

Kinetic Group Inc. signs MOU to Acquire Profitable AI Company Offering Digital Transformation Solutions to Enterprises

Hires CIM Securities LLC as Lead Placement Agent to Raise \$3m for International Expansion and Rollout of Subscription Based Revenue Model

MIAMI, FLORIDA, USA, June 22, 2023 /EINPresswire.com/ -- Kinetic Group Inc., ("OTC: KNIT"), www.knitgrp.com, a technology holding company, has signed a Memorandum of Understanding to acquire a profitable artificial intelligence software company providing [accurate AI predictive software](#) for enterprises' digital transformation.

Through this acquisition, KNIT will offer customizable artificial intelligence programming to businesses to improve their decision making, reduce risk and improve operations. Customized solutions, including Digital Twins, Smart Assets, AI predictive analytics and Metaverse



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engagement are designed to produce significant productivity improvements. [KNIT is an early mover in offering a suite of AI business services](#) to both the private and public sectors.

Management expects Year 1 EBITDA post-acquisition to reach US\$3.2 million. The target serves the world's largest oil and gas companies and major industrial and transportation businesses.

Digital Transformation service sales are expected to reach US\$6.8 trillion by 2027¹ with AI's contribution to the global

economy has the potential to amount to US\$15.7 trillion by 2030².

KNIT hired CIM Securities LLC as lead placement agent in a \$3 million raise structured as an 8% PIK Dividend Series A Convertible Participating Preferred. The preferred offers a 1.5x liquidation preference and is priced at \$1.00 per preferred share. Use of funds is to promote international sales and rollout a subscription-based revenue model.

Ana María Méndez, Founder and Chairwoman of KNIT said “We are excited with the acquisition of a leading company in the AI space, offering an entire suite of business digital transformation services. We believe AI solutions will transform the near-term business landscape. Our AI services empower businesses to make optimal decisions based on improved data and analytics. KNIT expects to be a leading AI services company in the years ahead.”

CIM Securities is an investment banking and venture capital firm for growing middle market companies. CIM Securities is headquartered in Centennial, Colorado.

Investor Presentation, Executive Summary and Cover Letter can be found at www.knitgrp.com in the Investor Relations Section of the website.

Source 1: IDC estimate:

<https://www.idc.com/getdoc.jsp?containerId=US47115521#:~:text=Investment%20levels%20for%202022%2D2024,direct%20investment%20at%20%245.4%20trillion>

Source 2: <https://pwc.to/349x8w5>

Safe Harbor Forward-Looking Statements:

This press release may contain forward looking statements that are based on current expectations, forecasts, and assumptions that involve risks as well as uncertainties that could cause actual outcomes and results to differ materially from those anticipated or expected, including statements related to the amount and timing of expected revenues related to our financial performance, expected income, distributions, and future growth for upcoming quarterly and annual periods. These risks and uncertainties are further defined in filings and reports by the Company with the U.S. Securities and Exchange Commission (SEC). Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors detailed from time to time in our filings with the SEC. Among other matters, the Company may not be able to sustain growth or profitability based upon many factors including but not limited to general stock market conditions. Reference is hereby made to cautionary statements set forth in the Company's most recent SEC filings. We have incurred and will continue to incur significant expenses in our expansion of our existing as well as new service lines noting there is no assurance that we will generate enough revenues to offset those costs in both the near and long term. Additional service offerings may expose us to additional legal and regulatory costs and unknown exposure(s) based upon the various geopolitical locations we will be providing services in, the impact of which cannot be predicted at this time.

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