



**Expert System sells the 17% stake in CY4GATE, which successfully
concluded IPO placement with a total demand equal to almost
4 times the total offer**

*IPO placement in AIM of 1,706,469 shares for an equivalent value of
approximately € 5.4 million*

Modena, 19 June 2020

[Expert System](#) announces the total sale of its minority shareholding equal to approximately 17% of the share capital of CY4GATE, a company established in 2014 with Elettronica S.p.A., which operates in the cybersecurity industry in all-around mode, designing, developing and producing “Cyber Intelligence & Cyber Security”. On 17 June, 2020, CY4GATE S.p.A. submitted an application for admission to trading of its ordinary shares on AIM Italia, a multilateral trading system organised and managed by Borsa Italiana S.p.A. With today's total collection of € 21.1 million and the determination of the price of ordinary CY4GATE S.p.A. shares at € 3.15, the participation of Expert System equal to 1,706,469 shares was sold for a consideration of € 5,375,377.35.

Eugenio Santagata, CEO of CY4GATE and Domitilla Benigni, President, commented: *“Developing a project like CY4GATE has been a rewarding experience and we are grateful for the support of Expert System, whose proven expertise has been both an inspiration and an example for us. We are happy and proud to have shared this part of the journey with Expert System. We will continue to grow and are confident that we will maintain this important partnership in the future.”*

Stefano Spaggiari, Expert System S.p.A. CEO, commented: *“We are honored to have contributed to the creation of such a unique industrial project. Sharing this vision and path with a leading organization like Elettronica has been a rewarding experience for us, and the positive response by the market to the CY4GATE IPO makes us proud to have been a part of this collaboration.”*

The sale of the equity investment in CY4GATE is in line with the objectives underlying the 2020-2024 “Path to Lead” strategic plan, whose goal is to position Expert System as the reference platform in the artificial intelligence market for Natural Language Understanding and Natural Language Processing.



CY4GATE will work directly with Expert System to continue leveraging the potential of the artificial intelligence platform in its suite of products designed to give an effective answer to an unconventional demand for cyber security services.

Expert System will use sales resources to further accelerate the strengthening of its business in the United States and of the Group's global growth.

CY4GATE's features

CY4GATE was founded in 2014 as a joint venture between Expert System and Elettronica S.p.A., a leader in the field of Electronic Countermeasures for over 60 years, with the aim of designing, developing and producing technologies and products, systems and services able to meet the most rigorous and modern requirements concerning the “Cyber Intelligence & Cyber Security” of Armed Forces, Police Forces, Intelligence Agencies, as well as private Companies, both in Italy and abroad. CY4GATE achieved revenues of approximately € 7.1 million, an EBITDA of € 3.1 million and an operating profit of € 1.9 million as of 31 December, 2019.

At the start date of trading in AIM Italia, the share capital of CY4GATE will be represented by a total of 15,000,000 ordinary shares with a 44.7% floating stock, for a capitalisation expected at the start date of trading of € 47.3 million. 22 June, 2020 is expected to be the day of admission to trading in AIM, with 24 June, 2020 marking the start of trading.

This press release is available on the Company's Website www.expertsystem.com and on www.emarketstorage.com

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 as 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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