

Financial Press Release Paris, February 8, 2016

# Acquisition of Mineset Inc., a big data visual analytics and machine-learning specialist

# A disruptive approach to amplify ESI Group's virtual engineering solutions

- Providing transformative processes for design and manufacturing
- Leveraging big data synergies with existing virtual prototyping technologies
- Offering major analytics and pattern recognition value-creation opportunities

Alain de Rouvray, ESI Group's Chairman and CEO, comments: "This acquisition complements the recent integration of Picviz Labs (now 'INENDI') and its technology for big data mining. Combining INENDI's data correlation detection with Mineset's pattern recognition, and linking both to ESI Group's Virtual Prototyping solutions, provides a new transformative process and source of value creation, particularly in the traditional Virtual Engineering domain.

While the exponential growth of the Information and Communication Technologies ('ICT') finds an accelerated usage in all economic domains, it also generates massive amounts of data ('big data'). This trend imposes a critical pressure on industrialists confronted with the need to link virtual simulation models to the real world data of the Internet of Things ('IoT'). To innovate effectively and competitively, it has become mandatory to generate a multitude of virtual models and to compare them between themselves and versus real world information. Making immediate sense of the exponential flux of big data has become an imperative. This is well aligned with the motivation for the disruptive value potential that ESI is now poised to offer in response to the requests of its customers and partners. This combination of talent and technology, building on other recent acquisitions, will contribute to revolutionize the field of simulation results analytics, with extensions such as predictive maintenance and cyber-security. We trust that it will position ESI to usher in with confidence the age of the Internet of Everything ('IoE')"



Based in Milpitas, California, Mineset Inc. is a subsidiary of Silicon Graphics International Corp.(SGI), a global leader in high-performance solutions for compute, data analytics and data management. Its team of world-class experts has developed a visual analytics platform that tightly integrates advanced visualization with machine-learning technology. Available through an easy-to-use Cloud-based web browser interface, the product has been specifically designed for non-programming professionals in order to efficiently address a broad user base.

# Providing transformative processes for design and manufacturing

Mineset's technology and its human-in-the-loop iterative analytics with an intuitive user interface will be integrated within ESI Group's overall Virtual Engineering offer and adapted to each specific application in the product-design process. Significantly improving decision-making processes, big data analytics, pattern recognition and machine-learning technology will enhance ESI Group's solutions with new capabilities in terms of simulation result analysis, discovery of hidden correlations, fault detection, predictive maintenance and design optimization. This will thus contribute to the delivery of better simulation and modeling results and, subsequently, to a reduction in production and maintenance times.

# Leveraging big data synergies with existing virtual prototyping technologies

This advanced visual analytics platform will directly complement the ESI Group offering initiated following the integration of PicViz Labs in April 2015. Now branded as INENDI, (an acronym for INvestigate, ENvision and DIscover the unknown) that offering addresses pattern recognition applied to virtual engineering, cybersecurity, and Internet of Things (IoT) solutions. Disruptive applications such as ADAS (Advanced Driver Assistance Systems) and Autonomous Driving represent typical and promising use cases. These segments constitute a large new market opportunity for ESI Group, notably in the US where SGI and Mineset's technology are already well recognized.

"Mineset technology was developed with the vision to further data analytics and visualization with machine learning," said Jorge Titinger, president and CEO of SGI. "We are excited to see ESI Group take this technology to the next level, delivering transformational solutions to help customers design better products and further machine learning."

# Offering major analytics and pattern recognition value-creation opportunities

ESI is directly acquiring 100% of Mineset Inc.'s capital and will integrate the entire development team, which comprises 10 experts. This transaction will offer a substantial return on investment in



the midterm, through the enhancement of ESI's Virtual Engineering solutions with machine-learning based capabilities to foster knowledge discovery, reliable model based prediction, and confident decision making. The operation has been entirely financed through bank debt.

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### **Next event:**

2015 annual sales: March 14, 2016

#### **About Mineset Inc. / SGI**

<u>SGI</u> is a global leader in high-performance solutions for compute, data analytics and data management that enable customers to accelerate time to discovery, innovation, and profitability. Visit <a href="www.sgi.com">www.sgi.com</a> for more information.

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### About ESI

ESI is a world-leading provider of Virtual Prototyping software and services with a strong foundation in the physics of materials and Virtual Manufacturing.

Founded over 40 years ago, <u>ESI</u> has developed a unique proficiency in helping industrial manufacturers replace physical prototypes by virtually replicating the fabrication, assembly and testing of products in different environments. <u>Virtual Prototyping</u> enables ESI's clients to evaluate the performance of their product and the consequences of its manufacturing history, under normal or accidental conditions. By benefiting from this information early in the process, enterprises know whether a product can be built, and whether it will meet its performance and certification objectives, before any physical prototype is built. To enable customer innovation, ESI's solutions integrate the latest technologies in high performance computing and immersive Virtual Reality, allowing companies to bring products to life before they even exist.

Today, <u>ESI</u>'s customer base spans nearly every industry sector. The company employs more than 1,000 high-level specialists worldwide to address the needs of customers in more than 40 countries.

<u>ESI</u> is listed in compartment C of NYSE Euronext Paris and is granted "Entreprise Innovante" (Innovative Company) certification since 2000 by Bpifrance. <u>ESI</u> is eligible for inclusion in FCPI (venture capital trusts dedicated to innovation) and PEA PME.

For further information, go to www.esi-group.com.

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