

Tenet Reports First Quarter 2024 Financial Results

Toronto, Ontario--(Newsfile Corp. - May 30, 2024) - Tenet Fintech Group Inc. (CSE: PKK) (OTC Pink: PKKFF) ("Tenet" or the "Company"), an innovative analytics service provider, owner and operator of the Cubeler® Business Hub, today announced its financial results and operating highlights for the three-month period ended March 31, 2024. Tenet reported revenue of \$765,635, adjusted EBITDA of (\$3,100,250) and a net loss of \$5,414,117 for the quarter. All amounts in this news release are in Canadian dollars unless otherwise indicated.

Q1-2024 Financial Highlights

- Total Revenue of \$765,635
- Adjusted EBITDA of (\$3.10 million)
- Net Loss of (\$5.41 million)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA for the 3-month period ended March 31, 2024	
Net loss for the period	(\$5,414,117)
Add:	
Income tax	\$7,999
Finance costs	\$331,006
Depreciation of property and equipment	\$35,266
Depreciation of right-of-use assets	\$108,611
Amortization of intangible assets	\$1,918,183
Amortization of financing issuance costs	\$23,180
EBITDA¹	(\$2,989,872)
Add (less):	
Change in fair value of contingent consideration payable	(\$183,564)
Change in fair value of debentures conversion options	(\$52,220)
Loss on investment in associate company	\$ -
Forgiveness of CEBA loan	(\$20,000)
Loss on sublease	\$158,203
Gain on disposition of property and equipment	(\$12,797)
Adjusted EBITDA²	(\$3,100,250)

(1) 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 24.4 of the Audited Consolidated Financial Statements for the years ended December 31st, 2023 and December 31st, 2022.

(2) Adjusted EBITDA equals EBITDA as described above adjusted for change in fair value of contingent consideration payable, change in fair value of debenture conversion options, impairment of goodwill, impairment of intangible assets, gain on bargain purchase, loss on investment in a

FIRST QUARTER FINANCIAL AND OPERATING RESULTS SUMMARY

The transition of the Company's revenue model in China from transaction fees generated through its platforms to an eventual data-driven subscription fee-based model was a major contributor to the significant drop in the Company's revenue during the first quarter of 2024 compared to the \$9,493,804 generated by the Company for the same period in 2023. But several other factors also contributed to the revenue decline, including the lingering effects of the wrestle for the control of the Company in 2023, which created great concerns about the Company's future for the Company's investors, clients, partners and suppliers, as well new government regulations in China introduced in December 2023 forcing all of the country's banks to phase out the use of virtual bank accounts. Virtual bank accounts had become an integral part of transactions conducted and facilitated by the Company's Business Hub in China ever since the Company's January 2021 agreement with China UnionPay subsidiary Rongbang Technology Ltd. After consultation with its banking partners, the Company decided that it would proceed with the termination of the use of virtual bank accounts on all its platforms in early 2024 and spent part of the quarter to adapt its Business Hub and GoldRiver platforms to the new regulations. The Company expects to resume regular activity on the platforms sometime in the second quarter of 2024.

The development of the Networking and Advertising modules of the Company's Cubeler® Business Hub continued in Canada during the quarter, while the Company formally committed to the establishment of a new data science subsidiary in China, through which the Chinese version of the Company's ie-Pulse product offering will be commercialized after its launch in Canada planned for the third quarter of 2024.

Full details of the Company's first quarter 2024 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 periods ended March 31, 2024 and 2023, which are available under the Company's profile at www.sedarplus.ca.

Q1-2024 Results and 2024 Outlook Q&A

Tenet CEO Johnson Joseph will answer questions from shareholders related to the Company's first quarter 2024 results and the outlook for 2024 in a Q&A interview. Shareholders are encouraged to read the Company's MD&A prior to sending their questions related to these subjects to the Company by 9:00pm EDT on June 4, 2024 to investors@tenetfintech.com or cathy@chfir.com. The interview will be posted on the Company's website by 5:00pm EDT on June 7, 2024.

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 are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of Tenet 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 and 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 Tenet with securities regulators in Canada. Reference should also be made to Management's Discussion and Analysis (MD&A) in Tenet's annual and interim reports, Annual Information Form, filed with Canadian securities regulators and available via the System for Electronic Document Analysis and Retrieval (SEDAR+) under Tenet's profile at www.sedarplus.ca, for a description of major risk factors relating to Tenet. 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 Market Regulator (as that term is defined in policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.



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