

# GENAI

## GENAI ANNOUNCES MOU TO SELL 85 MILLION AI COMPUTE HOURS OVER THE NEXT FIVE YEARS

Vancouver, BC, August 25, 2023 – Generative AI Solutions Corp. (“GenAI” or the “Company”) (CSE: AICO, OTCQB: AICOF) announces that it has entered into a memorandum of understanding (the “**Memorandum of Understanding**”) which is expected to result in the addition of approximately 17 million hours per year of AI compute time resources to be sold as services to an arm’s length third party resulting in the sale of approximately 85 million AI compute hours over the next five years.

The Company previously announced in its July 13, 2023 press release that its wholly owned subsidiary, MAI Cloud Solutions Inc. (“**MAI Cloud**”), had entered into a purchase agreement dated July 12, 2023 (the “**Supply Agreement**”) with an arm’s length third-party customer headquartered in Silicon Valley (the “**Customer**”), pursuant to which, among other things, MAI Cloud agreed to provide the Customer with access to approximately 350,000 hours per year of AI (“**Artificial Intelligence**”) compute services (the “**Services**”) using H100 graphics processing units (the “**Equipment**”) for a period of up to seven years subject to the terms and conditions of the Supply Agreement.

In consideration for Services, the Customer agreed to pay MAI Cloud a fee of approximately \$70,000 per month (“**Revenue**”). If the terms of the Supply Agreement are completed for the full term, it is anticipated that MAI Cloud will receive an aggregate of approximately \$6 million in Revenue at a gross margin of approximately \$3.5 million. Approximately \$850,000 in Revenue will be paid in the first 12 months of the term at a gross margin of approximately \$500,000. Pursuant to the terms and conditions of the Supply Agreement, the Customer agreed to pay 10% of the first year’s Revenue within 14 days of the Equipment being made available for use by the Customer, which is anticipated to be within the next 30-45 days. In accordance with the terms and conditions of the Supply Agreement, the Customer is obligated to pay for the Services for the first 12 months (the “**Initial Term**”) following the effective date of the Supply Agreement (the “**Effective Date**”), provided that the Equipment and Services continue to meet the requirements specified in the Supply Agreement.

The Company is pleased to announce that it has now entered into the Memorandum of Understanding with the Customer dated August 24, 2023 pursuant to which the Customer has agreed to negotiate commercially reasonable terms with the Company to increase the AI compute time supplied by the Company to the Customer through the provision of approximately 2,000 (two-thousand) GPUs (the “**Required GPUs**”), which has the potential to provide approximately 17 million hours of AI compute time per annum.

Pursuant to the terms of the Memorandum of Understanding, the parties will use commercially reasonable efforts to negotiate a form of definitive agreement (the “**Proposed Agreement**”), and the Company and MAI Cloud will use commercially reasonable efforts to obtain the Required GPUs within six months of the date of the MOU.

The term of the Proposed Agreement is expected to be five years, extendable for an additional two years, from its execution, which is expected to occur in the next 30 days.

On Behalf of the Board,  
Ryan Selby

CEO, Director, and Chairman of the Board

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## **ABOUT GENERATIVE AI SOLUTIONS CORP.**

GenAI is a pioneering artificial intelligence company focused on developing a vertically integrated AI solutions business through its proprietary MAI Cloud™ platform, with the development and commercialization of AI-powered tools and solutions for businesses and consumers across multiple industries. At GenAI, our mission is to harness the power of AI to create transformative products and services that benefit business and consumers across various sectors. Our team of talented AI professionals and engineers are dedicated to developing state-of-the-art AI-based solutions that have broad applicability and can be seamlessly integrated into diverse workflows. By leveraging our MAI Cloud™ platform and our expertise in machine learning, natural language processing, and data analytics, we build versatile high-performance tools that redefine efficiency, productivity, and user experience.

For more information on GenAI, please visit [www.genai-solutions.com](http://www.genai-solutions.com).

*Trading in the securities of the Company should be considered highly speculative.*

*This news release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (the “**forward-looking statements**”), within the meaning of applicable Canadian securities legislation, including statements relating to the additional hours of AI compute time over the next five years; the completion of the Supply Agreement, the corresponding receipt of the approximate aggregate revenue of \$6 million of which \$850,000 will be paid in the first 12 months of the term; payment by the Customer of the first year’s revenue within 14 days of the Equipment being made available, in the next 30 to 45 days; payment by Customer for the Services following the Effective Date; the increase in the AI compute time with a potential to provide 17 million hours of AI compute time per annum; the negotiation and execution of the Proposed Agreement in the next 30 days; the term of the Proposed Agreement; and the use of commercial reasonable efforts to acquire the Required GPUs within 6 months of the date of the MOU. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect,” “plan,” “anticipate,” “project,” “target,” “potential,” “schedule,” “forecast,” “budget,” “estimate,” “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will,” “would,” “may,” “could,” “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.*

*While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the conditions required for the execution of the Proposed Agreement, that the conditions for the transaction underlying the Proposed Agreement will be fulfilled, the Company’s ability to acquire and purchase the assets and technology required to increase the AI compute time, obtaining the expected AI Compute capacity, receipt of payments in accordance with the Supply Agreement and the Proposed Agreements, market acceptance and demand of the Company’s technology and related products, the effects of general economic conditions, changing foreign exchange rates and actions by government and regulatory authorities, the effects of COVID-19, both positive and negative, the future of the market for Company’s*

*programs and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with the impact of general business and economic conditions; the ability of the Company to successfully negotiate and eventually execute the Proposed Agreement; the inability to acquire the relevant assets to increase AI compute capacity; unexpected changes in market and technological trends and governmental policies and regulations affecting the Company; the risk that a closing condition to the Proposed Agreement is not satisfied or is not satisfied on a timely basis, including, without limitation, the parties' ability to satisfy closing conditions and receive necessary approvals; receipt of payment by the Customer or other customers; the Company's ability to continue onboarding clients; risks related to global pandemics; influence of macroeconomic developments; business opportunities that become available to, or are pursued by the Company; reduced access to debt and equity capital; litigation; the volatility of the stock market; competition; future sales or issuances of debt or equity securities; use of proceeds; dividend policy and future payment of dividends; liquidity; and the market for the Company's securities. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.*