

# Press Release

## Etsy Acquires Blackbird Technologies to Enhance Search Capabilities

September 19, 2016

BROOKLYN, N.Y., Sept. 19, 2016 /PRNewswire/ -- Etsy, Inc. (Nasdaq: ETSY), which operates marketplaces where people around the world connect, both online and offline, to make, sell and buy unique goods, today announced that it has acquired [Blackbird Technologies, Inc.](#) Privately-held, Blackbird has developed proprietary machine learning technology that delivers superior search relevance and recommendations.

Blackbird's novel technology combines images and text using advanced Deep Learning Artificial Intelligence techniques to power a range of search capabilities, including personalized search, ranking, spelling correction and predictive typeahead, to deliver a personalized shopping experience.

"Buyers come to Etsy.com for items they can't find anywhere else and our goal is to help them discover exactly what they want among our 40 million unique listings. Leveraging Blackbird's technology, we believe we can enhance the buyer experience by making search quicker and easier and by surfacing even more relevant, tailored product recommendations," said Chad Dickerson, Etsy, Inc. CEO and Chair. "Our team has already made substantial enhancements to the search & discovery process on Etsy, especially through features like Exploratory Search, and we are excited for Blackbird's world-class team and technology to accelerate our progress in this key area."

### Transaction Rationale and Benefits:

- Blackbird has advanced technology with a proven track record of delivering high-quality search, including:
  - Machine learning that analyzes user behavior, unstructured data, and other variables to suggest relevant and personalized search recommendations;
  - Natural language processing to understand complex search queries;
  - Deep Learning-based image recognition techniques to index and catalogue photos, which help provide more relevant search results; and
  - Spelling correction and predictive typeahead to make searching faster and more intuitive.
- Blackbird's talented employees, including its co-founders, who serve as the company's CEO and CTO, will join Etsy. The team possesses a deep expertise in Artificial Intelligence, search, and distributed systems and has direct experience working in these areas for some of the largest technology companies in the world.
- This expansion of Etsy's technical capabilities and search sciences team is expected to accelerate our efforts to further optimize the search experience.
- In addition, longer-term, we believe there may be opportunities to deploy Blackbird's Artificial Intelligence technology in areas beyond search that will help strengthen our markets and seller services platform.

### About Etsy

Etsy operates marketplaces where millions of people around the world connect, both online and offline, to make, sell and buy unique goods. Etsy also offers a wide range of seller services and tools that help creative entrepreneurs start, grow and manage their businesses. The Etsy community includes creative entrepreneurs who sell on our platform, thoughtful consumers looking to buy unique goods in our marketplace, retailers and manufacturers who partner with Etsy sellers to help them grow their businesses and Etsy employees who maintain our platform and nurture our ecosystem. Our mission is to reimagine commerce in ways that build a more fulfilling and lasting world, and we're committed to using the power of business to strengthen communities and empower people.

Etsy was founded in 2005 and is headquartered in Brooklyn, New York.

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include the quotations from management, statements regarding the rationale and proposed benefits of our acquisition of Blackbird, information related to our possible or assumed future results of operations and expenses, business strategies and plans, business environment and future growth. Forward-looking statements include all statements that are not historical facts. Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. For example, risks and uncertainties regarding our acquisition of Blackbird include the unexpected disruption of our ongoing business operations due to the acquisition, the failure to successfully integrate Blackbird's business and employees, and the failure to achieve the expected benefits of the acquisition. These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. Forward-looking statements represent our beliefs and assumptions only as of the date of this press release. We disclaim any obligation to update forward-looking statements.

To view the original version on PR Newswire, visit: <https://www.prnewswire.com/news-releases/etsy-acquires-blackbird-technologies-to-enhance-search-capabilities-300330359.html>

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