

# Tenet Fintech Reports Second Quarter 2024 Financial Results

Toronto, Ontario--(Newsfile Corp. - August 29, 2024) - 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, 2024, and June 30, 2023. Tenet reported revenue of \$713,943, EBITDA of (\$10,685,055) and a net loss of \$13,451,547 for the quarter. All amounts in this news release are in Canadian dollars unless otherwise indicated.

## Q2-2024 Financial Highlights

- Total Revenue of \$713,943
- EBITDA of (\$10.69 million)
- Net Loss of (\$13.45 million)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA for the 3-month period ended June 30, 2024	
Net loss for the period	(\$13,451,547)
Add:	
Income tax	\$1,045
Finance costs	\$684,510
Depreciation of property and equipment	\$34,251
Depreciation of right-of-use assets	\$95,344
Amortization of intangible assets	\$1,913,438
Amortization of financing issuance costs	\$37,904
<b>EBITDA<sup>1</sup></b>	<b>(\$10,685,055)</b>
Add (less):	
Change in fair value of contingent consideration payable	(\$199,500)
Change in fair value of debentures conversion options	(\$22,790)
Loss on investment in associate company	\$ -
Forgiveness of CEBA loan	\$ -
Loss on sublease	\$ -
Gain on disposition of property and equipment	\$ -
<b>Adjusted EBITDA<sup>2</sup></b>	<b>(\$10,907,345)</b>

(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 related company, impairment on investment in a related company and loss on legal settlement.*

## **SECOND QUARTER FINANCIAL AND OPERATING RESULTS SUMMARY**

The Company had anticipated taking steps during the second quarter of 2024 to gradually have regular activity resume on its platforms in China at some point during the quarter. But a combination of the delayed delivery of the Business Hub's Networking and Advertising modules in Canada and the establishment of the Company's new data science subsidiary in China meant that benefits to the Company's new data focused revenue model in China would be limited from any increase in activity on the platforms. Given the considerable amount of financial capital and human resources that would have to be allocated for transactions on the platforms to get back to previous levels, the Company opted to delay that process, which kept revenue for the quarter around the same levels as the previous quarter.

Tenet decided to push back the release of the Business Hub's Networking and Advertising modules in Canada to ensure a positive user experience with the launch of the modules. The Company used the additional time to add important elements to the modules and to adjust its marketing plan from both a strategic and a timing standpoint to ensure that, when launched, the marketing campaign and the upgraded platform, now scheduled for end of Q3, would be aligned in all facets to help deliver that additional small and medium-sized business data needed for the commercialization of the Company's ie-Pulse product offering.

In summary, the Company generated revenue of \$713,943 for the three-month period and \$1,479,578 for the six-month period ended June 30, 2024, compared to \$16,776,714 for the three-month period and \$26,270,518 for the six-month period ended June 30, 2023.

Total expenses before taxes for the quarter amounted to \$14,164,445 compared to \$23,283,128 for the same period in 2023. Net loss for the second quarter of 2024 was \$13,451,547 compared to a net loss of \$6,453,557 for the same period in 2023.

Full details of the Company's second 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 and six-month periods ended June 30, 2024 and June 30, 2023, which are available at [www.sedarplus.com](http://www.sedarplus.com).

## **Q2-2024 Results and 2024 Outlook Q&A**

Tenet CEO Johnson Joseph will answer questions from shareholders related to the Company's second 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 September 5, 2024 to [investors@tenetfintech.com](mailto:investors@tenetfintech.com) or [cathy@chfir.com](mailto:cathy@chfir.com). The interview will be posted on the Company's website by 5:00pm EDT on September 12, 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](http://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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