Investor Presentation

December 2024

Create AI

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Our Mission

We aim to redefine digital storytelling and video games by developing immersive, captivating, and visually stunning content for global audience

Technology Driven

Leverage proprietary generative AI technology to reduce content development costs and timeline by 70% within 5 years

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Clear Revenue Model Blending Technology with Content Creation

Original Video Game & Anime Production

- Produce and publish video games and anime films
- Build distribution platform for self-developed and third-party content

Key Milestones

- Launch two video games in 2025
- Launch the most anticipated "AAA" open-world RPG[1] "Heroes of Jin Yong" in 2027
- Launch "Three Body Problem" anime featured film and video game in 2027

In-house Developed Gen AI Technology

- Support self-developed original content
- Provide infrastructure tools to third-party creators (free and subscription services)

Key Milestones

- Release image-to-video "Ruyi" model series
- Build upon "Ruyi" model to create customized content development tools

Note: RPG stands for "Role-Playing Game"

Gaming Industry is a ~$200Bn USD Market

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As the fastest growing segment in the media industry, global video game market revenue reached $196 billion in 2023, more than the combined revenue from streaming video, streaming music, and global box office receipts

The total number of gamers are over 3Bn globally and players increasingly demand more immersive games and social experiences

Video Game

196Bn USD

Streaming Video	Streaming Music	Box Office

186Bn USD

The average age of gamers is ~ 36 years old and the 25–34 age group spends the most money on video games

Demanding more than just gameplay, gamers want immersive environments to socialize and to play an active role in content development

Global Video Game Market Revenue by Platforms

🔓 Mobile — 50%	🎮 Console — 28%	🖱 PC — 22%

Mobile Device

Driven by casual players with low barrier to entry and free-to-play model

PC & Console

Major platform for core gamers that demand full immersive and advanced gameplay

Source: Bain & Company, BCG industry report

Global Anime Market to Double by 2030 to ~$60Bn

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The anime culture has become mainstream with a global 800Mn fast-growing fan base

CAGR: ~10%

2024:
$31 Bn USD

2030:
$60 Bn USD

Key growth drivers include advancements in new media technologies, rise of streaming, and expanded applications in advertising

Global anime fans exceed 800 million, with Asian anime culture becoming a mainstream form of expression worldwide

Rising Production Cost and Development Timeline Limits Supply of High-Quality Content

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Anime film/drama: based on industry data, production costs are **55 – 70%** of total costs and production cycles takes **4 - 6 years** on average

Video game: the development cost and period vary significantly, but in general **comprises 50-70% of total budget and takes 5-7 years** for "AAA" PC/Console games

|	Tangled	The Lion King (2019)	Arcane (Season 2)	Red Dead Redemption 2	Cyberpunk 2077	Elden Ring
Dev. Time:	~6 years	~4 years	~4 years	~8 years	~7 years	~5 years
Total Budget:	$370Mn	$405Mn	$310Mn	$540Mn	$320Mn	$200Mn
Cost	Production Cost	Production Cost	Production Cost	Development Cost	Development Cost	Development Cost
	~70%	~65%	~80%	~50%	~55%	50-70%
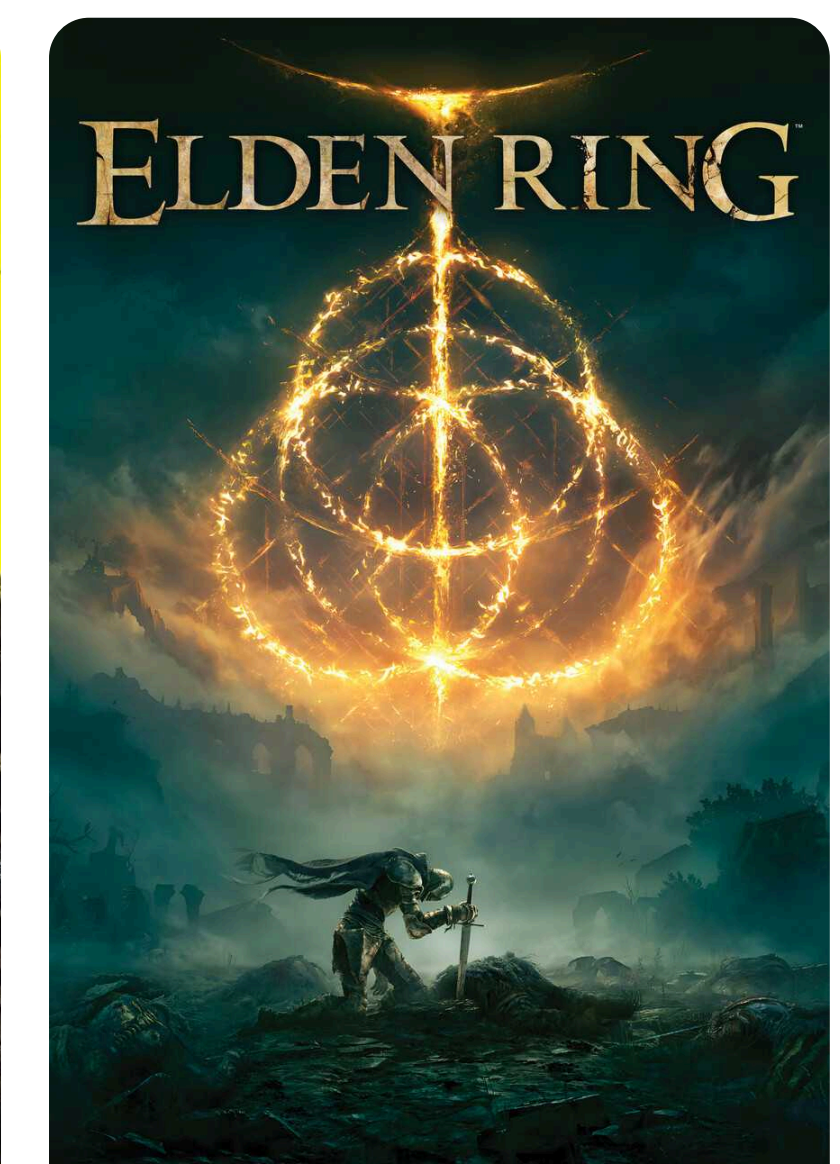
# Leverage Existing Technology Know-how to Build a Powerful Gen AI Large Model

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Ruyi

- Self-developed "image-to-video" model used for anime film and video game development
- Became one of the most popular image-to-video models on Hugging Face within 24 hours of its release
- With exceptional frame-to-frame consistency, motion fluidity, color performance and composition, the "Ruyi" large model will offer new possibilities for visual storytelling
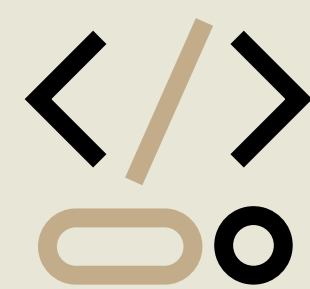
Algorithm

- Large model research since 2022
- 3D scene reconstruction
- Diffusion transformer (DiT) architecture
- Model inference acceleration
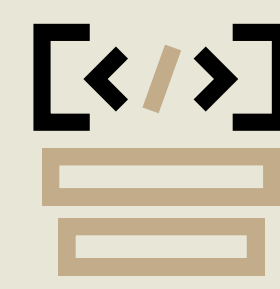
Data

- Multimodal dataset
- Massive data management

Infrastructure

- Scalable computing power and storage
- Large-scale GPU resource training

Our R&D team is highly experienced in large model development

Self-driving shares similar underlying AI development infrastructure

"Ruyi" Large Model – Clear Development Roadmap with Powerful Functionality Upgrades

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2024 – Q4

Mini – 7B
Open-source model

Community enthusiasts and creative teams

2025 – 1H

Standard–30B
Closed-source model:
private deployment

Professional content production teams

2025 – 1H

Mini – 7B –ACG
Open-source model

Community enthusiasts and creative teams

2025 – 2H

Standard–30B–ACG
Closed-source model: free demo and
subscription for more functions

Community enthusiasts and creative teams

2026

Pro & Pro-ACG
Closed-source model:
private deployment

Professional content production teams

Mini
Up to 720P resolution, up to 120 frames in 5 seconds duration, free aspect ratio, first/last frame control generation, motion amplitude control, and camera control
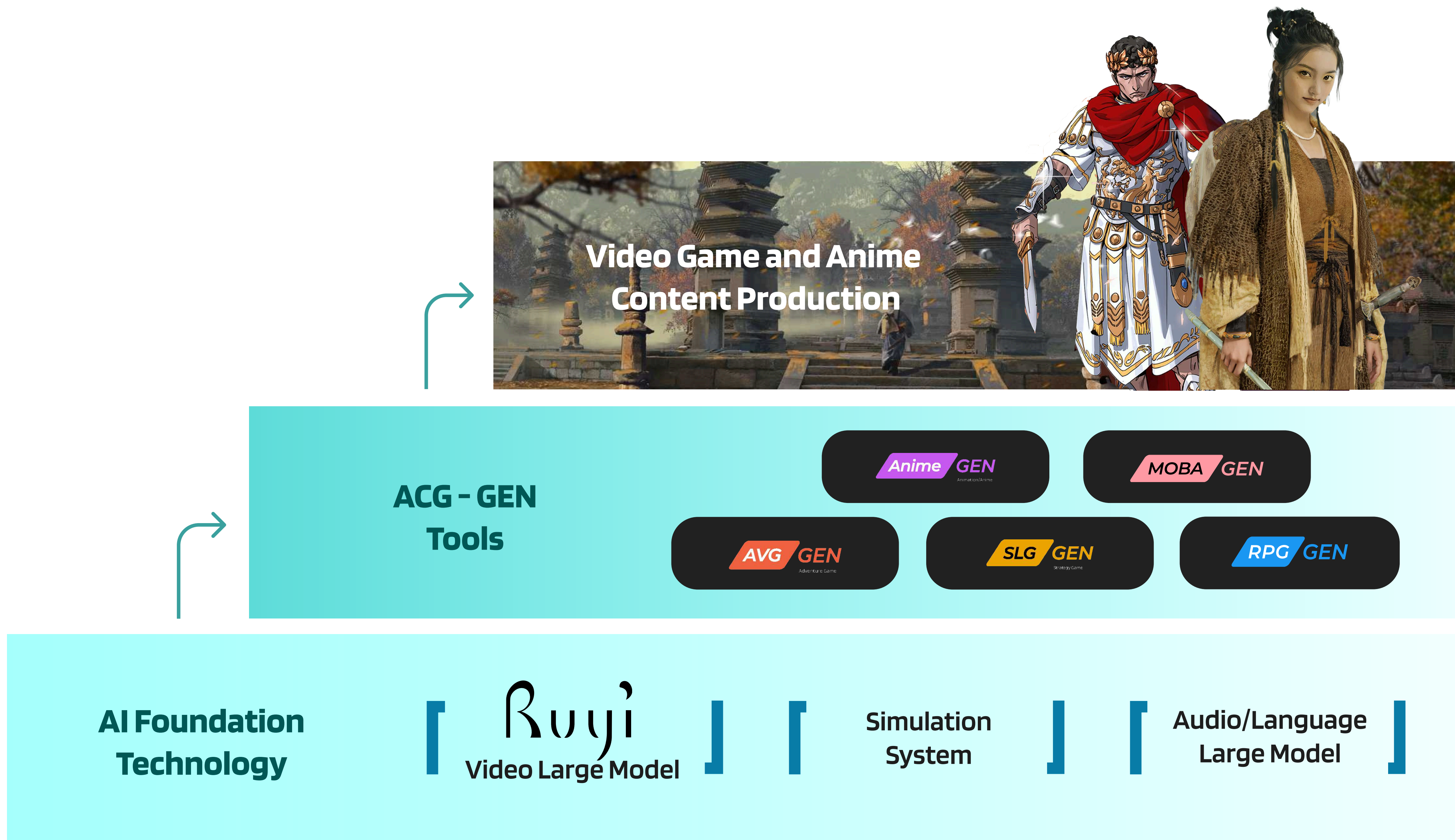
Standard
1080P resolution, with cinematographic image quality and video generation capabilities

Pro
Top performance version: 2K resolution, HDR image quality, powerful semantic understanding capabilities, and multi-condition controllable generation

Build Customized "ACG[1]- GEN" Tools for Video Game and Anime Content

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Video Game and Anime Content Production

ACG - GEN Tools

Anime GEN

MOBA GEN

AVG GEN
Adventure Game

SLG GEN
Strategy Game

RPG GEN

AI Foundation Technology

Ruyi
Video Large Model

Simulation System

Audio/Language Large Model

Developed a series of "ACG - GEN" tools powered by advanced AI technology, providing robust support for both in-house and third-party creators, and significantly enhancing content production efficiency and reduces production costs

Note: ACG stands for "Anime, Comics, and Games"

"ACG – GEN" Tools to be Launched in 2025

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AVG GEN
Adventure Game

- Supports character generation
- Maintains character subject consistency
- Supports scene generation
- Supports dynamic scenes
- Provides text-to-speech synthesis
- AVG[1] editor
- Supports multilingual conversion

Anime GEN
Animation/Anime

- Supports character generation
- Maintains character subject consistency
- Supports AI scene generation
- Style transformation
- Anime video generation
  1. Keyframe continuation
  2. Interpolation
  3. Coloring
- Sound effect generation

SLG GEN
Strategy Game

- Supports game unit generation
- Supports scene generation
- Supports game balance testing
- AI bot
- SLG[2] editor
- Sound effect generation
- Supports multilingual conversion

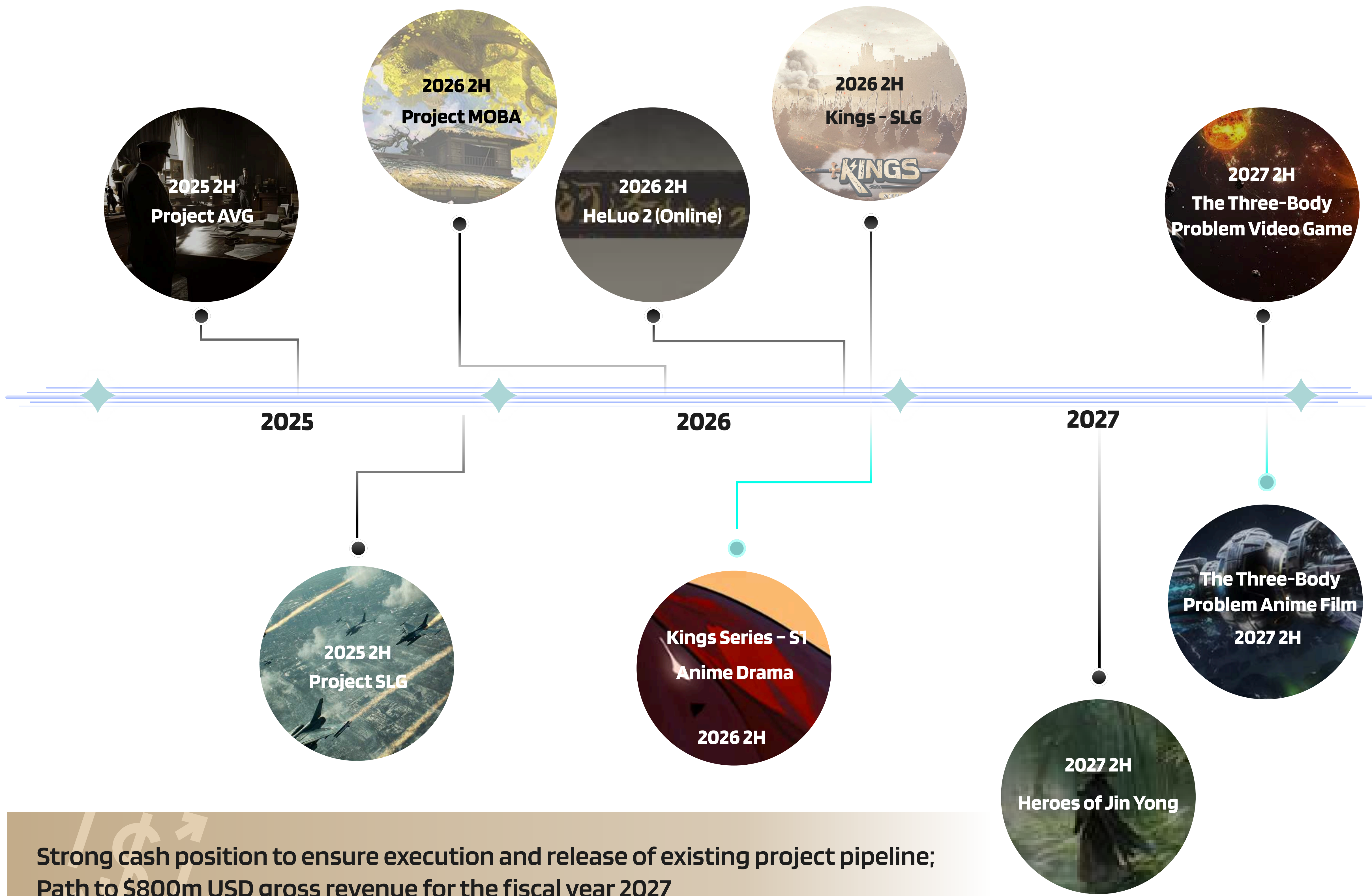Note: AVG stands for "Adventure Game"; SLG stands for "Strategy Game"

Digital Entertainment: Our Comprehensive Strategy

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2. Top-Tier Creative Talent
Branded IP attracts top-tier talent
to create high-quality content

1. Famous IP
Large global fan base and rich
storylines

3. Proprietary Gen AI Technology
Proprietary research in generative AI and
related tools to reduce development
timeline and costs

5. Creators' Circle
Promote CreateAI community
engagement to further increase
distribution

4. Media-mix Synergies
Cinematic film and video game
crossover to reduce promotional costs

Build long-term sustainable competitive advantages by leveraging famous IP to attract top-tier talent and de-risk
content production, while creating a flywheel effect for AI technology development

Digital Entertainment Content Launch Timeline

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2025 2H
Project AVG

2026 2H
Project MOBA

2026 2H
HeLuo 2 (Online)

2026 2H
Kings - SLG

2027 2H
The Three-Body Problem Video Game

2025

2026

2027

2025 2H
Project SLG

Kings Series – S1
Anime Drama

2026 2H

The Three-Body Problem Anime Film

2027 2H

2027 2H
Heroes of Jin Yong

Strong cash position to ensure execution and release of existing project pipeline;
Path to $800m USD gross revenue for the fiscal year 2027

Heroes of Jin Yong:
The Most Anticipated "AAA" Martial Arts Open-World RPG

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IP Background

· Louis Cha (Jin Yong), the most renowned figure in Chinese wuxia martial arts literature, authored 15 novels with over 100 million copies distributed globally in more than 14 languages

· "Heroes of Jin Yong" is the overarching IP comprised of all of the characters and storylines from the 15 novels

Game Overview

· "AAA" martial arts open-world RPG - focus on "characters and story" allowing players to develop their characters in open-world environment that faithfully recreates Jin Yong's wuxia universe

· Planned initial version release in 2026 and full version release in 2027
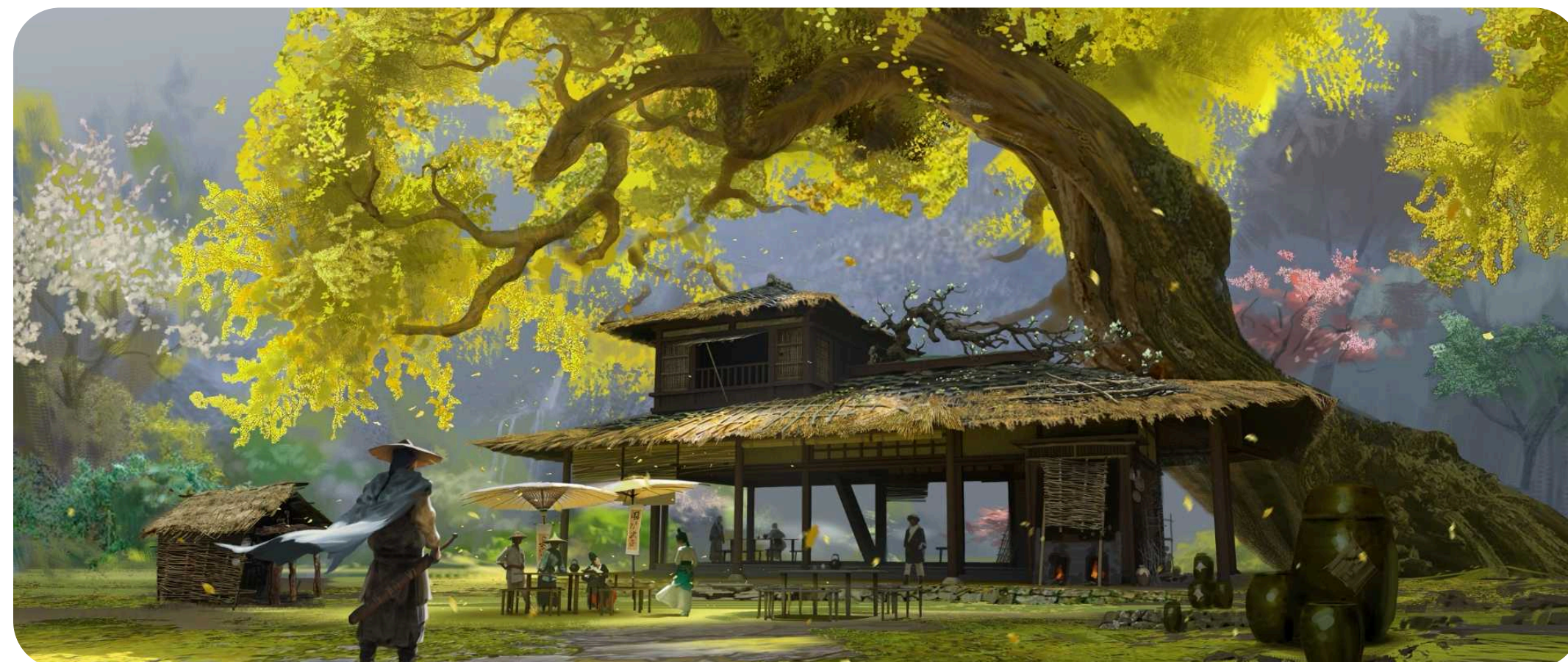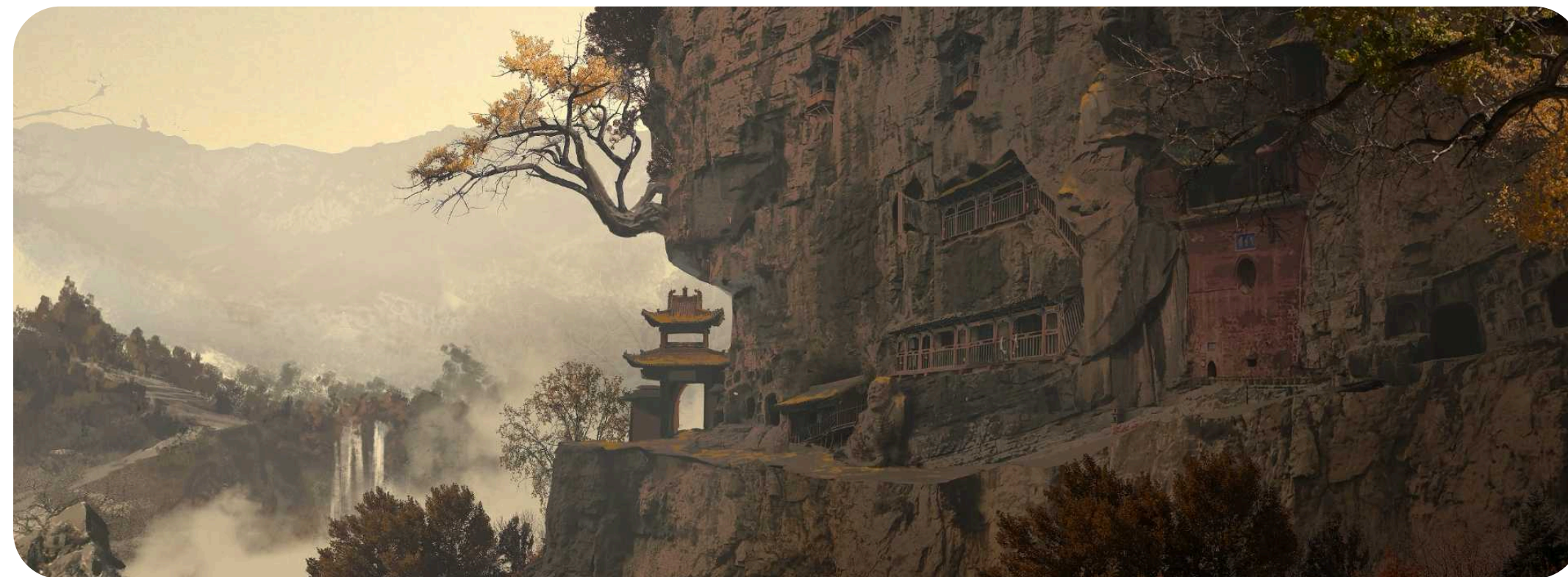
Immense Market Potential for Open-World RPG and Jin Yong Wuxia Games

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Large global fan base and market potential for open-world RPG;
The global fan base of Jin Yong's wuxia works exceeds 300 Mn

Proven commercial success for Jin Yong related martial arts games;
Strong track record of extended game life-cycle

Open-World RPG Global Sales Volume

RED DEAD REDEMPTION II — > 67M

THE WITCHER WILD HUNT — > 50M

悟空 — > 23M

Open-World RPG Revenue

RED DEAD REDEMPTION II — > $3.3Bn

THE WITCHER WILD HUNT — > $1.4 Bn

悟空 — > $1Bn
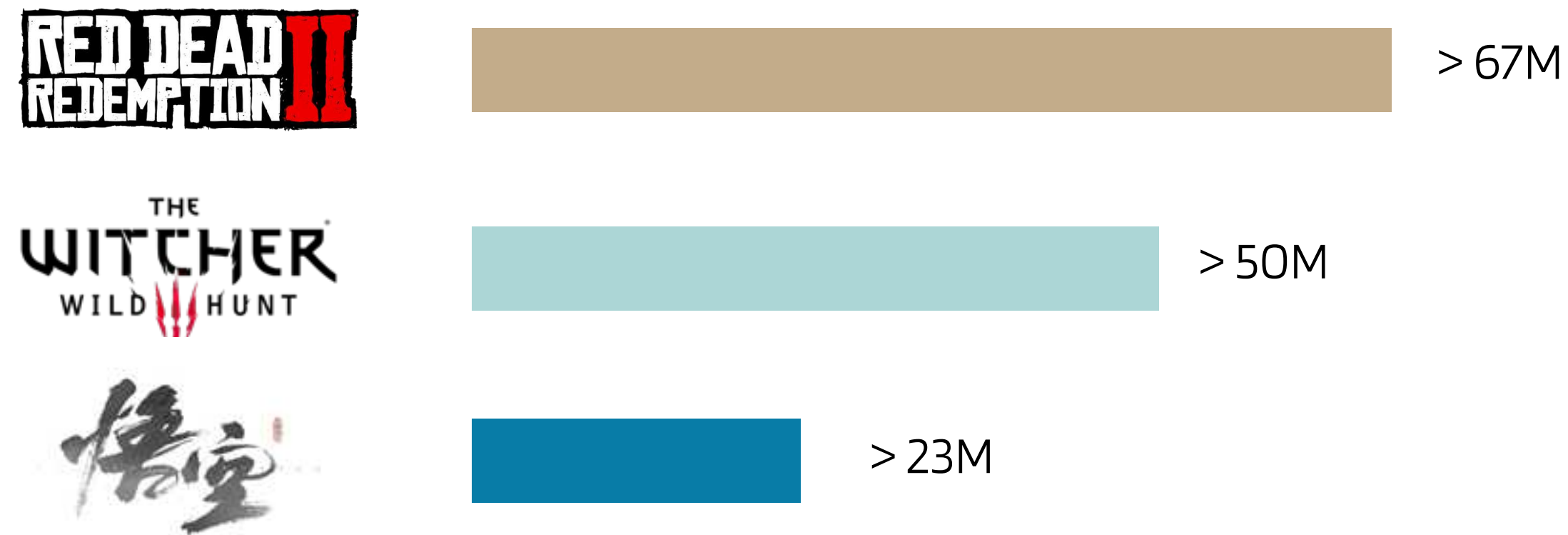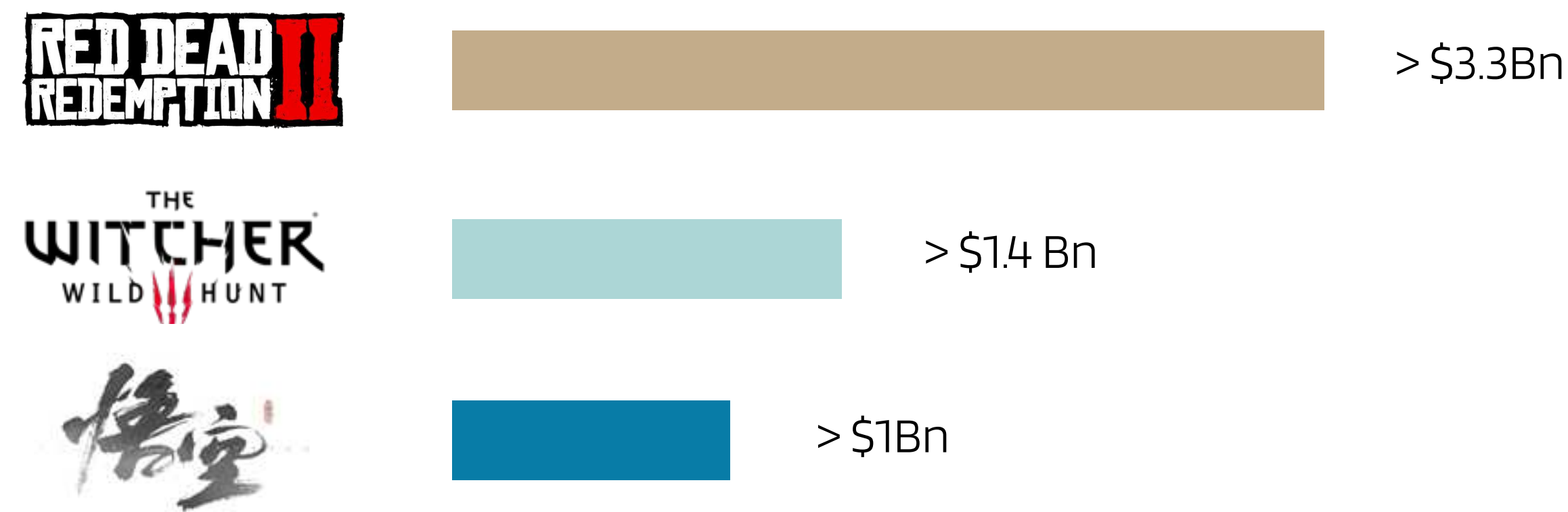
Launch dates and cumulative revenue (in US dollars) of Jin Yong's martial arts themed games

Game	Platform	Year	Revenue
天龙八部 Changyou	Console PC	2007	> $5.6Bn
	Mobile	2017	> $1.4Bn
笑傲江湖 Perfect World	Console PC	2013	~ $840Mn
	Mobile	2019	~ $100Mn
神雕侠侣 Perfect World	Console PC	2012	~ $560Mn
	Mobile	2019	~ $120Mn

Console   Mobile   PC

The Three-Body Problem: Cross-Media Synergies Between Anime Film and Video Game

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IP Background

- The Three-Body Problem series by Liu Cixin has sold over 30 million copies globally and is the most influential Chinese science fiction series globally
- The first Asian novel to win the Hugo Award for Best Novel and has been adapted into multiple popular TV series for Netflix and Tencent

Anime Film and Video Game Overview

- Featured 2D anime film based on The Dark Forest book in collaborating with renowned creative talent
  - Shōji Kawamori - mechanical designer best known for the primary architect of the Macross franchise and Diaclone – Transformers
  - Shirogumi Inc. – one of the largest and well-known anime series and films production studios
- In-house developed cross platform video game for concurrent global release in 2H 2027 to maximize marketing synergies and fan community engagement
- CreateAI role: publisher and game developer
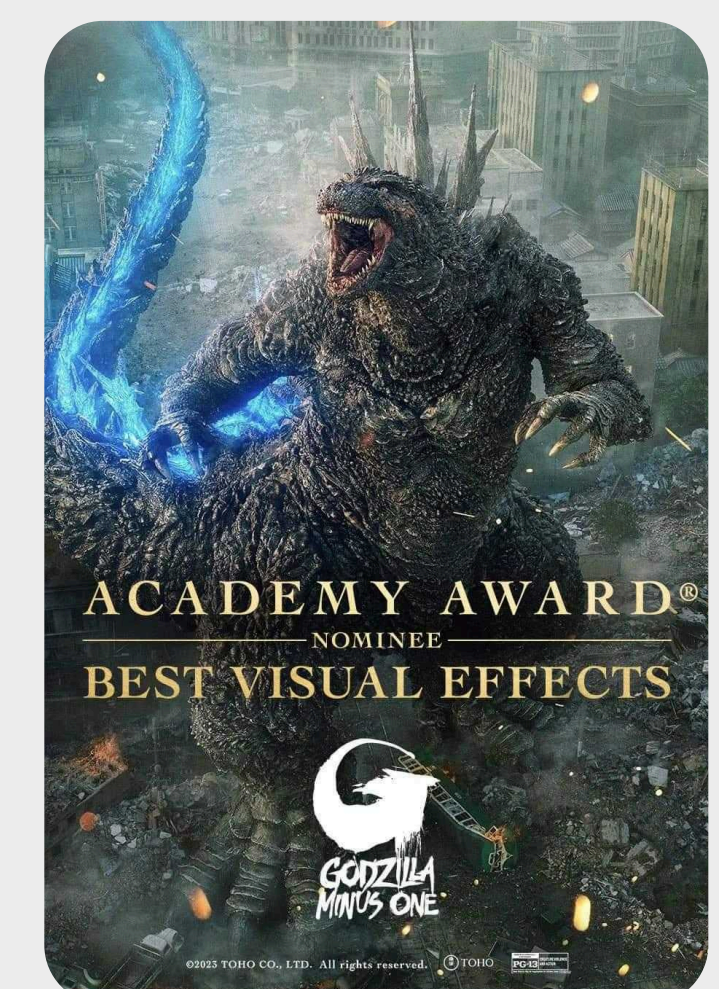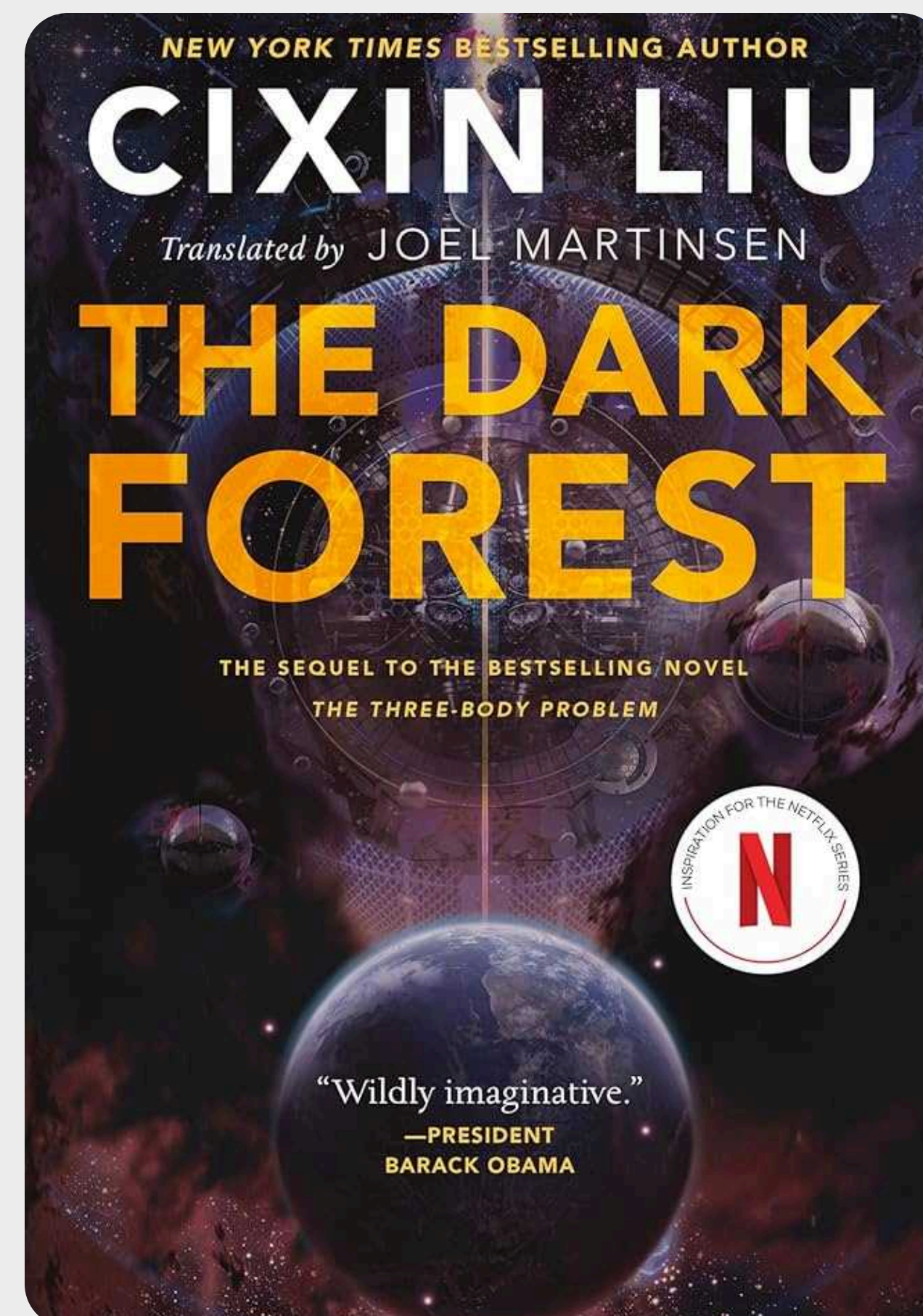
The Three-Body Problem: Cross-Media Synergies Between Anime Film and Video Game

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The Three-Body Problem Video Game

- A cross-platform "AAA" FPS[1] game that seamlessly combines the most popular game genre in Western markets with the international influence of the Three-Body Problem IP, allowing players to immerse themselves in the classic storyline while engaging in intense and thrilling battles
- In the world of The Three-Body Problem, there are numerous factions and complex technological and social systems. As players continuously explore extraterrestrial civilizations, they will experience the true essence of the "Dark Forest"

Note: FPS stands for "First-Person Shooter"

Other IP Portfolio – "Kings" Series

IP Background

- Following dozens of dazzling comets, an incredible mysterious force has created a brand-new Earth where renowned monarchs and their generals from various eras of human civilization gather in this new world at the height of their powers

- They either form alliances or engage in mutual conquest, all the while, their ultimate goal is to overthrow the great Roman Empire and create their own legacy

- "Kings" anime drama series slowly unfold the greatest struggle for dominance in this new world, fighting and plotting in their royal ways

Kings Anime Drama and Video Game

- Intriguing settings - famous monarchs gather together for a timeless battle for supremacy — The Monarch Fantasy Universe

- Anime film and video game crossover - starting with a novel, expands its influence through anime, and ultimately transforming into a game

Game Projects Planned to be Released in 2025

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Project Code: Spy War

- An AVG spy game set in World War II, created using our proprietary ACG - GEN tool

- Enhanced immersive experience: a well-known AVG game producer and professional authors are responsible for the game's storyline, combined with the outstanding performance of our proprietary ACG - GEN tool, to present players with a thrilling spy drama

- Rich plot branches: features multi-chapter stories and multiple branching choices, where every decision made by the player will affect the direction of the story, creating a unique gaming experience

Project Code: Alien Chronicles

- A SLG planned for Steam and mobile platforms

- Realism and tension: utilizes real combat unit data and a battle attrition system to give players the tension and excitement of warfare

- Strategic layout and technological development: each faction has a technology tree with different development directions and unique weapons and equipment, requiring players to plan the overall situation like a real military commander

We will showcase how generative AI revolutionizes game development by reducing production time and costs compared to traditional methods, unlocking greater efficiency and profitability

Creators' Circle: Ecosystem to Empower Creators, Promote Community and Fan Engagement

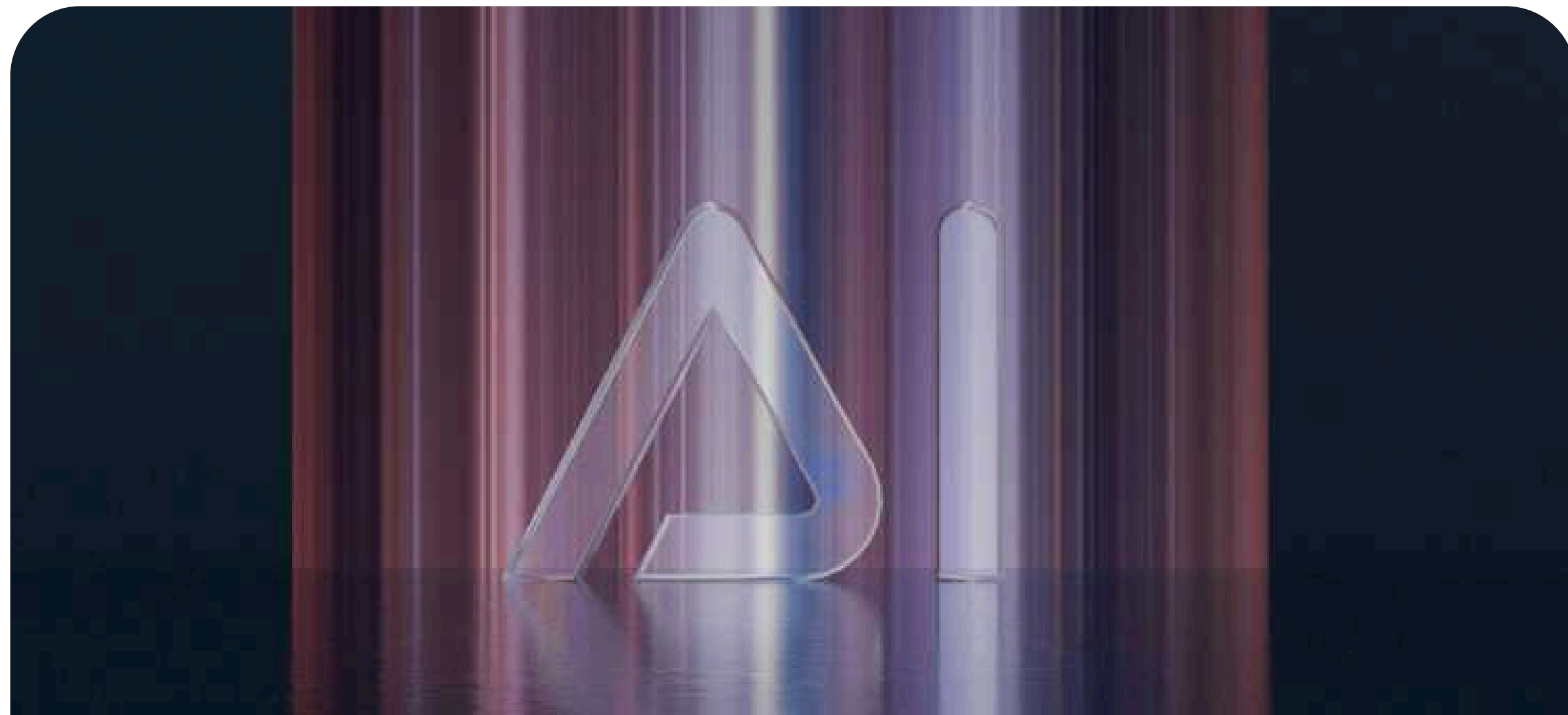Build a premier distribution platform for both in-house and third-party content.
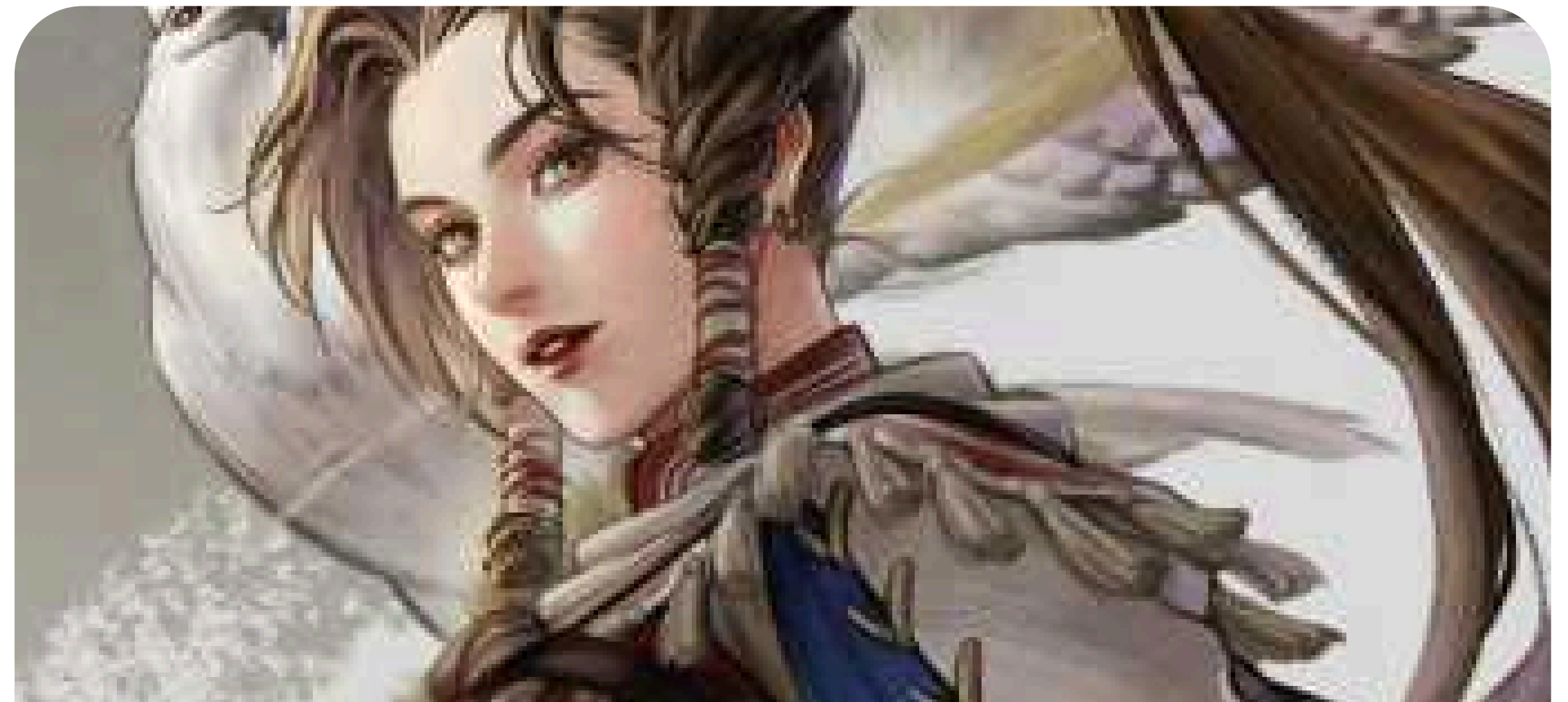

Collaboration with well-known artists and KOLs to build awareness

Organize offline fan engagement events to enhance user activity and loyalty.

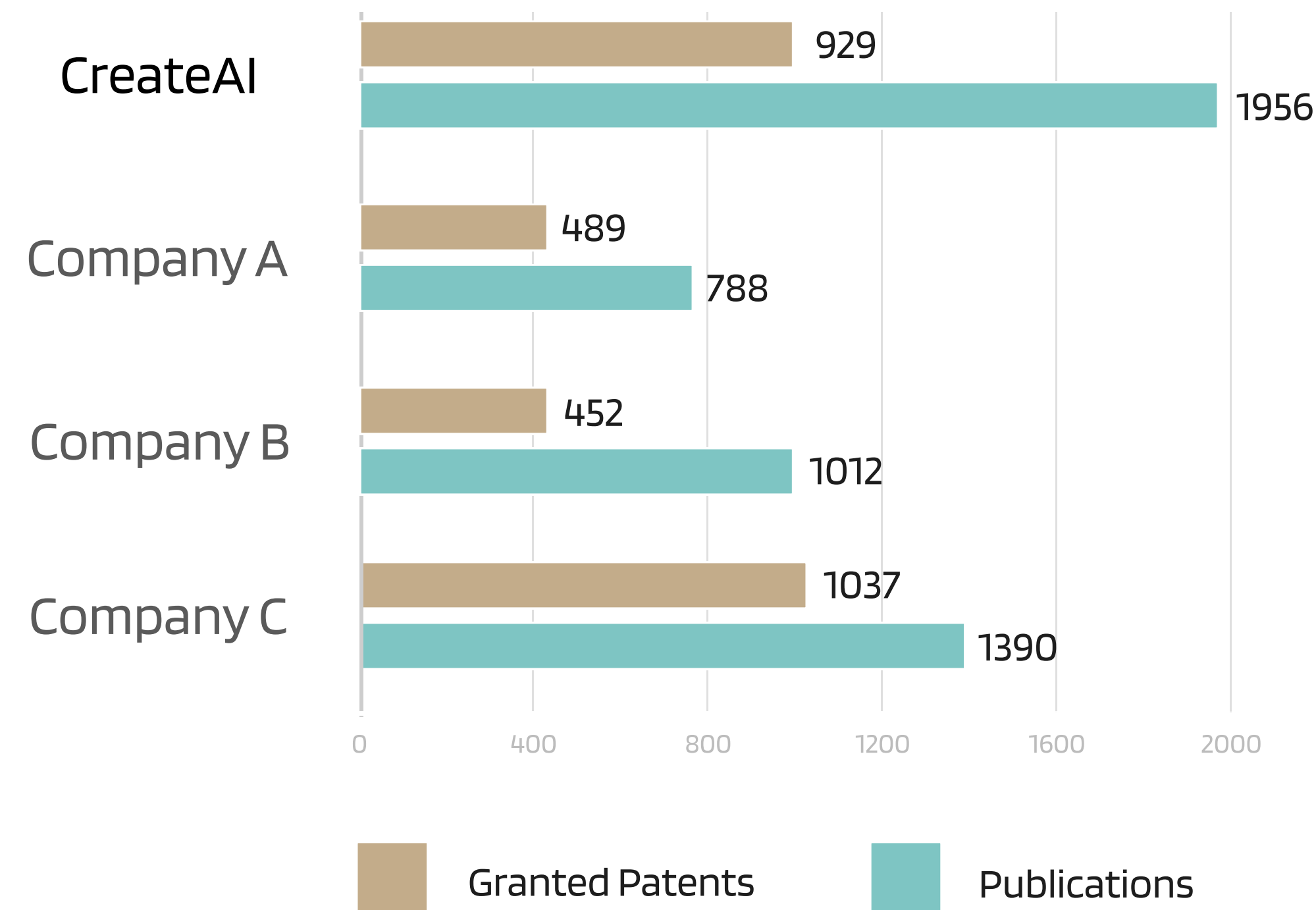Make available AI tools and open-source models to empower aspiring creators

Launch "Wuxia Alliance" to promote a greater sense of community and realize marketing synergies

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Continue to Monetize Industry-leading Autonomous Driving IP Portfolios

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> Focus on asset-light monetization strategy as AV vehicle development costs lowers and supply chain matures

Worldwide Granted Patents and Applications

- CreateAI: 929 (Granted Patents), 1956 (Publications)
- Company A: 489 (Granted Patents), 788 (Publications)
- Company B: 452 (Granted Patents), 1012 (Publications)
- Company C: 1037 (Granted Patents), 1390 (Publications)

Legend: Granted Patents | Publications

- Industry-leading patent portfolio of ~930 granted patents and ~1950 published patents worldwide
- IPs spanning across the entire autonomous trucking ecosystem

Granted Patent Portfolio

34%
ADS Onboard Solutions

- Sensors
- Actuators
- Advanced Controls Communications
- Domain Controller (ADC)
- Hardware Improvements

26%
AV Operations

- Oversight Fleet Operations
- Ecosystem
- Safety

24%
ADS Onboard Software

- Perception Tracking
- Motion Planning
- Prediction
- Localization
- Onboard Maps

10%
Core AI & Data

- Data Collection
- Deep Learning / Machine Learning

6%
Offboard Toolchain

- Simulation / Map Production
- Upgrading & Routing / Regeneration

Note: Patents data from PatSnap as of Nov 5th, 2024