



## **Expert.ai: Preliminary consolidated results for 2020**

- **Revenue slightly below "Path to Lead" Strategic Plan 2020 Target**
- **Strong Net Financial Position and Accelerated Investment**
- **Excellent results in strategic focus areas and confirmed "Path to Lead" objectives through 2024**

***Modena, March 12, 2021***

The global artificial intelligence company expert.ai announces that it has prepared the first preliminary consolidated economic and financial results as of December 31, 2020, which have not been subject to legal audit.

From a financial point of view, the Group closes 2020 with a Net Financial Position of approximately Euro 21.0 million, which includes cash and cash equivalents of approximately Euro 54.0 million. This follows the capital increase transactions completed in 2020, for a total funding of Euro 28.0 million and the sale of the equity investment in CY4GATE for Euro 5.3 million.

Total revenues at the end of December 2020 range between Euro 30 million and Euro 31 million. Compared to the "Path to Lead" 2020-2024 Strategic Plan ("Plan") objectives, which forecast revenues of Euro 33.3 million for December 31, 2020, the variance is mainly attributable to the perpetual licensing component for the Italian and international government sector where sales activities were significantly impacted by the COVID-19 emergency and to the reduction in the professional services component.

Conversely, core revenues related to the recurring licensing component are estimated to increase by approximately 8% compared to 2019, reaching a value of more than 85% of total license sales as of 2020.

EBITDA for 2020 ranges between Euro -1.0 million and Euro -2.0 million. Compared to the Plan's EBITDA value of Euro 2 million, the deviation is closely linked to the trend in sales, and is influenced by higher investments in sales and marketing, sustained in the American market, where corporate revenues have grown by more than 35% compared to 2019 with a significant share, around 50%, represented by new customers, including AEGIS, Patra and The Associated Press.



Consistent with what was communicated when the Plan was approved, the company confirms estimates and strategic objectives up to 2024. It also confirms alignment with the three main phases of the path to accelerate growth in the USA and globally and to optimize its platform and all proprietary software development functionalities toward becoming the company of reference in the artificial intelligence market for natural language understanding and natural language processing. In alignment with the two main objectives of the first phase of the Plan (2020-2021), during 2020, the company strengthened its leadership to accelerate the development of the go-to-market strategy and launched its cloud strategy, aimed at consolidating the positioning of the SaaS (Software as a Service) model. It also launched new products and functionalities.

Please note that all the above results are of an operational nature and have not been subject to audit.

As per the financial calendar, the complete economic and financial results of the Issuer and of the Group will be published on March 29, 2021, following the approval of the draft financial statements by the Board of Directors.

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

### **About expert.ai**

Expert.ai is the premier artificial intelligence platform for language understanding. Its unique hybrid approach to NL combines symbolic human-like comprehension and machine learning to transform language-intensive processes into practical knowledge, providing the insight required to improve decision making throughout organizations. By offering a full range of on-premise, private and public cloud offerings, expert.ai augments business operations, accelerates and scales data science capabilities and simplifies AI adoption across a vast range of industries including Insurance, Banking & Finance, Publishing & Media, Defense & Intelligence, Life Science & Pharma, Oil Gas & Energy, and more. The expert.ai brand is owned by Expert System (EXSY:MIL), that has cemented itself at the forefront of natural language solutions, and serves global businesses such as AXA XL, Zurich Insurance Group, Generali, The Associated Press, Bloomberg INDG, BNP Paribas, Rabobank, Dow Jones, Gannett, and EBSCO.

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