



Expert System, New Resources for the International Growth

Real innovation in artificial intelligence is coming from Italy. Capital increase subscribed by a pool of private investors, organised by CC & Soci, to fuel development of business in the United States and Europe

Modena, 23 April 2019

The Board of Directors of [Expert System](#), which met today, has resolved to increase the share capital in a divisible manner, with the exclusion of option rights, for a maximum amount of Euro 7,000,000.20 (seven million euros and twenty cents) by means of the issue of up to 3,888,889 ordinary shares with no indication of nominal value, to be offered up for subscription exclusively to ERGO S.r.l. The new ordinary shares are offered at the unitary subscription price of Euro 1.80 each, of which Euro 1.79 by way of premium and Euro 0.01 as capital share. The resolution partially executes the delegation pursuant to Art. 2443 of the Italian Civil Code, conferred by the Extraordinary Shareholders' Meeting on 18 April 2019, to increase the share capital in exchange for payment and in a divisible manner, also with the exclusion of the option right in accordance with Article 2441, fifth and sixth paragraphs of the Italian Civil Code, for a maximum of Euro 10,000,000 (ten million euros and zero cents).

ERGO S.r.l. is a newco controlled by a pool of private investors (entrepreneurs, managers and professionals), including Claudio Costamagna, Diego Piacentini e Francesco Caio.

*"The Artificial intelligence market is maturing very quickly. Companies are now more aware of the strategic role AI can play to gain competitive advantage and increase operational efficiency", declared **Stefano Spaggiari, Expert System Chief Executive Officer**. "In this scenario, we believe it is essential to consolidate our position, and to further support the Group's global expansion. We are honoured to have new shareholders that can help us further speed up our growth."*

Proceeds deriving from the share capital increase will be used to accelerate the growth of sales in the medium-term, through a series of organic, coordinated actions, like the strengthening of the sales and pre-sales teams, the reinforcement of the technical group dedicated to the indirect channel, the increase in marketing activities and the investment in the suite of software components that can simplify the implementation of Expert System solutions by strategic partners and customers.

*"As a group of financial investors, we are firmly convinced of the tremendous opportunity for the company to grow and expand in a technology sector with great potential, as the one related to the understanding of unstructured information", says **Claudio Costamagna, Chairman of CC & Soci**.*

Upon completion of this transaction, the share capital of Expert System is represented by a total of 39,747,920 ordinary shares, all with the same characteristics as those currently in issue, for a total nominal capital of Euro 397,479.20. Subscribed new-issue shares are admitted for trading on the AIM Italia, on a par with shares already in issue and in compliance with applicable provisions of law and regulations. The capital increase was resolved taking due account of the favourable opinion of the board of auditors on the fairness of the new share issue price.

In accordance with Transparency Regulations and Art. 17 of the AIM Italia Issuers' Regulation, Expert System declares that it has today received from the shareholder ERGO S.r.l., notice of substantial change to the investment in connection with the exceeding of the threshold of relevance of 5%; in particular, ERGO S.r.l. declares that it holds a 9.78% share in the Issuer's share capital.

More information on the objectives of the reserved share capital increase and the reasons for exclusion of option rights can also be found in the explanatory report by the Board of Directors, prepared in accordance with Art. 2441, paragraphs 5 and 6 of the Italian Civil Code, made available on the Company's website www.expertsystem.com/it.

Clifford Chance acted as legal advisors to Expert System.

About Expert System

Expert System (EXSY:MIL) is a leader in Artificial Intelligence applied to text. Its flagship Cogito® platform, based on a unique blend of semantic technology and machine learning, helps organizations deploy cognitive automation to accelerate business processes, improve information management and make smarter decisions. Expert System's solutions have been deployed in media, customer care, compliance, third party risk mitigation and intelligence applications by leading organizations such as AXA XL, Bayer, Bloomberg BNA, BNP Paribas, Clarivate, Eli Lilly, Gannett, Generali, IMF, Lloyd's of London, Sanofi, US Department of Agriculture, US Department of Justice and Zurich Insurance Group.

For more information visit www.expertsystem.com

Expert System

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