

Expert System Has Approved a Capital Increase to Be Offered to Institutional Investors

Modena, July 29, 2020

The Board of Directors of [Expert System](#) S.p.A. ("**Expert System**" or the "**Company**"), a leading company in the Artificial Intelligence market, with shares listed on the AIM Italia multilateral trading system, organized and managed by Borsa Italiana S.p.A., has approved today to proceed with the total execution of the resolution of the Shareholders' Meeting held on June 29, 2020, pursuant to article 2443 of the Civil Code, and to increase the share capital for a maximum amount of € 17,068,330.80, including additional paid-in capital, by issuing a maximum of n. 6,321,604 ordinary shares, with no par value (the "**Capital Increase**").

The newly issued shares will be offered through an Accelerated Book Building dedicated to institutional investors (the "**ABB**") with exclusion of the option right in accordance with article 2441, paragraph 5 of the Civil Code and reserved to "qualified investors" in Italy and "institutional investors" abroad (not including the United States or any other country where the placing or the sale of the shares is prohibited in accordance with the law), therefore without publication of a prospectus and/or a disclosure document according to the exemption pursuant to the art 1, paragraph 4, lett. (a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017.

The new shares will be offered, with the approval of the Board of Statutory Auditors, at a minimum subscription price of € 2.70 per share, equal to the same subscription price of the shares offered during the capital increase in option launched by the Company on July 13, 2020, and successfully concluded on July 28, 2020 for a total amount of € 7,931,668.50.

The Board of Directors has empowered the Chairman of the Board, Stefano Spaggiari and the Chief Executive Officers, Marco Varone and Walt Mayo, to execute the capital increase, also by definition of the final number of newly issued shares and of the subscription price.

The ABB will start immediately and Expert System reserves the right to close books at any time. The Company will give prompt notice of the results of the ABB, of the number of newly issued shares and of the subscription price.

Since the shares are without par value, the subscription price will be attributed to share capital € 0.01 and to additional paid-in capital for the remaining part. In the event of full subscription of the n. 6,321,604 newly issued shares at the minimum price of € 2.70, the share capital of Expert System after the capital increase will be represented by n. 50,386,441 ordinary shares, with the same characteristics of the outstanding shares, for a total amount of € 503,864.41.

The newly issued shares will be traded on AIM Italia, in addition to the shares already outstanding and in accordance with applicable laws and regulations.



The Capital Increase is aimed to complete the raising of the estimated financial resources to execute the Strategic Plan 2020-2024 "Path to Lead" (the "Plan") announced to the market on June 9, 2020.

The Plan shows net cumulative cash needs of approximately Euro 30 million to be raised by different sources, starting with the share capital increase approved by the Shareholders' Meeting held on June 29, 2020 pursuant to art. 2443 of the Italian Civil Code, for an amount of up to Euro 25 million and partially executed for an amount equal to Euro 7.9 million through the Option Capital Increase just ended.

In particular, in order to promote a capital raising in line with the overall financial requirements of the Plan, considering the several indications of interest received by national and international institutional investors, as part of the marketing activity conducted by the Company, the Board of Directors intends, in the interest of the Company, to approve and fully execute (not partially up to Euro 12 million, as originally planned), as further execution of the proxy conferred by the Shareholders' Meeting through a capital increase with the exclusion of the option right, and therefore proceed to an offer to qualified investors for a total amount of up to Euro 17.07 million, at a price not lower than Euro 2.70 per share, to be executed starting from July 29, 2020 (deadline for execution of the option capital increase).

More information on the purpose of the capital increase and reasons of the exclusion of the option right are represented in the Board of Directors opinion, prepared in accordance with article 2441 paragraphs 5 and 6 of the Civil Code, available on the Company's website <http://www.expertsystem.com> in accordance with the terms required by applicable regulations.

Integrae SIM S.p.A. acts as Nominated Adviser of the Company. **Clifford Chance** has acted as the Company's legal counsel. **MAINFIRST BANK AG** will act as Sole Book Runner of the reserved placement.

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About Expert System

Expert System is a global leader in artificial intelligence applied to text. Its flagship platform provides a unique mix of natural



language understanding and machine learning algorithms to help organizations bring human-like comprehension of any kind of text to accelerate business processes, enhance knowledge discovery and improve decision making. Headquartered in Italy (EXSY:MIL), Expert System operates throughout Europe, the Americas, Canada and the Middle East across a vast range of sectors and use cases including content enrichment, customer care, compliance, third party risk mitigation and intelligence applications. It has cemented itself at the forefront of the artificial intelligence sector, working with global businesses such as AXA XL, Lloyd's of London, Zurich Insurance Group, Generali, Bayer, Bloomberg BNA, BNP Paribas, Rabobank, Dow Jones, Gannett, IMF and EBSCO.

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