

Tenet Reports Year-End 2023 Financial Results

Toronto, Ontario--(Newsfile Corp. - April 30, 2024) - Tenet Fintech Group Inc. (CSE: PKK) (OTC Pink: PKKFF) ("Tenet" or the "Company"), today announced its financial results for the year ended December 31, 2023. The Company reported revenue of \$42.08 million, compared to \$109.88 in 2022, and a net loss of \$78.33 million for the year, of which a total of \$47.93 million was attributed to amortization of intangible assets, impairment of goodwill and impairment of intangible assets. Cash flow from operations was negative (\$3.91) million in 2023 compared to negative (\$4.76) million in 2022. The non-cash impairment charges relate to delays in forecasted revenue from the Company's platforms in both China and Canada. The Company is hopeful that a significant portion of these impairment charges (excluding goodwill) may be reversed in future quarters as the platforms become significant revenue generators for the Company. All amounts in this news release are in Canadian dollars unless otherwise indicated.

2023 Financial Highlights

- Total Revenue of \$42.08 million
- Adjusted EBITDA of (\$24.62 million)
- Net Loss of (\$78.33 million)
- Cash flow from operations of (\$3.91 million)

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA	
Net loss for the period	(\$78,327,342)
<i>Add:</i>	
Income tax	(\$1,445,525)
Finance costs	\$1,922,142
Depreciation of property and equipment	\$168,025
Depreciation of right-of-use assets	\$616,533
Amortization of intangible assets	\$8,920,333
Amortization of financing issuance costs	\$93,043
EBITDA¹	(\$68,052,791)
<i>Add (less):</i>	
Change in fair value of contingent consideration payable	\$110,984
<i>Change in fair value of debentures conversion options</i>	\$175,008
Gain on bargain purchase	\$ -
Impairment of goodwill	\$26,609,797
Impairment of intangible assets	\$14,842,393
Loss on investment in associate company	\$51,314
Impairment on investment in associate company	\$13,582
Loss on legal settlement	\$1,632,000
Adjusted EBITDA²	(\$24,617,713)

(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.

The Company's significant year-over-year drop in revenue might seem concerning at first glance, but several factors unrelated to actual demand for Tenet's product offerings contributed to the decline in revenue. The removal of the Company's CEO and several key executives early in the second quarter of 2023, and the ensuing battle for control of the Company, played the biggest role in that regard and set the Company's business plan back several months. Tenet is also a development stage company whose revenue model and clientele were still being defined in China in 2023, while the Company's data and AI-driven product offerings, which Tenet expects will ultimately come to define its revenue model, were only in early development stages by the end of 2023. Finally, Tenet used the fourth quarter of 2023 to reassess its operations in China and took steps to accelerate the transition of its Chinese operations to a predominantly data-driven, recurring revenue business model, which further limited the revenue the Company generated during the fourth quarter.

Q4 2023 Operating Highlights

From an operational standpoint, the Company's Cubeler® Business Hub continued to grow during the fourth quarter of 2023 both in terms small and medium-sized business memberships and in terms of strategic partnerships. Of particular significance was the Company's partnership with the Canadian Chamber of Commerce's SME Institute and the arrival of the Business Hub's first international lending partner, eCapital, which can lend and extend credit to clients in Canada, the U.S. and the U.K. The platform also reached a significant milestone in Canada during the quarter by eclipsing the \$1,000,000 mark in terms of loans facilitated. But perhaps the most important operational event that took place in all of 2023 was the launch of the Company's Tenoris3 data science subsidiary's website, which provided a preview of Tenet's data and AI-driven product offerings and how the Company expects to be generating most of its revenue in the future.

Tenet's Chinese operations continued to prepare for the transition from a predominantly transaction-fee-based revenue model to a predominantly subscription-fee-based revenue model predicated on data, AI, and analytics. The Company demonstrated the breadth of its industrial servicing versatility as supply-chain related revenue accounted for less than 75% of total revenue, which is increasingly positioning Tenet to be able to provide a picture of economic activity in China on not just industries related to the supply-chain.

Operational Outlook for 2024

The launch of the Company's data driven ie-Pulse and Equity Insider product offerings will be the Company's focal point for 2024. Tenet's ie-Pulse offering will initially target capital market professionals taking part in the USD\$ 120.4 trillion* global equities market by catering to their needs for data and analytical tools, something the world's leading stock exchanges have been capitalizing on in recent years through a series of high-profile acquisitions. Equity Insider on the other hand, will aim to leverage proprietary data from the Cubeler® Business Hub to provide AI-sourced trading opportunities to the millions** of investors around the world who manage their own investment portfolios. Both ie-Pulse and Equity Insider are expected to be offered under monthly subscription plan models.

** According to 2021 data published by the Securities Industry and Financial Markets Association (SIFMA).*

*** According to data published by Statista, there were over 115,000,000 self-directed in 2021 in North America alone.*

Tenet's plans for 2024 also call for the expansion of the Business Hub to the U.S. and the establishment of a Tenet3 data science subsidiary in China.

Full details of the Company's 2023 financial results and outlook for 2024 can be found in the Audited Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) for the years ended December 31, 2023 and 2022, which are available under the Company's profile at www.sedarplus.ca.

2023 Results Q&A and 2024 Outlook

Tenet CEO Johnson Joseph will answer questions from shareholders related to the Company's 2023 results in a Q&A interview and will also share his perspective on the Company's business plan for 2024 and beyond. 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 May 1, 2024 to investors@tenetfintech.com or cathy@chfir.com. The interview will be posted on the Company's website by 5:00pm EDT on May 3, 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/>.

For more information, please contact:

Tenet Fintech Group Inc.

Mayco Quiroz, Chief Operating Officer
514-340-7775 ext.: 510
investors@tenetfintech.com

CHF Capital Markets

Cathy Hume, CEO
416-868-1079 ext.: 251
cathy@chfir.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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