Cyngn Executes a Pre-Order Agreement with Arauco for a Future Deployment of 100 AI-Powered Autonomous Electric Forklifts

Aug 08, 2023 7:00 AM

Single largest pre-order of an ongoing AI-Powered innovation to date for Cyngn, demonstrates Arauco's proactive commitment to increased sustainability, efficiency, and safety in their future operations

MENLO PARK, Calif., Aug. 8, 2023 /PRNewswire/ -- [Cyngn Inc.](#) (the "Company" or "Cyngn") (Nasdaq: CYN), a developer of AI-powered autonomous driving solutions for industrial applications, today announced a paid pre-order Agreement with [Arauco](#), a global company of sustainable forestry products, pulp, and engineered wood that is a supplier to the furniture and construction industries. The initial 100 autonomous electric [DriveMod-enabled forklifts](#) aim to enhance Arauco's operations and drive efficiency in their material handling processes in the near future. This Pre-Order Agreement marks a significant milestone in Cyngn's DriveMod Forklift initiative that was first announced in June and exemplifies the two companies' collaborative efforts to power AI innovations. Deliveries to Arauco are targeted to begin in 2024.

https://mma.prnewswire.com/media/2170854/Cyngn_and_Arauco_Partner_Video_S

Arauco is a well-known and established wood products supplier with over $7 billion in revenue in 2022. Arauco supplies high-quality wood products to global customers and is committed to sustainability and carbon neutrality. With the intention of electrifying their fleet of forklifts and integrating autonomous capabilities, Arauco expects to support its environmental goals, while maximizing operational productivity, efficiency, and safety.

"Working with a global power-house like Arauco is a testament to the transformative power of autonomous technology in the industrial sector," said Lior Tal, CEO of Cyngn. "We are proud and excited to be working as the preferred forklift automation provider for Arauco and to assist them in their pursuit of sustainability, safety, and operational excellence. By combining our expertise in

computer vision and AI algorithms, we are confident in delivering the performance and utility required for their operations with our DriveMod autonomous forklifts."

The initial pre-order of 100 autonomous electric forklifts refers to only a small portion of Arauco's existing fleet but represents a meaningful initial annual recurring revenue deployment for Cyngn that could cover up to approximately 20% of Cyngn's current monthly cash burn, demonstrating the potential for growth and expansion in the partnership. The companies are addressing the challenge of automating heavy loads with non-standard pallet pockets, which was previously unmet by other industrial autonomy providers. Arauco expects to benefit from the performance of more than 10,000 pounds of autonomous lift capacity, an industry-leading metric that would enable a single forklift solution to automate all of Arauco's use cases.

Cyngn's initiative for autonomous electric forklifts would help support Arauco by effectively tackling the labor shortage, safety, and efficiency challenges faced by modern manufacturers.

This Pre-order Agreement for 100 autonomous forklifts builds upon a previously-announced collaboration with the global building materials manufacturer. Together, Cyngn and Arauco expect to establish, create and expand DriveMod across sites and use cases, and potentially increase Arauco's autonomous fleet in the coming years.

About Cyngn

Cyngn develops and deploys scalable, differentiated autonomous vehicle technology for industrial organizations. Cyngn's self-driving solutions allow existing workforces to increase productivity and efficiency. The Company addresses significant challenges facing industrial organizations today, such as labor shortages, costly safety incidents, and increased consumer demand for eCommerce.

Cyngn's DriveMod Kit can be installed on new industrial vehicles at end of line or via retrofit, empowering customers to seamlessly adopt self-driving technology into their operations without high upfront costs or the need to completely replace existing vehicle investments.

Cyngn's flagship product, its Enterprise Autonomy Suite, includes DriveMod (autonomous vehicle system), Cyngn Insight (customer-facing suite of AV fleet management, teleoperation, and analytics tools), and Cyngn Evolve (internal toolkit that enables Cyngn to leverage data from the field for artificial intelligence, simulation, and modeling).

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