

# Tenet Announces Brokered Private Placement Financing of Up to \$10M

Toronto, Ontario--(Newsfile Corp. - December 12, 2023) - Tenet Fintech Group Inc. (CSE: PKK) (OTC Pink: PKKFF) ("Tenet" or the "Company"), further to its press releases of June 29, 2023, August 1, 2023, August 18, 2023 and September 8, 2023 (the "Prior Press Releases"), in which it announced a financing of up to \$20,000,000 (the "Financing"), is pleased to announce that in connection with the Financing it has entered into an agreement with Research Capital Corporation as the lead agent and sole bookrunner (the "Agent") in connection with a marketed private placement offering of securities of the Company for gross proceeds of up to \$10,000,000 (the "RCC Financing"). As disclosed in the Prior Press Releases, the Company has raised a total of \$10,943,000 gross proceeds to date in the Financing and proposes to raise the remainder in the RCC Financing. There can be no assurances that the Company will be able to raise all, or any, of such remaining proceeds.

The RCC Financing consists of the sale of (i) up to 24,000,000 units of the Company (each, an "Equity Unit") at a price of \$0.20 per Equity Unit for aggregate gross proceeds of up to \$4,800,000 (the "Equity Unit Offering"); and (ii) up to \$5,200,000 convertible debenture units of the Company (each, a "CD Unit") at a price of \$1,000 per CD Unit for aggregate gross proceeds of up to \$5,200,000 (the "CD Unit Offering"). The Company shall not issue any Equity Units unless the Company has raised aggregate gross proceeds of a minimum of \$7,500,000 in any combination of Equity Units and CD Units. The CD Unit Offering is not subject to a minimum offering amount.

Each Equity Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant of the Company (a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$0.40 for a period of 24 months from the date of issuance thereof.

Each CD Unit is comprised of: (i) one 10.0% unsecured convertible debenture of the Company in the principal amount of \$1,000 (a "Convertible Debenture"); and (ii) 5,000 Common Share purchase warrants (the "CD Warrants"). The Convertible Debentures will mature thirty-six (36) months from the date of issuance thereof (the "Maturity Date") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each CD Warrant will be exercisable to acquire one Common Share at an exercise price of \$0.40 for a period of 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 \$0.20 per Common Share. At any time prior to the Maturity Date, if the volume weighted average price of the Common Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the greatest volume of Common Shares is traded) meets or exceeds \$2.50 for three 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 \$0.20 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 Company will grant the Agent an option (the "Agent's Option") to increase the size of the CD Unit Offering by up to 15% of the number of CD Units by giving written notice of the exercise of the Agent's Option, or a part thereof, to the Company at any time up to 48 hours prior to any closing of the RCC Financing.

At each closing of the RCC Financing, the Company shall pay to the Agent a cash commission equal to

7.0% of the gross proceeds of the RCC Financing (including any exercise of the Agent's Option). In addition, the Company will issue to the Agents: (i) that number of warrants (the "Broker Warrants") which is equal to 7.0% of the number of Equity Units sold pursuant to the Equity Unit Offering; and (ii) that number of warrants (the "CD Broker Warrants") which is equal to 7.0% of the number of CD Units sold pursuant to the CD Unit Offering, including any CD Units sold pursuant to the exercise of the Agent's Option, where any such exercise occurs. Each Broker Warrant will entitle the holder thereof to purchase one Common Share of the Company at an exercise price of \$0.20 for a period of 24 months following the date of issuance thereof and each CD Broker Warrant will entitle the holder thereof to purchase one CD Unit at an exercise price of \$1,000 for a period of 24 months following the date of issuance thereof. For providing corporate finance services in connection with the RCC Financing, the Company will pay a fee to the Agent in the amount of \$50,000 payable upon completion of the RCC Financing for gross proceeds of a minimum of \$7,500,000 in any combination of the sale of Equity Units and CD Units.

The Equity Units will be offered pursuant to Part 5A of National Instrument 45-106 - Prospectus Exemptions ("NI 45-106") (the "Listed Issuer Financing Exemption") to purchasers resident in Canada, except Québec. The Equity Units offered under the Listed Issuer Financing Exemption will not be subject to a hold or restricted period pursuant to applicable Canadian securities laws. **There is an offering document related to the RCC Financing that can be accessed under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.tenetfintech.com](http://www.tenetfintech.com). Prospective investors should read this offering document before making an investment decision.**

The CD Units will be offered under other applicable exemptions from the prospectus requirements under NI 45-106. The securities comprising the CD Units will be subject to a hold or restricted period of four months and a day from the date of issuance thereof.

The net proceeds from the RCC Financing will be used for expansion, working capital and general corporate purposes.

The RCC Financing may close in one or more tranches, the first tranche of which is anticipated to close on or about December 15, 2023 (the "Closing"), or such later date(s) as the Company and the Agent may determine. The Closing is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the Canadian Securities Exchange.

**Tenet CEO, Johnson Joseph, Chines Operations CEO, Liang Qiu, CFO, Jean Landreville and Tenet Director Sanjay Sharma intend to participate in the RCC Financing (the "Insider Participation"). The Insider Participation would constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 respecting protection of minority security holders in special transactions ("MI 61-101"). In reviewing the applicable valuation requirements under MI 61-101, Tenet has determined that the exemption set out in subsection 5.5(b) of MI 61-101 would apply since no securities of the Company are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States. The Company obtained minority shareholder approval for the Insider Participation at the special shareholder meeting of the Company held on October 26, 2023.**

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any jurisdiction in the United States of America. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements 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, include Tenet and all its subsidiaries. Tenet's subsidiaries offer various analytics and AI-based products and services to businesses, capital markets professionals, government agencies and financial institutions either through or leveraging data gathered by 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 in this press release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements in this press release include: statements regarding the RCC Financing; the expected gross proceeds of the RCC Financing; the use of proceeds of the RCC Financing; the final terms of the Equity Units and the CD Units and the securities underlying them; any potential exercise of the Agent's Option; and the anticipated closing of the RCC Financing. Such forward-looking statements are based on the current expectations of management of Tenet. Actual events and conditions could differ materially from those expressed or implied in this press release as a result of known and unknown risk factors and uncertainties affecting Tenet, including risks regarding the industry in which Tenet operates, economic factors, the equity markets generally and risks associated with growth and competition. Additional risk factors are also set forth in the Company's management's discussion and analysis and other filings available via the System for Electronic Document Analysis and Retrieval (SEDAR+) under Tenet's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Although Tenet has attempted to identify certain 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 to differ from those anticipated, estimated or intended.

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.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined

in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.



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