

Tenet Fintech Reports Second Quarter 2023 Financial Results

Toronto, Ontario--(Newsfile Corp. - August 29, 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, today announced its financial results and operating highlights for the three-month and six-month periods ended June 30, 2023, and June 30, 2022. A disruption at the Company's executive management level during about two-thirds of the second quarter resulted in limited business development and operational progress for the Company in both China and Canada. Tenet generated \$16.7M in revenue and had a net loss of \$6.4M for the period. All amounts expressed are in Canadian dollars.

Q2 Financial Highlights:

- Total Revenue of \$16.8M
- EBITDA* of (\$3.9M)
- Net Loss of \$6.4M

** EBITDA is a non-IFRS financial measure provided to assist readers in determining the Company's ability to generate cash-flows from operations and to cover finance charges. It is also widely used for business valuation purposes. This measure does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.*

EBITDA equals the results before income taxes, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, amortization of financing issuance costs and finance costs, as defined in Note 18.4 of the Unaudited Condensed Interim Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2023.

Reconciliation of Net Loss to EBITDA for the 3-month period ended June 30, 2023

Net loss	(\$6,453,557)
Income taxes (recovery)	(\$52,857)
Finance costs	\$215,658
Depreciation of property and equipment	\$50,744
Depreciation of right-of-use assets	\$ 196,753
Amortization of intangible assets	\$2,077,625
Amortization of financing issuance costs	\$16,878
EBITDA	(\$3,948,756)

SECOND QUARTER FINANCIAL AND OPERATING RESULTS SUMMARY

The Company's operations in both China and Canada were significantly impacted by a disruption in its executive management team during the second quarter of 2023. The development and completion of the Networking, Advertising and Insights pillars needed to finalize the Company's Cubeler® Business Hub in Canada was halted for much of the quarter, as well as most of the work related to the development of the Company's first data-driven products through its Tenoris3 subsidiary. Meanwhile in China, the Company's plans to start new projects aimed primarily at servicing and gathering data on a wider spectrum of the Chinese economy were also put on hold until the situation at its executive management

level could be resolved.

The limited progress made by the Company in Canada during the quarter was in its continued discussions with business associations and software vendors connected with large numbers of small- and medium-sized businesses for potential strategic partnerships that could considerably accelerate the rate at which Canadian SMEs register to become members of the Cubeler® Business Hub. And while industrial diversification in China was put on pause during the quarter, the level of activity in the industrial sectors already being serviced by the Company began to rebound during the quarter following successive quarters of declining activity due to COVID-19 restrictions in the country.

In summary, the Company generated revenue of \$16,776,714 for the three-month period and \$26,270,518 for the six-month period ended June 30, 2023, compared to \$32,432,228 for the three-month period and \$67,173,688 for the six-month period ended June 30, 2022.

Total expenses before taxes for the quarter amounted to \$23,283,128 compared to \$37,511,624 for the same period in 2022. Net loss for the second quarter of 2023 was \$6,453,557 compared to a net loss of \$6,332,672 for the same period in 2022.

Full details of the Company's second quarter 2023 financial results can be found in the Unaudited Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) for the three-month and six-month periods ended June 30, 2023 and June 30, 2022, which are available at www.sedarplus.ca.

Tenet will host a conference call on **Wednesday, August 30 at 9:00 am EDT**, where President & CEO Johnson Joseph and CFO Jean Landreville will discuss the Q2 2023 financial results. Registration for the event is available at: <https://app.webinar.net/oOqWpE4Bazj>

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, include 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 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 that 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 (eg. 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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