

NETRAMARK PROVIDES Q3 BUSINESS UPDATE AND HIGHLIGHTS PROGRESS

TORONTO, Aug. 20, 2024 /CNW/ - **NetraMark Holdings Inc. (the "Company" or "NetraMark")** (CSE: AIAI) (OTCQB: AINMF) (Frankfurt: 8TV) a generative AI software leader in clinical trial analytics, provides a third quarter business update and highlights recent accomplishments.

"At NetraMark, we're proud of the progress we've made, but we also recognize that our journey is just beginning," said George Achilleos, CEO of NetraMark. "It's important that our shareholders understand the fundamentals of our business, recognize the exciting opportunities ahead, and see the long-term impact we aspire to make in an industry that affects millions of lives."

NetraMark is focused on solving an industry problem with a large addressable market

In the pharmaceutical industry, clinical trial failures occur at a rate of 88%, from candidate medicine identification to commercialization. The primary challenges and risks of a trial include:

- Increased heterogeneity and noise as clinical trials progress, leading to higher risks and distorted outcomes.
- Misaligned clinical trial study protocols with inappropriate endpoint measures.
- Lack of clear clinical benefits over the standard of care.
- Strong placebo responses driving trial failures.
- Unexpected adverse events leading to trial discontinuation.

The Company's solutions for these challenges help companies make better clinical trial decisions that have the potential to save millions in lost investment.

NetraMark's solutions represent a compelling use case for a boom of AI in the healthcare market, which leading research organization MarketsandMarkets estimates will grow from \$20.9B USD in 2024 to \$148.4B USD by 2029.

The NetraMark approach / solution

NetraMark's technology leverages a pharmaceutical company's own Phase 1, 2, or 3 clinical trial data to apply proprietary AI that identifies the key subpopulations driving drug response, placebo response, and adverse events. The Company developed its offerings to help address the needs of pharmaceutical and biotechnology companies that need to leverage their investments to improve future clinical trial outcomes.

Meaningful accomplishments year to date

1. **Commercial-Ready and proprietary AI Platform:** The technology has undergone rigorous quality assurance validation by a multi billion dollar pharmaceutical company and is now fully commercialized and delivering results.
2. **Developed a Focused Market Entry Strategy:** The Company has honed its focus on Central Nervous System (CNS) and Oncology, two large multi billion dollar addressable markets.
3. **Strategic Client Acquisition:** Secured a beachhead client, a Nasdaq-listed biopharma company with a \$10B+ USD market cap and one of the largest pipelines globally, which has signed four contracts to date.
4. **Sales and Partner Pipeline Growth:** Sales pipeline has grown from 19 leads in early 2023 to

now over 130 companies and 30+ potential channel partners.

5. **Strong Revenue Backlog:** Secured \$1M CAD in signed contracts, with \$350K CAD recognized to date and \$656K CAD in backlog revenue, which is set for future recognition upon completion of the corresponding services.
6. **Favorable Financial Profile:** The Company maintains a high gross margin profile, currently has a low monthly cash burn rate and has garnered significant large shareholder support, including \$500K CAD from recently exercised warrants above current market prices.
7. **Key Research Collaborations:** Entered into a research collaboration with the National Institute of Mental Health (NIMH), a leading U.S. federal agency for mental health research, and part of the National Institutes of Health (NIH), the largest biomedical research agency in the world.
8. **Industry Engagement and Thought Leadership:** Increase of Company presence has been elevated through participation in key industry conferences, including American Association for Cancer Research (AACR), American Society of Clinical Psychopharmacology (ASCP), and Alzheimer's Association International Conference (AAIC). Furthermore, the Company presented seven posters at key industry events showcasing the potential capability of the NetraMark technology.
9. **Peer-Reviewed Publication:** Published insights on lung cancer trials in the Exploration of Medicine Journal, where NetraAI's application of genetic data helped define a novel subpopulation for future clinical trials.

The future objectives for NetraMark

R&D budgets of many pharmaceutical companies are robust and investment capital continues to flow toward the development of new therapies. Adopting new and innovative AI based technologies to increase efficiency is quickly becoming the focus of the industry and creating adoption tailwinds. As the Company looks ahead over the next 12 months, its objectives are:

1. Convert the robust sales and partner pipeline into consistent contracts.
2. Continue evolving the platform to meet industry needs and drive innovation.
3. Seek to achieve positive cash flow by leveraging existing sales momentum.

"These goals are within reach, thanks to the dedicated work of our team," Achilles concluded.

About NetraAI

In contrast with other AI-based methods, NetraAI is uniquely engineered to include focus mechanisms that separate small datasets into explainable and unexplainable subsets. Unexplainable subsets are collections of patients that can lead to suboptimal overfit models and inaccurate insights due to poor correlations with the variables involved. The NetraAI uses the explainable subsets to derive insights and hypotheses (including factors that influence treatment and placebo responses, as well as adverse events) that have the potential to increase the chances of a clinical trial success. Other AI methods lack these focus mechanisms and assign every patient to a class, even when this leads to "overfitting" which drowns out critical information that could have been used to improve a trial's chance of success.

About NetraMark

NetraMark is a company focused on being a leader in the development of Generative Artificial Intelligence (Gen AI)/Machine Learning (ML) solutions targeted at the Pharmaceutical industry. Its product offering uses a novel topology-based algorithm that has the ability to parse patient data sets into subsets of people that are strongly related according to several variables simultaneously. This allows NetraMark to use a variety of ML methods, depending on the character and size of the data, to transform the data into powerfully intelligent data that activates traditional AI/ML methods. The

result is that NetraMark can work with much smaller datasets and accurately segment diseases into different types, as well as accurately classify patients for sensitivity to drugs and/or efficacy of treatment.

For further details on the Company please see the Company's publicly available documents filed on the System for Electronic Document Analysis and Retrieval+ (SEDAR+).


Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation including statements regarding the objectives of NetraMark's technology, revenue from contracts, the potential growth of the AI in healthcare market, the potential to recognize future revenue, complete contracts and become cash flow positive, and the potential value of our technology to pharmaceutical and biotechnology companies which are based upon NetraMark's current internal expectations, estimates, projections, assumptions and beliefs, and views of future events. Forward-looking information can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy. Forward-looking information includes estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. The forward-looking statements are expectations only and are subject to known and unknown risks, uncertainties and other important factors that could cause actual results of the Company or industry results to differ materially from future results, performance or achievements. Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, NetraMark does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise. New factors emerge from time to time, and it is not possible for NetraMark to predict all such factors.

When considering these forward-looking statements, readers should keep in mind the risk factors and other cautionary statements as set out in the materials we file with applicable Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.ca including our Management's Discussion and Analysis for the year ended September 30, 2023. These risk factors and other factors could cause actual events or results to differ materially from those described in any forward-looking information.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

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