



## Expert System Reaches Agreement with Integral Ad Science, Global Leaders in Digital Ad Verification, for the Sale of ADmantX

**Modena, 20 November 2019**

Expert System has reached an agreement for the sale of its subsidiary ADmantX to Integral Ad Science (IAS), global leaders in digital ad verification, for an enterprise value of €16.000.000, which is equal to 8X of the 2018 sales of ADmantX. ADmantX specializes in contextual advertising solutions, brand safety and first-party profiling based on Artificial Intelligence Natural Language Processing for online advertising. IAS in all-cash transaction purchased the 100% of ADmantX including the Expert System stake of 60.8% whose value is equal, after the deal adjustments, to €7.098.009.

*“ADmantX has grown from a start-up into a successful business and is able to attract the attention of a global leader in the world of online advertising,” said **Stefano Spaggiari, Chief Executive Officer of Expert System.** “This deal is another clear confirmation of the value of Natural Language Understanding and the enormous potential of AI as a strategic asset for growth and development.”*

The proceeds of the sale of the equity investment held in ADmantX will allow Expert System to pursue its strategy for continued growth and development as a global vendor of AI technology. IAS will integrate ADmantX features into its technology and will work closely with Expert System to continue to leverage Cogito platform in the global IAS suite of ad verification products.

*“ADmantX shares our bold and disruptive vision to incorporate data and science as the foundation of building innovative and trustworthy solutions that both advertisers and publishers can trust,” said **IAS CEO Lisa Utschneider.** “Adding this sophisticated contextual technology to our global product suite unlocks unprecedented contextual classification at scale, enabling precise ad targeting for marketers.”*

IAS is headquartered in New York, NY with global operations in 17 offices across 13 countries. IAS is part of the Vista Equity Partners portfolio of software companies. The ADmantX brand will be absorbed under the IAS brand, where Lisa Utschneider serves as CEO.

The subscription and closing for the transfer of ADmantX shares from Expert System to IAS were conducted simultaneously with the execution of the contract. The transfer is subject to a price adjustment to be determined by the end of Q1 2020, according to the possible change in net working capital and net financial position. In line with market practices for similar extraordinary transactions, Expert System issued the standard declarations and warranties for this type of contract to IAS.



## AdmantX Profile

ADmantX S.p.A., founded in 2010 as a spin-off of Expert System, offers a contextual advertising service based on the Natural Language Understanding capability of Expert System's technology Cogito that optimizes the positioning of online advertising messages based on the content of the page. ADmantX has offices in both the USA and Europe and operates in 15 countries with a customer base that includes NBCUniversal, The Financial Times, News UK, GroupM, Amnet, Simple Agency, the RCS Group, Manzoni, Mondadori and TIM. ADmantX is not included in Expert System's consolidated P&L and Balance Sheet as it is considered to be non-strategic. As of December 31, 2018, the company recorded net revenues of approximately € 2 million (around 32% from the US subsidiary ADmantX Inc.), substantially break-even EBITDA, a net financial position of € 0.36 million and shareholders' equity of € 0.43 million<sup>(1)</sup>.

*This release is available on the Company's website [www.expertsystem.com](http://www.expertsystem.com) and on [www.emarketstorage.com](http://www.emarketstorage.com)*

## About Integral Ad Science

Integral Ad Science (IAS) is the global market leader in digital ad verification, offering technologies that drive high-quality advertising media. IAS equips advertisers and publishers with both the insight and technology to protect their advertising investments from fraud and unsafe environments as well as to capture consumer attention, and drive business outcomes. Founded in 2009, IAS is headquartered in New York with global operations in 22 offices across 13 countries. IAS is part of the Vista Equity Partners portfolio of software companies. For more on how IAS is powering great impressions for top publishers and advertisers around the world, visit [integralads.com](http://integralads.com)

## About Expert System

Expert System (stock ticker: 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 content management, customer care, compliance, third party risk mitigation and intelligence applications by leading organizations in industries other than just insurance, including, Bayer, Bloomberg BNA, BNP Paribas, Clarivate, Eli Lilly, Gannett, IMF, Sanofi, US Department of Agriculture, and US Department of Justice. For more information visit <https://expertsystem.com>. Follow us on [LinkedIn](#) and @Expert\_System on [Twitter](#).

Expert System

### Press Office

Francesca Spaggiari

[ufficiostampa@expertsystem.com](mailto:ufficiostampa@expertsystem.com)

Tel. +39 059 894011

IRTop Consulting

### Investor & Media Relations

Floriana Vitale, Domenico Gentile

[ir@irtop.com](mailto:ir@irtop.com)

Tel. +39 02 45473883/4

Integrae SIM S.p.A.

### Nomad

Giulia Mucciariello

[info@integraesim.it](mailto:info@integraesim.it)

Tel: +39 02 87208720

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<sup>1</sup> The economic-financial data as at 31 December 2018 refer to the consolidation of ADmantX S.p.A. and its subsidiary ADmantX Inc.