DIAGNOS Announces Closing of First Tranche of Private Placement

written by Raj Shah | February 27, 2024

February 27, 2024 (Source) – DIAGNOS Inc. ("DIAGNOS" or the "Corporation") (TSX Venture: ADK) (OTCQB: DGNOF), a pioneer in early detection of critical health issues through the use of Artificial Intelligence (*AI*) technologies, announces the closing of a first tranche of 1,414,286 units (each a "Unit") issued at a price of $0.28 per Unit, for gross proceeds of $396,000.08, of a non-brokered private placement of up to 4,285,714 units, issued at a price of $0.28 per Unit, for gross proceeds of up to $1,200,000 ("Private Placement"). DIAGNOS expects to close a second and final tranche of the Private Placement on March 12, 2024.

Each Unit consists of:

- One (1) common share ("Share"), and
- One (1) common share warrant ("Warrant").

Each Warrant can be exercised to purchase one Share at a price of $0.40 per Share for a period of 18 months ending August 27, 2025. An aggregate number of 1,414,286 Warrants have been issued as part of the closing of the first tranche of the Private Placement.

The net proceeds from the first tranche of the Private Placement will be used to fund product development and commercialization of AI-based screening services as well as general and administrative operations.

In connection with the closing of the first tranche of the Private Placement, the Corporation shall (i) pay a cash commission of $13,720 to one qualified firm acting at arm's length ("Finder") and (ii) issue 49,000 finder's warrants to the Finder. Each finder's warrant entitles the Finder to purchase one Share at an exercise price of $0.40 per Share for a period of 18 months ending August 27, 2025.

All securities issued as part of the first tranche of the Private Placement are subject to a statutory hold period ending June 28, 2024.

One insider of the Corporation, Mr. Tristram Coffin, indirectly through 9071-8776 Quebec Inc., participated in the closing of the first tranche of the Private Placement by subscribing for 700,000 Units representing a cash consideration of $196,000 (the "Transaction"). Assuming the exercise of all of its outstanding securities including the Warrants, the insider would, directly and indirectly, exercise control over 9,518,990 Shares of the Corporation representing 12.31% of the total issued Shares immediately following the closing of the first tranche of the Private Placement, on a partially diluted basis. The insider is considered a "related party" of the Corporation within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Transaction is exempt from the valuation requirement and the minority approval requirement prescribed in MI 61-101, based on sections 5.5(a) and 5.7(1)(a), as the fair market value of the related party participation in the closing of the first tranche of the Private Placement does not exceed 25% of the Corporation's current market capitalization. The board of directors of the Corporation has reviewed and approved the Transaction to ensure that it was in the best interest of DIAGNOS and its shareholders. The Corporation did not file a material change report in respect of the Transaction 21 days in

advance of the closing of the private placements because insider participation had not been confirmed. The shorter period was necessary in order to permit the Corporation to close the private placement in a timeframe consistent with usual market practice for participations of this nature.

The closing of the Private Placement remains subject to receipt of all required approvals, including the approval of the TSX Venture Exchange, as well as execution of formal documentation.

All monies quoted in this press release shall be stated and paid in lawful money of Canada.

About DIAGNOS
DIAGNOS is a publicly traded Canadian corporation dedicated to early detection of critical health problems based on its FLAIRE Artificial Intelligence (AI) platform. FLAIRE allows for quick modifying and developing of applications such as CARA (Computer Assisted Retina Analysis). CARA's image enhancement algorithms provide sharper, clearer and easier-to-analyze retinal images. CARA is a cost-effective tool for real-time screening of large volumes of patients.

Additional information is available at www.diagnos.ca and www.sedar.com.

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