights, our portfolio companies may initiate interference proceedings, oppositions, re-examinations or litigation against others. However, these activities are expensive, take significant time and divert management's attention from other business concerns. They may not prevail in these activities. If they are not successful in these activities, the prevailing party may obtain superior rights to our claimed inventions and technology, which could adversely affect their ability of our portfolio companies to successfully market and commercialise their products and services. Claims by other companies may infringe the intellectual property rights on which our portfolio companies rely, and if such rights are deemed to be invalid it could adversely affect our portfolio companies and ourselves as investors in these companies.

From time to time, companies may assert patent, copyright and other intellectual proprietary rights against our portfolio company's products or technologies. These claims can result in the future in lawsuits being brought against our portfolio companies or their holding company. They and we may not prevail in any lawsuits alleging patent infringement given the complex technical issues and inherent uncertainties in intellectual property litigation. If any of our portfolio company products, technologies or activities, from which our portfolio companies derive or expect to derive a substantial portion of their revenues and were found to infringe on another company's intellectual property rights, they could be subject to an injunction that would force the removal of such product from the market or they could be required to redesign such product, which could be costly. They could also be ordered to pay damages or other compensation, including punitive damages and attorneys' fees to such other company. A negative outcome in any such litigation could also severely disrupt the sales of their marketed products to their customers, which in turn could harm their relationships with their customers, their market share and their product revenues. Even if they are ultimately successful in defending any intellectual property litigation, such litigation is expensive and time consuming to address, will divert our management's attention from their business and may harm their reputation and ours.

Several of our portfolio companies may be subject to complex and costly regulation and if government regulations are interpreted or enforced in a manner adverse to them, they may be subject to enforcement actions, penalties, exclusion, and other material limitations on their operations that could have a negative impact on their financial performance. All of the above-listed risks can have a material, negative affect on our net asset value, revenue, performance and the success of our business and the portfolio companies we have invested in.

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- [1] The automotive active safety system market includes adaptive cruise control, antilock braking system, lane departure warning, blindspot detection, tire-pressure monitoring system, driver monitoring and night vision systems. <https://www.grandviewresearch.com/industry-analysis/automotive-active-safety-system-market-report>
- [2] <https://www.theverge.com/2024/10/29/24283127/waymo-now-does-150000-paid-trips-per-week>
- [3] <https://techcrunch.com/2024/10/23/tesla-is-testing-a-robotaxi-service-that-elon-musk-claims-will-launch-next-year/>
- [4] <https://abc7news.com/cruise-autonomous-cars-gm-recall-sf-robotaxi-software-update/14026840/>
- [5] https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1777
- [6] <https://markets.businessinsider.com/news/stocks/the-world-s-first-ipo-of-universal-autonomous-driving-technology-company-weride-officially-listed-on-nasdaq-1033900958>
- [7] <https://fortune.com/2024/10/25/waymo-evs-raises-56-billion-largest-ever-funding-round/>
- [8] <https://techcrunch.com/2024/10/19/four-takeaways-from-pony-ais-ipo-filing/>
- [9] <https://techcrunch.com/2024/10/23/tesla-is-testing-a-robotaxi-service-that-elon-musk-claims-will-launch-next-year/>
- [10] <https://seekingalpha.com/news/4301537-tesla-soars-as-investors-bet-on-an-easy-ride-for-federal-approvals-on-autonomous-vehicles>

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