



## Seeing Machines Limited (“Seeing Machines” or the “Company”)

8 July 2024

### Seeing Machines acquires Asaphus Vision GmbH

#### Collaboration with French Tier 1 automotive supplier Valeo extending AI and ML capability

Seeing Machines Limited (AIM: SEE, “**Seeing Machines**” or the “**Company**”), the advanced computer vision technology company that designs AI-powered operator monitoring systems to improve transport safety, has announced a strategic collaboration with Valeo, a global leader in the automotive industry, along with the acquisition of Asaphus Vision GmbH (“**Asaphus**”), a highly specialised development group with leading Machine Learning (ML) and Artificial Intelligence (AI) capability.

#### Highlights:

- Valeo and Seeing Machines enter strategic collaboration to grow market share in Automotive
- Seeing Machines acquires Valeo owned German software company, Asaphus
- Acquisition of Asaphus provides Seeing Machines with unique IP, a Berlin office and material boost in AI and Machine Learning capabilities
- Asaphus currently engaged on three ongoing Automotive programs
- Acquisition expected to be cash neutral on an operating basis

Valeo’s market-leading scale, expertise in high-quality cameras and processing units (hardware), software and system integration will complement Seeing Machines’ leadership in driver and occupant monitoring system technology. Together, they will jointly pursue opportunities across the global automotive industry to meet the growing demand for enhanced interior cabin experiences by OEMs for their customers, alongside meeting important and expanding safety regulations across the world, including existing ones in Europe and China.

Further, Valeo will transfer its driver monitoring perception system software activity to Seeing Machines. This will primarily be facilitated by Seeing Machines’ acquisition of Asaphus, a Valeo owned German company based in Berlin, dedicated to the development of driver and occupant monitoring software.

The collaboration with Valeo and acquisition of Asaphus represents a highly attractive opportunity to strengthen Seeing Machines’ core business with the attainment of highly valuable additional Intellectual Property. Further, the acquisition will add complementary skills that will accelerate the Company’s feature roadmap with advanced AI and ML capability, optimise development costs and deliver enhanced engineering talent in Germany, an ideal location to support Seeing Machines’ growing customer base in Europe.

**Marc Vrecko, CEO of Valeo Brain Division**, commented: *“We are delighted with this collaboration with Seeing Machines. It is another demonstration of Valeo’s ability to build the ground for successful*



*cooperation with core technology companies. These last 5 years, with Asaphus, we have been able to grow the company, develop their AI perception technologies and build a solid position in interior monitoring systems. Combining their teams with Seeing Machines, we will benefit from the best in class perception software to integrate into our hardware and software architecture for driver and occupant monitoring systems. Together, we will be able to provide more competitive solutions and strengthen our market position"*

The transaction to acquire Asaphus is comprised of a fixed amount of US\$6 million, payable in two components. The first component relates to a cash payment of US\$2 million, payable in two tranches, the first US\$1 million on signing and the next US\$1 million on the first anniversary of the Agreement. The remaining component of US\$4 million is payable on meeting certain business outcomes, the remaining unpaid portion of the USD 4 million, if any, will be due on the fifth Anniversary. Asaphus generated a EUR 49,000 profit in 2023.

The acquisition of Asaphus' operating business, currently engaged on two Automotive programs in Europe and one in China, is expected to have a cash neutral impact on Seeing Machines in the short term, with a positive contribution as services and other revenues grow over time.

**Paul McGlone, CEO at Seeing Machines**, commented: *"With our shared culture of innovation, this collaboration will enable our team to continue to lead the interior sensing market as we complement our highly specialised skills and work with Valeo, a world leading automotive technology company, to deliver driver and occupant monitoring solutions to more automotive customers, globally. As regulations making driver monitoring systems mandatory across the EU come into effect this month, the market for enhanced safety and convenience solutions is expanding daily. Thanks to our proven, class-leading technology, we are very well placed to solidify our industry leadership position, supporting our customers in getting their programs successfully to production."*

This announcement contains inside information under the UK Market Abuse Regulation. The person responsible for arranging for the release of this announcement on behalf of the Company is Paul McGlone, CEO.

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**About Seeing Machines (AIM: SEE)**, a global company founded in 2000 and headquartered in Australia, is an industry leader in vision-based monitoring technology that enable machines to see,



understand and assist people. Seeing Machines is revolutionizing global transport safety. Its technology portfolio of AI algorithms, embedded processing and optics, power products that need to deliver reliable real-time understanding of vehicle operators. The technology spans the critical measurement of where a driver is looking, through to classification of their cognitive state as it applies to accident risk. Reliable “driver state” measurement is the end-goal of Driver Monitoring Systems (DMS) technology. Seeing Machines develops DMS technology to drive safety for Automotive, Commercial Fleet, Off-road and Aviation. The company has offices in Australia, USA, Europe and Asia, and supplies technology solutions and services to industry leaders in each market vertical.

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