

Tenet Closes Second Tranche of CAD\$7.625M of Private Placement of Convertible Debenture Units

Toronto, Ontario--(Newsfile Corp. - August 18, 2023) - Tenet Fintech Group Inc. (CSE: PKK) (OTC Pink: PKKFF) ("Tenet" or the "Company"), an innovative analytics service provider and operator of the Cubeler® Business Hub, further to its press release of June 29, 2023 in which it disclosed an intention to complete financings for gross proceeds of up to \$20,000,000 (the "**Financing**"), is pleased to announce that it has issued and completed a second tranche closing of the Financing (the "**Second Tranche Closing**") with the sale of 7,625 units (the "**Units**") comprised of convertible debentures and warrants by way of non-brokered private placement financing at a price of \$1,000 per Unit for gross proceeds of approximately CAD\$7,625,000.

Certain directors and officers of Tenet (the "**Insiders**") had intended to purchase a total of 710 Units from the Second Tranche Closing, but given the fact that the Company intends to file its second quarter 2023 results on August 29, 2023, the purchase of the Units by the Insiders will now take place in a third tranche closing of the Financing shortly after the filing of Tenet's second quarter 2023 results in order to respect the Company's insider trading policy.

Each Unit sold in the Second Tranche Closing is comprised of: (i) one 10.0% non-secured convertible debenture of the Company in the principal amount of \$1,000 (a "**Convertible Debenture**") and (ii) 4,000 warrants (the "**Warrants**") to purchase common shares of the Company (the "**Common Shares**"). The Convertible Debentures will mature thirty-six (36) months from the date of issuance (the "**Maturity Date**") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each Warrant will be exercisable to acquire one Common Share (each, a "**Warrant Share**") at an exercise price of \$0.50 per Warrant Share for a period of twenty-four (24) months from the date of issuance thereof.

From the date of issue until their Maturity Date, Convertible Debenture holders may elect to convert, in whole or in part, the face value of the Convertible Debentures into Common Shares at a conversion price of \$0.25 per Common Share. At any time prior to the Maturity Date, if the Common Shares trade at a price of CAD\$5.00 or more for three (3) consecutive trading days, any non-converted and remaining face value of the Convertible Debentures will be automatically converted into Common Shares at a conversion price of CAD\$0.25 per Common Share. Upon the conversion of the Convertible Debentures, the Company will pay to the Convertible Debenture holders, in cash, the interest accrued on the Convertible Debentures for the amount converted up to but excluding the date of conversion.

The Convertible Debentures shall bear interest at a rate of 10.0% per annum from the date of issue, payable monthly in arrears in cash. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The Convertible Debentures, the securities to be issued underlying the Convertible Debenture, the Warrants and the Finder Warrants and any underlying securities are subject to a hold period of four months and one day from the closing date of the Financing. The Second Tranche Closing, any additional closings and the Financing are all subject to the approval of the Canadian Securities Exchange and are subject to compliance with applicable regulatory requirements, including National Instrument 45-106 - Prospectus Exemptions.

Tenet plans to use the proceeds of the Second Tranche Closing to help complete the remaining pillars of its Cubeler® Business Hub in Canada and working capital purposes as part of its normal operations.

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OFFER TO BUY ANY OF THE SECURITIES IN THE UNITED STATES. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO "U.S. PERSONS" (AS THAT TERM IS DEFINED IN RULE 902(K) OF REGULATIONS UNDER THE U.S. SECURITIES ACT) UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

About Tenet Fintech Group Inc.:

Tenet Fintech Group Inc. is the parent company of a group of innovative financial technology (Fintech) and artificial intelligence (AI) companies. All references to Tenet in this news release, unless explicitly specified, includes Tenet and all its subsidiaries. Tenet's subsidiaries provide various analytics and AI-based services to businesses and financial institutions through the Cubeler® Business Hub, a global ecosystem where analytics and AI are used to create opportunities and facilitate B2B transactions among its members. Please visit our website at: <https://www.tenetfintech.com/>.

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Forward-looking information

Certain statements included in this press release constitute "forward-looking statements" under Canadian securities law, including statements in respect of any future closings of the Financing, the future operations and investments of and in the Company and any statements based on management's assessment and assumptions and publicly available information with respect to the Company. By their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its plans and assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets", or other similar words. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from the outlook or any future results, performance or achievements implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements in this news release include, but are not

limited to, holding company with significant operations in China; general economic and business conditions, including factors impacting the Company's business in China such as pandemics (ex.: COVID-19); legislative and/or regulatory developments; global financial conditions, repatriation of profits or transfer of funds from China to Canada, operations in foreign jurisdictions and possible exposure to corruption, bribery or civil unrest; actions by regulators; uncertainties of investigations, proceedings or other types of claims and litigation; timing and completion of capital programs; liquidity and capital resources, negative operating cash flow and additional funding, dilution from further financing; financial performance and timing of capital; and other risks detailed from time to time in reports filed by the Company with securities regulators in Canada, the United States or other jurisdictions. We refer potential investors to the "Risks and Uncertainties" section of the Company's MD&A. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking information.

Forward-looking statements reflect information as of the date on which they are made. The Company assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event the Company does update any forward-looking statement, no inference should be made that the Company will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

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