



CSE: AIML
OTCQB: AIMLF
FWB: 42FB

NEWS RELEASE

AI/ML INNOVATIONS INC.

AI/ML Innovations Inc. Enters Binding Letter of Intent to Acquire Strategic Neural Net Healthcare Assets

Highlights:

- ✓ **Strategic Expansion and Market Growth:** *AI/ML Innovations Inc. expands its portfolio by acquiring Naiad Labs Inc. Product Division.*
- ✓ **AI-driven Strategic Healthcare Assets:** *The purchase includes a proprietary “Long ECG Neural Net”, reducing the reading and labeling of long ECGs from a couple of weeks to under 5 minutes.*

May 2, 2024 Victoria, Canada /ACCESSWIRE/

AI/ML Innovations Inc. (“AIML” or the “Company”) [CSE - AIML; OTCQB - AIMLF; FWB - 42FB], a leading company committed to acquiring and advancing Artificial Intelligence/Machine Learning technologies that address urgent societal needs, is pleased to announce a significant milestone in the signing of a binding Letter of Intent (the “LOI”) dated April 27, 2024 to purchase Naiad Labs’ Product Division, subject to certain terms and conditions.

The Acquired Assets include:

Naiad’s proprietary Long ECG Neural Net (L-ECG NN) – An accurate and efficient method to read and label long ECGs. The L-ECG NN can label an entire 48-hour long ECG file in less than 5 minutes, while conventional methods take a couple of weeks.

The Neural Network Store (NNStore) – A subscription-based online neural net store that allows device company developers and researchers to upload files for analysis by various AI systems.

Paul Duffy, CEO of AIML, added, “We are very excited by this acquisition, as we see great synergy between these newly acquired technologies and our current Follow Your Heart suite of products”. Duffy continues, “Moreover, the Neural Net Store expands our reach, offering our Neural Nets as a Service to the broad and growing community of smart sensor wearables and end user applications.”

The salient terms of the LOI include:

1. AIML will purchase 100% of Naiad’s Long ECG Neural Net, 100% of Naiad’s Neural Net Store & NNaaS, and access to certain contracted services to be provided by Naiad’s management and technical team on an ongoing basis under separate employment/consulting agreements (collectively, the “Assets”).
2. AIML will issue 6,700,000 Common Shares from its Treasury to Naiad, (currently valued at \$469,000), as full and final payment for the Assets. The shares will be subject to a 12-month hold period.

3. AIML will create a new operating subsidiary which shall hold the Assets.
4. AIML will pay a streaming royalty (the “Royalty”) to Naiad for up to a 20-year period, as per the following terms:
 - i. a 2% Royalty which is payable on gross revenue of not less than \$1,500,000 and not greater than \$5,000,000 inclusive per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net, AND
 - ii. a 3% Royalty which is payable on all gross revenue above \$5,000,000 per fiscal year, if and only if such revenue is directly attributable to third-party licensing of the Long ECG Neural Net.
 - iii. AIML at its sole discretion may purchase the Royalty from Naiad at any time for \$1,000,000.
5. AIML will grant a total of 700,000 stock options for 5 years at a \$0.20 exercise price to management members of Naiad, in accordance with the Corporation’s Stock Option Plan.
6. AIML will enter into consulting/management agreements with certain key members of Naiad Labs.
7. AIML will issue 3,000,000 incentive warrants to Naiad Labs for a 12-month period, which are convertible into 3,000,000 Common Shares from Treasury at a cost of \$0.10 per share subject to the following terms:
 - i. the Long ECG Neural Net has formally entered the US FDA approval process; AND,
 - ii. The Long ECG Neural Net generates gross revenue of not less than \$1,000,000.

The Assets Purchase has a non-arm’s length component to it in that AIML’s Interim CPO, Esmat Naikyar, is the CEO and co-Founder of Naiad Labs Inc. Mr. Naikyar is neither on the board of directors of AIML, nor will he be involved in AIML’s approval process.

The closing of the Asset Purchase is subject to satisfactory completion of due diligence by AIML, AIML Board approval, any requisite regulatory approval, and other conditions typically set out in a purchase and sale agreement of this type. The parties are working to complete a definitive agreement based upon the terms found of LOI on or about May 30, 2024.

No Finder’s Fee will be paid in conjunction with this transaction. The Asset Purchase will not result in either a change of control or the creation of new control persons.

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About AI/ML Innovations Inc. <https://aiml-innovations.com/>

AI/ML Innovations Inc. has realigned its business operations to capitalize on the burgeoning fields of artificial intelligence (AI) and machine learning (ML), with an initial investment focus on emerging digital health and wellbeing companies that leverage AI, ML, cloud computing and digital platforms to drive transformative healthcare management solutions and precision support delivery across the health continuum. Through strategic partnerships with Health Gauge (95.2% owned by AIML), Tech2Heal (up to 22% ownership rights, with 12.44% currently owned by AIML), AI Rx Inc. (70% owned by AIML) and other planned accretive investments, the Company continues to capitalize on expanding growth areas, to the benefit of all the Company’s stakeholders. AI/ML’s shares are traded on the Canadian Securities Exchange under the symbol "AIML", the OTCQB Venture Market under “AIMLF”, and the Frankfurt Stock Exchange under “42FB”.

On behalf of the Board of Directors
Tim Daniels, Executive Chairman

For more information about AI/ML Innovations:

For detailed information please see AI/ML's website or the Company's filed documents at www.sedarplus.ca

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For AI/ML Innovations Investors

Certain statements made in this press release that are not based on historical information are forward-looking statements that involve substantial known and unknown risks and uncertainties. This press release contains express or implied forward-looking statements relating to, among other things, AI/ML Innovations' expectations concerning management's plans, objectives, and strategies, including strategies for defending the Company's intellectual property. These statements are neither promises nor guarantees but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. AI/ML Innovations Inc. undertakes no obligation to update or revise the information contained in this press release, whether as a result of new information, future events, or circumstances or otherwise except as expressly required by applicable securities law. Further information regarding the uncertainties and risks can be found in the disclosure documents filed by AI/ML with the securities regulatory authorities, available at www.sedar.com.

